TRITAX BIG BOX

Quality Resilience Performance

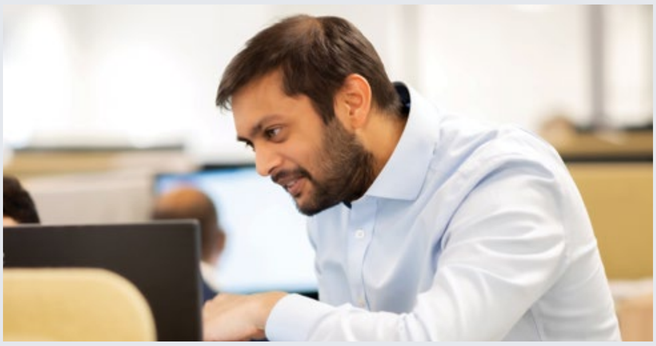
Annual Report 2022

Specialists in UK logistics real estate

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

Our purpose

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



Our Manager

The Company's Manager, Tritax Management LLP, specialises in investing in mission-critical supply chain real assets, aligned with the structural trends shaping the future economy, including digitisation, automation, urbanisation and green energy. 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 the Company, including specialist on-the-ground asset and property managers.

Delivering against our strategy

Our business model

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

Source high-quality investments

Invest and divest to create value

Develop on a risk-controlled basis

Proactively and responsibly manage assets

▶ Read more about our business model on pages 20 and 21

Our strategy

Our strategy aligns the Group to key market drivers, while ensuring it meets its wider responsibilities and carefully manages risk.

The strategy has three interlinked components that aim to deliver sustainable income and capital growth, resulting in attractive performance through the economic cycle that underpins a reliable and progressive dividend:

High-quality assets attracting world-leading companies

Direct and active management

Insight-driven development and innovation

▶ Read more about our strategy on pages 26 and 27

The value we create

By successfully implementing our strategy, we create value for all our stakeholders.

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

Society
Job creation, tax revenues, local and green infrastructure, community support, enabling online shopping

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

Shareholders
Long-term income and capital growth

Lenders
Interest payments backed by secure cash flows

▶ Read more about our stakeholders on pages 22 to 24

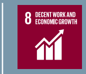
Our ESG strategy

Our ESG strategy aligns with the following four UN Sustainable Development Goals:

Sustainable Buildings

Climate and Carbon

Nature and Wellbeing



Social Value

▶ We have set objectives and initial targets for 2023 against each of these goals. See page 38

Strong operational performance

Increasing contracted rent and expected reduction in costs underpinning future earnings growth

- £28.4 million growth (+14.5%) in annual contracted rent to £224.0 million from development lettings and active management underpinning future earnings growth when compared to current passing rent of £205.1 million.

Occupational market remains at near record levels

- 38 million sq ft of UK lettings in 2022 (2021: 42 million sq ft) to a diverse range of occupiers, the third highest year on record and 33% above the 10-year average.
- UK supply constrained with ready to occupy vacant space remaining low at just 2.0% (Q4 2021: 1.6%)[6].
- Transaction market slowed in H2 2022; full year investment volumes totalling £6.7 billion (2021: £11.2 billion).
- Prime market yield for high-quality rack-rented logistics real estate investment with c.15-year unexpired lease and open market rent reviews was 5.0%[6] as at 31 December 2022 (Q4 2021: 3.5%).

Record development lettings secure £23.3 million of contracted annual rent

- £23.3 million of contracted annual rent secured from record 3.1 million sq ft of development lettings in line with 6–8% yield on cost guidance.
- 2.9 million sq ft of development starts in 2022, of which 2.4 million sq ft (82%) has been let to a range of high-quality customers.

Adding value through active management, customer engagement and ESG performance

- £5.1 million added to contracted annual rent from rent reviews and a lease renewal.
- Record like-for-like ERV growth of 9.2% over the year, with a 19.1% portfolio rental reversion at 31 December 2022.
- Continued emphasis on enhancing ESG performance, demonstrated by inclusion in Sustainalytics' 2023 Top-Rated ESG Companies List increase in MSCI rating from BBB to AA and launch of new 2023 targets.

High-quality portfolio supports resilient and growing income

- 100% of rent collected in relation to FY 2022 (2021: 100%).
- Long-term and full repairing and insuring (triple net) leases to a diverse range of large and resilient customers with 12.6 years weighted average unexpired lease term ("WAULT") as at 31 December 2022 (2021: 13.0 years).

Change in portfolio valuation and EPRA NTA from market repricing of logistics assets

- Total portfolio value of £5.06 billion as at 31 December 2022 (31 December 2021: £5.48 billion), equating to an equivalent yield of 5.3% (31 December 2021: 4.1%).

Maintaining a strong balance sheet

- 31.2% loan to value at 31 December 2022, within medium-term guidance range of 30–35% and maintaining substantial covenant headroom. Including the assets exchanged for disposal subsequent to the period end, the pro-forma FY 2022 LTV reduces to 29.0%.

Financial highlights

Adjusted earnings per share[2]

7.79p -5.3%

(2021: 8.23p)

Dividend per share

7.00p +4.5%

(2021: 6.70p)

Contracted annual rent roll

£224.0m +14.5%

(2021: £195.6m)

Adjusted earnings (excl. additional development management income)[3]

7.51p +1.8%

(2021: 7.38p)

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

93% +2.0pts

(2021: 91%)

Operating profit[1]

£183.1m +2.9%

(2021: £178.0m)

Total Accounting Return

-15.9% -46.4pts

(2021: 30.5%)

EPRA Net Tangible Assets per share

180.37p -19.0%

(2021: 222.60p)

IFRS earnings per share

-32.08p -157.9%

(2021: 55.39p)

Portfolio value[4]

£5.06bn -7.7%

(2021: £5.48bn)

IFRS net asset value per share

179.25p -17.9%

(2021: 218.26p)

Loan to value ("LTV")

31.2% +7.7pts

(2021: 23.5%)

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. Adjusted EPS becomes 7.51 pence when excluding development management income above this anticipated run rate ("additional" development management income). £9.3 million of development management income is included in the 7.79 pence Adjusted earnings per share in 2022 (2021: £19.0 million included in 8.23 pence Adjusted earnings per share). Also see note 1 to EPRA and Other Key Performance Indicators.
4. The portfolio value includes the Group's investment assets and development assets, land options held at cost, the Group's share of joint venture assets and other property assets.
5. Excludes development assets, land and land options.
6. Source: CBRE.

Well positioned for the future

"We made excellent operational progress this year, successfully deploying capital into higher yielding development opportunities and delivering record levels of new lettings, validating both our strategy and our decision to accelerate development activity in 2022."

Aubrey Adams
Chairman

Strong operational performance and record development activity

Operationally and strategically, 2022 was an excellent year for the Company. Through our development programme, we let a record 3.1 million sq ft of space and secured £23.3 million of additional rental income, which will increasingly flow through into earnings during the course of 2023, and we will see the full benefit in 2024. We also continued to enhance our income and protect value through the active management of our high-quality portfolio. During 2022, the occupational market remained strong, with high occupier demand, very low availability and as a consequence rising rents across the UK. This is underpinned by the long-term structural tailwinds of e-commerce growth, supply chain optimisation and sustainability.

Macroeconomic factors impacting property valuations

The second half of the year saw investment market conditions deteriorate due to macroeconomic and geopolitical issues. A significant adjustment in underlying interest rates, in an attempt to curb high levels of inflation in the UK economy, caused a sharp increase in overall cost of capital and subsequently drove property yields higher. The relatively low volumes of investment transactions that completed in the latter part of the year were likely to have been priced around the time of the UK's "mini Budget" in September and October, when uncertainty was at its height. The valuers have been quick to reflect this in year-end valuations, which has led to a decline in our portfolio valuation and net asset value. We expect higher quality assets, of the type we own, to stabilise quicker and be more resilient in the face of a potentially weaker UK economy. Although we see the potential for some further but limited outward yield movements in the first half of the year, since the year end we have seen encouraging signs of the investment market stabilising and we believe there remains significant capital waiting to be deployed into the logistics sector, given its favourable long-term fundamentals.

A high-quality and resilient platform

In more uncertain times, we benefit from having built a business focused on quality. Our investment portfolio is differentiated by its high-quality and modern logistics real estate assets with strong ESG credentials, let on long leases to a resilient and diverse customer base that includes many of the world's leading companies. The investment portfolio comprises more than 90% of our portfolio value and provides a strong foundation to our income generation and a resilient platform from which to pursue growth opportunities through active management and our development land portfolio.

Complementing our investment portfolio is our development land portfolio. We have structured our development activities to enhance returns while minimising risk and maintaining flexibility using options over land. The land options include a defined discount to prevailing land values at the time of drawdown and they give us greater discretion and flexibility around capital deployment. The scale of our combined investment portfolio and development platform gives us in-depth insight into the market which enables us to effectively adjust our development activity to match market conditions. This puts us in a strong position to maximise returns while minimising development risk. Through development, we can create an attractive pipeline of high-quality new buildings, which meet the highest ESG requirements, in a range of sizes, from small and last mile buildings through to the largest distribution centres, with a variety of lease structures all at an attractive yield on cost. The development pipeline, with its potential range of locations and building sizes, helps us better meet a broader range of requirements from customers and maintain the modernity of assets within our investment portfolio and can enhance the average unexpired lease term.

We actively manage our investment portfolio by working to enhance the value of assets we own. We dispose of those assets which no longer meet our return expectations and selectively acquired assets in the market where we see strong potential. Proceeds from investment disposals will also be used to fund our developments. Given the volatility in the investment market during 2022, we decided to reduce our acquisition activity. However, as markets normalise, we expect to see opportunities to make investment acquisitions that enhance portfolio returns, with a focus on assets with open market leases in a range of building sizes.

Continuing to improve our ESG performance

In addition to the clear imperative around environmental issues, we believe there is a strong alignment between value, financial performance and ESG. In simple terms, looking ahead we think buildings with superior ESG credentials attract more demand from customers and in turn will be more marketable and command higher rents. It is pleasing to see our work being recognised, with improving ESG scores, including being named in Sustainalytics' 2023 Top-Rated ESG Companies List, improving our MSCI rating to AA (an upgrade from BBB), and improving our GRESB score to 83/100 (an improvement from our score of 81/100 in 2021). We still have much to do, and a key priority has been establishing a clear baseline from which to launch our new 2023 ESG targets. While these encompass the full range of factors we are considering, most notable within these targets is an enhanced commitment to achieve net zero carbon across all aspects of our business by 2040, rather than our previously stated 2050 target. You can read more about our new targets, and our approach to ESG in more detail on pages 32 to 38.

Strong balance sheet and significant liquidity

With an LTV at the year end of 31.2%, within our guidance range of 30–35%, and benefiting from a low cost of debt with fixed or capped interest rates across the vast majority of our debt facilities, we have maintained our balance sheet strength despite the downward adjustment in our portfolio value during the second half of 2022. We had available liquidity in excess of £500 million at the year end, with no loan maturities until the end of 2024. We agreed increases to our revolving credit facilities of £200 million in the year, demonstrating support from our lenders. Our balance sheet strength both increases our resilience to further changes in asset valuations and provides us with the ability to continue to efficiently fund our strategy.

Financial performance and dividend

Our underlying financial performance was good and in line with our expectations. Adjusted earnings increased by 8.3% when excluding additional DMA income, although as a consequence of higher average shares in issue we saw a more modest increase in Adjusted EPS[1] of 1.8%. The contribution made by our development activity secured a 14.5% increase in contracted annual rent during 2022. With the majority of these development assets still under construction, and therefore not yet contributing to gross rental income, this provides us with confidence in our ability to grow earnings during 2023, with the full benefit expected in 2024. The decline in the fair value of the portfolio, principally driven by outward yield movements due to macro economic factors, resulted in EPRA Net Tangible Assets of 180.37 pence per share (31 December 2021: 222.60 pence).

The reduction in EPRA NTA will be a contributing factor to an expected reduction in the investment management fee in FY 2023 which, combined with the increasing income contribution from development completions, we believe will result in a lower EPRA Cost Ratio for 2023.

Having paid three interim dividends of 1.675 pence each, we have declared a fourth interim dividend of 1.975 pence per share, to give a total for the year of 7.0 pence, an increase of 4.5% (2021: 6.70 pence).

Karen Whitworth appointed as Senior Independent Director

In November 2022, we announced changes to some Board and Committee responsibilities. The principal change was Karen Whitworth's appointment as Senior Independent Director ("SID"), in addition to being the Board's champion for ESG matters, and taking over from Alastair Hughes, who had been in the role since May 2021. Alastair made an invaluable contribution as SID and he will continue to play an important part as a Non-Executive Director to the Group.

Adjusted earnings per share[1]	Dividend per share
7.51p +1.8%	**7.00p** +4.5%
(2021: 7.38p)	(2021: 6.70p)

1. Excluding additional development management income.

Enhancements to the Investment Management Agreement

As previously reported, during the year Shareholders approved a new Investment Management Agreement, the contract that defines the relationship between the Company and the Manager, with an extended term, expanded key person principles and a lower NTA derived fee scale from 1 July 2022. This reduces costs and gives us additional security in respect of our main service provider. On behalf of the Board, I would like to thank the Manager for their performance during the year, particularly in navigating the changing investment landscape and delivering the strong operational performance we report today. See the Manager's Report for further details.

Outlook supported by long-term structural drivers, strategic positioning and portfolio quality

The strong operational performance we have delivered in 2022 through our extensive development letting activity will begin to make an increasing contribution to FY 2023 earnings and a full contribution in FY 2024. Development led leasing will be complemented with ongoing rental growth from our investment portfolio through a blend of inflation linked and open market rent reviews plus the potential for lease renewals.

We have seen exceptionally high occupational demand for new logistics space in recent times although it is likely that a more challenging economic backdrop may moderate occupational demand to levels which historically would have still been considered strong. The structural demand drivers, combined with very low levels of new logistics buildings supply, are expected to continue to support attractive rental growth in the future.

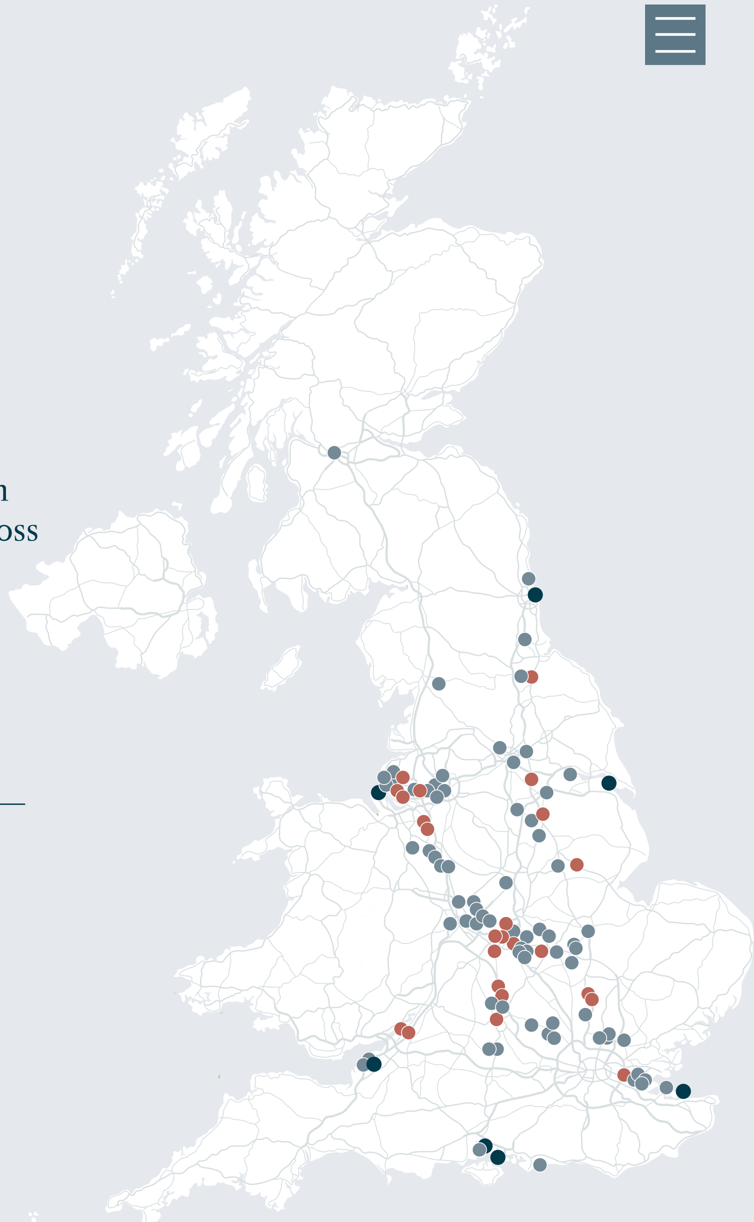
While we continue to see high levels of interest from occupiers with incremental space requirements, with greater economic uncertainty, and due to the volatility in the investment market, we expect to revert to our long-term guidance for new construction starts in 2023 of 2–3 million sq ft, targeting capital expenditure into development of £200–250 million. We see the potential for some further, albeit more limited, yield expansion in the first half of the year, but we are witnessing encouraging early signs of stabilisation in the investment market which could manifest more clearly in the second half. A moderated pace of development, combined with our ability to rotate capital from standing investments, allows us to maintain a strong balance sheet, with LTV within a 30–35% range, while continuing to capture attractive investment and development opportunities.

Looking further ahead, the outlook for the sector remains positive. The structural tailwinds in the occupational market continue as occupiers seek to reduce their own cost pressures by generating greater internal operating efficiencies, led by optimisation of supply chains. As the current spike in inflation recedes, we see good prospects for rental growth to exceed inflation over the medium term which will help us to deliver attractive returns to our Shareholders.

Aubrey Adams
Chairman
1 March 2023

Our portfolio

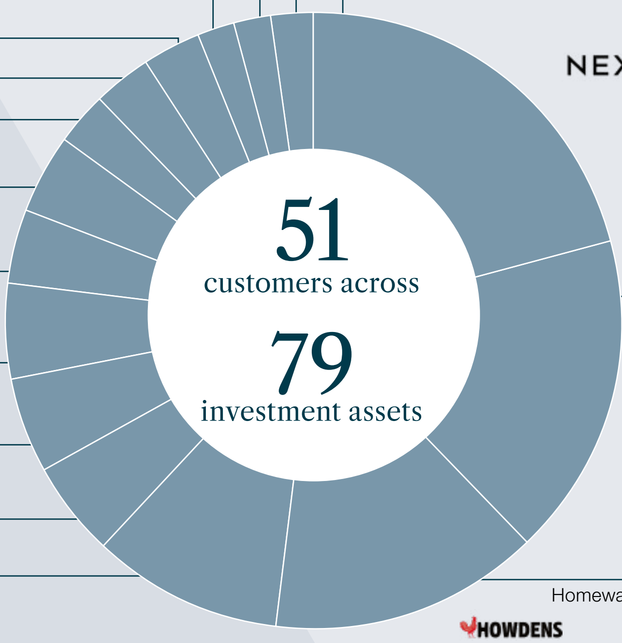
Our investments and development sites are in strategically important logistics locations across the UK that provide easy access to transport infrastructure, skilled workforce and power.



Investment portfolio
Strategic land and development portfolio
Ports

Diversified by customer and sector

Our portfolio is let to 51 customers across 79 assets, providing a high degree of diversification by customer and by sector. These customers include some of the world's largest companies and are weighted towards defensive, non-cyclical or high-growth sectors, helping to reduce our risk.



2% Other manufacturing

2% Clothing retail

3% Information and communication

3% Computer and electronics retail

3% Food production and service

3% Automotive manufacturing

4% Wholesale and retail trade

4% Post and parcels

5% Data and information services

5% Product manufacturing

5% 3PL distribution

10% Other retail

Online retail **21%**

Food retail **17%**

Homewares and DIY **14%**

£5.06bn
portfolio value

51
customers

79
investment assets

Investment portfolio

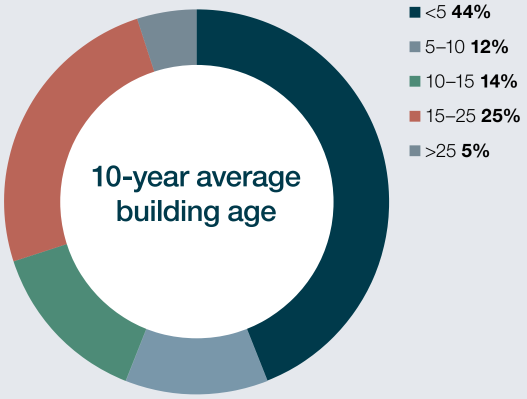
We own the UK's largest portfolio of logistics investment assets and the largest logistics-focused development land platform, offering the potential to deliver attractive, sustainable income and capital growth to Shareholders over the long term. These assets are typically mission critical to our customers' businesses and support our ESG goals, as set out on page 38.

A portfolio that reflects our strategy

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

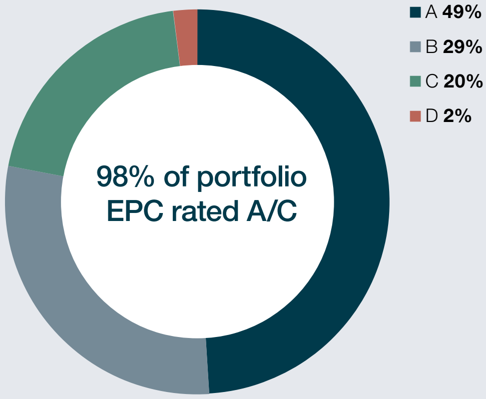
The majority of these are Foundation assets, which provide long-term and secure income from high-quality occupiers, combined with a smaller proportion of Value Add assets which offer additional upside potential through our active approach to management, such as renewing leases, adding extensions and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

Modern buildings...

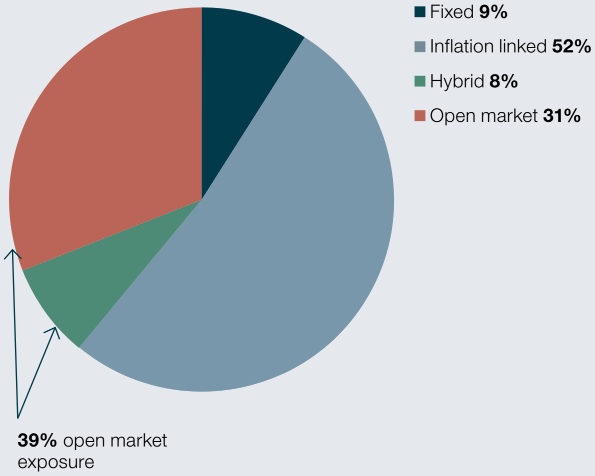


Note: Based on square footage.

...with high EPC ratings...

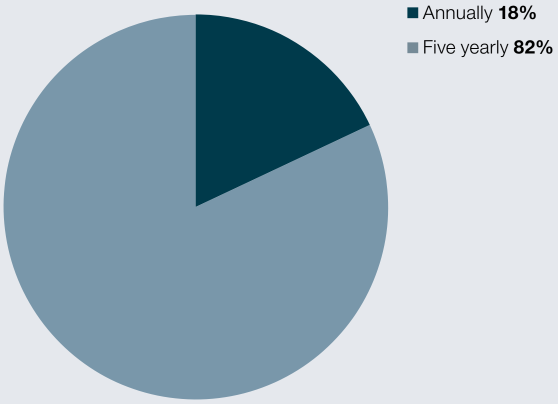


...attractive blend of review types...



Note: Based on contracted rent.

...and frequency



Strong foundations for growth

Development portfolio

The development portfolio comprises 25 sites, which between them have the potential over the long term to deliver c.40 million sq ft of new logistics space, more than double our existing investment portfolio.

c.40m sq ft
potential developable space

25
sites across the UK

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	28.4m sq ft	8.5m sq ft	2.3m sq ft	3.0m sq ft
Rent potential	£234m	£70m	£18m	c.£23.6m

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

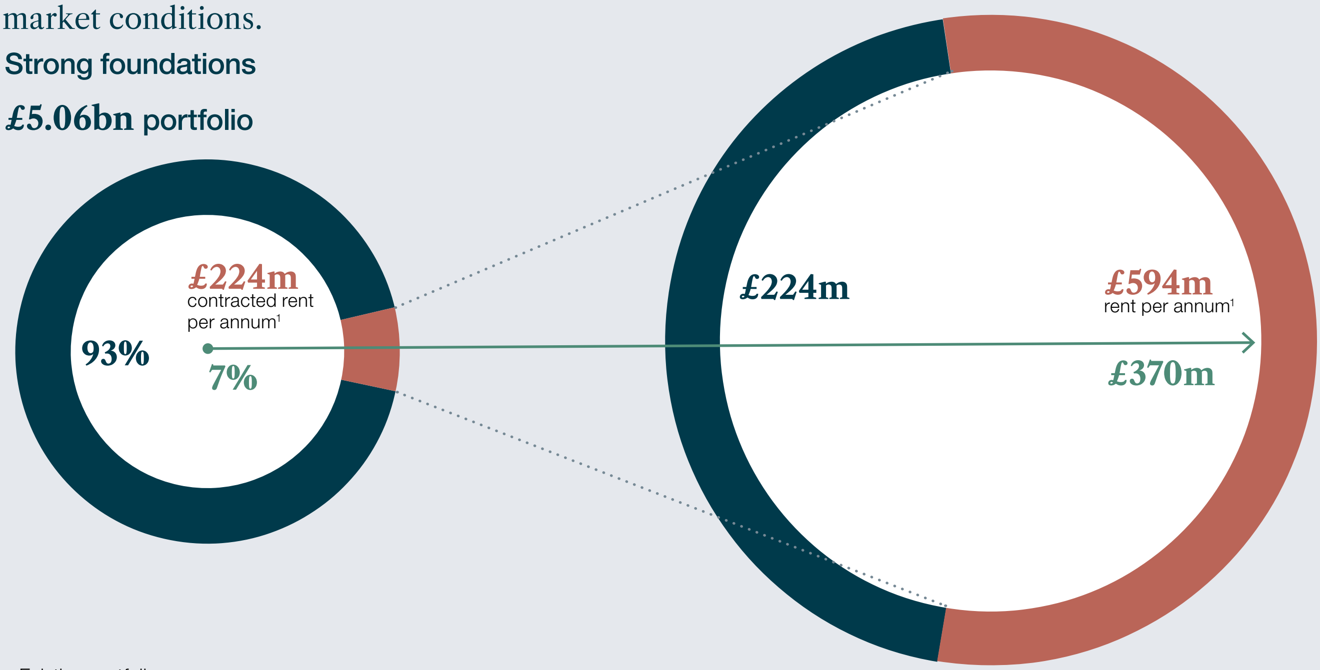
Capable of more than doubling our rent roll

By holding capital efficiently under long-term options, we can reduce risk and increase flexibility to align our development activity with prevailing market conditions.

Strong foundations

£5.06bn portfolio

Significant development potential from land portfolio



■ Existing portfolio
■ Land portfolio potential

1. For illustrative purposes only, assumes no future rental growth and includes portfolio reversion.

Providing 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 12 to 13**

We are customer focused

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

Being close to our customers gives us a competitive edge, by providing insight into future demand and occupier requirements. We supplement this information with specialist supply chain advice, so we better understand their logistics operations and property network. This insight informs our development and asset management activities, to reduce risk and enhance returns for Shareholders.

The right size

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

Sustainable

Our customers are increasingly looking to occupy sustainable assets. 98% 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.

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.

Well located

Our investment and land assets are in strategically important logistics locations, which 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.

A compelling investment case

Tritax Big Box is dedicated to investing in and developing high-quality logistics assets in the UK. We offer investors a sustainable blend of long-term growing income and capital growth.

A clear and compelling strategy

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

▶ **Read more about our strategy on pages 26 and 27**

A resilient portfolio

We have constructed a portfolio of high-quality assets, in key locations, let to customers operating in strong business segments. The portfolio has 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 6 and 7**

Attractive development opportunities

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

▶ **Read more about development opportunities on pages 8 and 9**

Financial discipline

With a loan-to-value ratio of 31.2%, the Group is well financed, 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 48 to 52**

Long-term structural drivers

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

▶ **Read more about our structural drivers on page 5**

A sustainable approach

ESG considerations are central to all our investment decisions. 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 long-term risks and opportunities are addressed.

▶ **Read more about our ESG strategy on page 32 to 38**

Extensive expertise

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

▶ **Read more about our expertise on pages 39 to 47 and page 74**

High-quality buildings

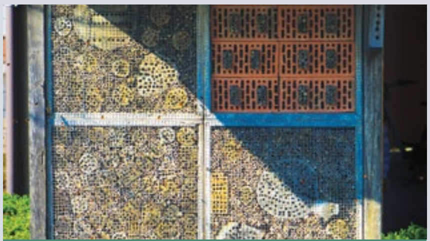
Modern and prime logistics buildings occupy an increasingly critical position within our customers' supply chain and must meet a broader range of requirements.

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.

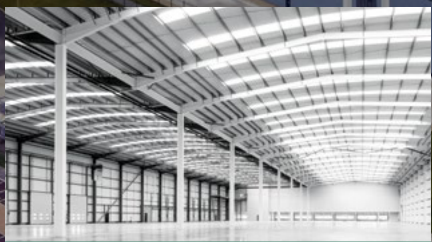
Technology and maintenance

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.



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.

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 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.

Social impact and partnerships

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

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

Frankie Whitehead
Chief Financial Officer for Tritax Big Box REIT plc

Q: With high levels of rental growth and increases in business rates, is affordability becoming an issue for your customers?

Rental growth and business rates will have some impact on our customers. However, we believe that these elements remain a relatively small component of the overall cost of their supply chains and we aren't seeing affordability being an issue. The pandemic accelerated e-commerce sales and exposed vulnerabilities in supply chains, causing companies to recognise the importance of warehouses in increasing resilience and this has produced strong occupational demand. Supply of new buildings is constrained by the planning system and is not meeting demand with the result that we are experiencing healthy levels of rental growth. A weaker economic backdrop may mean we experience rental growth at a lower rate than some of the exceptional levels reported in 2021 and 2022; however, we expect to continue to capture attractive levels of rental growth via indexation and open market lease events.

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

Q: What impact has higher interest rates had on your balance sheet and cost of debt?

We entered this period of heightened volatility in the debt capital markets in a very strong position because we have maintained a conservative approach to borrowings. Our debt is either fixed cost, or hedged with interest rate caps, and we have no near-term debt maturities. This strong balance sheet position has insulated us from the immediate effects of the increasing rate environment. When considering future funding we will consider the impact on our LTV guidance, which remains a 30–35% range. As a result, it is likely that the quantum of our capex/investment into development will be broadly similar to the levels of disposals we achieve as we efficiently recycle capital into higher returning opportunities. Given the overall change in the cost of debt in the market, our marginal cost of debt will increase but the effects will be limited and phased over time.

Colin Godfrey
Chief Executive Officer for Tritax Big Box REIT plc

Bjorn Hobart
Investment Director

Q: How has cost inflation impacted on your development activities?

We have structured our development activity to be low-risk and highly flexible. We control most of our land through options, which have a pre-agreed embedded discount, and we control when we trigger the options and buy in the land. This allows us discretion to either scale up or down our development activities given market conditions. Through a combination of fixed-cost build contracts, the attractive nature of the land options and strong rental growth we have been able to manage and minimise the impact of cost inflation, allowing us to maintain our 6–8% yield on cost target, although when inflation was at its peak some of our projects were at the lower end of this range. In more recent months, we have begun to see a stabilisation in building costs, and in some instances a reduction, resulting in the yield on cost for an increasing proportion of projects improving towards the midpoint of our guidance range.

Q: How has Tritax Big Box REIT performed in terms of ESG over the last financial year?

We have continued to perform strongly from an ESG perspective in FY 2022, as seen by our improving GRESB ratings (83/100 for standing investments and 99/100 for developments) and our Sustainalytics score (negligible risk, 8.3) for which we were recognised in Sustainalytics' 2023 Top-Rated ESG Companies List by region and sector. We also improved our MSCI rating from BBB to AA.

This performance continues to be underpinned by our strong relationships with our customers, with whom we regularly engage to better understand their needs. This has resulted in improving our data coverage for our assets, and we are continuing to roll out the installation of on-site solar photovoltaic projects, with the total solar photovoltaic capacity installed across our portfolio now standing at 14.6 MW.

We continue to make progress on the delivery of our net zero carbon strategy and we have updated the net zero carbon pathway for the portfolio. Our updated ESG targets are disclosed in the ESG section.

Q: What impact have declining asset values had on the business?

The primary impact of declining asset values is an increase in our LTV from 23.5% to 31.2% due to a 15.2% decrease in the like-for-like value of our investment assets.

We took steps to preserve our balance sheet strength, such as reducing the level of speculative development, and we are also evaluating disposals of assets where we've maximised returns and it is attractive for us to recycle capital into higher returning opportunities. We recently exchanged on the sale of £150 million of assets at a price in line with our 31 December 2022 valuation, and we continue to progress other opportunities. Including the assets exchanged for disposal subsequent to the period end, the pro-forma FY 2022 LTV reduces to 29.0%.

Although we see the potential for some further but limited outward yield shift in the first half of the year, since the year end we are seeing encouraging early signs of stabilisation in the investment market and we believe there remains significant capital waiting to be deployed into the logistics sector given its attractive fundamentals.

We also believe that the repricing of assets and volatility within the investment market create opportunities for us, particularly through potential investment acquisition activities.

Long-term structural drivers enhance the attractions of the sector

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

1.

The growth of e-commerce

Consumers want faster, more flexible and more convenient ways to make purchases, which has driven strong growth in e-commerce over the last decade and beyond. Physical restrictions during Covid-19 accelerated the trend and online sales remain well above pre-pandemic levels, accounting for 26.5% of total UK retail sales in 2022, up from 19.2% in 2019[1]. Demographic and technology trends remain supportive and are expected to drive further growth over the medium term.

Logistics real estate plays a fundamental role in delivering online orders to consumers and managing returns rapidly and efficiently. Price transparency contributes to business models being orientated around throughput where delivery, speed and convenience are critical. This drives up distribution costs and our research shows that for e-commerce companies, rents are typically a relatively small proportion of total supply chain cost. Proximity to final delivery point is therefore essential and, as a result, leading e-commerce, omni-channel and parcel companies require large, flexible, well-located properties. This is contributing to demand for new and larger buildings which have the technical and ESG attributes required to support operations that are often highly automated and which can act as a hub for distribution to end consumers or urban/last mile facilities. Typically, we see these attributes manifest in areas such as floor quality and loading capacity, building height and flexibility, power availability, workplace safety, and the digital infrastructure required to connect to central logistics management systems.

2.

The need to optimise supply chains

Global supply chains continue to face intense pressure even as Covid-19 related challenges subside. The high-inflation environment that has prevailed through 2022 has resulted in significant increases in costs which have exacerbated the challenges already evident from Brexit. 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 older disparate units into larger, often purpose-built distribution centres, which offer economies of scale and the ability to optimise staffing and distribution costs as well as stock levels;
- deploying automation and technology to stock, retrieve and process products in volume and at speed. These systems are most suited to large, modern logistics buildings;
- bringing more inventory onshore and reviewing every aspect of their supply chains, from manufacturing and transportation to storage. This "deglobalisation" effect is further increasing demand for high-quality logistics space closer to the end consumer. It also has the benefit of reducing the environmental impact of supply chains, by cutting the distances goods must travel; and
- outsourcing supply chain functions to specialists or leveraging third-party logistics providers' ("3PLs") networks to provide overflow space for stock. 3PLs were particularly active in the market in 2022 accounting for 33% of leasing activity[2].

3.

The drive for ESG performance

Most organisations are now striving to be more sustainable. This offers numerous benefits, including:

- reducing their environmental impact and improving the resilience of their operations and assets;
- cutting energy use, helping to protect them from high and volatile energy prices, and increasing demand for renewable energy sources;
- increasing employee and local community engagement through enhanced comfort and wellbeing facilities, which is important in a highly competitive labour market; and
- helping them to meet the ESG demands of their own investors and other stakeholders.

Modern logistics assets have important sustainability features, such as enhanced insulation, LED lighting and large roof spaces capable of accommodating solar PV. These buildings are also more likely to meet future regulations, such as minimum energy performance standards. In addition, larger modern buildings lend themselves to better staff facilities, such as gyms, canteens and offices, and have more scope for green space, which can support biodiversity and outdoor amenities. Logistics assets can make a positive contribution to local communities by offering employment opportunities, green infrastructure for community use and support for local good causes.

1. ONS.
2. CBRE.

Near record demand and low availability are continuing to drive rental growth

Occupational demand remains at elevated levels

The trends discussed on the previous page continue to drive high occupier demand. Following two years of very strong annual take-up in excess of 42 million sq ft, leasing activity in 2022 was 38 million sq ft, remaining well ahead of the 10-year average annual take-up of 29 million sq ft. Demand was strong for all size bands with 139 deals completed in 2022 and 18 of those being for buildings over 500k sq ft (2021: 18). Businesses continue to invest in their supply chain and a further 11.9 million sq ft of space was under offer at the year end (2021: 9.1 million sq ft)[3].

Demand for space remains very diverse. Supply chain issues impact all companies and with the UK economy reopening and rebalancing through 2022, more companies have begun to adjust their networks accordingly. 3PLs were particularly active in 2022, accounting for 33% of take-up, while manufacturing (12%), omni-channel retailers (16%) and the food sector (11%, including food service and supermarkets) have also been prominent. Online retail accounted for 11% of take-up, down from 40% in 2021 with some market leaders having already made significant investments in their warehouse networks over the last few years. New entrants and companies from outside the traditional logistics sectors also continue to take space in the UK market. Other occupiers, which includes our 1 million sq ft letting to Iron Mountain Inc. at Rugby, accounted for 9% of take-up during the year[3].

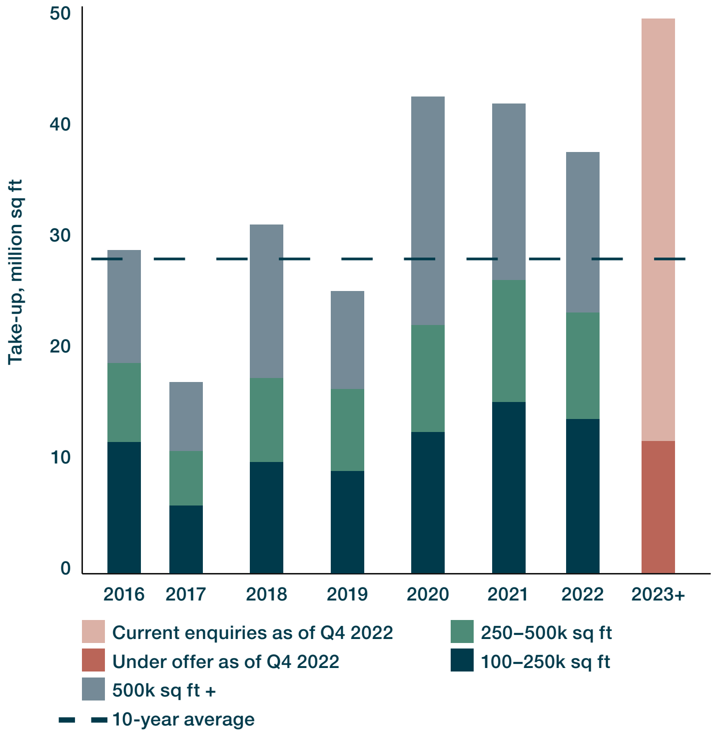
Availability remains very low

Strong demand, low vacancy and rising rents (see below) have encouraged speculative development but much of this space has been rapidly taken up. UK completions totalled 33 million sq ft in 2022 but vacancy (buildings that are physically built, standing and capable of being utilised by an occupier immediately) stands at just 2.0% (2021: 1.6%). At the year end, speculatively developed space either completed and unlet or for delivery in the next 12 months totals 22 million sq ft. 70% of these buildings (by number) are in the 100k–250k sq ft size range with three larger than 500k sq ft[3].

Going into 2023, we expect occupiers to continue to sign new leases on modern buildings that meet technical requirements, can accommodate automation, meet stringent ESG standards, provide an attractive work environment and are mission critical to their businesses. Larger logistics buildings fulfil a strategic role – occupiers will often sign a long lease and invest significantly in operational fit-out; as such these are long-term commitments which tend to look beyond the prospect of a near-term recession. Economic conditions may, however, make some occupiers more cautious about taking space in the short term and we expect demand in 2023 to moderate across all size bands towards levels that would historically have still been considered strong.

3. All data from CBRE.

Another very strong year of leasing activity…



Source: CBRE.

Near record demand and low availability are continuing to drive rental growth continued

Availability remains very low continued

We also expect levels of speculative development in the market to decline as a consequence of the current and expected near-term UK economic challenges. Savills, for example, suggests there is 3.6 million sq ft of space that has yet to sign a build contract and could therefore be delayed[4]. In addition to this potential slow down, substantial barriers to new supply remain in place. These include the:

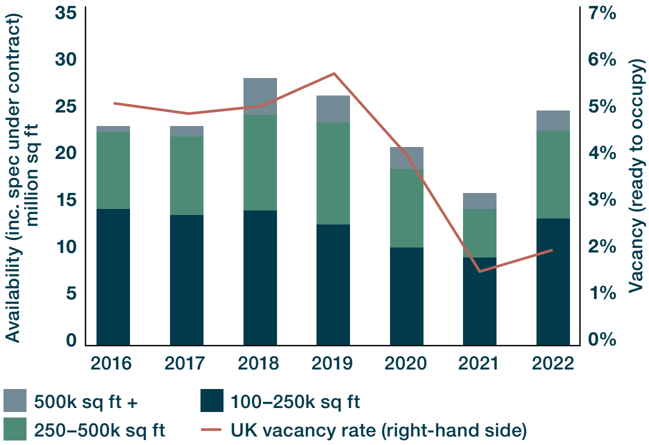
- low availability and cost of suitable land, in the right locations and with sufficient power and labour supplies;
- slow planning system and extensive infrastructure requirements before a building is constructed;
- reduced availability and substantially increased cost of debt financing;
- higher build costs, although we may see some reductions in 2023; and
- buyer and seller pricing aspirations for land out of equilibrium (sellers not yet having adjusted to market correction).

Control of a significant land portfolio, largely through capital efficient option agreements, some with existing planning consents and which is capable of near-term development is particularly attractive in the current market. The fact that we have agreements in place which link our land purchase price to open market value (less a prescribed discount) means that we benefit from the overall reduction in land values across our future development pipeline. This is assisting in maintaining our guided 6–8% yield on cost range from development.

The logistics development industry has also changed markedly since the global financial crisis, with a decline in the importance of trader-developers and the growth of well-capitalised investor-developers, who are incentivised to obtain the best possible terms for new leases, to protect the value of their existing investments. More recently, for those remaining trader-developers, a change in market dynamics and particularly the cost of finance and exit yield positioning means that, for some, the financial returns have become unviable and therefore this will naturally curtail supply over the short term. Today, the investor-developer community approaches development with a greater degree of sophistication than in the past, which therefore allows overall levels of supply to be moderated to match demand.

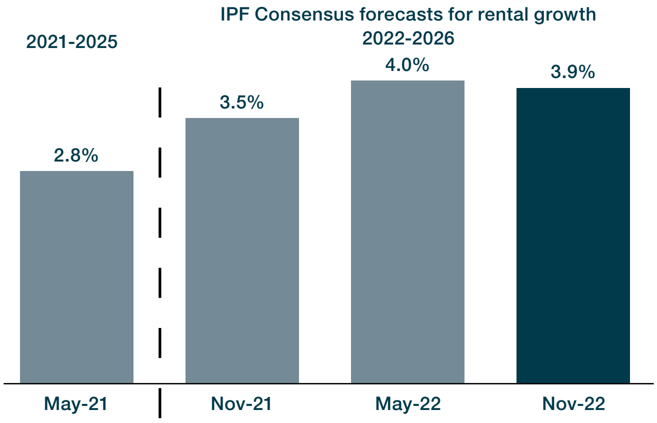
4. Savills, Big Shed Breakfast webinar, November 2022.

…availability remains at very low levels



Source: CBRE.

…expectations for rental growth remain very strong



Source: IPF Research (industrial consensus rental value growth forecasts).

Robust rental growth

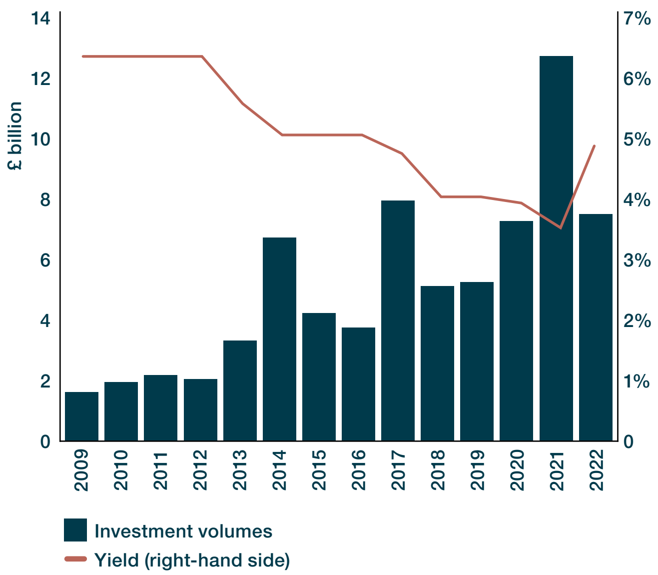
Strong demand and limited available space have pushed rents to new highs across all UK regions. Outside of the South East, headline prime rents are typically between £8 and £9 psf. Headline rents have increased by between 75 pence and £1.25 psf through 2022. In the South East headline rents are £10.75 (Q4 2021: £9.75) in prime big box logistics markets such as along the M1 corridor. Inner London urban rents are significantly higher at around £26.50 psf but units tend to be smaller, and often have shorter lease terms[3].

UK real estate leases often create a lag in capturing market rental growth across an investment portfolio due to the common nature of five-yearly rent reviews. Market rental growth is, however, reflected in the further increase in our portfolio rental reversion to 19.1% at 31 December 2022 (2021: 11%). Active asset management and development lettings provide a faster transmission and here we have been able to add £28.4 million of annual contracted rent in 2022, helped by achieving rents above appraised ERVs at developments such as Biggleswade and Aston Clinton.

Capital market backdrop slows investment activity

Capital market conditions adjusted rapidly through 2022 and investors reconsidered pricing in light of elevated inflation, a higher cost of capital and a weaker growth outlook. Debt markets repriced as costs increased and lenders lowered loan to value ratios for new loans to maintain adequate interest cover. Balance sheets and available liquidity are once again important metrics, and we continue to benefit from a low LTV of 31.2% and available liquidity in excess of £500 million.

...macroeconomic factors leading to rapid H2 adjustment in investment marketing pricing



Source: Property Data (investment volume data relates to distribution warehouse transactions greater than £5 million), CBRE.

Logistics transaction volumes have slowed since Q1 2022 with total investment volumes for the year of £6.7 billion (2021: £11.2 billion)[5]. Prime market yields softened rapidly through the second half of 2022 to 5.0% as at 31 December 2022 (2021: 3.5%)[2]. The speed at which pricing adjusted is unprecedented with the equivalent 150bps movement seen in the second half of 2022 taking more than 12 months to materialise in 2007. While investors have been understandably hesitant to transact in a volatile and rapidly adjusting market, it is notable that liquidity remains evident with several deals completing towards the end of the year and more transactions being progressed currently.

The health of the logistics occupier market and the scope for continued rental growth remains an attractive feature of our sub-sector. While the near-term outlook for capital values will continue to be impacted by the macro-drivers that currently dominate, in the medium term, we believe logistics real estate remains a compelling area for investment. The structural tailwinds supporting the occupier market remain in place, supply chain evolution is still in its early stages of development and investment capital remains committed to an asset class that is core to the global economy.

5. Property Data.

Building on our advantage

We own, 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 advantages

Focused approach

Our Manager is focused solely on the UK logistics market, giving it in-depth 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 huge opportunity available to us, as demand for quality logistics warehouses exceeds supply.

Combined investment and development platform

Combining our investment portfolio and our development platform within the same Group gives us significant advantages. For example, we can draw on customer insights from our asset management work to inform our development programme, while our development operation enables us to support new space requirements for existing customers.

How we create value

High-quality portfolio

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

Strong customer relationships

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

Active management

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

Attractive leases to market leaders

Our buildings are let on long, full repairing and insuring leases with upward-only rent reviews, to a well-diversified base of occupiers who are typically market leaders in their fields. At 31 December 2022, our weighted average unexpired lease term was 12.6 years and our top 10 customers accounted for 50% 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 buildings to customers.

> "We have a high-quality portfolio delivering resilient income that leaves us well positioned for the future and potentially more uncertain economic conditions."

The value we create

High-quality buildings for our customers

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

Long-term income and capital growth for our Shareholders

We generate attractive long-term income and capital growth for our Shareholders. In 2022, we paid dividends totalling 7.0 pence per share and added £28.4 million to our contracted rent roll through our developments and active management of our portfolio.

Economic and social value for society and communities

Our buildings benefit local communities and society more generally. They have strong ESG credentials, with 98% having an EPC rating of A–C and new assets being built to net zero carbon in construction, helping to minimise their environmental impact. They also support significant employment in their local areas both during construction and once in operation.

How we generate returns

We generate returns through the rent we receive from our tenants and from profits associated with our portfolio. We have a low and transparent cost base, with an EPRA Cost Ratio in 2022 of 15.7%, efficiently converting the rent we receive into income for Shareholders.

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

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 82 and 83.

Section 172 statement

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

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

The table on the right indicates where the relevant information is in this Annual Report that demonstrates how we act in accordance with the requirements of 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 23 and 24 and 76.

Our stakeholders

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

▶ Read more on pages 23 and 24 and 82 and 83

The Manager and its employees

What they care about

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

How we engage

- Quarterly reporting to the Board
- External Board evaluations
- Informal meetings
- Professional and executive development programmes
- Employee surveys, social events and ESG initiatives

Topics

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

Outcomes

- Updated software and systems for remote working
- Implementation of a Working from Home Policy of the Manager during and post Covid-19
- Employee social events

Further information

- Page 82 in Key Decisions of the Board 2022
- Pages 84 and 85 in Division of Responsibilities
- Management Engagement Committee Report on pages 98 to 100

Our Shareholders

What they care about

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

How we engage

- Regular market updates on strategy and performance
- Virtual meetings with the Board and the Manager to aid understanding and decision making
- Investor roadshows, site visits 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 and Manager

Topics

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

Outcomes

- Engagement with key representatives 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 20 and 21 in the Business Model
- Pages 79 to 81 in Board Leadership and Company Purpose

Our suppliers

What they care about

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

How we engage

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

Topics

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

Outcomes

- Continued good, and in some cases, exceptional, levels of service

Further information

- Pages 82 and 83 in Key Decisions of the Board 2022
- Management Engagement Committee Report pages 98 to 101

Our customers

What they care about

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

How we engage

- Regular face-to-face meetings both virtual and on-site, when able
- Charitable engagement which in turn helps bring environmental and social benefits to the communities we operate in
- Joining UK GBC and Better Building Partnership Working Groups promoting market leadership in zero carbon, engagement and biodiversity
- Demonstrating leadership by continuing the Sustainable Logistics Alliance with Prologis which published a new white paper on measuring social value in the logistics sector
- Review of published data, such as annual accounts, trading updates and analysts' reports to identify mutually beneficial opportunities
- Greater discussion over cash flow and rental collection in the current climate
- Stakeholder surveys
- Ensuring buildings comply with the necessary safety regulations and insurance
- Commissioned supply chain analysis to understand our customer needs

Topics

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

Outcomes

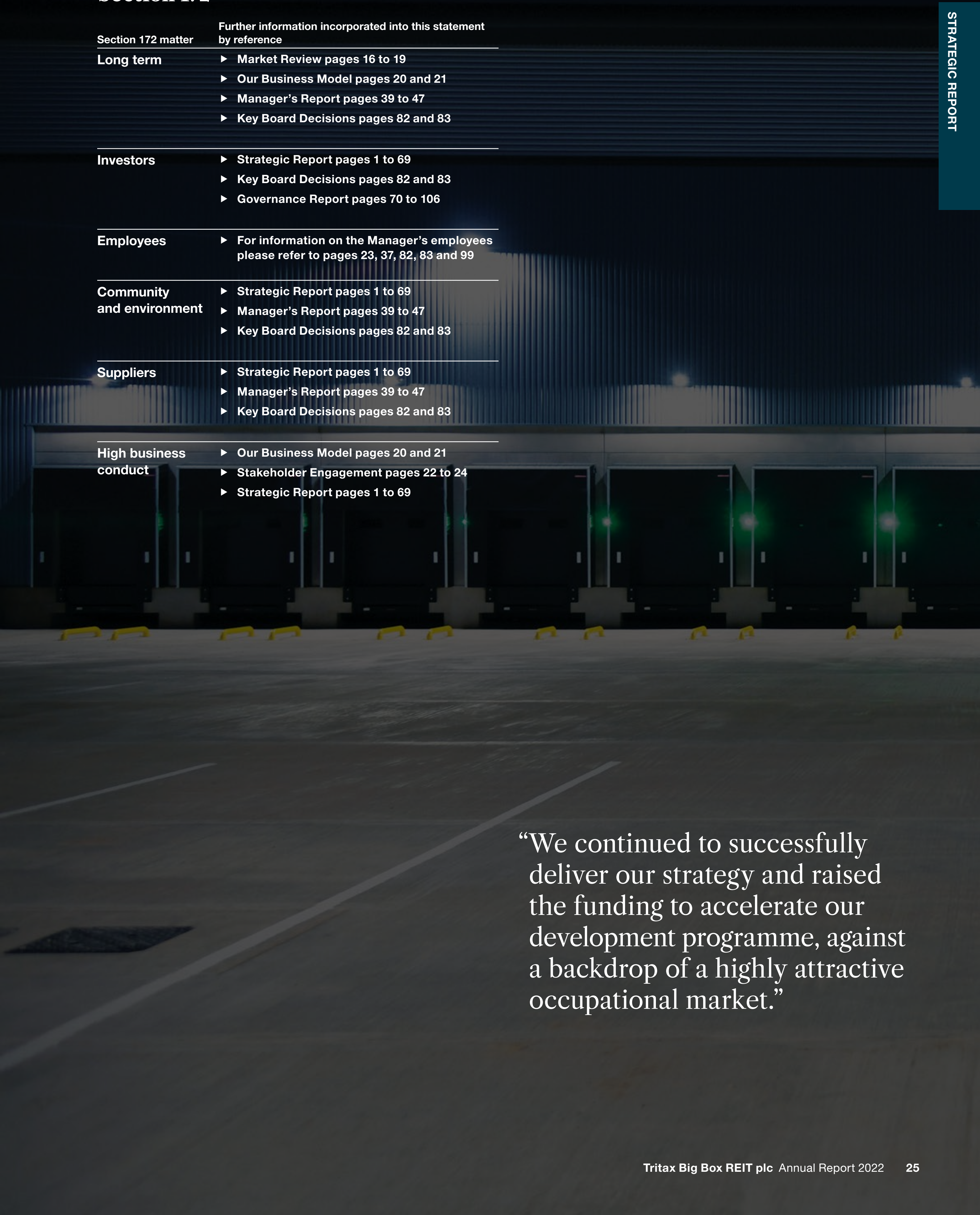
- Strengthening of business relationships
- Development of a dedicated Occupier Hub
- Asset management and ESG initiatives

Further information

- Manager's Report pages 39 to 47
- ESG section pages 32 to 38
- Pages 82 and 83 in Key Decisions of the Board 2022

Section 172

Section 172 matter	Further information incorporated into this statement by reference
Long term	▶ Market Review pages 16 to 19 ▶ Our Business Model pages 20 and 21 ▶ Manager's Report pages 39 to 47 ▶ Key Board Decisions pages 82 and 83
Investors	▶ Strategic Report pages 1 to 69 ▶ Key Board Decisions pages 82 and 83 ▶ Governance Report pages 70 to 106
Employees	▶ For information on the Manager's employees please refer to pages 23, 37, 82, 83 and 99
Community and environment	▶ Strategic Report pages 1 to 69 ▶ Manager's Report pages 39 to 47 ▶ Key Board Decisions pages 82 and 83
Suppliers	▶ Strategic Report pages 1 to 69 ▶ Manager's Report pages 39 to 47 ▶ Key Board Decisions pages 82 and 83
High business conduct	▶ Our Business Model pages 20 and 21 ▶ Stakeholder Engagement pages 22 to 24 ▶ Strategic Report pages 1 to 69



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

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 ESG, which is intrinsic to each element of our strategy.

Our strategy

High-quality assets attracting world-leading companies

Delivering high-quality, resilient and growing income

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.

We monitor the market for opportunities to acquire assets and add value through active asset management.

▸ Read more on pages 40 and 41

Progress 2022

Continued to maintain the portfolio quality striking a balance between Foundation and Value Add assets.

Given the changing investment market in the second half of 2022, we did not dispose of any assets but continue to evaluate opportunities to do so.

Future focus

Monitor customers' credit quality in the face of a potential UK recession.

Evaluate the weighting of the investment portfolio between Foundation and Value Add assets, geographic regions and building sizes.

Direct and active management

Protecting, adding and realising value

We actively and directly manage our existing property portfolio, developing long-term relationships with our customers and realising opportunities to add value and generate secure and increasing income.

When we believe an asset has reached its full potential within our ownership, we look to crystallise this value through disposals, recycling capital into higher returning development and investment opportunities.

▸ Read more on pages 42 and 43

Progress 2022

Through a combination of lease extensions, renewals and embedded rent reviews, we added £5.1 million to contracted annual rent, achieving a 7.6% increase across 34.2% of the portfolio.

Future focus

Settle any outstanding open market rent reviews, progress lease extensions and renewal discussions, make further selective asset disposals and continue to evaluate opportunities for asset acquisitions.

Insight driven development and innovation

Creating value and capturing occupier demand

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 ESG and power.

Most of our development is 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.

▸ Read more on pages 43 to 47

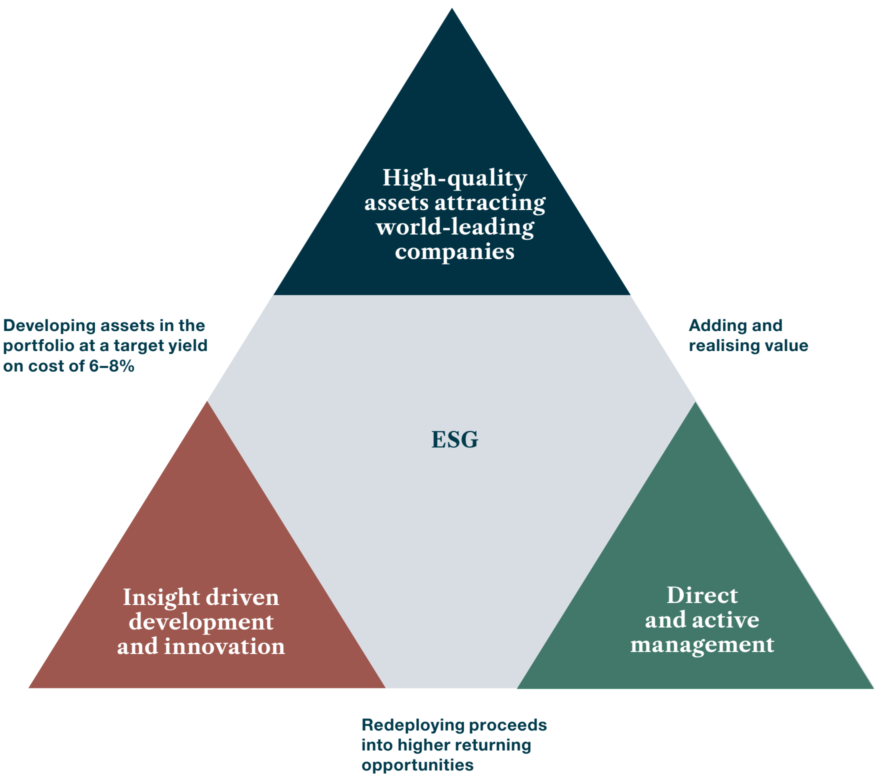
Progress 2022

We achieved 2.9 million sq ft of development starts and added £23.3 million to our contracted rent roll, which will underpin future earnings growth and dividend progression.

Future focus

Maintain our long-term development guidance of 2–3 million sq ft per annum, representing £200–250 million of annual capex, at a target yield on cost of 6% to 8%.

"The successful implementation of our strategy is reflected in the strong operational performance we have delivered."



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.

▶ See pages 32 to 38

Measuring our performance

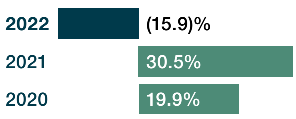
Our objective is to deliver attractive, low-risk returns to Shareholders, by successfully implementing the Group's strategy. Set out below are the key performance indicators we use to track our progress. For a more detailed explanation of performance, please refer to the Manager's Report.

1. Total Accounting Return ("TAR")

See Notes to the EPRA and Other Key Performance Indicators.

-15.9%

2021: 30.5%



Relevance to strategy

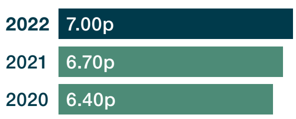
TAR calculates the change in the EPRA Net Tangible Assets ("EPRA NTA") over the period plus dividends paid. It measures the ultimate outcome of our strategy, which is to deliver value to our Shareholders through our portfolio and to deliver a secure and growing income stream.

2. Dividend

See note 14.

7.00p

2021: 6.70p



Relevance to strategy

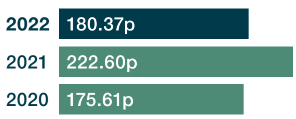
The dividend reflects our ability to deliver a low-risk but growing income stream from our portfolio and is a key element of our TAR.

3. EPRA NTA per share[1]

See note 30.

180.37p

2021: 222.60p



Relevance to strategy

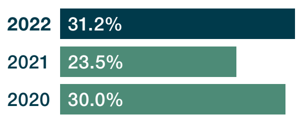
The EPRA NTA reflects our ability to grow the portfolio and to add value to it throughout the lifecycle of our assets.

4. Loan to value ratio ("LTV")

See Notes to the EPRA and Other Key Performance Indicators.

31.2%

2021: 23.5%



Relevance to strategy

The LTV measures the prudence of our financing strategy, balancing the potential amplification of returns and portfolio diversification that come with using debt against the need to successfully manage risk.

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

> "While we delivered strong operational performance, particularly in capturing future income, rapid repricing of logistics assets has resulted in significantly lower total returns for the year."

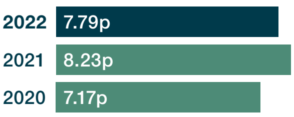
5. Adjusted earnings per share

See note 13.

7.79p

2021: 8.23p

Excluding additional development management income, Adjusted EPS was 7.51p (2021: 7.38p). See note 13.



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")

12.6 years

2021: 13.0 years

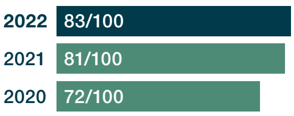
Relevance to strategy

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

7. GRESB score

83/100 and 4 Green Star rating

2021: 81/100 and 4 Green Star rating



Relevance to strategy

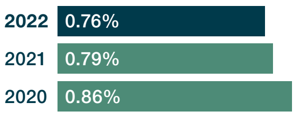
The GRESB score reflects the ESG performance of our assets and how well we are managing ESG risks and opportunities. Sustainable assets protect us against climate change and help our customers to operate efficiently.

We were also awarded the GRESB 2022 Leader for Development in the European and Global Industrial Sectors award.

8. Total Expense Ratio

0.76%

2021: 0.79%



Relevance to strategy

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

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.

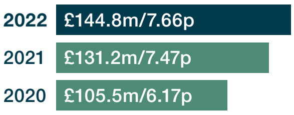
For a full reconciliation of all EPRA performance indicators, please see Notes to the EPRA and Other Key Performance Indicators.

1. EPRA Earnings (diluted)

See note 13.

£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/ 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")

See note 30.

£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")

See note 30.

£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.

> "Many of our KPIs this year reflect the rapid repricing of assets experienced in the second half of 2022."

5. EPRA Net Initial Yield ("NIY")

See Notes to the EPRA and Other Key Performance Indicators.

4.19%

2021: 3.56%

2022	4.19%
2021	3.56%
2020	4.18%

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

6. EPRA "topped-up" NIY

See Notes to the EPRA and Other Key Performance Indicators.

4.39%

2021: 3.75%

2022	4.39%
2021	3.75%
2020	4.38%

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

7. EPRA Vacancy

See Notes to the EPRA and Other Key Performance Indicators.

2.1%

2021: 0.0%

2022	2.1%
2021	0.0%
2020	0.0%

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

8. EPRA Cost Ratio

See Notes to the EPRA and Other Key Performance Indicators.

15.7%

2021: 13.9%

Both the 2022 and 2021 ratios are the same, inclusive or exclusive of vacancy costs.

2022	15.7%
2021	13.9%
2020	14.2%

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

Focused and integrated approach to ESG

In 2020, we set a range of ESG targets that we aimed to meet by 2023. The following pages set out these targets and explain our progress against them during 2022. As we are coming to the end of the target period, we have considered the key areas of ESG we intend to address going forward. Our intention is to simplify our approach and ensure we can maximise our focus on the most important elements.

Evolving our strategy

1. Sustainable buildings

Our ESG targets are integrated across the asset lifecycle from acquisition to development, asset management and disposal.

2. Climate and carbon

Our portfolio and assets will be net zero carbon.

- Net zero carbon pathway
- Climate risk mitigation and adaptation
- Renewable energy and low-carbon building infrastructure

3. Nature and wellbeing

Our portfolio has a positive impact on our climate and the natural world.

- Biodiversity and workplace enhancement

4. Social value

The social value within our portfolio makes a meaningful difference to people and communities.

- Delivery and measurement of social impact

Approach underpinned by:

1. Global frameworks

2. Evidence and data

- Targets and KPIs

3. External benchmarks

4. Collaborations

- Customers
- Communities
- Investors
- Suppliers

Our ESG performance in 2022

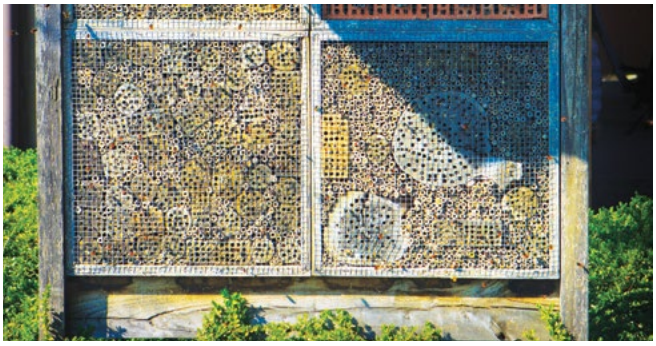
Our progress with our ESG agenda is reflected in further improvements in our ratings by leading agencies. The Group's GRESB score increased to 83/100 and we maintained our four Green Stars (2021: 81/100 and four Green Stars). We were also awarded the GRESB 2022 Leader for Development in European and Global Industrial Sectors for the second year, scoring 99/100 and five stars (2021: 97/100 and five stars).

We also achieved a Sustainalytics score of 8.3 (negligible risk), for which we were recognised in Sustainalytics' 2023 Top-Rated ESG Companies List by region and sector, and improved our MSCI rating from BBB to AA.

Our 2022 objectives

In our 2021 Annual Report, we set out the following objectives for 2022. These objectives support and complement the achievement of our targets for 2023:

Objective	Achievement in 2022
Expand the installation of renewable energy initiatives including solar	We have a total solar PV installed capacity of 14.6 MW on our buildings, and are in discussions with our customers to add solar PV capacity to an additional 15 assets. EV charging spaces are currently available at 54% of our assets (based on floorspace).
Improve the EPC ratings of assets below grade C	98% of our portfolio has an EPC rating between A and C, with all new additions to the portfolio during the year being A-rated.
Collaborate with customers to obtain emissions data and further develop net zero carbon plans	For the 2022 GRESB assessment, our emissions data coverage was 84% of the total floor area of the portfolio, up from 74% for the 2021 assessment.
Develop further our net zero carbon in construction work, to increase our knowledge of low-carbon materials and construction methods	The development process now integrates the calculation of embodied carbon as a standard process. We continue to engage with suppliers and market leadership forums on options for low-carbon materials and methodologies. For all new development projects, Tritax Symmetry undertake lifecycle assessments to review the upfront carbon, in alignment with the RICS Whole Life Carbon Guidance, using the One Click LCA assessment software.
Work with existing customers to improve biodiversity through innovative use of landscaping and habitat	We have formalised the process of collecting biodiversity data on our standing assets on an annual basis.
Continue to assess the potential for biodiversity net gain in development projects	We are using specialist consultants to measure our biodiversity performance across 10 projects.
Support local communities through job creation opportunities and charity partnerships, developing on the proactive work already undertaken with schools, colleges and Schoolreaders	We have extended our support for the Schoolreaders charity and we continue to work with local authorities on other local community partnerships, including through Tritax Symmetry's Community Benefit Fund.
Work with customers on initial fit-out designs and enhancements, to provide or improve employee welfare facilities, both internal and external	We continued to work constructively with customers to optimise fit-out proposals.



ESG goal 1

Sustainable buildings

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

The table below sets out our progress against our 2023 targets for sustainable buildings:

ESG goals	2023 target	Actions in 2022	Progress against target
Sustainable buildings Ensure and demonstrate the sustainability of our assets	Embed ESG into investment practices and ensure any new acquisitions and investments align with ESG investment principles.	All developments completed and assets acquired met our minimum ESG criteria, in accordance with our ESG policy.	Achieved
	Ensure all new assets in the portfolio have a green building certification.	All new development assets completed in 2022 were built to achieve BREEAM Very Good, and are all pending the certification.	On track
	Improve GRESB score to three Green Stars.	Achieved a score of 83/100 (four Green Stars) for the standing portfolio and 99/100 (five Green Stars) for the development activities.	Achieved
	Improve MSCI ESG rating to A.	Achieved an MSCI rating of AA, upgraded from BBB.	Achieved
	Implement green leases on all new leasing opportunities, where our customers agree.	All three leases agreed this year included green clauses (see page 42).	Achieved
	Provide recommendation reports to tenants, and provide sustainable operations guides.	We continued to engage with our customers on ESG topics.	On track

13 CLIMATE ACTION

ESG goal 2

Climate and carbon

Achieving net zero carbon is a key consideration for us and our customers. Our direct operational greenhouse gas ("GHG") emissions (Scopes 1 and 2) are minimal and principally relate to assets where we provide energy for external services, such as estate roadway lighting. We continue to engage and work with our property managers to ensure we procure renewable energy, and maintained 100% renewable energy procurement for all landlord-purchased energy.

We are now focused on reducing our indirect (Scope 3) supply chain GHG emissions, including our development activity. Since 2020, all our new developments are constructed to be net zero carbon in construction, as defined by the UK Green Building Council.

We also work with our customers to assess emissions from their operations and to facilitate the deployment of low-carbon alternatives, such as solar PV or wind generated power.

The table below sets out our progress against our 2023 targets for climate and carbon:

ESG goals	2023 target	Actions in 2022	Progress against target
Climate and carbon Achieve net zero carbon for all direct activities	Maintain net zero carbon for Scope 1 and 2 GHG emissions. Measure indirect (Scope 3) emissions.	Continued to source 100% renewable energy for all landlord-purchased energy. We improved the data coverage of our customers' emissions (to 84% of floor area, up from 74%), and modelled the emissions profile of each asset using the CRREM platform.	On track
	Identify the products and processes that remove carbon from construction.	The development process now integrates the calculation of embodied carbon as a standard process. We continue to engage with suppliers and market leadership forums on options for low-carbon materials and methodologies. For all new development projects, Tritax Symmetry undertake lifecycle assessments to review the upfront carbon, in alignment with the RICS Whole Life Carbon Guidance, using the One Click LCA assessment software.	On track
	Improve EPCs to A–C grade.	98% of our portfolio has an EPC rating between A and C, with all new additions to the portfolio during the year being A-rated.	On track
	Install renewable energy generation projects to benefit our customers.	We have a total solar PV installed capacity of 14.6 MW on our buildings, and are in discussions with our customers to add solar PV capacity to an additional 15 assets.	On track
	Ensure top three priority assets have climate resilience plans in place.	We continued to integrate the results of our physical risk assessment conducted in 2022 into asset management processes.	On track

Climate and carbon continued

Streamlined Energy and Carbon Reporting ("SECR")

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 2022. The Company reports its GHG emissions in line with the revised edition of the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Scope 2 Guidance.

The Company's reporting boundary for GHG emissions data is based on 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 tenant voids at Aston Clinton, Bicester, Littlebrook, Stoke and Harlow assets. Energy consumption and corresponding emissions of the office operation of Tritax Symmetry Limited are also included.

With most energy being procured and consumed by its tenants, the Company has limited operational control. This means that Scope 1 and 2 GHG emissions of the Company are relatively low compared to its Scope 3 emissions. Partial Scope 3 emissions data is provided in this report on a voluntarily basis, including operating emissions by the Investment Manager, Tritax Management LLP, indirect emissions associated with the purchase of goods and services, and emissions of downstream leased assets. The Scope 3 (capital goods) emissions are associated with the embodied carbon of development projects managed by Tritax Symmetry and includes upfront embodied carbon of the projects completed in the reporting year. The total embodied carbon emissions of each project was provided by Tritax Symmetry.

All reported energy use and associated GHG emissions data relate to the Company's operations in the UK. Scope 1, Scope 2 location-based and Scope 3 emissions for managed assets were calculated using the UK Government Department for Business, Energy & Industrial Strategy ("BEIS") 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.

Savills (UK) Limited has been appointed to prepare this SECR report and perform Scope 1 and 2 emissions data quality checks.

Energy consumption and GHG emissions breakdown

GHG emissions source	Description	2022	2021
	Tritax office consumed energy (kWh)	148,727	154,372
Energy consumption	Landlord consumed energy (kWh)	173,251[1]	37,330[2]
	Tenant consumed energy (kWh)	N/A[3]	341,712,507[4]
GHG emissions scope	**Description**	**2022**	**2021**
Scope 1	Direct emissions – landlord gas and fuel consumption (tCO_2e)	0.03	0.05[2]
Scope 2 (Location-based)	Indirect emissions – landlord purchased electricity (tCO_2e)	33.47	7.87[2]
	Indirect emissions – Tritax office electricity consumption (tCO_2e)	28.76	32.78
Scope 2 (Market-based)	Indirect emissions – landlord purchased electricity (tCO_2e)	15.53	N/A
	Total Scope 1 and 2 emissions[5]	**62.26**	**40.70**
	Scope 1 and 2 emissions intensity ($kgCO_2/m^2$)	**0.0198**	**0.0132**
Scope 3 (purchased goods and services)	Indirect emissions associated with business travel and Investment Manager energy consumption (tCO_2e)	103.21	N/A
Scope 3 (capital goods)	Indirect emissions associated with embodied carbon of development projects (tCO_2e)	46,165.00	N/A
Scope 3 (downstream leased asset)	Indirect emissions associated with energy consumption of tenants (tCO_2e)	N/A[3]	69,770.14[4]

1. 24% of the landlord energy consumption data was estimated in 2022.
2. 2021 figures restated to rectify an accounting error. 2021 landlord consumption figures included some tenant energy use and were restated to rectify this. Previous total energy consumed was stated at 1,145,879 kWh, Scope 1 emissions were stated at 0 tCO_2e and Scope 2 emissions were stated at 1,114 tCO_2e.
3. Data in the process of being obtained for disclosure in 2023.
4. Data covering 84% of tenants' energy consumption and corresponding GHG emissions by total floor area.
5. Total Scope 1 and 2 emissions reported using location-based method.

Energy performance and energy efficiency measures

Landlord energy consumption has increased substantially in 2022 due to the addition of assets with operational control. Considering that over 99% of the energy consumption of our assets is controlled by our tenants, the Company has actively engaged with tenants to reduce their GHG emissions through: updating sustainability action plans, exploring the feasibility of solar photovoltaic ("PV") panels, maintaining Energy Performance Certificate ("EPC") schedule and communicated actions, ensuring compliance with Minimum Energy Efficiency Standards ("MEES") regulations, and implementing green lease clauses.

ESG goal 3

Nature and wellbeing

With biodiversity in decline, we have a responsibility to mitigate our impact and actively enhance biodiversity, to deliver a net gain. Our biodiversity aims cover all of the portfolio and many of our standing investments already have biodiversity features, such as green areas for recreation and habitats supporting native and locally important species. For assets with no biodiversity features, our initiatives include creating Biodiversity Action Plans, with actions such as rewilding.

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

The table below sets out our progress against our 2023 targets for nature and wellbeing:

ESG goals	2023 target	Actions in 2022	Progress against target
Nature and wellbeing Enhance biodiversity and wellbeing on our land	Pilot 15% biodiversity net gain on new developments.	We are using specialist consultants to measure our biodiversity performance across 10 projects.	On track
	Implement biodiversity enhancements on 11 assets with no measures in place.	Implemented biodiversity-related initiatives across more than 11 assets, with further enhancement options being considered across the entire portfolio.	On track
	Support the local environment for the communities near our assets.	Social impact is being delivered through our development programme and engagements with the communities surrounding our assets.	On track

ESG goal 4

Social value

Our assets are well located for local employment opportunities, meaning our investments in standing assets and developments create jobs and positive social impact across a wide supply chain. These jobs often provide skills training, improving the economic opportunities for those employed.

We have a social value charter, which sets out our ambition to create socioeconomic value in our development of new logistics assets, and we actively engage with our communities throughout the development process.

Our Community Benefit Fund is committed to providing 10 pence per sq ft of new logistics space delivered. This complements our charity partnership with Schoolreaders, where we fund volunteers to provide reading support for schoolchildren in the communities around our assets.

The table below sets out our progress against our 2023 targets for social value:

ESG goals	2023 target	Actions in 2022	Progress against target
Social value Create a positive socioeconomic impact through our investment	Measure social value to demonstrate impact of our investment.	Released a white paper on measuring social value in the logistics sector, along with Prologis and the Social Value Portal. Continuing to measure the social value and impact associated with our development programme. The Company organised its first Women's Networking Lunch event during which The Mothership, an all-female rowing crew sponsored by the Company, shared their experiences from the 3,000-mile Talisker Whiskey Atlantic Challenge.	Achieved ✓
	Support apprenticeships and employability in construction.	Continuing to work with our supply chains through the development programme to support local apprenticeships and employment.	On track
	Support Schoolreaders until 2023, to increase childhood literacy in the communities where our assets are located.	Extended the agreement for the support of the Schoolreaders charity until 2026.	Achieved ✓
	Invest in our communities through the Community Benefit Fund.	Community investment made into local primary schools surrounding our development in Bicester.	On track

2023 ESG targets and KPIs

One of our key priorities for 2022 has been establishing a clear baseline from which to launch our updated ESG targets. These targets reflect our ambition for the ESG performance of the Company. These encompass the full range of factors we are considering; most notable within these targets is an enhanced commitment to achieve net zero carbon across all aspects of our business by 2040, rather than our previously stated 2050 target. These targets will be reviewed annually against our KPIs and updated as required.

Theme	2023 target	2023 KPIs
Sustainable buildings	• 100% of all asset due diligence uses Tritax ESG due diligence framework	• % utilisation of enhanced ESG due diligence framework
	• Produce and implement low-carbon baseline development specification on all new projects	• Production and % utilisation of low-carbon specification • % circularity certified materials • % projects undertaking a whole life performance analysis

Climate and carbon	• Produce and disclose updated net zero carbon pathways
	  • Scope 1 and Scope 2 – 2025
	  • Scope 3 (construction) – 2030
	  • Scope 3 (remainder of material emissions) – 2040
		• Annual review of pathway and emissions
		• % carbon risk incorporation into each asset management plan
		• 1.5°C Paris decarbonisation pathway alignment
		• Science Based Targets initiative ("SBTi") alignment (or equivalent)

	• Integrate physical climate risk mitigation across asset lifecycle	• % climate risk incorporation into each asset management plan • Portfolio TCFD alignment
Nature and wellbeing	• Year-on-year annual increase in biodiversity for standing assets	• % increase in biodiversity against 2022 baseline
	• Year-on-year increased provision of wellbeing enhancements to developments and standing assets	• % increase in provision against 2022 baseline
Social value	• Publish community investment structure • Further integrate ESG criteria into supply chain procurement processes – upstream and downstream	• Set-up and operation of community investment structure • % utilisation of due diligence framework for suppliers
	• Continue support for key fund charity	• Level of financial and non-financial contributions

Strong operational performance

Colin Godfrey
CEO for Tritax Big Box REIT plc

"We have achieved a record level of development lettings, adding £23.3 million to our contracted annual rent and supplementing our portfolio with brand new buildings let to a range of strong customers."

Strategy

Our strategy aligns the Group to the market drivers, while ensuring it meets its wider responsibilities and carefully manages risk.

The strategy has three interlinked components that aim to deliver sustainable income and capital growth, resulting in attractive performance through the economic cycle that underpins a predictable and progressive dividend:

1

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

2

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

3

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

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

- sustainable buildings – ensuring existing assets, acquisitions and developments align with our ESG objectives;
- climate and carbon – achieving net zero carbon for all direct (Scope 1 and 2) and indirect (Scope 3) activities;
- nature and wellbeing – enhancing biodiversity and wellbeing across the portfolio; and
- social value – creating value and positive impact for people and communities.

Information on how we implemented the strategy during 2022 is set out in the following sections.

1

High-quality assets attracting world-leading customers

Through our continuous focus on quality, we have assembled what we believe to be one of the best portfolios of any quoted logistics real estate business in Europe. The portfolio's quality is reflected in its long leases with embedded income growth, high-quality customers, desirable locations, and modern flexible buildings in a range of sizes and formats, with strong ESG credentials.

The portfolio has been constructed to generate attractive long-term income through the economic cycle. The quality of our assets and customer base enabled us to collect 100% of rent again this year, an area where we outperformed during the pandemic, and we continue our track record of never having a void on lease expiry.

Our priorities for 2022

We set the following priorities for 2022 in relation to the investment portfolio:

Priority	Progress
Rotate out of assets which no longer fit the shape and balance of the portfolio and which are expected to deliver lower-quartile total returns.	Disruption in the investment market meant we decided to pause on our planned disposals in H2 2022. We exchanged on the disposal of two, non-core assets at Littlebrook for £25 million. Post the period end we exchanged on the disposal of a portfolio of assets with a gross consideration of £125 million.
Maintain our disciplined approach to acquisitions, ensuring they complement the portfolio and have potential for superior risk-adjusted returns relative to the investment pillar; these may include opportunities to add value through active management or investments considered mispriced.	Maintained discipline and did not acquire any assets during 2022, reflecting superior opportunities for capital and income returns through allocating capital to the development programme and the desire to maintain balance sheet strength and corporate liquidity.
Maintain the balance between low-risk foundation income and higher rental growth potential.	Foundation assets continue to comprise the majority of the investment portfolio (63.1% of GAV), with Value Add assets (29.4% of GAV) presenting appropriate exposure to growth opportunities. This balance is further considered against our development activity which is subject to limits set within our Investment Policy.

Portfolio composition supports resilience and growth

Our overall portfolio comprises the investment portfolio, which are assets with either a lease or agreement for lease in place, and the development portfolio, which generates new assets for us through pre-let and speculative developments (see insight driven development and innovation below).

At the year end, the total portfolio was valued at £5.06 billion (31 December 2021: £5.48 billion), a reduction of 7.7% over the year, reflecting the portfolio equivalent yield softening over the year from 4.1% to 5.3%, which more than offset the impact of development gains, asset management and ERV growth.

As at 31 December 2022, the investment portfolio had increased to 79 assets (31 December 2021: 62 assets), as we leased or practically completed new buildings from our development activities. The investment portfolio's gross lettable area was 37.5 million sq ft at the year end (31 December 2021: 33.7 million sq ft).

Investment portfolio: 92.5% of GAV	Development portfolio: 7.5% of GAV
Foundation: 63.1%	Developments and land: 7.5%
Value Add: 29.4%	

Foundation assets are typically new or modern buildings in prime locations, let on long leases to customers with excellent covenant strength. They provide us with long-term and resilient income through the economic cycle. Value Add assets present opportunities to grow income and capital values through active asset management or have customers with the potential to grow and improve in covenant quality. They typically have shorter remaining lease terms and therefore nearer-term opportunity to capture market rental reversion.

Secure customer base underpins income generation

The Group has a diversified base of 51 customers (2021: 44), including some of the biggest and most important companies in the world, with 74.5% being part of groups listed on exchanges such as the S&P 500, FTSE 100 and DAX 30. We have minimal exposure to small and medium sized enterprises ("SMEs"). We conduct ongoing due diligence on our customers' covenant strength, as discussed in the asset management section below.

Our buildings often form the backbone of our customers' UK supply chains, and they frequently invest heavily in technology and automation within the buildings. The structural importance of our buildings to our customers' supply chains further increases the income resilience of our portfolio.

The portfolio reported 2.1% vacancy as at 31 December 2022 (2021: 0%), reflecting recently completed development buildings that were unlet at the year end. When including post-year-end lettings, the pro-forma vacancy rate reduces to 1.1% within the portfolio; this vacancy offers opportunity for further short-term income growth following letting.

The table below lists the Group's top 10 customers:

Customer	% of contracted annual rent
Amazon	14.5%
Morrisons	5.3%
Tesco	4.7%
Iron Mountain	4.5%
Howdens	4.0%
B&Q	3.9%
The Co-Operative Group	3.7%
Ocado	3.4%
Marks & Spencer	3.4%
Argos	3.2%

Long duration, full repairing and insuring leases minimise capex and enhance income security

At the year end, the investment portfolio's WAULT was 12.6 years (31 December 2021: 13.0 years), with the Foundation assets having a WAULT of 15.9 years (31 December 2021: 15.1 years).

Of total rents:

- 35.2% is generated by leases with 15 or more years to run; and
- 20.1% comes from leases expiring in the next five years, providing near-term opportunities to capture the growing reversion within the portfolio.

All but one of our properties is single let. 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 and dilapidations. This minimises our irrecoverable property costs, which in 2022 totalled £0.2 million, and is reflected in our strong gross to net rental income conversion ratio of 99.9% in the year.

Leases provide protection from inflation and an effective minimum level of rental growth

All our leases benefit from upward-only rent reviews, with 18.5% of our rents reviewed annually and 81.5% reviewed every five years (on a staggered basis such that there are five-yearly rent reviews taking place every year). The table below shows the composition of rent review types across the portfolio, which balances the certainty offered by fixed and inflation linked leases with the ability to capture market rental growth from open market and hybrid reviews. Through our development activities we have successfully increased the weighting of the investment portfolio's exposure to open market rent reviews from 36.7% to 39.0%.

Rent review type	% of rent roll at 31 December 2021	% of rent roll at 31 December 2022
RPI/CPI linked	53.6%	52.3%
Open market	28.5%	30.5%
Fixed	9.7%	8.7%
Hybrid (higher of inflation/open market)	8.2%	8.5%

35% of the portfolio was subject to rent reviews in 2022 with a further 19% in 2023. Progress with rent reviews in 2022 is discussed in the direct and active management section below.

Approximately 55.7% of the rent roll has either a fixed or minimum increase at rent review. This creates an effective minimum annualised rental growth of 1.7% across this element of the portfolio. Our inflation linked reviews typically have cap and collar arrangements, at an average range of 1.6% to 3.5% respectively. While this provides an element of certainty on the minimum rental increase within the portfolio, we aim to supplement this via the capture of strong market rental growth through uncapped open market and hybrid rent reviews, alongside other forms of active asset management including the opportunity to capture market rental reversion following lease expiry.

Increasing ERVs provide future rental growth opportunities

At each valuation date, the valuers independently assess the investment portfolio's estimated rental value ("ERV"), which is the amount of rent that the properties would be expected to secure through an open market letting at that date. As at 31 December 2022, our portfolio ERV was £266.8 million (31 December 2021: £217.1 million). This is £42.7 million (19.1%) above the FY 2022 contracted rent position and a 9.2% like-for-like ERV increase over the year. We have opportunities to capture this reversionary potential through regular rent reviews, lease expiries or lease regears.

Due to the balance between open market and inflation linked rent reviews, and the growing rental reversion within the investment portfolio, we remain positive about our ability to continue to deliver attractive, long-term income growth, particularly when allied with the strong rental growth we are capturing through our new developments and the ability to apply this positive new letting evidence in enhancing the open market rent review outcomes of our investment portfolio.

As of 31 December 2022, 98% of our investment portfolio has an EPC rating of C or above, and all assets which are certified by BREEAM (49%) have a rating of Very Good or above.

Of our development assets which completed during the financial year, 100% received an EPC rating of A, they all targeted a BREEAM Very Good rating (final certification pending) and were built to be net zero carbon in construction in accordance with the UK Green Building Council's ("UK GBC") framework definition.

Our priorities for 2023

Our priorities for the investment portfolio for 2023 are to continue to:

- closely monitor customers' credit quality in the face of a potential UK recession;
- evaluate the weighting of the portfolio between Foundation and Value Add to inform our approach to active management of the portfolio; and
- evaluate both the geographic composition and range of building sizes within the portfolio to maintain an appropriate balance between rental growth, covenant strength and risk.

2

Direct and active management

Our priorities for 2022

We set the following priorities for 2022 in relation to asset management:

Priority	Progress
Complete all outstanding open market rent reviews.	Completed three of the four open market rent reviews outstanding from 2021. Six open market rent reviews were in negotiation at the year end.
Complete further lease extensions, incorporating ESG initiatives and green lease clauses.	Extended three leases – two by 10 years, and one to a 15-year lease term. All three leases included green lease clauses.
Agree terms to extend a property or alternatively secure an additional pre-let for our development portfolio with a current customer.	In discussions with six existing customers about taking additional properties from the development portfolio, as well as extensions to existing assets.

Understanding and supporting customers

Being close to our customers maximises our ability to identify opportunities to support their logistics needs. We undertake supply chain research on selected customers, which gives us detailed insights into their entire logistics network, the role of our assets within it and their future business needs. This means we can have meaningful conversations about supporting them through our developments and active asset management, as well as informing our investment decisions and helping us work in partnership with customers on ESG objectives.

We conduct ongoing covenant analysis of our customers, combining publicly available and third-party information with our own insights. Following the Russian invasion of Ukraine, we enhanced our monitoring of the sanctions lists, as part of these reviews. This work has not identified any direct concerns relating to entities covered by sanctions.

> "Being close to our customers maximises our ability to identify opportunities to support their logistics needs."

Realising value and recycling capital through disposals

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

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

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

3) the asset's relative future performance may be below others in the portfolio, perhaps because there is less opportunity or more risk attached to future performance.

When considering asset disposals, we take account of criteria such as age, location and ESG credentials, income and capital value growth prospects, conditions in the investment market, and near-term opportunities to reinvest in income-producing acquisitions and developments to maintain earnings and dividend progression. This activity helps to maintain an appropriate portfolio composition to achieve our strategic objectives.

Our approach to disposals evolved over the course of 2022, influenced by market conditions. Initially, our expectation was that divestments were likely to take place towards the end of the year and into the early part of 2023. This would correspond with accelerated development activity in 2022 and our expectation that these new development assets will become income producing through 2023. The rapid deterioration in the investment market, combined with the strength of our balance sheet, meant significant disposals were not in Shareholders' interests in the second half of 2022. We were able to exchange contracts to sell two vacant multi-let assets at Littlebrook in December 2022 for £25 million, with completion occurring post the year end. Subsequent to the year end, we also exchanged on the disposal of three assets, to an institutional buyer, for a gross consideration of £125 million in line with 31 December 2022 valuations.

Investment acquisitions complementing returns

Given its attractive returns, over the past 12 months we have focused our capital deployment on development. However, we continue to evaluate acquisitions in the market with a focus on assets that offer opportunities for near-term reversion capture and greater exposure to open market reviews across a broad range of building sizes. Given the changing dynamics within the investment market we are beginning to see increasing opportunities and so could be more active in the investment market during 2023 than we were last year. Investment acquisitions give us further opportunities to tailor the overall composition of our investment portfolio to meet our strategic objectives.

Growing and lengthening income

During the year we agreed 20 rent reviews, an increase for one lease to a 15-year lease term certain, and two 10-year lease renewals, which in total resulted in a £5.1 million increase in annual contracted passing rent, an increase of 7.6%. Three of these rent reviews were outstanding from 2021. Overall, 33% of the portfolio benefited from a review. In total, we reported a 3.6% increase in EPRA like-for-like rental growth in the year.

The table below shows a breakdown of these reviews by type:

	Number	% of contracted rent	Growth in passing rent
Index linked	12	21.7%	5.7%
Open market/hybrid	5	6.3%	12.9%
Fixed	3	5.0%	5.5%
Lease review sub-total	**20**	**33.0%**	**7.0%**
Lease renewal	**1**	**1.2%**	**23.1%**
Total	**21**	**34.2%**	**7.6%**

During 2022, 23 leases representing 35% of our portfolio rent roll were due for rent review. Of these reviews, we settled 17, representing 28% of the 35% expected. The six unsettled open market reviews along with one from 2021, representing 7% of the portfolio, are expected to be settled during 2023.

Lease renewal negotiations are currently ongoing with three customers whose leases expire in 2023 and 2024. We continue to negotiate a wide range of other lease proposals with customers, including new mezzanine floors and ESG initiatives (see below).

Delivering ESG performance through integration, engagement and active management

Our ESG strategy and performance criteria fundamentally underpin our investment philosophy and approach to active management.

Delivering ESG performance in partnership with customers is a key part of our active asset management. Through these ESG initiatives, we can increase income and capital values, prolong an asset's life, improve its liquidity and reduce obsolescence risk. Customers can also reduce their operating costs and make progress towards their ESG targets, such as net zero.

ESG is embedded across the asset lifecycle and our supply chain. Our investment decisions are made in line with our ESG targets and KPIs, using both data and evidence. This approach is achieved through due diligence, development, asset and supply chain management and asset disposals. Our ESG performance is validated and evidenced using third-party global frameworks and benchmarks such as GRESB, Sustainalytics, MSCI, EPRA and BREEAM. This robust approach to governance allows us to maximise our environmental and social impact.

Our active management priorities for 2023 are to:

- settle the outstanding open market rent reviews;
- continue to progress lease extension and renewal discussions with customers;
- in addition to the disposal of three assets exchanged subsequent to the year end, make further selective asset disposals, in line with our annual target of £100 million to £200 million;
- continue to evaluate opportunities for acquisitions; and
- work with customers on further initiatives to enhance the assets, including their ESG credentials.

3

Insight driven development and innovation

We control the UK's largest land portfolio for logistics development, capable of delivering approximately 39.7 million sq ft of new logistics space, which has the potential to more than double the size of our business. Most of the land portfolio is held through long-term option agreements, which include hard-coded discounts to prevailing land prices upon land drawdown. Controlling land through options is capital efficient and gives us the flexibility to align the pace, scale and location of our development activity to market demand. In other words, we typically buy in land when risk is reduced through receipt of planning and when we are in a position to add value. We commit to construction on a building-by-building basis and construction times are short, typically 9–12 months. This means we have flexibility with our capital commitments, allowing for good visibility over our exposure to changes in market conditions during the construction phase given these short timescales.

The land portfolio provides us with an important competitive advantage. It has taken over a decade to assemble and nurture to a point where it is capable of delivering significant value to our business and its scale, diversity and strategically important locations would be extremely difficult to replicate. The consented land within the portfolio also gives us an edge over competitors who may be constrained by uncertain planning timescales. We actively manage the land portfolio to ensure that land that is utilised and developed is replaced from time to time with new sites.

Our team has a long, proven track record of successfully obtaining planning consents and delivering new buildings. This provides a pipeline of new, quality assets, across a range of building sizes for our investment portfolio, and is a key driver of returns, delivering a target yield on cost of 6–8% through a blend of pre-let and speculative developments. The development pipeline is diversified geographically and provides a high degree of flexibility in terms of size and location, enabling us to match our customers' requirements for urban or last mile assets all the way through to "mega-boxes". As we implement our strategy, the balance of the investment portfolio will gradually evolve to reflect this broader mix of building sizes and attractive blend of lease profiles.

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

Case study – a customer-centric approach to development

Iron Mountain is the global leader for storage and information management services. Over the last 12 months, Iron Mountain has partnered with us to support their ongoing UK growth strategy. We are delivering a campus solution at Symmetry Park, Rugby, which will provide approximately 1.0 million sq ft across four units along with a further 0.3 million sq ft unit at Symmetry Park, Kettering. Iron Mountain took occupation of their new Kettering DC in February and the first two units at Rugby are due to complete construction in the summer of 2023. All leases are 15 years in length with five-yearly open market rent reviews. The ESG credentials of the Tritax developments both in construction and during operation has been a key focus for Iron Mountain to support their objective to achieve net zero emissions by 2040.

Insight driven development and innovation continued

Our priorities for 2022

We set the following priorities for 2022 in relation to our development programme:

Priority	Progress
Commence construction of 3–4 million sq ft of high-performing, sustainable buildings.	Started construction of 2.9 million sq ft, moderating our activity in the second half of the year in response to changes in the investment market.
Continue to identify pre-lets and occupiers to lease the speculative programme.	Achieved lettings on 3.1 million sq ft of developments, of which 53% was pre-let, adding £23.3 million or 11.9% to contracted annual rent. 82% of constructions starts commenced in 2022 have been successfully let.
Position the development portfolio to deliver 2–3 million sq ft of logistics space over the longer term, but be ready to respond to higher levels of demand in the near term.	Continuing to secure additional planning consents and transitioning land to a "credible delivery state" in support of our 2–3 million sq ft long-term annual run rate.
Secure further planning consents to ensure the targeted level of development can be maintained.	Secured planning on 1.6 million sq ft across four sites in 2022.
Secure further options on land, to replenish the overall development land portfolio.	Continued to add to the land portfolio, securing options over a further 201 acres, capable of delivering over 4 million sq ft on completion of land assembly.

Significant development activity in 2022

We made excellent progress with our development programme during the year, delivering:

- 3.1 million sq ft of development lettings, increasing contracted annual rent by £23.3 million or 11.9%;
- 2.9 million sq ft of construction starts, of which 82% has either been pre-let or let during construction comprising:
  - 1.6 million sq ft of developments that are pre-let build to suits, adding £11.4 million to contracted annual rent; and
  - 1.3 million sq ft of speculative developments, with the potential to add £12 million to contracted annual rent, 61% of which has been let during construction (or sold in the case of the MLI units at Littlebrook); and
- new planning consents for a further 1.6 million sq ft, across four sites.

Development lettings enhancing investment portfolio

Development lettings secured in 2022 have continued to enhance our investment portfolio, providing brand new, highly sustainable buildings in a range of sizes, let to a diverse range of strong customers on various lease lengths and structures.

The 3.1 million sq ft of development lettings secured:

- delivered an average new lease term of 14.7 years;
- 48% represented open market rent reviews, 10% hybrid (offering the higher of open market or inflation) and 42% inflation linked (with average floor and cap of 2.1% and 4.4% respectively);
- 250,000 sq ft average building size with an overall range of 75,000 sq ft to 552,000 sq ft; and
- geographically diversified across key strategic distribution locations throughout the UK.

The development pipeline comprises the:

- current development pipeline of buildings under construction, which totals 3.0 million sq ft, with 2.6 million sq ft (86%) pre-let or let during construction;
- near-term development pipeline, with the potential to deliver around 10.8 million sq ft within the next 36 months, with the potential to add £87.6 million to contracted annual rent; and
- future development pipeline (approximately 1,340 net acres), capable of accommodating 28.4 million sq ft of development over the longer term.

> "Development lettings secured in 2022 have continued to enhance our investment portfolio, providing brand new, highly sustainable buildings in a range of sizes, let to a diverse selection of strong customers on various lease lengths and structures."

A carefully considered and low-risk approach to development

Development is an attractive way to significantly enhance our returns, while carefully managing the associated risks. 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:

- land and development exposure was 7.5% of GAV; and
- speculative exposure (based on aggregated costs) was 1.1%.

Below we outline how we manage the risks associated with our development activities:

a) The role of speculative development

We favour pre-let development but will consider speculative development, as it provides a range of benefits, including:

- meeting the needs of customers with near-term occupational requirements, through a geographically diverse range of product;
- opening up new sites and establishing them in the marketplace with prospective customers and agents; and
- providing faster delivery of rental income from the point of securing a letting as much of the construction period is already past.

As we hold options over the majority of our land portfolio, we have the flexibility to adapt our speculative development programme to changing market conditions. Our approach is considered and analytical and we only develop speculatively in locations where:

- the supply of competing buildings is low;
- occupational demand is high; and
- we have identified at least one occupier requiring the size of building we intend to construct in that location.

Our speculative development performance track record is strong. In 2022, 61% of our speculative development starts were let ahead of practical completion and at rental levels in excess of appraisals.

b) Managing build costs

Having come through a period of rapidly increasing build costs, we have seen a more stable cost environment in recent months and significantly improved availability of key materials such as steel and cladding. We continue to have excellent relationships with key suppliers and the scale of our development programme means we have considerable buying power.

Looking to 2023, it is likely that some developers will delay developments or reduce their programmes because of economic conditions, which may further improve the cost and availability of both materials and contracting services.

During the period of tight material supply and rapidly rising costs, we worked collaboratively with individual contractors on a negotiated basis to ensure we could secure materials and labour in a timely fashion and therefore have firmer programme delivery timescales. With the improvement in material supplies and easing pressures on pricing, we are now reverting to contractor tenders across our projects to ensure best pricing is secured on our fixed-price build contracts.

Consequently, we continue to maintain our guidance of delivering a 6–8% yield on cost on our overall development programme.

c) Careful selection and monitoring of contractors

We closely monitor the financial strength of our contractors and place our main building contracts with a panel of contractors that are experienced in logistics warehousing and have robust balance sheets.

Insight driven development and innovation continued

The UK's largest land portfolio for logistics development

The Group's land portfolio comprises:

- sites that we own or where we are in the process of exercising options, with capacity for 3.8 million sq ft of development; and
- sites we control through long-term option agreements, with capacity for a further 35.9 million sq ft.

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

1) Current development pipeline – assets that have received planning consent and are under construction. These assets are either pre-let or speculative developments. The Group owns these sites.

2) Near-term development pipeline – sites with planning consent received or expected to be received in the near term, 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.

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

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

As at 31 December 2022, the Group had the following assets in the current development pipeline, all of which were under construction. The total estimated cost to complete is £99.9 million.

	Estimated costs to completion					
		Period				Contractual
	Total £m	H1 2023 £m	H2 2023 £m	H1 2024 £m	Total sq ft m	rent/ERV £m
Current speculative development	9.7	9.4	0.3	—	0.4	4.7
Current let/pre-let development	90.2	45.6	44.6	—	2.6	18.9
Total	**99.9**	**55.0**	**44.9**	**—**	**3.0**	**23.6**

Of the current development pipeline of 3.0 million sq ft, 86%, representing £18.9 million of annual contracted rent has been pre-let or let during construction.

When negotiating new leases, we are increasingly looking to maximise our future income growth by incorporating hybrid rent reviews, where rental increases are the higher of open market or inflation. If this is not possible, we currently favour open market rent reviews due to the current balance across the portfolio. However, this remains under constant review, with the merits of different rent review types depending on economic conditions, while we also look to ensure a balance of review types across the portfolio.

In addition, on certain pre-let developments, where there is a delay between signing an "agreement to lease" prior to construction start (and sometimes receipt of detailed planning consent) and completion of the unit, we are looking where possible to incorporate a rent review upon completion of the construction in order to capture any rental growth that has occurred in the market during the intervening construction period.

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 10.8 million sq ft and delivering £87.6 million of annual rent. Of this:

- 5.3 million sq ft relates to land with detailed or outline planning consent; and
- 2.3 million sq ft relates to sites where we have submitted a planning application.

As at 31 December 2022, the Group was awaiting decisions on planning applications totalling 4.9 million sq ft on previously unconsented land.

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 likely timing starts, resulting in movements between the two categories below. All schemes are expected to be delivered within our 6–8% yield on cost guidance:

	Total sq ft	Current book value £m	Estimated cost to completion £m	ERV £m
Near-term starts in 2023	2.3m	47.3	244.9	18.2
Near-term starts in the following 12–24 months	8.5m	109.2	932.5	69.4
	10.8m	**156.5**	**1,177.4**	**87.6**

3) Future development pipeline – construction expected to start after 36 months

The future development pipeline has sites at various stages of the planning process, with multiple sites being currently promoted through local plans. We look to replenish the pipeline as we exercise options and let buildings. At 31 December 2022, the future development pipeline comprised approximately 1,340 net acres with the potential to support up to 28.4 million sq ft of development.

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

Development Management Agreements ("DMAs")

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

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

Priorities for 2023

Our priorities for 2023 are to:

- 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%;
- secure a blend of pre-let and speculative lettings;
- 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; and
- continue to develop our low-carbon baseline specification and work towards embedded and whole life carbon performance targets.

Delivering attractive and sustainable performance

Frankie Whitehead
Chief Financial Officer for Tritax Big Box REIT plc

The Group delivered further growth in net rental income and Adjusted earnings[1], as we benefited from the successful delivery of our strategy and continued like-for-like rental growth underpinned by strong market fundamentals. The total dividend declared for the year was 7.00 pence per share (2021: 6.70 pence), representing annual growth of 4.5%. The decline in asset valuations across the market in the second half of the year was stimulated by a short and sharp adjustment to underlying interest rates – the Bank of England base rate moved from 0.25% to 3.5% during the year, with property yields increasing to accommodate a higher risk-free rate and higher cost of capital for investors. This led to an overall reduction in EPRA Net Tangible Assets per share of 19.0%, to 180.37 pence (2021: 222.60 pence) and a Total Accounting Return of -15.9% (2021: 30.5%).

Importantly, we have continued to drive our contracted rental income through development and asset management, which has increased by 14.5% over the year to £224.0 million (2021: £195.6 million). With a lot of this increase in contracted income, but not yet passing, due to a number of assets remaining under construction, this provides us with confidence in the overall growth in our earnings through 2023 and 2024. In addition our portfolio rental reversion grew to 19.1% or £42.7 million as at the year end, which includes 2.1% of recently developed vacant space, and offers opportunity for further income capture over the short to medium term.

We continue to exercise rigorous capital discipline and the balance sheet remains strong. The LTV at the year end was 31.2% (31 December 2021: 23.5%), within our guidance range and well below the maximum stipulated in our corporate banking covenants of 60%. We also have significant borrowing headroom in our facilities, with liquidity in excess of £500 million at year end. This will enable us to continue to implement our development strategy and consider asset acquisitions, alongside the careful recycling of assets through disposal.

Our priorities for 2022

We set the following priorities for 2022 in relation to our financial performance:

Priority	Progress
Target further growth in both earnings and net asset value, and therefore provide attractive Total Accounting Returns to Shareholders.	Adjusted EPS[3] increased by 1.8%. However, the reduction in asset valuations in the second half of the year resulted in a fall in net asset value and Total Accounting Return.
Maintain a strong balance sheet and loan to value within the guidance of up to 35%.	We maintained a strong balance sheet, within guidance, as our loan to value at year end was 31.2%.
Increase capital expenditure deployed into development, with a 2022 target of £350–400 million.	Capital expenditure deployed was £339 million.

Presentation of financial information

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

The Board continues to see Adjusted EPS as the most relevant measure when assessing dividend distributions. Adjusted EPS[1] is based on EPRA earnings per share with exclusion of items considered to be exceptional, not in the ordinary course of business or not supported by cash flows.

Financial results

Net rental income

Net rental income for the year increased by 11.6% to £206.0 million (2021: £184.6 million). The growth was primarily the result of a full year's income recognised for both development completions in 2021 and the Avonmouth asset acquired in April 2021, alongside income generated from development completions in 2022 and uplifts from rent reviews. EPRA like-for-like rental growth was 3.6%, reflecting the indexation inherent in many of the leases and the benefits of open market rent reviews settled in the year. See Growing and lengthening income on page 43 for further details.

At the year end, the contracted annual rent roll was £224.0 million across 79 assets (31 December 2021: £195.6 million across 62 assets). The passing rent at 31 December 2022 was £205.1 million (which includes £6.3 million currently within a rent-free period), with the difference reflecting those new lettings secured during the year on assets which remain under construction, but which will complete and therefore support earnings growth through 2023 and into 2024.

1. Excluding additional Development Management Agreement income.

Administrative and other expenses

Administrative and other expenses, which includes all the operational costs of running the Group, totalled £32.2 million (2021: £25.5 million). The investment management fee for the year was £26.0 million (2021: £20.7 million). The changes to the Investment Management Agreement during the year (see below) reduced the fee scale from 1 July 2022. The combination of the revised fee scale and the decline in net asset value at the end of 2022 are expected to result in cost savings for the Group in 2023.

The Group's operating cost base remains low and transparent. The EPRA Cost Ratio (including and excluding vacancy cost) for the year was 15.7% (2021: 13.9%). The increase was due to greater administrative costs as EPRA NTA grew through early 2022, while the positive impact on gross rental income is yet to be fully recognised due to a significant number of assets remaining under construction.

The pro-forma investment management fee for 2023 reduces to £21.9 million based on the 2023 opening EPRA NTA, a pro forma reduction in fee of 16.0%. When applying the same reduction in fee, the pro-forma EPRA Cost Ratio would be 13.7%.

Investment Management Agreement

During the year, Shareholders approved certain key changes to the Investment Management Agreement ("IMA"). These include a reduction in the investment management fee scale and an extension to the term of the IMA. The term extension, along with an expansion of key person principles, gives the Group additional security in relation to its main service provider, as well as supporting the Manager in recruiting and retaining key people.

From 1 July 2022, the new investment fee scale is as follows:

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%

Details of the main amendments to the IMA are set out in the 2022 AGM Notice, which is available on the Group's website.

Operating profit

Operating profit before changes in fair value and other adjustments was £183.1 million (2021: £178.0 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. The Group recognised £9.3 million of other operating income from these agreements in the year (2021: £18.9 million). Excluding DMA income in excess of our longer-term guidance of £4.0 million per annum (like for like), operating profit before changes in fair value and other adjustments increased by £14.8 million, or 9.1%.

Given the variability of DMA income, and the fact that this income was significantly above our expected run rate in the prior year, we have highlighted the impact on earnings within the profit and earnings section below.

Share-based payment charge and contingent consideration

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

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

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

During 2022, £1.9 million (2021: £5.5 million) was charged to the Group Statement of Comprehensive Income in respect of share-based payment charges.

Financing costs

Net financing costs for the year were £37.8 million (2021: £40.1 million), excluding the improvement in the fair value of interest rate derivatives of £14.9 million (2021: £2.8 million improvement). The average cost of debt at the year end was 2.57% (2021: 2.26%). SONIA rose by c.320 bps during the course of the year and while this affected the cost of our variable rate debt, the impact was limited by the interest rate caps we hold as part of our hedging policy (see below).

Alongside the average cost of debt increasing modestly and with the average drawn debt during the year relatively consistent with that of the prior year, the movement in net financing costs also reflects an increase to £4.7 million (2021: £0.7 million) in interest expense capitalised. As a policy, interest is only capitalised upon construction commencement, and therefore due to the timing of development starts in 2021 and due to the greater level of development activity this year, the weighted average capital invested into construction activity has increased significantly compared with 2021.

The interest cover ratio, being operating profit before changes in fair value and other adjustments over net finance expense, was 4.8x for the year (2021: 4.4x).

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 £0.4 million arose on the DMA income in the year. In 2022, a reversal of a provision made against tax payable in 2021 of £2.0 million resulted in an overall credit of £1.6 million for the year.

Financial results continued

Profit and earnings

The loss before tax was significantly influenced by the movement in property valuations (see below) and was a loss of £601.0 million (2021: profit of £971.1 million). The calculation of earnings per share ("EPS") for 2022 was also affected by the issue of 147.1 million new Ordinary Shares in September 2021, which increased the Company's weighted average number of shares in issue by 6.4%. Basic EPS was therefore -32.08 pence (2021: 55.39 pence). Basic EPRA EPS, which excludes the impact of fair value movements, was 7.92 pence (2021: 7.47 pence).

Adjusted EPS for 2022 was 7.79 pence (2021: 8.23 pence). The calculation of Adjusted EPS can be found in note 13. When removing DMA income in excess of the anticipated run rate, which we see as our KPI most aligned to recurring earnings, Adjusted EPS grew 1.8% to 7.51 pence (2021: 7.38 pence), which also reflects the increase in average share count during the year. On an absolute basis, Adjusted earnings excluding excess DMA income increased by 8.3% to £140.3 million (2021: £129.6 million) – see note 1 of Notes to the EPRA and Other Key Performance Indicators below.

As noted above, the contracted annual rent of £224.0 million rests 9.2% above the passing rent at the year end. As the associated developments reach practical completion, which will largely occur by the end of Q3 2023, this additional rent will enhance gross rental income. Alongside the rental reversion of 19.1% across the portfolio, and the reduction to the investment management fee, we believe that these factors will lead to an increase in earnings through FY 2023 and FY 2024.

Dividends

We aim to deliver an attractive and progressive dividend. Our policy is for the first three quarterly dividends to each represent 25% of the previous full year dividend. We then use the fourth-quarter dividend to determine any progression and aim to achieve an overall pay-out ratio in excess of 90% of Adjusted earnings. In line with this policy, the Board has declared the following interim dividends in respect of the year:

Declared	Amount per share	In respect of three months to	Paid/to be paid
4 May 2022	1.675p	31 March 2022	1 June 2022
28 July 2022	1.675p	30 June 2022	25 August 2022
11 October 2022	1.675p	30 September 2022	3 November 2022
1 March 2023	1.975p	31 December 2022	30 March 2023

The total dividend for the year was therefore 7.00 pence per share, an increase of 4.5% on the 6.70 pence paid in respect of 2021. The pay-out ratio was 93% of Adjusted EPS.

Portfolio valuation

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

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

The total portfolio value at 31 December 2022 was £5.06 billion, including the Group's share of joint ventures:

	31 December 2022 £m	31 December 2021 £m
Investment properties	**4,847.3**	5,249.1
Other property assets	**2.3**	4.0
Land options (at cost)	**157.4**	201.5
Share of joint ventures	**27.2**	25.6
Held for sale	**25.1**	—
Portfolio value	**5,059.3**	5,480.2

The loss recognised on revaluation of the Group's investment properties was £759.5 million (2021: £840.9 million gain). The main driver of this movement was an approximate 120 bps increase in the portfolio equivalent yield during the second half of the year, to 5.3% (2021: 4.1%), in response to rising interest rates and a higher inflationary environment across the UK economy. The annual like-for-like reduction across the investment assets within the portfolio was -15.2%; however, this was partially offset by the benefits of our continued progress with the development programme, generating an overall portfolio capital value deficit of -13.1%.

Capital expenditure

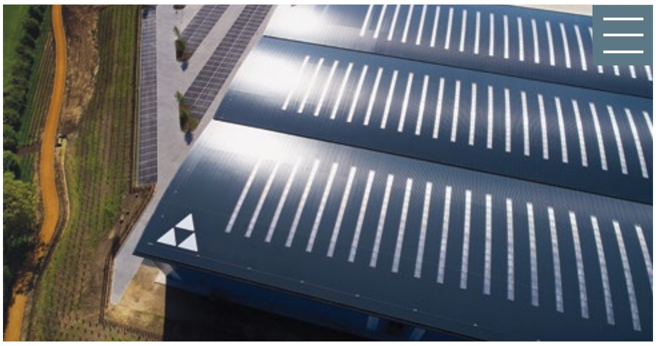
Capital expenditure for 2022 was £339 million, across 2.9 million sq ft of construction starts. This compares with our guidance of £350–400 million for the year, based on an expected range of 3–4 million sq ft of construction starts. Due to the heightened market volatility through H2 2022, we were more cautious with our approach towards capital deployment during this period.

Embedded value within land options

Under IFRS, land options are recognised at cost and subject to impairment review. As at 31 December 2022, the Group's investment in land options totalled £157.4 million (31 December 2021: £201.5 million) with £57.1 million being transferred to investment property during the year as certain options were exercised.

As the land under option approaches the point of receiving planning consent, any associated risk should reduce and the fair value should increase. When calculating its EPRA NTA, the Group therefore makes a fair value mark-to-market adjustment for land options. At the period end,

1. Excluding exceptional development income.



the fair value of land options was £20.4 million greater (31 December 2021: £66.0 million greater) than costs expended to date. This movement in the fair value of the land options in the year is due to the adverse market conditions, although this impact is significantly lower than would be experienced had we owned this land outright.

Net assets

The EPRA NTA per share at 31 December 2022 fell to 180.37 pence (31 December 2021: 222.60 pence), as a result of the reduction in the property portfolio valuation, as described above.

The Total Accounting Return for the year, which is the change in EPRA NTA plus dividends paid, was -15.9% (2021: 30.5%).

Debt capital

At 31 December 2022, the Group had the following borrowings:

Lender	Maturity	Loan commitment £m	**Amount drawn at 31 December 2022 £m**
Loan notes			
2.625% Bonds 2026	Dec 2026	250.0	**249.6**
2.86% Loan Notes 2028	Feb 2028	250.0	**250.0**
2.98% Loan Notes 2030	Feb 2030	150.0	**150.0**
3.125% Bonds 2031	Dec 2031	250.0	**247.8**
1.5% Green Bonds 2033	Nov 2033	250.0	**246.8**
Bank borrowings			
RCF (syndicate of eight banks)	Dec 2024	450.0	**164.0**
RCF (syndicate of seven banks)	Jun 2026	300.0	**103.0**
Helaba	Jul 2028	50.9	**50.9**
PGIM Real Estate Finance	Mar 2027	90.0	**90.0**
Canada Life	Apr 2029	72.0	**72.0**
Total		2,112.9	**1,624.1**

During the first half of the year, the Group extended the facility with Helaba by three years to a July 2028 maturity, while JP Morgan replaced HSBC in the Group's RCF syndicates, aligning the maturities of its respective holdings with the maturity of the remainder of the facilities. In December 2022, the Group agreed increases of £100 million to each of its RCF commitments, with the facilities now standing at £450 million and £300 million respectively. The terms of the RCFs were unchanged, with the full commitments maturing in December 2024 and June 2026 respectively. The Group ended the year with total liquidity available in excess of £500 million.

Interest rates and hedging

Of the Group's debt commitments, 62% is at fixed interest rates. For its variable rate debt, the Group's hedging strategy is to use interest rate caps which run coterminous with its respective floating rate facilities. These protect the Group from significant increases in interest rates.

Combined with the fixed-rate debt, the Group's derivative instruments hedged 99.0% of its drawn debt as at the year end. The cost of debt as at 31 December 2022 was 2.57% (31 December 2021: 2.26%).

Debt maturity

At 31 December 2022, the Group's debt had an average maturity of 5.4 years (31 December 2021: 6.5 years), with its earliest next maturity requiring refinancing due in approximately two years and the farthest maturity falling due in more than 10 years.

Loan to value ("LTV")

The Group has a conservative leverage policy, with a medium-term LTV target of 30–35%. At the year end, the LTV was 31.2% (31 December 2021: 23.5%), reflecting both the increase in level of debt drawn at the year end and the lower valuation of the Group's assets.

Subsequent to the year end, the Company exchanged on the sale of three assets for a gross consideration of £125 million. When including the proceeds from this disposal and the completion of the Littlebrook disposal, the pro-forma balance sheet LTV reduces to 29.0%.

Net debt and operating cash flow

Net debt at the year end was £1,576.4 million, comprising £1,624.0 million of gross debt less £47.6 million of cash (31 December 2021: £1,356.3 million gross debt, £71.1 million cash).

Net operating cash flow plus licence fees received was £177.4 million for the year (2021: £196.1 million).

Going concern

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

The Directors have reviewed our current and projected financial position over a five-year period, making reasonable assumptions about our future trading performance. Various forms of sensitivity analysis have been performed, in particular regarding the financial performance of our customers, and the value of our portfolio, whilst taking into account the current macroeconomic environment including the outlook over inflation and interest rates. As at 31 December 2022, our property values would have to fall by more than 45% before our loan covenants are breached at the corporate level.

At the year end, we had an aggregate of £483.0 million of undrawn commitments under our senior debt facilities and £47.6 million of cash, of which £99.9 million (see note 34) was committed under various development contracts. Our loan to value ratio stood at 31.2%, with the debt portfolio having an average maturity term of approximately 5.4 years.

As at the date of approval of this report, we had substantial headroom within our financial loan covenants. Our financial covenants have been complied with for all loans throughout the year and up to the date of approval of these financial statements. As a result, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, which is considered to be to 31 March 2024.

Credit rating

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

Priorities for 2023

Our priorities for 2023, in relation to our financial performance and position, 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 earnings and therefore enhance the dividend on a sustainable basis; and
- refinance the £450 million RCF maturing in December 2024.

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.

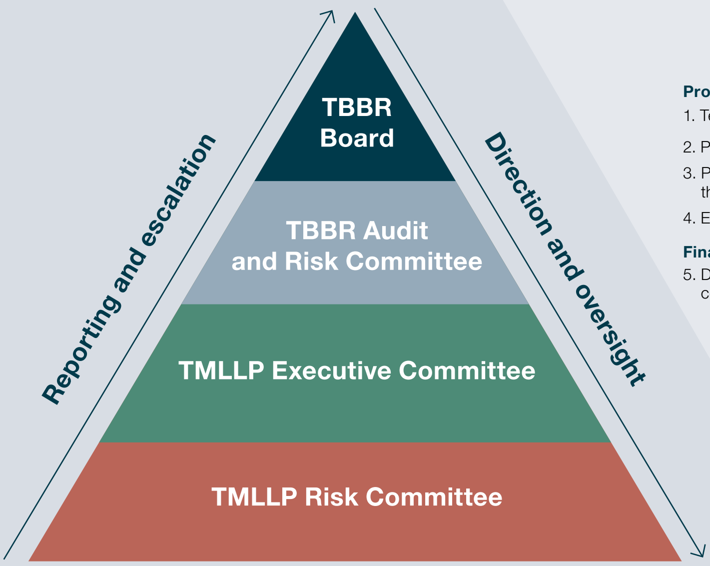
Managing risk

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 sub-sector of the UK real estate market to deliver an attractive, growing and secure income for Shareholders, together with the opportunity for capital appreciation. The Board recognises that effective risk management is important to our success. Risk management ensures a defined approach to decision making that decreases uncertainty surrounding anticipated outcomes, balanced against the objective of creating value for Shareholders.

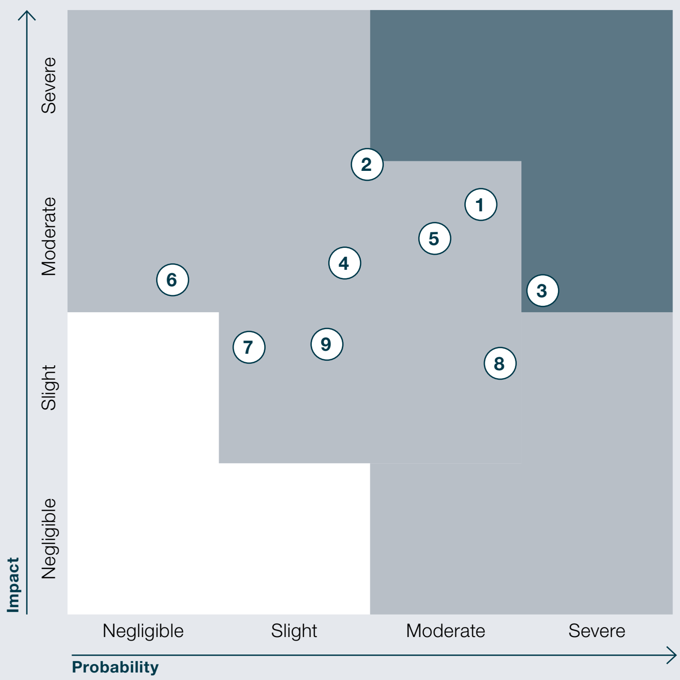
Approach to managing risk

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

At least twice a year, the Board undertakes a formal risk review, with the assistance of the Audit 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 matrix – December 2021 to December 2022 net risk movements



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

Risk appetite

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

Principal risks and uncertainties

Further details of our principal risks and uncertainties are set out below. They have the potential to materially affect our business. Some risks are currently unknown, while others that we currently regard as immaterial, and have therefore not included here, may turn out to be material in the future. The principal risks are predominantly the same as detailed in the 2021 Annual Report, with the key changes being i) the removal of a specific Brexit disruption risk, and ii) the consolidation of two risks in relation to portfolio strategy and industry competition into one risk (Risk 2).

Emerging risks

As well as the principal risks, the Directors have identified a number of emerging risks which are considered as part of the formal risk review. Emerging risks encompass those that are rapidly evolving, for which the probability or severity are not yet fully understood. As a result, any appropriate mitigations are also still evolving. However, these emerging risk are not considered to pose a material threat to the Company in the short term. This could, however, change depending on how these risks evolve over time. Senior members of the Manager are responsible for day-to-day matters and have a breadth of experience across all corporate areas; they consider emerging risks and any appropriate mitigation measures required. These emerging risks are then raised as part of the bi-annual risk assessment where it is considered whether these emerging risks have the potential to have a materially adverse affect on the Company. The emerging risks that could impact the Company's performance cover a range of subjects which include but are not restricted to technological advancement, inflation and supply chain disruption. The Board is mindful that current events involving Russia and Ukraine are not yet over; this event still has 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 healthy liquidity position, with strong levels of rent collection, a favourable debt maturity profile and substantial covenant headroom."

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 less than 14.5% as at 31 December 2022.	**Medium**	**Medium** – The default of one or more of our tenants would immediately reduce revenue from the relevant asset(s). If the tenant cannot remedy the default and we have to evict the tenant, there may be a continuing reduction in revenues until we are able to find a suitable replacement tenant, which may affect our ability to pay dividends to Shareholders. The macroeconomic environment may lead to certain sectors including certain parts of the retail sector being negatively impacted; this will impact the financial strength of some of our customers.

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 investment portfolio is 98% let, with long unexpired weighted average lease terms and an institutional-grade tenant base. All the leases contain upward-only rent reviews, which are either fixed, RPI/CPI linked or at open market value. These factors help support our asset values and overall portfolio performance. We undertake ongoing reviews of asset performance along with a review over the balance of our portfolio, split between Foundation, Value Add and Land, as well as considerations over covenant, location and building type. Our asset performance is regularly appraised and where we feel the assets are mature in terms of performance, they are ear-marked for potential disposal. Our development portfolio is executed in a low-risk manner, with significant capital targeted for deployment once we have secured a pre-let agreement. In recent years, the investment market was particularly strong; this saw increased competition bid down investment yields to record low levels. Despite the recent market turbulence, the long-term fundamentals of the sector has increased the number of investors seeking UK logistics assets. We also maintain close relationships with a number of investors and developers in the sector, giving us the best possible opportunity to secure future acquisitions. We are not exclusively reliant on acquisitions to grow the portfolio. Our leases contain upward-only rent review clauses and we have a large development pipeline and a number of current asset management initiatives within the portfolio, which means we can generate additional income and value from the existing portfolio. We own and control one of the largest development land banks in the UK, which significantly reduces the risk that competition will impact our ability to grow.	**Medium**	**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. 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 and further diversify the portfolio. The recent impact of inflation and increasing interest rates on transactions and investment pricing has reduced transactional activity in H2 2022. However, post the effects of Covid-19, logistics assets are arguably even more sought after than before and therefore competition is likely to remain strong over the long term for the prime assets.

PROPERTY RISK continued

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

Gross risk	Mitigation	Net probability	Net impact
Severe – Medium	The higher levels of inflation and interest rates are having an effect on UK economic growth. The diversity of our institutional-grade tenant base means the impact of default from 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 and other. The risk around traditional retail is mitigated by the increase in online retail sales and supply chain concerns which has driven occupational demand in 2022. Our portfolio is modern and of a high-quality nature and therefore is attractive to those with an online presence.	**High**	**Medium** – Our focus on the 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 7.5% of our gross assets as of 31 December 2022. Our development strategy is low risk and we target investing capital into a development project either once a pre-let agreement has been secured, or where we have good visibility over occupier requirements in the location that we are developing. 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 overruns.	**Low**	**Low** – Our development activities are likely to involve a higher degree of risk than is associated with standing assets. This could include general construction risks, delays in the development or the development not being completed, cost overruns or developer/contractor default. 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 recognition. The occupational market is very strong and the UK is experiencing a low level of vacancy; this should be positive from a development perspective for TBBR.

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 £750 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 £483 million within our current debt commitments at 31 December 2022. The Group aims, where reasonable, to minimise the level of unhedged variable debt, by using interest rate hedging with a view to keeping variable rate debt approximately 90%+ of drawn debt either fixed or hedged.	**Medium**	**Medium** – Without sufficient debt funding, we may be unable to pursue suitable investment opportunities in line with our investment objectives. If we cannot source debt funding at appropriate rates, either to increase the level of debt or refinance 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 Q1 2023 – 4.00%), this is likely to mean that any new debt entered into is more expensive than our average cost of borrowing.

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, Shareholders approved the extension of the agreement with a new five-year term. A 24-month written notice cannot be served by either party, unless there is a default, prior to May 2025.	**Low**	**Medium** – We continue to rely on the Manager's services and its reputation in the property market. As a result, the Company's performance will, to a large extent, be underpinned by the Manager's abilities in the property market and its ability to asset manage and develop its property portfolio. Termination of the Investment Management Agreement would severely affect the Company's ability to effectively manage its operations and may have a negative impact on the share price of the Company.

TAXATION RISK

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: • the Manager on potential transactions; • the Administrator on asset levels; and • our Registrar and broker on shareholdings. The Board has also engaged third-party tax advisers and Auditors to help monitor REIT compliance requirements.	**Low**	**Low** – If the Company fails to remain a REIT for UK tax purposes, our property profits and gains will be subject to UK corporation tax.

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. In 2022 we have experienced global supply chain issues (post Covid-19) and the Russia invasion into Ukraine, which has caused inflation to soar with interest rates rising to try and curb inflation. Inflationary pressures are affecting the consumer which is leading to a weaker outlook for the UK economy. The Group mitigates the impact of this macro volatility 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 customers' 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 Group's customers in order to protect the Group's 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.	**High**	**Medium** – A severe downturn in the economy could impact a number of the Group's tenants, contractors, and service providers, which could mean a loss of rental income and disruption to operations. Covid-19 and Russia/Ukraine have caused 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.

OTHER RISK continued

9. Physical and transition risks from climate change

Gross risk	Mitigation	Net probability	Net impact
Moderate – Medium	The Manager operates with a dedicated ESG team as well as an ESG Committee which 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. The Company has a modern portfolio, with strong ESG credentials which include 98% of the portfolio having an EPC rating of A–C; these properties should be more appealing to occupiers and therefore perform well relative to others. ESG is embedded within our investment and development processes such that climate-related risks are looked at when purchasing assets and minimum standards of BREEAM Very Good and net zero carbon are targeted for development. We are also confident that due diligence assessments, internal procedures and insurance cover adequately mitigate these ESG risks. We also actively participate and engage in several real estate and sustainability organisations such as EPRA, the UK Green Building Council and the Better Buildings Partnership 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. We engaged with a third party to conduct climate change risk assessments in 2021 to understand the impacts of climate change on the portfolio, using scenario analysis. From a physical risk perspective, the findings suggested that the portfolio is unlikely to be materially affected under a 2.0°C global warming scenario. We are conducting ongoing work to update our physical risk assessments on an annual basis and integrate the outcomes of the analysis into our asset and property management activities.	**Medium**	**Medium** – There is a risk of physical damage to the property portfolio as a result of climate-related factors such as flood risk and rising temperatures. As institutional investors focus their capital towards more energy efficient buildings, there is the risk that less energy efficient buildings do not perform as well as those with the highest ESG credentials. ESG requirements are likely to increase over time and therefore the impact of a failure to comply with regulatory standards has the potential to affect the performance of the Company in the future. The costs of carbon pricing could increase in the future therefore increasing the future construction costs associated with our development pipeline and therefore reducing development profits.

Statement of the extent of consistency with the TCFD framework

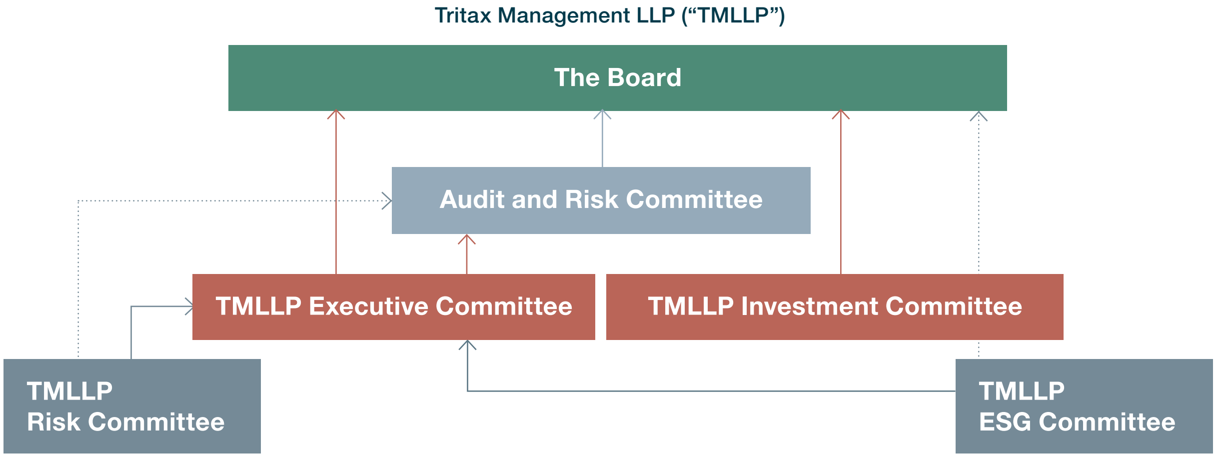
We have voluntarily prepared our annual climate-related financial disclosure consistent with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations and recommended disclosures. The disclosure also reflects the Annex to the Recommendations of the TCFD "Implementing the Recommendations 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 70 to 106
	Describe management's role in assessing and managing climate-related risks and opportunities.	Consistent	Corporate Governance Report on pages 70 to 106
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.	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 53 to 58
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.	Developing further metrics and targets	In the TCFD metrics table, we signpost to relevant sections of the Annual Report where climate-related metrics are disclosed
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks.	Developing further metrics and targets	Scope 1, Scope 2 and material Scope 3 emissions are disclosed in the SECR disclosure on page 36
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Developing further metrics and targets	The updated ESG targets, including updated net zero carbon targets, are disclosed in the ESG section on page 38

Governance of climate-related risks and opportunities



The Board
Sets the ESG strategy of the Company and has oversight of climate-related strategy and performance against key goals and targets.

Audit and Risk Committee
Monitors climate-related risks and opportunities and other emerging climate risks.

TMLLP Executive Committee
Jointly responsible for preparing the ESG strategy, implementation and priorities including climate-related strategy.

TMLLP Investment Committee
Ensures capital expenditure is in line with climate-related strategy and targets.

TMLLP Risk Committee
Conducts horizon scanning of emerging climate-related risks.

TMLLP ESG Committee
Jointly responsible for preparing the ESG strategy, implementation and priorities including climate-related strategy.

Governance

Describe the Board's oversight of climate-related risks and opportunities

The Board 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 was ranked as the most material ESG issue for the Company. This was determined through a materiality exercise undertaken by a third party that included engagement with the Board and Tritax Management LLP (the "Manager"). Climate change remains a principal risk to the business.

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 occur 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 & Compliance Officer monitor climate-related transition risks relating to legislation and regulation and update the Manger's Executive Committee and Audit and Risk Committee 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 demonstrated its commitment to ESG issues by raising a specialised Green Bond in November 2020, which focuses on investments aligned with our Green Finance Framework. The Manager's Green Finance Committee approves the allocation of the Green Bond funds and an update is provided to the Board periodically. As of December 2021, all funds had been allocated to green eligible projects, and both the Green Finance Framework and the last Allocation and Impact Report can be found on the Company's website.

The Board undertakes a detailed analysis of its ESG strategy once a year and completes monthly 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 informing and 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 to provide executive briefings on sustainability and climate change. The Board and the Manager have undertaken impact investing, carbon risk and CRREM analysis training to support their understanding of climate change and other ESG risks and opportunities to aid the appraisal of these issues in overseeing the Company's activities.

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

The Manager has an established ESG Committee which is jointly responsible with the Manger'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 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 sub-committees which focus on different topics related to ESG – Property, Governance, Green Finance and Wellbeing.

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 such as CEN-ESG and through the Company's membership of the UK Green Building Council ("UKGBC") and participation in ESG-related investor working groups, such as the Better Buildings Partnership's ("BBP") Net Zero Working Group.

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 board which is a major subsidiary of the Company.

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term

Climate change is inherently uncertain and early planning for adaptation reduces the vulnerability to climate change and allows for the creation of appropriate responses to tackle the problem at the right time. By considering potential risks towards 2030 and 2050 climate scenario time horizons, we have been better able to understand the likely spread of physical climate risk across the portfolio and identify shorter term actions that can feed into the Company's traditional decision-making timescales, but also prepare us for dealing with longer-term risks that may manifest beyond those timescales. For physical climate risks, 2030 was selected to align with the Tritax hold period and the average lease term on new buildings, to better understand the risks when these leases end. 2050 was selected to better understand what longer-term risks may materialise and ensure our strategy does not lock in measures that could exacerbate potential physical risks later in the 21st century. For transition risk, 2030 and 2050 also align with the net zero goals set by the Company during the reporting period. Please see the ESG section on pages 32 to 38 for more information on how our net zero goals and targets are developing in the future. In terms of strategy, planning and informing business decisions, we consider climate-related transition and physical risks and opportunities within the following time horizons:

- short-term: up to one year – aligned with the going concern period;
- medium-term: from two to five years – aligned with the viability period, and the period used for the Group's medium-term business plans and individual asset performance analysis; and
- long-term: from six to fifteen years – aligned with our usual hold period, our WAULT (12.6 years) and the average lease term on new buildings.

Although these climate-related risks may not materialise whilst an asset is part of the Company's portfolio, it is anticipated that markets will increasingly begin to price in climate risk over asset lifetimes. The climate resilience assessment considered three scenarios, in line with the recommendations set out in the TCFD. RCP2.6 to represent a Paris-aligned 2°C or lower scenario, RCP4.5, a medium emissions scenario, which aligns with the commitments made by countries as part of their nationally determined contributions ("NDCs"), and RCP8.5 which represents the high emissions scenario for physical risk should net zero targets not be met.

The Company has undertaken a climate resilience assessment to identify the physical risks to its portfolio by 2030 and 2050. Last year, the DNV assessment modelled two future scenarios using the IPCC's Representative Concentration Pathways ("RCPs"), a medium emissions scenario (RCP4.5) which reflects 3°C of warming by 2100 and a high emissions scenario (RCP8.5) where temperatures are projected to increase by 4–5°C by 2100. This year, in order to align with TCFD recommendations, a Paris-aligned emissions scenario (RCP2.6) where temperatures increase by 1.5–2°C by 2100 was also used to undertake a qualitative assessment of physical risk and a quantitative assessment of transition risk.

Physical risks

Risk was assessed based on the likelihood of the climate hazard occurring and the consequence of the potential climate impact on our assets. A portfolio-level assessment was completed for the entire portfolio in 2021 to identify the material risks to be incorporated into investment decisions for a medium emissions (RCP4.5) and a high emissions (RCP8.5) scenario. In 2022, we updated the previous year's assessment to include any new assets and reviewed the potential risks in light of any new information or mitigation measures that have been undertaken throughout the reporting year. We have also completed a qualitative assessment of the material physical climate risks to our portfolio under a Paris-aligned scenario (RCP2.6). Determination of physical risks having a material impact on the Company was undertaken by taking into account climate hazard, asset vulnerability and consulting asset and property managers to better understand the existing measures in place to reduce the risk to our assets from climate change events.

Our assessment concluded that our exposure to all climate-related risks is relatively low up to 2030. Based on a medium emissions scenario (RCP4.5) looking at risk exposure in 2050, the assessment shows that flood risk and hydro multi-hazard risks are considered the most material acute physical climate risks to the Company's portfolio. In addition, two assets are expected to be exposed to sea level rise by 2050. However, these risks do not account for the existing mitigation or adaptation measures at a site level. For each of the identified risk areas, Table 1 below (see Strategy b) outlines the measures in place to mitigate the risk and vulnerability of our portfolio to physical climate risks.

In addition, the physical risks from the level of warming associated with the Paris-aligned scenario (RCP2.6) were considered low, based on the location and quality of our assets, and no further risks were identified above and beyond those captured in the physical climate risk assessment for the RCP4.5 and RCP8.5 scenarios.

Finally, a supplementary riverine flood risk assessment of the portfolio was conducted using the WRI's Aqueduct Water Risk Atlas tool which concluded that none of the assets were located within 100-year flood zones.

Transition risks

The Company has also conducted a transition risk assessment of the portfolio using the Carbon Risk Real Estate Monitor ("CRREM"), using the current net zero target date for Scope 1 and 2 emissions (2030) and the year 2050 as the time horizons for the analysis. The assessment uses a decarbonisation scenario in line with 1.5°C of warming by 2100 (we do not use 2100 as a time horizon in the assessment of transition risk due to uncertainty), as this represents a conservative estimate of transition risk – a more ambitious decarbonisation scenario will mean higher risks associated with the shift to a low-carbon economy. Assets identified as being at risk of stranding – whereby energy upgrades become financially unviable due to regulation and market conditions – have been identified to allow the Company to manage risks appropriately. Determination of transition risks and opportunities having a material financial impact on the Company was undertaken in consultation with the Manager's ESG Director and Savills, which undertook the transition risk assessment. Currently, this approach is qualitative although future disclosures will aim to include a quantitative approach to the characterisation of the material financial impact of transition risk and opportunity.

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

Climate change is a critical risk. In response, we had previously set a 1.5°C Paris Agreement-aligned target to achieve net zero carbon across all direct and indirect activities by 2050, including direct landlord impacts (Scope 1 and 2 emissions) by 2030, construction impacts by 2040 and tenant operational impacts by 2050. Our updated net zero carbon targets can be found in the ESG section. We are focused on reducing our carbon footprint, using energy more efficiently to make our assets more resilient in the long term, and reducing operating costs for our customers.

Given the growing importance of understanding the risks and opportunities climate change has on the Company's business strategy, the Company has utilised industry tools and frameworks to assess the potential risks that climate change may pose on the business. It has assessed potential investment risks using the Carbon Risk Real Estate Monitor ("CRREM") tool and undertaken a physical climate risk analysis in line with the TCFD recommendations.

With an increased focus on engaging and working with our customers, we have been able to collect a substantial proportion of our portfolio's asset-level environmental data (e.g. energy, GHG, waste, water). As occupiers have operational control, the landlord operational emissions are negligible in comparison to emissions from customer operations. This year, the Company has taken several steps to support its net zero carbon objective, such as continuing to install further renewable energy infrastructure on our assets, with our total solar PV installed capacity now standing at 14.6 MW across the portfolio.

The portfolio-wide assessments of physical and transition risks and opportunities summarised in this report will inform the organisation's financial planning in the next reporting period; these assessments will be carried out at regular intervals to ensure risk identification remains current and can be integrated with our planning processes. As the Company's assets are all located within the United Kingdom, we have not chosen to report risks and opportunities by geography – physical risk is assessed at the local scale, and transition risks at both the asset level and the UK scale in the case of regulatory and market risks. If regulatory regimes diverge significantly across the UK, we may revise this reporting structure.

Scenario analysis has been completed to identify the impacts of climate-related risks and opportunities on the Company's business, strategy and financial planning. The findings are presented in the tables below. Under the medium and high emissions scenarios (RCP4.5 and RCP8.5), the largest climate-related risks to the Company's business are related to physical climate risks, as greater temperature increases will see more extreme weather events materialise and longer-term impacts of climate change are realised such as sea level rise, whilst the transition to a low-carbon economy will be much slower and thus transition risks will have less of an impact. In contrast, under the Paris-aligned scenario the business will be subject to a greater level of transition risk as it shifts its business to a low-carbon economy, leading to a lower level of warming that will result in less physical climate impacts manifesting.

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

Table 1 Climate-related physical risks

Risk	Time horizon	Risks to Tritax Big Box portfolio	Financial impacts	Planning and strategy
Acute physical risk Flood risk, hydro, multi-hazard risk, high winds	Short to medium term	Flooding of assets and need for increased flood protection and drainage measures Increased maintenance and repair costs from flooding or high winds Negative impacts on asset valuations Extreme weather events such as wind storms or flooding could also interrupt operations for occupiers	Cost of repairing assets, increased maintenance and building costs Increased insurance costs from extreme weather events such as flooding and damage from high winds Loss of value of buildings	Mitigation measures for flood and drought risks are incorporated into design of planned developments including raising assets above ground level, including surface runoff measures and inclusion of rainwater harvesting equipment Flood risk assessments are undertaken as part of the acquisition process for all new investments and as part of Tritax Symmetry's development process Asset management have proactive plans in place to deal with events if they arise and asset managers carry out annual monitoring processes at all assets to check for signs of damage from extreme weather events
Chronic physical risk Rising temperatures, water stress, aridity	Medium to long term	Increased investment in cooling requirements Reduced thermal comfort of staff leading to lower levels of wellbeing and productivity of workforce Higher operating costs for occupiers from increased cooling demand	Cost of additional cooling requirements Upgrading cooling equipment	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 Sustainable construction commitments also include reducing water use through rainwater harvesting, installing water efficient fittings and leak detection and monitoring systems to check and proactively manage water consumption
Chronic physical risk Sea level rise	Long term	Risk of flooding from sea level rise was identified at two assets by the 2050s. Flooding could result in building damage. However, given the uncertainty surrounding future projections of sea level, it is unlikely that impacts will materialise in the short term	The long-term risk of sea level rise may result in increased insurance costs for the assets over the long term and could result in stranded assets should sea level rise increase more quickly than projected	Financial appraisals of acquisitions, refurbishments and development include mitigations to physical climate risks, including flood risk assessments for all new investments The Company has worked with the Environment Agency to develop flood defences with multiple benefits including protection of Big Box assets as well as the surrounding area

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

Table 2 Climate-related transition risks

Risk	Time horizon	Risks to Tritax Big Box portfolio	Financial impacts	Planning and strategy
Policy and Legal transition risk Carbon pricing	Medium to long term	Costs could increase as carbon pricing is factored into construction and operating costs (from embodied carbon and cost of carbon-intensive energy for occupiers)	Direct cost associated with emissions pricing Increased capex costs during construction	We continue to deploy on-site renewable energy across the portfolio (see total solar PV capacity installed in the ESG section)
Policy and Legal transition risk Reporting compliance	Short to medium term	Various new reporting requirements for companies and financial organisations introduced within the UK, including proposed legislation regarding climate transition plans from the Transition Plan Taskforce. Risk of litigation/enforcement action for non-compliant disclosures and incorrect information	Increased costs resulting from fines and judgements	We continue to integrate the collection 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
Policy and Legal transition risk Asset performance compliance	Medium term	Assets become stranded and unlettable due to changing energy efficiency regulation, particularly tightening MEES regulation governing minimum EPC standards Upgrading of existing assets in order to comply with increasingly stringent national and regional energy performance standards Higher development costs for new buildings to construct to more stringent energy performance standards Cost of procuring low-carbon materials for developments and refurbishments due to regulation on embodied carbon limits, including impacts from the EU Carbon Border Adjustment Mechanism	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 C (see ESG section) The ESG policy of the fund sets out the targeted environmental performance of assets being acquired, and asset management plans incorporate measures to improve environmental performance if it is below the target performance New developments incorporate measures to mitigate the physical and transition risks of assets
Market transition risk Occupier behaviour	Short to long term	Prospective occupiers have higher energy performance requirements due to their own energy costs, regulation affecting their sectors and customer demand for net zero business operations	Increased capital costs Write-offs and early retirement of existing assets	We regularly engage with occupiers to identify low-carbon solutions which may help alleviate costs and improve their own ESG performance
Market transition risk Growth of green finance	Short to long term	Investors place stricter requirements on asset managers Access to, and cost of, capital become increasingly contingent on sustainability performance	Increased capital costs Write-offs and early retirement of existing assets	The ESG policy of the fund sets out the targeted environmental performance of assets being acquired, and asset management plans incorporate measures to improve environmental performance if it is below the target performance
Market transition risk Climate action failure	Short to medium term	Continued failure to transition to a net zero carbon economy will increase the impacts of climate change, resulting in higher levels of adaptation This will also have negative impacts on occupiers who are increasingly looking for green and sustainable credentials	Greater capex and opex costs to implement a higher level of adaptation to provide assets with the required level of mitigation needed to ensure assets are resilient to future climate change Loss of value for assets that don't have sustainable credentials as occupier demand for these buildings decreases	The Company has disclosed its revised net zero targets in the ESG section, and the net zero carbon pathway will be published in 2023. These will support the decarbonisation of the fund and support global efforts to reach net zero in line with the goals of the Paris Agreement

Table 3 Climate-related opportunities

Climate-related opportunities	Time horizon	Potential opportunities to business	Potential financial impacts	Planning and strategy
Energy source	Short to medium term	Deployment of lower emissions sources of energy Use of supportive policy incentives Use of new technologies Shift toward decentralised energy generation Increased energy security and resilience Greater visibility of asset performance	Upfront costs of installing low-carbon infrastructure Additional revenue through the sale of renewable energy to customers and the grid	Continue to deploy on-site renewable energy in partnership with our customers, where possible (see installed solar PV capacity in the metrics and targets section) Regularly engage with our 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 floorspace)
Markets	Short to medium term	Use of public-sector incentives Access to new assets and locations Retention and enhancement of Shareholder relationships – alignment with ESG objectives New opportunities to align capital deployment with climate change mitigation can be captured through underwriting or financing green initiatives and infrastructure through green finance instruments (e.g. low emission energy production, energy efficiency)	ESG investors – new source of investment Green debt/green finance/green bonds – new sources of capital Increased diversification of financial assets (e.g. green bonds and infrastructure) Defensive play against negative impact on value/liquidity Positive play – green buildings vs brown buildings – capital and rental growth	Following the issuance and full allocation of proceeds related to the Company's last green bond, we continue to assess future opportunities related to ESG-linked capital raises

The Company has identified potential opportunities to its business and associated financial impacts. We plan to review the climate-related opportunities to our business under different emissions scenarios as part of the next round of TCFD reporting.

Describe the resilience of the organisation's strategy, taking into consideration different climate scenarios including a 2°C or lower scenario

The physical climate risk analysis has used three scenarios to assess the impact of physical climate risks across the Company's portfolio to the end of the century. The scenarios used were as follows:

- RCP8.5: a high emissions scenario, consistent with a future with no policy changes to reduce emissions and characterised by increasing GHG concentrations and a temperature increase of around 4°C relative to the pre-industrial period (1850–1900);
- RCP4.5: a medium emissions scenario, consistent with relatively ambitious emissions reduction, that likely overshoots the Paris Agreement temperature target of 1.5°C/2°C relative to the pre-industrial period (1850–1900); and.
- RCP2.6: a Paris-aligned scenario that sees emissions peak early on in the 21st century and then decline after. This scenario assumes a warming of less than 2°C by the end of the century.

These scenarios were selected as they are based on internationally recognised datasets and consider the potential physical risks of a changing climate and transition to a net zero economy. We believe that they provide good coverage across all possible future scenarios, allowing us to understand the range of physical impacts that may occur and align with the recommendations of the TCFD which states that more than one scenario should be considered, one of which should be aligned with the Paris Agreement.

Transition risks have been assessed using CRREM's 1.5°C scenario, aligned with warming of less than 1.5°C by the end of the century, and CRREM's 2°C scenario. A 1.5°C scenario will identify the greatest risks and allow for a conservative degree of planning in this regard, ensuring maximum resilience of the portfolio to transition risk – this is therefore the scenario used to characterise exposure to stranding risk. Detail of the analytical methods and sensitivities is provided in the Risk Management section of this disclosure, and outputs will be disclosed along with the portfolio transition plan in the next reporting period.

We are continually evolving our strategy to reflect the profile of transition and physical risks across our portfolio and have announced the development of our revised ESG targets, which include revised net zero carbon targets (see the ESG section). The Company's updated net zero transition plan, due to be published later this year, will provide more detail on how our transition risk strategy may change to address potential risks and opportunities.

Risk management

Climate change is identified as a long-term emerging risk to the business (e.g. physical changes – increased likelihood of flooding or heat stress related events) for which we have undertaken appropriate research to mitigate the worst effects. The Company recognises that failure to adequately identify and mitigate for such risk poses a multitude of threats to our portfolio that includes risk of assets stranding, reduced rental attractiveness to tenants and diminished portfolio value in the future.

Describe the organisation's processes for identifying and assessing climate-related risks

To support the principal risk analysis process outlined in the Principal Risks and Uncertainties section, 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

Last year, 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. The climate risk analysis has been reviewed and where new information has become available risks have been downgraded. The process involved assessing potential physical climate risks to new assets in the portfolio. In addition, we have also completed a qualitative climate risk analysis for a Paris-aligned low emissions (RCP2.6) scenario to understand what our physical climate risks might be under a lower level of warming.

The following risk terminology has been used in the assessment. Risk has been defined as the potential for adverse consequences of a climate-related hazard on the lives, livelihoods, health and wellbeing, ecosystems, assets, services and infrastructure. It results from the interaction between vulnerability of an affected system, its exposure over time, the climate-related hazard and the likelihood of its occurrence. For this assessment, hazard has been defined as the potential occurrence of a natural or human-induced event that may cause the loss of life, injury, damage loss of property, infrastructure, livelihoods, services ecosystems or environmental resources[1]. Whilst vulnerability is defined as the propensity of an asset to be damaged or undergo a period of downtime after having been adversely affected by a climate event[1]. This is based on the risk definition defined in the International Panel of Climate Change ("IPCC") report[2].

The portfolio-level risk analysis has used the likelihood of the climate hazard and the severity of the impacts of the Company's assets on terms of their ability to remain operation under adverse conditions. The portfolio-level assessment was not asset specific and focused on the material risks. The potential climate-related risks on the business have been identified including potential financial risks. The Munich Re risk platform has been used to inform the likelihood assessment and expert judgement has been used to inform the vulnerability assessment.

Transition risk process

A portfolio transition risk assessment has been carried out, using energy consumption and carbon emission information for the Company's assets to assess the alignment of the portfolio with the decarbonisation pathways outlined by the Carbon Risk Real Estate Monitor ("CRREM") tool, completed by Savills Plc. The assessment has been based on data gathered for the Company's 2022 GRESB submission, with data covering the 2021 financial year.

The CRREM analysis considers the CRREM 1.5°C pathway for alignment and a time horizon to 2050. Risk associated with this portfolio transition risk assessment is therefore stranding risk, defined by CRREM as the risk of owning or managing an asset "that will not meet future energy efficiency standards and whose energy upgrade will not be financially viable". The market participant may face a situation where properties do not meet future market expectations and therefore will be exposed to write downs.

Sector and country-specific pathways have been used to assess pathway alignment and risk has been considered for both energy use and carbon emissions, with high-priority assets identified which represent significant absolute emissions and also have high normalised energy use (per m^2) – also referred to as energy use intensity ("EUI").

New developments

For all new development projects, Tritax Symmetry undertakes lifecycle assessments to review the upfront carbon, in alignment with the RICS Whole Life Carbon Guidance and using the One Click LCA assessment software, which include the consideration of material use and future operational energy demand. In addition, each new Tritax Symmetry development project is assessed against various physical climate-related risks, including the following:

- Flood Risk Assessment and drainage strategy, which reviews the site risk against all sources of flooding and includes within the calculations a climate change uplift;
- Adaption to Climate Change study, which identifies and assesses climate change hazards, estimates and evaluates risk associated with these hazards and identifies risk management measures; and
- Thermal Comfort Analysis which also includes evaluation against a future climate weather file, to determine whether the projects will maintain thermal comfort in climate change conditions.

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

The Board recognises the importance of identifying and monitoring climate-related risks, which feature on our principal risk register. The Audit and Risk Committee formally considers and assesses the risks that may be relevant to the Company on a bi-annual basis as reported by the Manager's Executive Committee. The Audit and Risk Committee also undertakes a review of the effectiveness of the risk management systems. Ownership and management of all risks is assigned to relevant members of the Manager who are responsible for ensuring the operating effectiveness of the internal control systems and for implementing key risk mitigation plans. The risk management process is designed to identify, evaluate, manage and mitigate (rather than eliminate) the significant risks faced. The vulnerability of high-risk assets, for example, is analysed by studying mitigation measures currently in place (e.g. flood barriers). If assets are deemed both highly exposed and highly vulnerable, we aim to implement appropriate mitigation measures necessary to improve the resilience of the asset. During this reporting year, the asset manager has undertaken annual monitoring in the form of site walkovers at each asset to identify any site-level vulnerabilities to potential climate hazards that could result in material impacts to the Company should the climate hazard occur. We intend to increase the frequency of this monitoring to twice per year in the next reporting year. These measures set out how we mitigate and control our physical climate risks and where the risk is deemed acceptable, we accept those risks.

An external expert has been utilised to review last year's climate change risk assessment (2021), updating risks and opportunities in line with any progress that has been made to mitigate risks over the past 12 months. A qualitative assessment of the physical impacts of climate change under a low emissions scenario (RCP2.6) has also been completed to better understand the possible physical climate risks associated with a Paris-aligned scenario.

Our physical climate risk assessments are reviewed on a yearly basis to re-evaluate the exposure of our assets in light of new climate data and the incorporation of adaptation measures that have been implemented in response to identifying a potential vulnerability at site level during annual monitoring processes. This proactive approach allows us to focus mitigation efforts on our highest risk assets and ensure resilience is prioritised in business planning for the coming year, reducing the overall risk to our assets should a climate hazard impact the site. Any risks identified at the asset level are communicated to the asset manager through a formal reporting process. Processes for managing physical climate risks are incorporated into asset management plans.

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.

The outcomes of the climate-related assessments undertaken for new developments enable Tritax Symmetry to manage any potential risks which are identified:

- Flood Risk Assessment and drainage strategy – 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;
- the Adaption to Climate Change study concludes with a series of risk management measures, which are subsequently incorporated into the design of the scheme; and
- the Thermal Comfort Analysis study 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.

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

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

The Manager has also established a Risk Committee which conducts periodic horizon scanning, on a quarterly basis, for new risks which may impact funds under management including the Company. Over the past 12 months, no new physical or transitional risks have been identified by this process.

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

1. Intergovernmental Panel on Climate Change (no data) Annex II Glossary, https://www.ipcc.ch/site/assets/uploads/2018/02/WGIIAR5-AnnexII_FINAL.pdf (Accessed: 6 February 2023).
2. Intergovernmental Panel on Climate Change (2012) Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation: A Special Report of Working Groups I and II of the Intergovernmental Panel on Climate Change. C.B. Field, V. Barros, T.F. Stocker, D. Qin, D.J. Dokken, K.L. Ebi, M.D. Mastrandrea, K.J. Mach, G.-K. Plattner, S.K. Allen, M. Tignor and P.M. Midgley (eds.) Cambridge, Cambridge University Press. https://www.ipcc.ch/site/assets/uploads/2018/03/SREX_Full_Report-1.pdf (Accessed: 6 February 2023).

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

The Company employs a holistic set of metrics in order to assess climate-related risks and opportunities, in line with the recommendations of the TCFD. These metrics are outlined below. Note that at the present time, reporting against some of these metrics is in development; where this is the case, this is clearly noted. For other metrics, both current and past years' performance is reported where possible.

Metric category	Metric	FY 2021	FY 2022	2022 target
GHG emissions	Absolute Scope 1 GHG emissions	See SECR disclosure on page 36	See SECR disclosure on page 36	Currently net zero by 2030 (see revised target page 38)
	Absolute Scope 2 GHG emissions	See SECR disclosure on page 36	See SECR disclosure on page 36	Currently net zero by 2030 (see revised target page 38)
	Scope 3: Absolute construction-related GHG emissions	N/A	See SECR disclosure on page 36	Currently net zero by 2040 (see revised target page 38)
	Scope 3: Absolute tenant operational GHG emissions (Tenant Scope 1 & 2)	See SECR disclosure on page 36	To be disclosed 2023	Currently net zero by 2050 (see revised target page 38)
Transition risks	% EPCs of existing portfolio A–C Grade	See ESG section on pages 32 to 38	See ESG section on pages 32 to 38	Improve all EPCs to at least a C grade by 2023 and B grade by 2026
Physical risks	% priority assets with climate resilience plan in place	See ESG section on pages 32 to 38	See ESG section on pages 32 to 38	All priority assets have climate resilience plans in place
Climate-related opportunities	On-site renewable energy generation projects – capacity installed (MW)	N/A	See ESG section on pages 32 to 38	Progress with on-site renewable energy generation projects in place
	% of new buildings developed to net zero standards	100%	100%	All new developments within the land portfolio acquired through the Tritax Symmetry portfolio will be constructed to net zero carbon, as defined by the UK GBC from June 2020

Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (“GHG”) emissions and the related risks.

Scope 1, 2 and selected Scope 3 GHG emissions are disclosed in the SECR disclosure. The Scope 3 emissions reported relate to our customers' emissions[3] (category 13, downstream leased assets) and the emissions associated with Tritax Symmetry's development programme.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Targets can be found reported alongside the relevant metric to allow progress to be assessed against the target over time.

3. Customer emissions are categorised under Scope 3, category 13 (downstream leased assets). Asset-level ESG data (e.g. energy, GHG emissions, water, waste) is collected from our customers annually from February to June. Therefore, we disclose our Scope 3 GHG emissions related to our customers' activities for the 2021 financial year. Emissions relating to the 2022 financial year will be disclosed later in the year.

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 2022 was £47.6 million, of which £47.4 million was readily available. It also had a further £483 million of undrawn commitments under its senior debt facilities, of which £99.9 million (see note 34) was committed under various construction contracts at the year end.

The Group currently has substantial headroom against its borrowing covenants, with a Group LTV of 31.2% as at 31 December 2022. 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 December 2022, the Group agreed an increase of £200 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 5.4 years as at 31 December 2022 (2021: 6.4 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 12.6 years, containing upward-only rent reviews, which are not overly reliant on any one tenant and present a well-diversified risk. The portfolio was 98% let (2021: 100%) at the year end.

The Directors believe that there are currently no material uncertainties in relation to the Company and the Group's ability to continue for a period of at least 12 months from the date of approval of the Company and the Group's financial statements. 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 2 March 2028. 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 10% per annum and debt cost assumptions varied upon refinancing.

The principal risks on pages 53 to 58 summarise 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 2 March 2028.

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 2024. Financing is arranged in advance of expected requirements and the Directors have reasonable confidence that additional or replacement debt facilities will be put in place when the need arises. Some assurance can be taken from the increase in the RCF agreement in December 2022, 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 2 March 2028.

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

Aubrey Adams
Chairman
1 March 2023

Good governance is central to making good decisions

Aubrey Adams OBE, FCA, FRICS
Chairman

Governance highlights for 2022

- Further developed and enhanced the Board's composition and succession planning including the appointment of Karen Whitworth as Senior Independent Director and Elizabeth Brown as the Chair of the Management Engagement Committee with effect from November 2022.
- Complied with all of the principles and provisions of the 2019 AIC Code applicable to the Company. Please see pages 77 and 78.
- 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 95.
- Conducted a comprehensive external Board evaluation exercise. Please see page 90.
- Further enhanced processes and procedures across the business and its supply chain in compliance with the Modern Slavery Act 2015 and prepared our annual statement which appears on our website. Please see page 93.
- Updated the ESG framework including new ESG targets. Please see pages 32 to 38.
- Conducted a strategic review of the business at the strategy meeting in May 2022.
- Shareholder approval given for the amended Investment Management Agreement ("IMA") on 4 May 2022.

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

Board priorities

One of our key priorities as a Board is to oversee the successful implementation of the business' strategy and ensure it is positioned for long-term success. The Board continues to support the Manager in any potential investment and divestment decisions and ensures ongoing compliance with the Company's Investment Policy and Objectives. The Board held an off-site strategy day in May 2022 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 following the easing of the Covid-19 restrictions, including our sites in Kettering and Biggleswade.

The Board worked with the Manager to finalise the renegotiation of the IMA to amend certain aspects of the agreement to reflect the growth of the business and support its ongoing strategy. The Board consulted with major Shareholders throughout the process and voluntarily sought, and was pleased to receive, Shareholder approval at the Company's AGM in May 2022. For further details, please see pages 82.

We continued to make good progress on our ESG strategy, including improved collection of ESG data and ESG integration across the asset lifecycle. Further to our first TCFD disclosure in our 2021 Annual Report, we continued to embed climate reporting into our governance framework and align the carbon performance of the portfolio to the Paris Agreement decarbonisation pathways. Karen Whitworth remains our "ESG Champion" and engages directly with the Manager's ESG Director on various ESG topics. For further information please see page 80.

Board and Committee composition

The Board continued to focus on succession planning over the year. Following the appointment of Elizabeth Brown and Wu Gang in late 2021, the Board has focused on integrating the new Non-Executive Directors into the Board. The Nomination Committee conducted a thorough review of the Committee and Board membership during the year which concluded with Karen Whitworth taking over the role of Senior Independent Director from Alastair Hughes, who has remained on the Board as a Non-Executive Director. As a result, the Nomination Committee recommended a refresh in the core Board Committee membership which resulted in Elizabeth Brown taking over as Chair of the Management Engagement Committee, effective from November 2022.

Board development and evaluation

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

During the year, the Board completed several training sessions, the first with a focus on occupiers, which included information around their business focus and challenges with Brexit, labour shortages and drive for growth. The second training session was on the Manager's Occupier Hub (an in-house client relationship management tool), which allows the Company to manage customer contacts, with primary focus on the development and asset management teams. Further to this, another training session was dedicated to learning about the elements of the power system, local energy generation options and potential areas of impact for the business.

The 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 89.

Towards the end of 2022, we conducted an externally facilitated Board evaluation which reviewed the performance of the Board, its committees and my Chairmanship. We are pleased to report that the review was positive, demonstrated a high level of challenge and critical thinking in the boardroom, and highlighted a few priorities for the Board to focus on over the next period, as well as a few recommendations on areas for development, which will help structure our 2023 internal performance evaluation. Further details can be found on page 90.

Board engagement

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

We regularly engage with the Company's advisers, Jefferies (Joint Financial Adviser and Joint Corporate Broker), JP Morgan Cazenove Limited (Joint Corporate Broker), Taylor Wessing LLP (Legal Adviser) and Akur Limited (Joint Financial Adviser), to discuss investor feedback they have received and/or gauge their views on corporate strategy and performance. We also provide investors with regular updates on significant business events, specifically financial performance and investment activity, through announcements via the Regulatory News Service of the London Stock Exchange ("RNS"). These updates are also uploaded to the Company's website **(https://www.tritaxbigbox.co.uk/investors/regulatory-news)**.

Priorities for 2023

Looking ahead to 2023, the Board is focused on progressing with the next phase of the ESG strategy including working towards our 2023 targets. The Board will also work towards meeting the targets on Board diversity included in Listing Rule 9.8.6R(9).

Aubrey Adams OBE, FCA, FRICS
Chairman
1 March 2023

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 77 and 78**

Composition, succession and evaluation

Aubrey Adams OBE, FCA, FRICS

Independent Chairman

Appointed 11 September 2017
Tenure 5 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

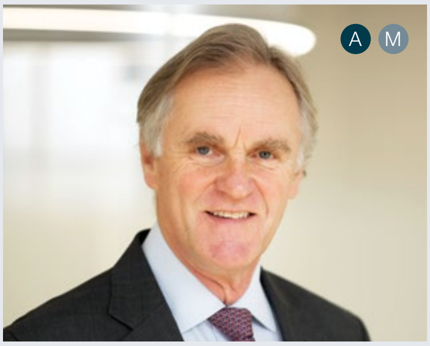
Appointed 21 October 2019
Tenure 3 years 5 months

Relevant skills and experience

- Significant retail, strategic, financial and logistics experience gained through several commercial, operational and governance roles
- Over 20 years of board level experience in public and private organisations
- Fellow of the Institute of Chartered Accountants in England and Wales
- 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 "Tunetribe") from 2005 to 2007
- Various roles at Intercontinental Hotel Group plc from 2000 to 2005, including senior vice president of strategy and transformation and senior vice president of investor relations

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
- Independent adviser to Growup Farms Limited since 2019



Richard Laing FCA

Independent Non-Executive Director

Appointed 16 May 2018
Tenure 4 years 10 months

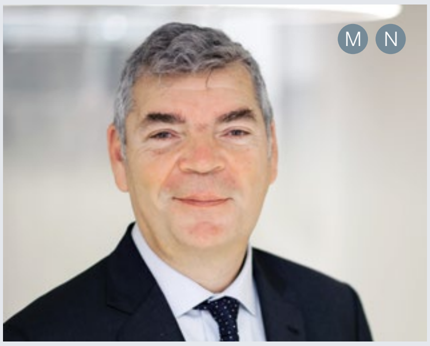
Relevant skills and experience

- 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
- Fellow of the Institute of Chartered Accountants in England and Wales

Key external appointments

- Chairman of 3i Infrastructure plc since January 2016
- Non-executive director and chairman of the audit and risk committee of JP Morgan Emerging Markets Investment Trust plc since January 2015
- Deputy chairman of the Board of Trustees of Leeds Castle since September 2012, chairman of the audit and risk committee and member of the investment committee

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



Alastair Hughes FRICS

Independent Non-Executive Director

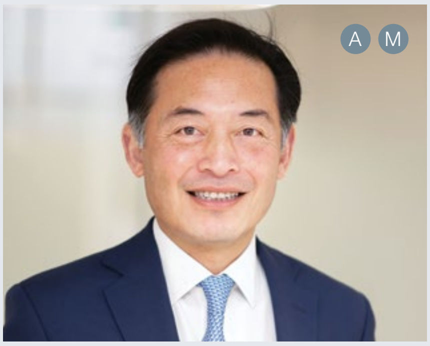
Appointed	Tenure
1 February 2019	4 years 1 month

Relevant skills and experience

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

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 since October 2019



Wu Gang

Independent Non-Executive Director

Appointed	Tenure
1 October 2021	1 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

Key external appointments

- Non-executive director and chair of the risk committee of Ashurst LLP since April 2019
- Non-executive director and member of the risk and nomination committees of IG Group Holdings plc since October 2020
- Senior adviser at Rothschild & Co (Hong Kong) Limited since January 2019

Elizabeth Brown

Independent Non-Executive Director

Appointed	Tenure
15 December 2021	1 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
- 20 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; and was a core member of the team that negotiated the merger of Dixons Retail and Carphone Warehouse, one of the largest retail mergers of all time
- Group strategy director at Diageo from 2019-2022, leading the strategic agenda across the business to drive shareholder value
- Strategy director of Services from 2016 to 2017 and head of corporate development from 2013 to 2017 at Currys (formerly Dixons Carphone)

Key external appointments

- Chief Strategy officer at Inchcape plc since February 2023

Key Representatives of the Manager

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

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

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

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

Colin Godfrey

CEO for 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 Tritax Group in 2004.

Frankie Whitehead

CFO for 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 Tritax Group in 2020.

Petrina Austin

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 began her career at Carter Jonas before moving to King Sturge (now JLL) to concentrate on institutional portfolio management. In 2002, Petrina joined Knight Frank before joining Tritax Group in 2007, and becoming a partner of Tritax Group in 2017.

Bjorn Hobart

Investment Director

Relevant skills and experience

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

James Dunlop

CEO – Investment

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 Tritax Group in 2005.

Henry Franklin

Chief Operating Officer

Relevant skills and experience

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

Our corporate governance structure

■ Board Committee
Manager Committee

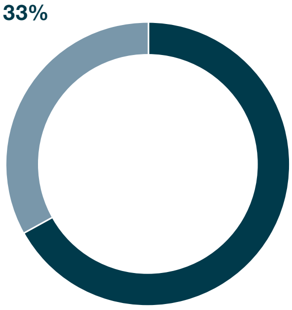
Board relevant sector experience

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

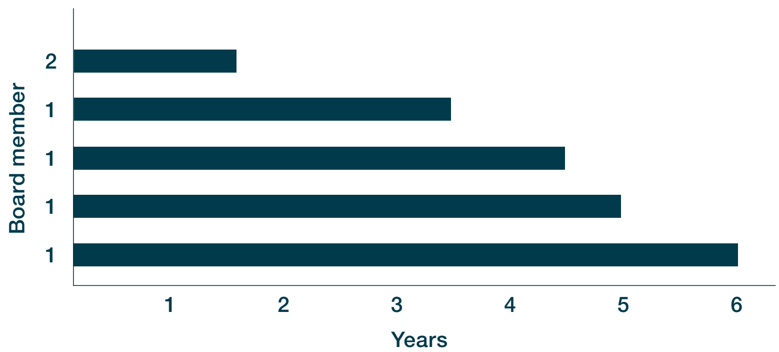
The Board considers Richard Laing to have recent and relevant financial expertise to Chair the Audit and Risk Committee.

Board gender split

▶ Male 67%
▶ Female 33%



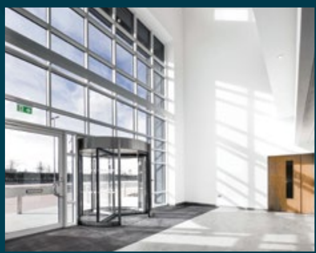
Non-Executive Director tenure



Key activities of the Company in 2022

Our stakeholders

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



January to March 2022

- Declared an interim dividend of 1.90 pence per share, in respect of the three months to 31 December 2021.
- Approved the Annual Report and Accounts 2021.

April to June 2022

- Declared an interim dividend of 1.675 pence per share, in respect of the three months to 31 March 2022.
- Negotiated and agreed amendments to the IMA.
- Held the Company's Annual General Meeting.
- Conducted the performance review of the Company's key suppliers.
- Strategy Meeting held off-site and Board asset tour to the Kettering and Biggleswade sites.

July to September 2022

- Declared an interim dividend of 1.675 pence per share, in respect of the three months to 30 June 2022.
- Approved the interim results 2022.
- Conducted the performance review of the Manager.

October to December 2022

- Declared an interim dividend of 1.675 pence per share, in respect of the three months to 30 September 2022.
- Conducted the Board and Committee evaluation.
- Appointed Karen Whitworth as Senior Independent Director of the Company and Elizabeth Brown as Chair of the Management Engagement Committee.

Post year end

- Agreed action plan following Board and Committee evaluation to focus on in 2023.
- Declared an interim dividend of 1.975 pence per share, in respect of the three months to 31 December 2022.
- Approved the Annual Report and Accounts 2022.
- Approved revised and updated 2023 ESG targets and KPIs.

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 69 • Board Leadership and Company Purpose pages 79 to 81
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 69 • Board Leadership and Company Purpose pages 79 to 81 • Division of Responsibilities pages 84 to 87
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 53 to 58 • Section 172 Statement page 25 • Audit, Risk and Internal Control pages 92 and 93 • Audit and Risk Committee Report pages 94 to 97
Principle D. In order for the company to meet its responsibilities to Shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.	• Stakeholders pages 22 to 25 • Section 172 Statement page 25
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 79 to 81 • Division of Responsibilities pages 84 to 87
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 84 to 87 • Composition, Succession and Evaluation pages 72 and 73 and 88 to 91
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 79 to 81 • Division of Responsibilities pages 84 to 87 • Audit and Risk Committee Report pages 94 to 97 • Management Engagement Committee Report pages 98 to 100
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 84 to 87 • Nomination Committee Report pages 88 to 91
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 88 to 91
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 72 and 73 and 88 to 91
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 88 to 91

Application of AIC Code principles continued

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 92 and 93 • Audit and Risk Committee Report pages 94 to 97
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 94 to 97 • Directors' Responsibilities Statements page 106
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 53 to 58 • Viability Statement page 69 • Audit, Risk and Internal control pages 92 and 93 • Audit and Risk Committee Report pages 94 to 97 • Notes to the Consolidated Accounts pages 117 to 140
Remuneration	
Principle P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	• Management Engagement Committee Report pages 98 to 100 • Directors' Remuneration Report pages 101 to 103
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 101 to 103
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 101 to 103

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 69 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 69 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 92 and 93 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 53 to 58 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 94 to 97.
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 98 to 100.
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 25 of the Strategic Report.
TCFD	The Directors have voluntarily reported on the TCFD requirements.	Further details are set out on pages 59 to 68 of the Strategic Report.

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 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, 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 course of the year, Tritax Symmetry implemented a change of management structure in order to futureproof 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 2022 strategy meeting took place off-site in May 2022 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 forum allowed for an open discussion on the current equities and property market as well as overall investment and ESG strategic targets for the year ahead in light of the current macroeconomic environment. 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 undertake some initial analysis 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 26 to 27 for more details on strategy in the Strategic Report**

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

Our focus in 2023 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.

▸ **For further details of the Company's strategy see pages 1 to 69 of the Strategic Report**

Culture

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

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

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

ESG

Managing 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, who include these as part of their full review of all policies. For full details of all policies please refer to the Manager's website. During the year, the Board continued to embed the ESG Strategy and refreshed the 2023 targets to ensure greater focus and measurability. The Company received a GRESB score of 83/100 which represents an increase of 11 points since 2020 and achieved four Green Stars out of five for our standing portfolio. In addition, the Company was also awarded the GRESB 2022 Leader for Development in the European and Global Industrial Listed Sectors, achieving the highest score for the industrial sector with a score of 99/100 and the maximum five Green Stars. We also achieved a Sustainalytics score of 8.3 for which we were recognised in Sustainalytics' 2023 top rated ESG companies list by region and sector, and improved our MSCI rating from BBB to AA. Further to the issuance of the Company's Green Bond in 2020, the Green Finance Committee has fully allocated all proceeds from the Bond to eligible Green initiatives.

▸ **For further information on our ESG strategy please refer to pages 32 to 38**

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.

▸ **Please see pages 32 to 38 for the ESG Report and updated targets**

The Board 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. This year, key matters discussed included:

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

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

▸ **For further information on how the Company reports against TCFD please see page 59 to 68**

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.

During the year, the Manager devoted time to meeting with existing Shareholders and prospective new investors virtually and in person from the UK, Continental Europe, the USA and South Africa. In January 2022, the Manager held a capital markets day with a focus on the market, the Company's current strategy and current development pipeline. The Manager also attended a number of conferences throughout the year, which provided an opportunity to engage with some of the Company's key Shareholders. Finally in December 2022, the Manager held an investor lunch which provided an opportunity for the current Shareholders to ask questions of the Manager and the Board and share their priorities. The key themes to emerge from the meetings and lunch were a growing focus on the balance sheet and the impact of lower valuations as well as the current market drivers.

▸ **Further details of the Company's engagement with our other key stakeholders can be found on pages 22 to 24 and 82 and 83**

Site visits

There is continued demand from Shareholders and prospective investors to visit our assets and development sites. In December 2022, the Manager undertook a site visit with analysts to Biggleswade and Kettering and the Manager, alongside the Investor Relations team, plans to host a programme of site visits in 2023. The Board also visited the Company's sites in Kettering and Biggleswade in May 2022, as part of the annual strategy day. The site visit provided the opportunity for the Board to not only visit both assets, but to meet some of the key members of the Tritax Symmetry team and one of the Company's occupiers. 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 Shareholders' questions. The Chairman also makes himself available outside of these meetings to speak to Shareholders.

The SID is available for Shareholders to contact if other channels of communication with the Company are not available or are inappropriate. Non-Executive Directors also regularly attend Shareholder events such as the lunch in December 2022.

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 were encouraged to ask questions or raise matters of concern by emailing the Company Secretary.

The Chairman and the SID as well as other 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 also made available on the Company's website. The website also holds the semi-annual fact sheets, 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 is dispatched to Shareholders upon request.

Key decisions of the Board

IMA renegotiation

In late 2020, following a pause in negotiations due to the Covid-19 pandemic, the Management Engagement Committee decided that it would be an opportune time to restart the renegotiation of the Investment Management Agreement between the Company and the Manager. The IMA dated 11 September 2017 allowed for renegotiation post 31 December 2019. It was the Board's view that certain aspects should be reviewed and renegotiated to benchmark the agreement with the rest of the sector, reflect the growth of the business and support its ongoing strategy whilst providing continued value to Shareholders. The Management Engagement Committee led the process and was advised by some of the Company's independent advisers who provided reports and benchmarking analysis for review.

Throughout the process the Chairman and SID held several calls with the Company's key Shareholders to obtain their views on the current performance of the business and sector as well as the proposed changes to the IMA. The feedback received from the interaction with Shareholders was positive and they were supportive of the futureproofing of the contract. The key changes include a reduction in the overall investment management fee payable, which is expected to have a beneficial effect on the Company's EPRA Cost Ratio over time, and an extension to the term of the agreement. The extension, along with an expansion of key person principles, provides additional security to the Company in terms of its main service provider as well as supporting the recruitment and retention of key personnel in the Manager.

These material amendments to the IMA were set out in the notice of the Company's AGM in 2022, and the amendments were approved by Shareholders present and voting at the AGM.

How were stakeholders' views taken into account?

- ✓ Several meetings were held between the Board and the Manager
- ✓ Calls were held between the Chairman, SID and key Shareholders

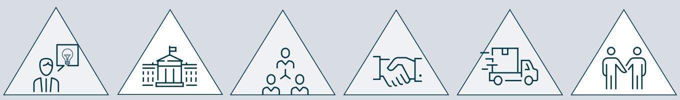
Impact – what actions were taken as a result of this engagement/taking concerns into account?

- ✓ Following Shareholder support, the Board concluded the IMA renegotiation

Long-term effects of the decision?

- ✓ The terms of the IMA remain aligned to the Company's peers and market practice
- ✓ Reduction in the overall investment management fee payable
- ✓ Beneficial effect on the Company's EPRA Cost Ratio
- ✓ Extension to the term provides additional security to stakeholders

Stakeholders considered



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

ESG targets

During the course of the year, the Manager on behalf of the Board undertook a peer analysis exercise to benchmark the Company's current ESG targets with market peers. In addition, the Manager's ESG Director conducted annual engagement with the Company's customers in relation to the GRESB submission as well as regular engagement with ESG representatives within our customer base to develop a greater understanding of their ESG targets and strategy as well as the rationale behind these. The dialogue also included discussions around customer preference on greener buildings and the need for potential additional ESG focused asset management initiatives such as Solar PV and EV charging. The Manager and the Board held regular conversations with the Company's Shareholders to understand their perspective on the matter. The communication has enabled the Manager and the Board to develop a greater understanding of our peers' priorities and allowed the Board to review their ESG related targets and strategy. As such, the Board agreed an update of the 2023 ESG targets to ensure they remained in line with the market and allowed greater granularity and measurability by internal and external stakeholders. For further details please see pages 32 to 38.

How were stakeholders' views taken into account?

- ✓ Ongoing engagement with customers on ESG priorities and targets
- ✓ Ongoing dialogue with Shareholders

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

- ✓ Following review of the peer analysis and discussions with customers and Shareholders, the ESG Strategy and targets were refreshed

Long-term effects of the decision?

- ✓ Aligned with the Company's peers
- ✓ Earlier carbon net zero targets which demonstrates the Company's commitment to its ESG strategy

Stakeholders considered

▸ For further information on the Company's stakeholders, please see pages 22 to 24

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 72 and 73

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 74

The Manager

Key roles and responsibilities

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

▶ To read more see pages 39 to 47 and 74 and 75

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 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 88 to 100

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.

▶ To read more see pages 94 to 97

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 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 Colin Godfrey, comprising various members of the Manager.
- Oversight of the Group as a whole and is responsible for reviewing the corporate and capital strategy and activity of the Company and making recommendations 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 statutory audit process.
- Approval of all Tritax Management LLP policies and procedures.

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 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 88 and 89**

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 appointments.
- Reviewing the performance of the Manager.

▶ **To read more see pages 98 to 100**

ESG Committee

- Chaired by Petrina Austin, comprising various members of the Manager.
- 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 Henry Franklin, comprising the Chief Financial Officer of the Manager and Head of Risk and Compliance of the Manager.
- 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 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 Annual Green Finance Report ahead of circulation to investors.
- Monitor evolution of the capital markets in terms of disclosure and reporting in order to be in line with market best practices.

The Board and its Committees

The Board currently consists of six 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 75

Directors' biographies are set out on pages 72 and 73. In accordance with the requirements of the AIC Code, all of the Directors will stand for re-election at the Company's AGM on 3 May 2023.

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 2022 are included in the Directors' Remuneration Report on pages 101 to 103.

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 2022, seven scheduled Board meetings were held, plus two further ad hoc meetings which dealt with transactional and other specific events such as the SID appointment 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 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 all Directors' duties.

The Board is kept fully informed of potential investment opportunities, along with wider property market intelligence, through a comprehensive set of Board papers prepared by the Manager prior to each meeting. Included within this pack are the investment reports prepared by the Manager's Investment Committee for each acquisition, 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, particularly representatives from Jefferies, JP Morgan Cazenove, Akur Capital and Taylor Wessing LLP.

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

Board reporting

Following the initial July 2021 workshop with Board Intelligence ("BI") to review the Board and Committee packs, BI provided recommendations on how Board papers could be further improved to align to BI's best in class reporting template. Clearer and more concise reports were implemented across the business which has helped to refine and focus Board reporting further. During the year, this work continued with further refinement of template reports, including the addition of a stakeholder impact section and new employees of the Manager undertook the BI workshop. The Manager continues to work with BI to develop further efficiencies in corporate reporting and utilise the knowledge and resources of the BI offering.

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 72 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 88.

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

Karen Whitworth took over the role of SID from Alastair Hughes in November 2022. Karen will continue to act as 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 90.

Attendance at Board and Committee meetings during the year ended 31 December 2022

All 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 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 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 Wu Gang
Independent Non-Executive Director

How did you find your first year on the Board?

It was eventful if I had to summarise the experience in one word. When I joined the Board, we had the tailwind as the industrial logistics market benefited from the structural shift in favour of e-commerce as well as the demand and supply imbalance due to the scarcity of modern warehouse space. The Company is well positioned to exploit this growth potential given its strong investment portfolio, development pipeline, high quality customer base and its highly skilled and experienced management team. To take advantage of this, we raised equity of £300 million in September 2021 to help accelerate our development programme. While those structural tailwinds continued, over the past six months or so, we suffered a sharp correction in the investment market, principally due to high inflation and the rise in interest rates. The Company was well positioned to ride out this adjustment, and hopefully the worst is now behind us. The convictions that I had leading me to join the Board remain unchanged. As demonstrated in the most recent trading update, the Company has a resilient portfolio. The market dynamics and structure remain favourable in the long term and we are fortunate to have a very high quality management team that has a long and successful track record.

How did you find your induction and the Directors' training over the past year?

I had a very good induction. Everyone was very welcoming and was eager to share their experience with me. While I have extensive financial and capital markets experience, I am a novice to real estate and at times I have felt a bit lost with the terminology. I wish there were a Google Translate for real estate! Apart from the formal induction sessions, I had several informal teach-ins and everyone has been generous with their time. We also have regular Directors' training sessions with wide ranging topics. One memorable experience that I had was when we visited one location after our strategy day last May. We toured the warehouse which was expansive and ended up in the cold room. The warehouse manager was so enthusiastic in telling us all the details that we were effectively detained in the cold room for over 10 minutes. We had to star-jump to keep warm!

What would you say are the key challenges facing the Board over the next reporting period?

I think that in the short term it is about supporting the management team in continuing the excellent operational performance, and carefully navigating the volatility we have seen in the investment market, in particular exploring a variety of options to fund the development programme. We also have various ESG-related initiatives under way to position the Company as one of the market leaders in this field. I think that the market correction provides us with an opportunity to analyse and think how the Company could benefit strategically and what it could look like in the medium term. I look forward to our next strategy day but hopefully there will be no star-jumping this time.

“Board diversity will remain the key focus for the next reporting period.”

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

Membership

Aubrey Adams, Chair

Alastair Hughes

Karen Whitworth

For full details on Committee attendance please refer to page 87

Key areas of focus in 2022:

- the size, structure and composition of the Board;
- reviewed the new Listing Rules on diversity, created an implementation plan for disclosure and refreshed the Diversity and Inclusion Policy;
- Board and Committee evaluation;
- the proposal for re-election of the Directors at the AGM which we plan to hold on 3 May 2023; and
- appointed Karen Whitworth as SID and Elizabeth Brown as Chair of the Management Engagement Committee and refreshed Committee membership.

Dear Shareholders,

I am pleased to present the Nomination Committee Report for the year ended 31 December 2022.

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 Committee operates within defined Terms of Reference which are available on the Company’s website or from the Company Secretary.

Board changes

We met for two scheduled and two ad hoc meetings during 2022. During the course of the year, the Committee reviewed the skills and experience of the Board as well as the size and wider succession plans and recommended that Karen Whitworth replace Alastair Hughes as SID with effect from November 2022. Alastair Hughes remains on the Board as a Non-Executive Director. As part of the changes to the role of SID, Elizabeth Brown took over the role of Chair of the Management Engagement Committee. As a result, the membership of the Committees is as follows:

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

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 evaluation. In accordance with the Principles of the AIC Code, we do not consider it necessary to mandatorily replace a Director after a predetermined period of tenure. We are, however, mindful of the circumstances of each Director and implement succession planning accordingly.

Board diversity and inclusion

The Board welcomes the recommendations set out within the FTSE Women Leaders Review (which supersedes the Hampton-Alexander Review) and the Parker Review targets and recognises the benefits of diversity in the broadest sense. As at the date of this report, the Board consisted of two female and four male Directors meaning we have met the 33% female Board representation and we intend to use all reasonable endeavours to comply with the remaining Listing Rule diversity targets by the deadline. The Company is reporting against the Listing Rule targets and has included a statement of compliance on page 91.

The Board is not looking to appoint an additional Non-Executive Director at this time due to the size and corporate structure of the Company but is mindful of the new Listing Rule regulations and will consider them during the next recruitment process.

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 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. The Policy was refreshed in September 2022 to take into account the new Listing Rule diversity targets.

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 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.

The Board received formal training sessions and updates, including an occupier focused session, where one of our key customers came to present to the Board on information around their business focus and challenges with, amongst other things, Brexit, labour shortages and drive for growth. The Board also received training on the Manager's Occupier hub (an in-house client relationship management tool), which allows the Company to manage customer contacts, with primary focus on the development and asset management teams. Further to this, another training session was dedicated to learning about the elements of the power system, local energy generation options and potential areas of impact for the business.

The 2022 Board evaluation confirmed that the training programme is well structured and the Company Secretary would work on creating a formal training plan for 2023.

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

The 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 Non-Executive Directors are also invited on a site visit to one 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 2023

2023 will see the Nomination Committee continue to focus on wider succession planning of the Board and on making progress towards satisfying the Listing Rule diversity targets.

Aubrey Adams OBE, FCA, FRICS
Chair of the Nomination Committee
1 March 2023

Board evaluation

Following the appointment of Elizabeth Brown and Wu Gang to the Board in late 2021, the Board decided to delay the full external Board evaluation until 2022 to allow sufficient time for the new Non-Executive Directors to settle into their positions. In 2022, the Board engaged Lintstock to undertake the Board & Committee evaluation. Lintstock has no connection with the Company apart from conducting the Board evaluation. The previous Board evaluations provided a benchmark for the 2022 evaluation and enabled Lintstock to understand the Board, the relationships between the Non-Executive Directors and between the Board and the Manager, the Company Secretary and other key stakeholders to the Company as well as the Company's Shareholders.

Three-year evaluation cycle

Year one and two

Internal review is conducted via Lintstock through the use of questionnaires which are based off information in the prior year external evaluation and any new subjects arising. The process for internal review is determined on a year-on-year basis.

↓

Year three – stage one

Comprehensive questionnaires were sent to each of the Directors and four key representatives of the Manager. The questionnaires contained a section to appraise the performance of the Chairman.

↓

Year three – stage two

In-person interviews between Lintstock and each Director and/or representative of the Manager followed. The Board were asked to consider the following topics:

- Board composition and dynamics;
- stakeholder engagement;
- management and focus of meetings;
- Board support;
- Board Committees;
- strategic oversight;
- risk management and internal control;
- top strategic issues; and
- specific questions relating to abrdn and the industrial logistics market.

↓

Stage three

Lintstock presented to the Board at the February 2023 Board Meeting and an action plan for the year ahead was agreed.

Outcome

The outcome of the 2022 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.

Actions

The Board met in February 2023 to discuss Lintstock's 2022 Board Evaluation Report and the following priorities for 2023 were identified:

- the Board will continue to focus on key strategic questions with a regular cadence throughout the year;
- the Board will continue its transparent communication with the Manager and abrdn with a view to positively developing these relationships for the benefit of the Company's stakeholders;
- the Board will continue to monitor the property and equities markets. This is especially important, in light of the current macroeconomic and geopolitical volatility in the market; and
- understanding stakeholder views and continuing to engage with a range of the Company's stakeholders. The Board agreed to consider conducting a Shareholder perception study over the coming year.

Led by Karen Whitworth, the Senior Independent Director, the Directors met without me present to appraise my performance as Chairman. The review was very positive. The Directors believed that the Board benefits from my informed, and experienced leadership, which promotes collegial and constructive dynamic in the boardroom, whilst maintaining constructive challenge. In addition, the Non-Executive Directors expressed the desire for more informal, Board only meetings.

The Board notes the ICSA principles of good practice for listed companies using external board reviewers as set out in January 2022, and confirms compliance with all principles.

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 for the first time this year 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.

Furthermore, the Board supports the recommendations set out in the FTSE Women Leaders Review and the encompassing Listing Rules, and the Board and the Nomination Committee intend to use all reasonable endeavours to comply with these.

Actions to help us get there

The Committee refreshed and expanded the Board Diversity and Inclusion Policy in line with the targets on Board diversity referenced in Listing Rule 9.8.6R(9). 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 by 2024 and in its wider Board succession planning.

Statement of compliance

The Company complied with two of three Listing Rule diversity targets, namely one woman 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 only 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.

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 53 to 58 of the Strategic Report.

The Audit and Risk Committee reviewed the principal and emerging business risks of the Company on behalf of the Board, with a specific focus on inflation and interest rate risk, in light of the current macroeconomic climate and indirect consequences such as the impact of the war in Ukraine and mini Budget on the economy and supply chains, as described on pages 4 and 53 to 58.

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 TSL. Langham Hall UK Depositary LLP reports quarterly to the Board and the Manager.

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

Risk management and internal controls review

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

The Board and the Manager have, together, reviewed all financial performance and results notifications. Non-financial internal controls include the systems of operational and compliance controls maintained by the Company's administrator, Link Asset Services (the "Administrator"), and by the Manager in relation to the Company's business, as well as the management of key risks referred to in the Strategic Report on pages 53 to 58.

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 2022.

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

▸ **For further details on the review please see page 96**

The Company is managed externally by the Manager. All payments of Company funds are authorised by the Manager in accordance with the duties delegated to it pursuant to the terms of the Investment Management Agreement ("IMA") and in accordance with the provisions of the AIFMD. The Manager instructs the Administrator to make the duly authorised payment and Langham Hall UK Depositary LLP, as part of its role as Depositary, reviews each material payment in relation to the specific test areas as mentioned in the report overleaf. The Audit and Risk Committee considers that the internal controls in place and the function undertaken by Langham Hall UK Depositary LLP, alongside the external audit, provides the appropriate rigour and assurance over the managing of Company funds. In addition to this, the Administrator has its own internal audit performed on an annual basis by BDO, from which the Company reviews any findings. The 2021 audit did not raise any significant findings and whilst the 2022 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 53 to 58 for more details on emerging and principal risks.

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

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

Anti-bribery and corruption

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

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

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

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.

This year, we have reviewed our processes and incorporated requests for details of suppliers' modern slavery policies in our contract procurement process. Our property and asset managers undertake on-site inspections, which enables us to check supplier practices, and this is 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.

Depositary statement

Established in 2013, Langham Hall UK Depositary LLP is an FCA regulated firm that works in conjunction with the Manager and the Company to act as depositary. Consisting exclusively of qualified and trainee accountants and alternative specialists, the entity represents net assets of US$110 billion and we deploy our services to over 120 alternative investment funds across various jurisdictions worldwide. Our role as depositary primarily involves oversight of the control environment of the Company, in line with the requirements of the Alternative Investment Fund Managers Directive (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 2022, our work included the review of one management share issue and four property income distributions. Based on the work performed during this period, we confirm that no issues came to our attention to indicate that controls are not operating appropriately.

Joe Hime
Head of UK
For and on behalf of Langham Hall UK Depositary LLP,
London, UK
1 March 2023

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

Richard Laing FCA
Chair of the Audit and Risk Committee

"Given the recent volatility across the financial markets, the appropriateness of the property valuations, balance sheet strength and liquidity was a priority for the Committee."

Membership

Richard Laing, Chair

Karen Whitworth

Wu Gang

Elizabeth Brown

▶ For full details on Committee attendance please refer to page 87

Key areas of focus in 2022:

- 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 2022 and recommended these to the Board for approval;
- monitored the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reviewed any significant financial reporting judgements contained in them;
- monitored the effectiveness of the Group's assessment of risk to ensure actions are being taken to mitigate the Group's exposure to risk;
- reviewed the robustness of the Company's internal financial controls and the efficiency of the internal control and risk management systems used by the Company;
- assessed the quality of the annual and interim property valuations prepared by the Company's independent valuers and challenged the assumptions used by the valuers in preparing the valuation;
- reviewed and considered the basis of the Viability and Going Concern Statements made by the Directors;
- reviewed and monitored the Company's relationship with its Auditor;
- reviewed the accounting and reporting implications of changes in standards or best practice;
- evaluated the Company's key climate-related risks in preparation for TCFD reporting;
- oversight of new reporting requirements, including 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 2022. 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 me 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 72 and 73. We met for seven scheduled meetings during 2022, 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 2022 and January 2023 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.

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.

As part of the FRC's standard review in respect of public and large private companies' accounts and reports, the FRC conducted a procedural review of the Company's 31 December 2021 Annual Report and Accounts, and the Committee is pleased to report that there were no immediate questions to raise with the Company. The Committee and the Manager have addressed a small number of suggestions in the 2022 Annual Report.

The Committee undertook an exercise to review and formally record the Company's risk appetite and risk tolerance for each of the principal risks facing the business which have been integrated into the risk management framework and policies.

During the course of the year, Akur presented on the processes and controls surrounding the preparation of the financial model in relation to the Going Concern and Viability Statements of the Company. This provided an opportunity for the Committee to challenge and review the processes 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.

Audit process

1. Planning meeting | **2. Scope** | **3. Challenge** | **4. Ongoing review**

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.

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.

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.

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.

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 £5.06 billion on 31 December 2022 (compared to £5.48 billion on 31 December 2021), reflecting a decrease of 7.7% for the year.

Following production of the draft valuation by the valuers, the Manager meets with the valuers to discuss and challenge various elements of the property valuation, if necessary. The Auditor, in fulfilling its function as independent Auditor to the Company, also meets with the valuers to discuss, and where necessary, challenge the assumptions within the property valuations. The Committee meets with both valuers to discuss and challenge the valuation and to ensure it was conducted properly, independently and could be fully supported. Subject to reviewing and agreeing any subsequent changes, the Committee also receives a copy of the property valuations for the portfolio once they have been reviewed by the Manager and after the Auditor has met with the valuers. The performance of the valuers is assessed on an annual basis by the Management Engagement Committee. In line with best practice and to ensure the continued independence of the valuers, CBRE rotated Ben Thomas for the June 2022 valuation and Nick Knight for the December 2022 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, particularly given the volatility experienced across the investment market in H2 2022.

The Board approved both the CBRE and the Colliers valuations in August 2022 and March 2023 in respect of the interim and annual valuations.

B and C Shares

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

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

Land options

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

Fair, balanced and understandable financial statements

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

- the comprehensive documentation that outlines the controls in place for the production of the Annual Report, including the verification processes to confirm the factual content;
- the detailed reviews undertaken at various stages of the production process by the Manager, Administrator, Joint Financial Advisers, Auditor and 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 2021, 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 2021 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 2022, 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")

Further to our first voluntary TCFD disclosure in the 2021 Annual Report and Accounts, the Company has built on the scenario planning and climate risk reporting to further develop our disclosure and further embed climate risk into the current risk framework of the business strategy.

Please refer to pages 59 to 68 for our 2022 TCFD disclosure.

Internal audit

The Company does not have an internal audit function but has engaged Grant Thornton UK LLP to perform certain internal audit services and reviews. In the year Grant Thornton performed a review over the risk management and health and safety processes within the Tritax Symmetry Portfolio. The findings report was based on information received from discussions with the Manager and Tritax Symmetry management as well as walk through testing of processes and controls. Grant Thornton identified several recommendations throughout both reviews which were presented to the Committee for review and discussion. The health and safety process recommendations have been implemented with the help of an external consultant. The risk management processes have been implemented and are in the process of being formally documented.

External audit

The Audit and Risk Committee recommended that BDO be reappointed following a re-tender in 2017. The period of total uninterrupted engagement is nine years, covering the years ending 31 December 2014 to 31 December 2022. Geraint Jones has been the Lead Audit Partner since 2019.

This year is the sixth year that BDO 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 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, 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.

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

We consider that the audit team assigned to the Company by BDO has a good understanding of the Company's business which enables it to produce a detailed, high-quality, in-depth audit and permits the team to scrutinise and challenge the Company's financial procedures and significant judgements. We ask the Auditor to explain the key audit risks and how these have been addressed. We also considered BDO's internal quality control procedures and transparency report and found them to be sufficient. BDO's audit for the year ended 31 December 2020 was reviewed by the FRC's Audit Quality Review team as part of their annual inspection of the firm's audit work. The committee received a copy of the report and discussed it with BDO. None of these matters were considered by either the FRC or the Committee to be significant. 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 as reporting accountants on the Company's issues of equity and debt capital in the normal course of the Company's business. PricewaterhouseCoopers is appointed to assist with financial and tax due diligence on corporate acquisitions and to provide general tax compliance advice.

To help safeguard BDO'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 £62,440 in fees to the Auditor for non-audit services during 2022. These fees are set out in the table below.

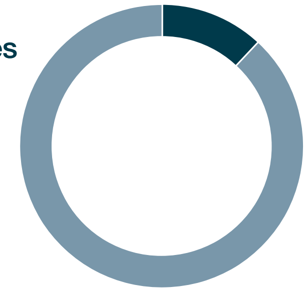
Work undertaken	Rationale for using the external Auditor	Fee £
Interim review	Work is normally performed by an external Auditor	49,000
Agreed upon procedures over the Adjusted NAV	Extension of audit procedures	13,440
Total		**62,440**

The ratio of audit to non-audit services received in the year was 12% (2021: 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.

Ratio of audit to non-audit services

▶ Non-audit 12%

▶ Audit 88%



Committee evaluation

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

Priorities for 2023

The Committee will focus on continuing to develop its approach to risk appetite, in order to provide a framework for grading the Board's tolerance for key threats, keeping close to the valuers and Auditors and continuing to subject the valuation exercise to a particularly rigorous review, given the volatile market conditions.

Richard Laing FCA
Chair of the Audit and Risk Committee
1 March 2023

Elizabeth Brown
Chair of the Management Engagement 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 87**

Key areas of focus in 2022:

- reviewed, amended and presented for voluntary Shareholder approval, the Investment Management Agreement between the Company and the Manager;
- reviewed the performance of the Manager;
- reviewed the Manager's key suppliers and their performance; and
- appointed new suppliers.

> "We are pleased to have concluded the IMA renegotiation during the year."

Dear Shareholders,

I am pleased to present the Management Engagement Committee Report for the year ended 31 December 2022. I took over the Chair of the Committee from Karen Whitworth with effect from 4 November 2022. 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 two ad hoc meetings. Over the year, the Committee focused on completing the Investment Management Agreement ("IMA") review in order to protect the longer-term interests of the Company, whilst ensuring that it offers good value to stakeholders, positioning the Company as an attractive investment opportunity in the market. The Committee met several times without the Manager present and enlisted the help of Akur, Jefferies and Alvarez & Marsal Tax and UK LLP in providing detailed analysis and various market comparison reports to assist in its discussions. Following a number of formal and informal meetings held to negotiate the terms of the IMA with the Manager, the review culminated in several voluntary amendments being made to the IMA provisions, and the revised IMA was put for approval to the Company's Shareholders at the May 2022 AGM.

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 2022 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. During the year, the Company re-tendered the Company's depositary services and appointed Kekst CNC as the Company's corporate communications agency. We are satisfied that the Company is benefiting from added value in respect of the services it procures and do not suggest any material changes to the engagement terms of the Company's advisers or service providers other than those outlined above. Receipt of the tender schedule does not prevent the Committee from taking action at an earlier stage if necessary and in the interests of the Company.

Depositary re-tender

In August 2022, the incumbent depositary provider was tendered to benchmark the fees and level of service currently being provided, as this service provider had not been re-tendered since the Company's IPO in 2013. The Manager undertook the tender on behalf of the Committee given their close working relationship, and invited five providers including the incumbent to submit proposals for the provision of depositary services and Annex IV reporting. Following an initial review, a shortlist of providers was invited to present to certain representatives of the Manager including representatives from the finance and secretariat teams. Following the pitch presentations, it was decided to retain Langham Hall. The Committee believes that the key outcomes of the tender, including additional controls and processes implemented by the service provider, will reduce costs and improve performance and efficiencies.

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

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 negotiation of debt facilities within the parameters of the Company's policy on gearing and liaising with the Company's advisers on proposed equity fundraisings require approval from the Board prior to execution. All of the Company's subsidiaries and therefore all of its assets are wholly owned and controlled by the Company as at 31 December 2022, except certain assets which are held in joint venture vehicles, and the Board exercises direct control in respect of the Group's holdings.

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

The Committee also reviews the Manager's culture and organisational structure. The Manager increased the number of employees during 2022 to ensure that the Company is well served, including the appointment of a new ESG Director, Head of People Development, and Director of Marketing and Communications.

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.

IMA terms review

During the year, the Board finalised the review of the IMA.

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 existing IMA allowed for an opportunity for renegotiation from 31 December 2019. As a result, the Management Engagement Committee conducted a detailed review of the IMA and concluded that certain aspects of the agreement should be updated to reflect the growth of the business and to support its ongoing strategy. It was recognised that the industry has evolved since the agreement was initially signed and the Board was mindful to ensure that the terms of the IMA remained aligned to the Company's peers and market practice. The key changes included a reduction in the overall investment management fee payable (as set out below), which is expected to have a beneficial effect on the Company's EPRA Cost Ratio, and an extension to the term of the agreement. Termination cannot be served prior to 4 May 2025 (end of the new three-year term), at which point a 24-month notice period applies. The extension, along with an expansion of key person principles, provides additional security to the Company in terms of its main service provider as well as supporting the recruitment and retention of key personnel in the Manager. For full details please see the Company's 2022 Notice of AGM.

There are provisions allowing the parties to terminate without notice in certain circumstances, including material breach and/or loss of key personnel.

Conflict management

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

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%

Management fee continued

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 for new 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 4 March 2022, the Company issued 997,210 Ordinary Shares to the Manager, which were allocated to the Manager's Partners, its staff and abrdn in respect of the net cash amount, relating to the six-month period to 31 December 2021. The issue price was 218.26 pence per Ordinary Share, being the most recent published NAV per Ordinary Share as at 31 December 2021.

On 4 August 2022, the Manager purchased 1,267,246 Ordinary Shares in the market which were allocated to the Manager's Partners, its staff and abrdn in respect of the net cash amount, relating to the six-month period to 30 June 2022. The purchase price was 193.86 pence per Ordinary Share.

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 1 March 2022
Colin Godfrey	2,581,369	0.1381%
James Dunlop	2,519,008	0.1348%
Henry Franklin	1,885,553	0.1009%
Bjorn Hobart	369,298	0.0198%
Petrina Austin	323,895	0.0173%
Frankie Whitehead	159,253	0.0085%
Tritax Management LLP	95,275	0.0051%
Staff of Tritax Management LLP[1]	723,404	0.0387%
Aberdeen Asset Management plc[2]	1,967,415	0.1053%
Total	**10,624,470**	**0.5685%**

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 abrdn under the terms of the IMA and it does not include other shares that may have been acquired by abrdn.

AIFM Directive

The AIFMD became part of UK law in 2013. It regulates AIFMs and imposes obligations on managers of alternative investment funds ("AIFs") in the EU or who market shares in AIFs to EU investors. Under the AIFMD, the AIFM must comply with various organisational, operational and transparency obligations.

The Manager is authorised by the FCA as an AIFM and provides all relevant investment management and advisory services to the Company, including regulated activities. The Manager is responsible for making investment and divestment decisions in respect of the Company's assets as part of its regulatory responsibility for the overall portfolio and risk management of the Company. This is in line with published ESMA guidance on the application of the AIFMD.

AIFM remuneration policy applied by the Manager

As a full scope AIFM, the Manager must apply a remuneration policy in line with its business strategy, objectives, values and interests, as well as those of the AIFs it manages or its investors. The policy must include measures to avoid conflicts of interest. This ensures that the Partners have a vested interest in ensuring the Manager remains financially sound.

The annual fee paid by the Company is based on a percentage of its EPRA NTA, as set out on page 99. 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 are able to allocate a proportion of the Management Shares to key members of staff, which they have once again done in respect of both Management Share issue and purchase in 2022.

The Manager's partnership board meets at least twice a year to discuss the remuneration of its entire staff. Staff are remunerated in accordance with their seniority, expertise, professional qualifications, responsibilities and performance. They are paid salaries in line with market rates and, in profitable years, awarded a discretionary bonus from a bonus pool worth, in aggregate, at least 5% of the Manager's profits. The discretionary bonus may consist of cash or Ordinary Shares in the Company allocated to certain members of staff out of the Management Shares. This means that staff remuneration is predominantly fixed and the variable element is determined by the Manager's overall profitability, rather than the performance of a particular AIF.

The Manager's Partners are entitled to their partnership share of its profits and losses. None of the Partners are entitled to additional partnership drawings that depend on the performance of any AIF managed by the partnership. The Partner's remuneration therefore depends on the Manager's overall profitability, rather than the performance of any AIF.

Committee evaluation

The overall performance on the Management Engagement Committee for the period was positively rated, in particular its review of the Manager's and the Company's service providers' performance, and the negotiation of the Investment Management Agreement.

Priorities for 2023

The Committee will focus on the review and performance of the Manager and its key suppliers, including an ongoing detailed understanding of the operations and employees within the Manager.

Elizabeth Brown
Chair of the Management Engagement Committee
1 March 2023

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 3 May 2023 for Shareholder consideration and approval. No remuneration decision took place in the year under review, however the Non-Executive Director base fee level was increased with effect from 1 January 2022 from £50,000 to £54,000 per annum. This was approved by the Board on 14 December 2021. The Directors' remuneration is disclosed below.

Directors' Remuneration Policy

The Company's policy is to determine the level of Directors' fees with regard to those payable to Non-Executive Directors of comparable REITs and the time each Director dedicates to the Company's affairs. The Remuneration Policy is set out in the Company's 2020 Annual Report, which is available on the Company's website. The next time it is intended that Shareholders will be asked to approve the Directors' Remuneration Policy will be at the Company's AGM in 2024 and the Remuneration Policy approved at the Company's 2021 AGM will continue to apply until such time.

The Directors are entitled to their annual fee and reasonable expenses. No element of the Directors' remuneration is performance related, nor does any Director have any entitlement to pensions, share options or any Long Term Incentive Plans from the Company. Under the Company's Articles, all Directors are entitled to the remuneration determined from time to time by the Board. There were no revisions to the policy during the period.

Each Director has been appointed pursuant to a Letter of Appointment. 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.

Director	Letter of appointment dated	Expected and actual date of expiry	Unexpired term as at 31 December 2022	Notice period
Aubrey Adams	11 September 2017 11 September 2019 11 September 2021	11 September 2024	45 months	3 months
Richard Laing	16 May 2018 16 May 2020 4 May 2022	16 May 2025	17 months	3 months
Alastair Hughes	1 February 2019 1 February 2021 1 February 2023	1 February 2026	26 months	3 months
Karen Whitworth	21 October 2019 21 October 2021	21 October 2024	46 months	3 months
Wu Gang	1 October 2021	1 October 2024	45 months	3 months
Elizabeth Brown	15 December 2021	15 December 2024	48 months	3 months

Statement of consideration of Shareholder views

The Board will seek Shareholder views when evaluating and setting ongoing remuneration strategy and prior to any significant changes to the Remuneration Policy, where appropriate. The Company is committed to ongoing Shareholder dialogue and takes an active interest in voting outcomes.

Annual Report on Remuneration (audited)

The fees paid to the past and current Directors in the year to 31 December 2022, 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 2022 totalled £628 (2021: £nil). No other remuneration was paid or payable during the year to any Director.

	Annual fee		Expenses		Total fixed remuneration	
Director	**For year ended 31.12.2022[1] £**	For year ended 31.12.2021 £	**For year ended 31.12.2022 £**	For year ended 31.12.2021 £	**For year ended 31.12.2022 £**	For year ended 31.12.2021 £
Aubrey Adams[2]	**120,000**	97,526	**N/A**	N/A	**120,000**	97,526
Richard Laing	**64,000**	60,000	**563**	N/A	**64,563**	60,000
Alastair Hughes[3]	**58,086**	53,154	**N/A**	N/A	**58,095**	53,154
Karen Whitworth[4]	**59,000**	51,250	**N/A**	N/A	**59,000**	51,250
Wu Gang	**54,000**	12,500	**65**	N/A	**54,065**	12,500
Elizabeth Brown[5]	**54,624**	2,500	**N/A**	N/A	**54,624**	2,500

1. The Non-Executive Director base fee level was increased with effect from 1 January 2022 from £50,000 to £54,000 per annum.
2. Aubrey Adams was appointed Chair effective 5 May 2021.
3. Alastair Hughes resigned as Senior Independent Director effective 4 November 2022.
4. Karen Whitworth was appointed Senior Independent Director effective 4 November 2022.
5. Elizabeth Brown was appointed Chair of the Management Engagement Committee effective 4 November 2022.

Annual change in remuneration

Director	2022[1]	2021
Aubrey Adams[2]	**0%**	118%
Richard Laing	**7%**	0%
Alastair Hughes[3]	**(2)%**	10%
Karen Whitworth[4]	**7%**	10%
Wu Gang	**8%**	N/A
Elizabeth Brown[5]	**18%**	N/A

1. The Non-Executive Director base fee level was increased with effect from 1 January 2022 from £50,000 to £54,000 per annum.
2. Aubrey Adams was appointed Chair effective 5 May 2021.
3. Alastair Hughes resigned as Senior Independent Director effective 4 November 2022.
4. Karen Whitworth was appointed Senior Independent Director 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.

Statement of voting at general meeting

The Company is committed to ongoing Shareholder dialogue and takes an active interest in voting outcomes. If there are substantial votes against any resolutions, the Company will consult with Shareholders in order to understand the reasons for any such vote. The Company will provide an update on the views received from Shareholders no later than six months after the meeting and any resulting action will be detailed in the next Annual Report. Ordinary resolutions require a simple majority of 50% and special resolutions require 75% to be passed.

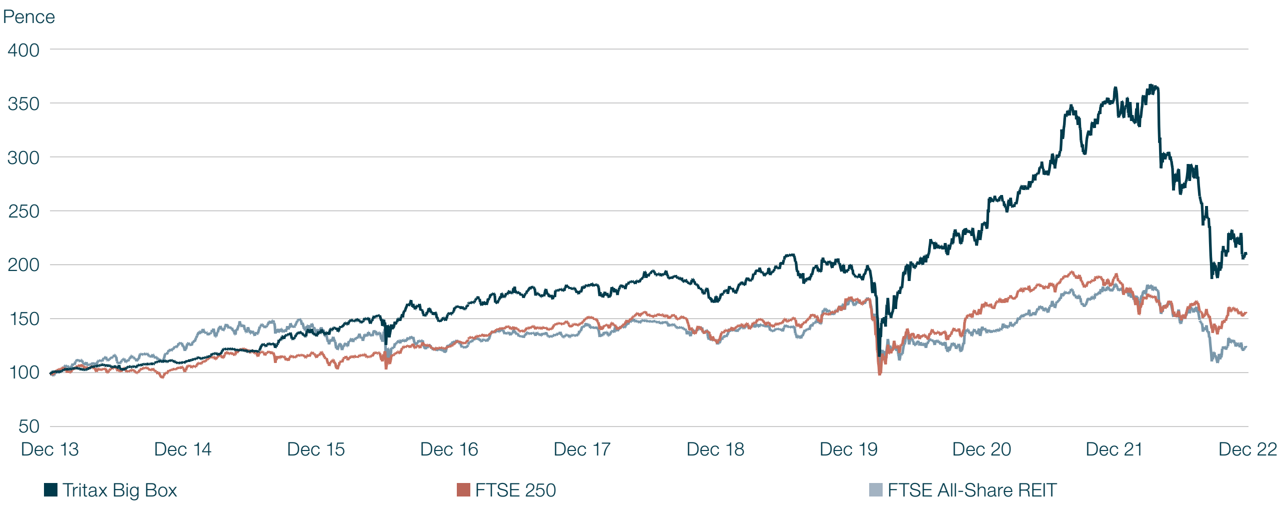
The Directors' Remuneration Policy and the Directors' Remuneration Report were approved by Shareholders at the Company's AGMs held on 5 May 2021 and 4 May 2022, respectively. The voting on the respective resolutions was as shown below:

Resolution	For %[1]	Against %	Votes withheld
Directors' Remuneration Policy	99.65%	0.35%	33,272,869
Directors' Remuneration Report	99.95%	0.05%	5,560,015

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'/PDMR shareholdings (audited)

There is no requirement for the Directors of the Company to own shares in the Company. As at 1 March 2023, 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 2022 £
Aubrey Adams	240,000	0.013%	16,240
Richard Laing	50,000	0.003%	3,463
Alastair Hughes	46,483	0.002%	3,001
Karen Whitworth	30,705	0.002%	2,126
Elizabeth Brown	9,340	0.0005%	469
Wu Gang	2,600	0.0001%	87

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

	2022 £m	2021 £m	Change %
Directors' remuneration	**0.5**	0.4	12.5%
Investment management fees	**26.0**	20.7	25.6%
Dividends paid to Shareholders	**129.4**	114.4	13.1%

Other items

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

Aubrey Adams OBE, FCA, FRICS
Chairman
1 March 2023

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 2022.

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 72 and 73
S172	Page 25
Business relationships	Pages 1 to 69
Directors' interest in shares	Page 103
Future developments of the Company	Page 20
Financial instruments	Note 4.6 on page 120
Corporate Governance Statement	Pages 71 and 77 and 78
Going Concern and Viability	Page 69
Disclosure of information to Auditor	Page 105
Share capital	Page 104
TCFD	Pages 59 to 68
SECR reporting	Page 36

Incorporation by reference

The Corporate Governance Report (pages 70 to 106 of this Annual Report and Accounts for the year ended 31 December 2022) 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 113.

The following interim dividends amounting to, in aggregate, 7.00 pence per share were declared in respect of the year ended 31 December 2022:

On 4 May 2022, we declared an interim dividend in respect of the period from 1 January 2022 to 31 March 2022 of 1.675 pence per Ordinary Share, paid on 1 June 2022 to Shareholders on the register on 13 May 2022.

On 28 July 2022, we declared an interim dividend in respect of the period from 1 April 2022 to 30 June 2022 of 1.675 pence per Ordinary Share, paid on 25 August 2022 to Shareholders on the register on 5 August 2022.

On 11 October 2022, we declared an interim dividend in respect of the period from 1 July 2022 to 30 September 2022 of 1.675 pence per Ordinary Share, paid on 3 November 2022 to Shareholders on the register on 21 October 2022.

A fourth interim dividend in respect of the three months ended 31 December 2022 of 1.975 pence per share, was approved for declaration on 1 March 2023, payable on 30 March 2023.

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 4 March 2022, the Manager issued 1,045,682 Ordinary Shares in accordance with the terms of the IMA and Symmetry ManCo deal bonus agreement.

As at 31 December 2022, there were 1,868,826,992 Ordinary Shares in issue.

Ordinary Shares	Number	Gross proceeds £
Balance at the start of the year	1,867,781,310	N/A
Shares issued in accordance with the terms of the IMA and Symmetry ManCo deal bonus agreement	1,045,682	N/A
Balance at end of the year	**1,868,826,992**	

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 2023, 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 2023, the issued share capital remained the same as at 31 December 2022 with 1,868,826,992 shares in issue.

Shareholder name	Holding as at 7 February 2023	%
BlackRock	158,529,967	8.48
Vanguard Group	93,704,638	5.01
Aviva Investors	90,469,818	4.84
Legal & General Investment Management	76,523,826	4.09
SSGA	63,860,522	3.42
Brewin Dolphin, stockbrokers	61,273,507	3.28

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 4 May 2022, 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 5 May 2021.

These authorities expire at the next AGM in Q2 2023.

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 88 to 91.

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 140 to the consolidated financial statements.

Independent Auditor

BDO LLP has expressed its willingness to continue as Auditor for the financial year ending 31 December 2023.

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 98 to 100.

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 8 on page 152.

Annual General Meeting

It is planned for the Company's AGM to be held on 3 May 2023 at the offices of Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW. Further details will be provided in the Notice of Meeting.

This report was approved by the Board on 1 March 2023.

Tritax Management LLP
Company Secretary
1 March 2023

Company Registration Number: 08215888

Directors' Responsibilities

In respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company Law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Group financial statements have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- state whether the Company financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") subject to any material departures disclosed and explained in the Company financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business; 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
Chairman
1 March 2023

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 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; 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 2022 which comprise the Group Statement of Comprehensive income, the Group and Company Statement of Financial Position, the Group and Company Statement of Changes in Equity, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 initially appointed by the Directors in November 2013 to audit the financial statements for the year ended of the Company for the period ending 31 December 2014 and subsequent financial periods. We were reappointed by the members at the Annual General Meeting on 4 May 2022 to audit the financial statements for the year ending 31 December 2022 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is nine years, covering the years ending 31 December 2014 to 31 December 2022. 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 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's ability to remain a going concern for the going concern period, being the period to 31 March 2024, 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 historic performance and challenging the Directors' forecast assumptions in comparison to the current performance of the Group;
  - testing the inputs into the forecasts for reasonableness based on historic activity and corroboration to contractual agreements;
  - agreeing the Group's available borrowing facilities and the related terms and covenants to loan agreements; and
- 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 forecasts and the resulting impacting 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 Parent's 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.

An overview of the scope of our audit

Overview			
Coverage[1]	100% (2021: 100%) of Group profit before tax 100% (2021: 100%) of Group revenue 100% (2021: 100%) of Group total assets		
Key audit matters	Valuation of investment property portfolio, including properties under construction (forward funded assets)	**2022** ✓	**2021** ✓
Materiality	**Group financial statements as a whole** £51 million (2021: £55 million) based on 1% (2021: 1%) of total assets		

1. These are areas which have been subject to a full scope audit by the Group engagement team.

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group operates solely in the United Kingdom, and all audit procedures 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 directly managed by the Tritax Manager; and
- The Tritax Symmetry Holdings component of the Group, which is managed directly by the Tritax Symmetry Holdings Limited Manager and overseen by the Tritax Manager.

There were no non-significant components.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was 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 this matter.

An overview of the scope of our audit continued

Key audit matters continued

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation of investment property portfolio, including properties under construction (including forwarded funded assets) *Refer to note 3 and 4 in relation to accounting policies over significant estimates and judgements.* *Refer to note 15 in relation to investment property.*	The Group's investment property portfolio includes: • Standing assets: these are existing properties that are currently let or available to let. They are valued using the income capitalisation method. • Properties under construction: these are properties being built, some of which are under forward funded agreements with developers and which have agreed pre-lets with tenants. Properties under construction have a different risk and investment profile to the standing assets. They are valued using the residual method, being estimating the fair value of the completed project using the income capitalisation method less estimated costs to completion. The valuation of investment property requires significant judgement and estimates by the Directors and their appointed independent valuer ("the Valuer") and is therefore considered a significant risk due to the subjective nature of certain assumptions inherent in each valuation. Any input inaccuracies or unreasonable bases used in the valuation judgements (such as capitalisation yields, future lease income, and in the case of properties under construction, costs to complete) could result in a material misstatement of investment property asset, therefore impacting the financial statements. 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. For these reasons we consider the valuation of the investment property portfolio, including properties under construction (including forward funded assets) to be a key audit matter.	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. We assessed the Valuer's competence and capabilities and read their terms of engagement with the Group, to determine that there were no matters that affected their independence and objectivity, including any influence from Directors over the significant judgements and estimates, or imposed scope limitations upon their work. We checked the data provided to the Valuer by the Group and found that it was consistent with the information we audited. This data included inputs such as current rent and lease terms, which we have agreed on a sample basis to executed lease agreements as part of our audit work. Alongside our internal valuations experts we met with the Valuer and gained an understanding of the valuation methods and assumptions used. We challenged the assumptions utilised by the Valuer within the valuation by benchmarking the valuation to our expectations developed using independent data around the year end. We assessed the project costs and progress of development for properties under construction by agreeing total costs and other relevant details to the underlying agreements. We then verified costs already incurred to our additions testing (tested on a sample basis), with the remainder being costs to complete. The forecast costs to complete included in the valuations were also agreed to the project costing reports. We checked that the property valuations have been properly included in the financial statements. We also assessed whether the disclosures in the financial statements are appropriate and in accordance with relevant accounting standards. **Key observation:** Our testing indicated that the estimates and judgements used by the Directors in the valuation of the investment property portfolio were appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Our application of materiality continued

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent Company financial statements	
	2022 £m	2021 £m	2022 £m	2021 £m
Materiality	51.0	55.0	36.0	35.0
Basis for determining materiality	1% of total assets	1% of total assets	1% of total assets	1% of total assets
Rationale for the benchmark applied	We determined that total assets would be the most appropriate basis for determining overall materiality as we consider it to be one of the principal considerations for users of the financial statements in assessing the financial performance of the Group.		We determined that total assets would be the most appropriate basis for determining overall materiality as we consider it to be one of the principal considerations for users of the financial statements in assessing the financial performance of the Parent Company.	
Performance materiality	38.25	41.25	27.0	26.25
Basis for determining performance materiality	75% of materiality – based on the low number of components, low value of brought forward adjustments impacting the current year and low value of expected misstatements, past on past experience.			

Specific materiality

We determined that for both the Group and Parent Company, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users.

For the Group we determined specific materiality to apply to all financial statement areas that would impact European Public Real Estate Association ("EPRA") earnings. EPRA earnings excludes the impact of the net surplus on revaluation of Investment properties, any impairment of land options and interest rate derivatives, and we consider this to be a key performance measure of the Group. On this basis we determined specific materiality to be 5% of EPRA Earnings, being £7.2 million (2021: £6.4 million based on 5% of EPRA Earnings).

For the Parent Company we determined specific materiality to be 5% of Parent Company profit before tax being £6.6 million (2021: £3.1 million based on 5% of Parent Company profit before tax).

We further applied a performance materiality level of 75% (2021: 75%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Component materiality

We set materiality for each significant component of the Group, apart from the Parent Company whose materiality is set out above, based on a percentage of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality for these two components were £20.1 million and £49.7 million (2021: £21.5 million and £53.8m) respectively and we further applied performance materiality levels of 75% (2021: 75%) of the overall 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 £1.53 million (2021: £1.65 million) for the financial statements as a whole differences, and for those items impacting the calculation of EPRA earnings, all individual audit differences in excess of £0.36 million (2021: £0.32 million) and regarding the Parent Company, all individual audit differences in excess of £1.08 million (2021: £1.05 million). 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 the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 69; and • The Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate set out on page 69.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 96; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 54; • The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 92; and • The section describing the work of the Audit and Risk Committee set out on page 94.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic Report and Directors' Report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.
Directors' remuneration	In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Through our knowledge of the Group and its sector we obtained an understanding of the legal and regulatory framework applicable to the Group and the sector in which it operates and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We performed our own checks of compliance with relevant requirements including, but not limited to, the Companies Act 2006, the UK Listing Rules, the REIT tax regime requirements and legislation relevant to the rental of properties. We considered the Group's own control environment for monitoring its compliance with laws and regulation and obtained and reviewed their papers on compliance, in addition to performing our own procedures.

Our procedures included agreeing the financial statement disclosures to underlying supporting documentation where relevant, review of Board and Committee meeting minutes, and enquiries with management and the Audit Committee as to their identification of any non-compliance with laws and regulations.

With the use of our internal tax experts we reviewed the Group's calculations in order to address the risk of non-compliance with the REIT regime.

We assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the fraud risk areas to be revenue recognition, investment property valuations, and management override of controls. Our responses to the valuation of investment properties risk are set out in the key audit matters section above.

We addressed the risk of management override of controls, by testing a sample of journals processed during the year 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.

Regarding the risk of intentional misstatement of revenue, our procedures included 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.

We agreed all bank balances and loans to direct bank confirmations and agreements.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members 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
1 March 2023

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 2022

	Note	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Gross rental income	6	**206.2**	184.7
Service charge income	6	**6.3**	5.1
Service charge expense	7	**(6.5)**	(5.2)
Net rental income		**206.0**	184.6
Gross operating income		**18.3**	24.7
Other operating costs		**(9.0)**	(5.8)
Other operating income	6	**9.3**	18.9
Administrative and other expenses	8	**(32.2)**	(25.5)
Operating profit before changes in fair value and other adjustments[1]		**183.1**	178.0
Changes in fair value of investment properties	15	**(759.5)**	840.9
Gain on disposal of investment properties	15	**—**	2.0
Share of profit/(loss) from joint ventures	17	**0.5**	0.1
Impairment of intangible and other property assets		**(1.4)**	(2.9)
Share-based payment charge	24	**(1.9)**	(5.5)
Changes in fair value of contingent consideration payable	24	**1.1**	(4.2)
Operating profit/(loss)		**(578.1)**	1,008.4
Finance income	10	**1.6**	—
Finance expense	11	**(39.4)**	(40.1)
Changes in fair value of interest rate derivatives	26	**14.9**	2.8
Profit/(loss) before taxation		**(601.0)**	971.1
Taxation	12	**1.6**	1.5
Profit/(loss) and total comprehensive income/(expense)		**(599.4)**	972.6
Earnings per share – basic	13	**(32.08)p**	55.39p
Earnings per share – diluted	13	**(32.08)p**	55.31p

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

Group Statement of Financial Position

As at 31 December 2022

	Note	At 31 December 2022 £m	At 31 December 2021 £m
Non-current assets			
Intangible assets		**1.4**	1.7
Investment property	15	**4,847.3**	5,249.1
Investment in land options	16	**157.4**	201.5
Investment in joint ventures	17	**27.2**	25.6
Other property assets	23	**2.3**	4.0
Trade and other receivables	20	**2.0**	2.0
Interest rate derivatives	26	**19.9**	1.8
Total non-current assets		**5,057.5**	5,485.7
Current assets			
Trade and other receivables	20	**24.9**	37.1
Assets held for sale	18	**25.1**	—
Cash at bank	21	**47.6**	71.1
Total current assets		**97.6**	108.2
Total assets		**5,155.1**	5,593.9
Current liabilities			
Deferred rental income		**(34.7)**	(38.6)
Trade and other payables	22	**(111.2)**	(85.9)
Tax liabilities	12	**(1.1)**	(4.3)
Total current liabilities		**(147.0)**	(128.8)
Non-current liabilities			
Trade and other payables	22	**(2.0)**	(2.0)
Bank borrowings	25	**(474.8)**	(207.6)
Loan notes	25	**(1,139.1)**	(1,137.6)
Amounts due to B and C Shareholders	24	**(42.2)**	(41.4)
Total non-current liabilities		**(1,658.1)**	(1,388.6)
Total liabilities		**(1,805.1)**	(1,517.4)
Total net assets		**3,350.0**	4,076.5
Equity			
Share capital	29	**18.7**	18.7
Share premium reserve	29	**764.3**	762.0
Capital reduction reserve	29	**835.1**	964.5
Retained earnings	29	**1,731.9**	2,331.3
Total equity		**3,350.0**	4,076.5
Net asset value per share – basic	30	**179.25p**	218.26p
Net asset value per share – diluted	30	**179.25p**	218.18p
EPRA net tangible asset per share – basic	30	**180.37p**	222.60p
EPRA net tangible asset per share – diluted	30	**180.37p**	222.52p

These financial statements were approved by the Board of Directors on 1 March 2023 and signed on its behalf by:

Aubrey Adams
Chairman

Group Statement of Changes in Equity
For the year ended 31 December 2022

	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
Loss 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**

	Note	Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total £m
1 January 2021		17.2	466.5	1,078.9	1,358.7	2,921.3
Profit for the year and total comprehensive income		—	—	—	972.6	972.6
		17.2	466.5	1,078.9	2,331.3	3,893.9
Contributions and distributions:						
Shares issued in relation to equity issue	29	1.4	298.5	—	—	299.9
Share issue costs		—	(5.8)	—	—	(5.8)
Shares issued in relation to management contract	29	0.1	2.8	—	—	2.9
Share-based payments		—	—	—	2.7	2.7
Transfer of share-based payments to liabilities to reflect settlement		—	—	—	(2.7)	(2.7)
Dividends paid	14	—	—	(114.4)	—	(114.4)
31 December 2021		18.7	762.0	964.5	2,331.3	4,076.5

Group Cash Flow Statement
For the year ended 31 December 2022

	Note	**Year ended 31 December 2022 £m**	Year ended 31 December 2021 £m
Cash flows from operating activities			
Profits/(losses) for the period (attributable to the Shareholders)		**(599.4)**	972.6
Add: tax credit		**(1.6)**	(1.5)
Add: changes in fair value of contingent consideration payable		**(1.1)**	4.2
Add: finance expense		**39.4**	40.1
Add: changes in fair value of interest rate derivatives		**(14.9)**	(2.8)
Add: share-based payment charges		**1.9**	5.5
Add: impairment of intangible and other property assets		**1.4**	2.9
Add: amortisation of other property assets		**1.7**	5.4
Add: share of (profit)/loss from joint ventures		**(0.5)**	(0.1)
Less: changes in fair value of investment properties		**759.5**	(840.9)
Less: gain on disposal of investment properties		**—**	(2.0)
Finance income		**(1.6)**	—
Accretion of tenant lease incentive	15	**(11.1)**	(7.2)
(Increase)/decrease in trade and other receivables		**12.1**	(12.0)
Increase/(decrease) in deferred income		**(3.9)**	1.7
Increase/(decrease) in trade and other payables		**(2.9)**	26.2
Cash generated from operations		**179.0**	192.1
Taxation credit/(charge)	12	**(1.6)**	4.0
Net cash flow generated from operating activities		**177.4**	196.1
Investing activities			
Additions to investment properties		**(286.8)**	(316.9)
Additions to land options		**(13.1)**	(15.0)
Additions to joint ventures		**(2.8)**	(0.5)
Net proceeds from disposal of investment properties		**—**	4.2
Licence fees received		**—**	—
Interest received		**0.1**	—
Dividends received from joint ventures		**0.5**	0.9
Net cash flow used in investing activities		**(302.1)**	(327.3)
Financing activities			
Proceeds from issue of Ordinary Share capital		**2.3**	302.8
Cost of share issues		**—**	(5.8)
Bank borrowings drawn	25	**319.0**	245.5
Bank and other borrowings repaid	25	**(52.0)**	(245.5)
Interest derivatives received	10	**1.5**	—
Loan arrangement fees paid		**(1.4)**	(0.7)
Bank interest paid		**(35.8)**	(37.5)
Interest cap premium paid		**(3.2)**	—
Dividends paid to equity holders		**(129.2)**	(114.3)
Net cash flow generated from financing activities		**101.2**	144.5
Net increase in cash and cash equivalents for the year		**(23.5)**	13.3
Cash and cash equivalents at start of year	21	**70.9**	57.6
Cash and cash equivalents at end of year	21	**47.4**	70.9

1. Corporate information

The consolidated financial statements of the Group for the year ended 31 December 2022 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 2023. 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 2021.

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 changing economic landscape during 2022, in particular the impact this has had on the value of the Group's portfolio, 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, taking into account any discussions held with the customer surrounding their rental obligations. The analysis also included sensitivities over the following; portfolio valuation movements due to market volatility, rates of rent collection, the risk around any customer default, future levels of inflation 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 2022. 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 2022, the Group had an aggregate £483 million of undrawn commitments under its senior debt facilities, as well as £47.6 million of cash held at bank, of which £99.9 million was committed under various pre-let development contracts. The Group's loan to value ratio stood at 31.2%, with the debt portfolio having an average maturity term of approximately 5.4 years. As at the date of approval of this report, the Group has substantial headroom within its financial loan covenants, which include loan to value covenants at 60% on its tightest loans. The Group's financial covenants have also been complied with for all loans throughout the year and up to the date of approval of these financial statements. As at 31 December 2022, 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 2024.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3. Significant accounting judgements, estimates and assumptions continued

3.1. Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Other operating income

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

Judgement is exercised in identifying performance obligations including achieving a pre-let, managing the building of an asset and arranging for lease completion. Certain performance obligations, such as achieving a pre-let or letting, are recognised at a point in time and others, such as managing the construction of an asset, are recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services. Management determines the stage of completion of an asset by assessing the total costs incurred on a project, as a proportion of the total costs expected to be incurred. A judgement is formed over the level of other operating income to be recognised in any accounting period, which also takes into account any associated costs borne under the 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 are complex and as a result the Directors have had to make a number of judgements in order to conclude on the appropriate accounting treatment. The significant judgements applied in relation to the B and C Shares were as follows:

1. Subject to remaining in continued employment these shares entitle the holders to 13% of the Adjusted NAV of Tritax Symmetry Limited. Were an individual to leave employment and be deemed a bad leaver, the amount payable is the lower of the value of the shares on the completion date and 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 is remeasured at each reporting date. Any additional amounts paid to the B and C Shareholders as a result of their continued service is accounted for as payment for the provision of post-combination services.
2. The B and C Shares have put options in place at various points in time over an eight-year period to February 2027, along with a put and call option at February 2027. The B and C Shares are not considered to represent a present ownership interest in the Group as an element of the amount due to the B and C Shareholders is dependent on them continuing to remain in employment and provide services to the Group. Therefore, the Directors have concluded that the B and C Shares do not represent a non-controlling interest and the amounts owed to the B and C Shareholders should instead be presented as a financial liability.
3. When settled the B and C Shares are settled 25% in cash with the remaining 75% settled in either cash or shares at the discretion of the Company. Both elements are considered to represent share-based payments as the amounts due are based on the Adjusted NAV of the underlying business of Tritax Symmetry Limited. The Directors will endeavour to settle all of the B and C Shares in cash, subject to sufficient funds being available to the Group at the time of settlement without adversely impacting the operations of the Group. In accordance with IFRS 2 this is accounted for as a cash settled share-based payment. In conformity with the requirements of IFRS 2 for cash settled share-based payments, the share-based payment charge is the fair value of the settlement value of the B and C Shares in Tritax Symmetry Limited, established by a Monte Carlo simulation model and reassessed at each reporting date.

Business combinations

The Group acquires subsidiaries that own property and other property interests. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Where such acquisitions are not judged to be the acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based upon their relative fair values at the acquisition date. Accordingly, no goodwill or deferred tax arises. The fair value of assets and liabilities are established using industry-leading third-party professionals, instructed by the Company.

3. Significant accounting judgements, estimates and assumptions continued

3.1. Judgements continued

Estimates

Fair valuation of investment property

The market value of investment property is determined by an independent property valuation expert (see note 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. Summary of significant accounting policies

4.1. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, as at the year-end date.

4.2. Subsidiaries

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee and the ability of the investor to use its power to affect those variable returns. Control is reassessed wherever facts and circumstances indicate that there may be a change in any of these elements of control.

4.3. Segmental information

The Directors are of the opinion that the Group is engaged in a single segment business, being the investment in UK 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.

4.4. Investment property and investment property under construction

Investment property comprises completed property that is held to earn rentals or for capital appreciation, or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

The corresponding entry upon recognising lease incentives or fixed/minimum rental uplifts is made to investment property. For further details see Accounting Policy note 4.16.1.

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 the asset, 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.

4.5. Assets held for sale

An asset will be classified as held for sale in line with IFRS "5 Non-Current Assets Held for Sale and Discontinued Operations" if its carrying value is expected to be recovered though a sale transaction rather than continuing use. An asset will be classified in this way only when a sale is highly probable, management are committed to selling the asset at the year-end date, the asset is available for immediate sale in its current condition and the asset is expected to be disposed of within 12 months after the date of the Consolidated Statement of Financial Position.

4. Summary of significant accounting policies continued

4.6. 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.

4.6.1. Financial assets

The Group classifies its financial assets into one of the categories discussed below. The Group's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value. They are carried in the Group Statement of Financial Position at fair value with changes in fair value recognised in the Group profit or loss in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost being the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from tenant default (being the failure of a tenant to timely pay rent due) to determine the lifetime expected credit loss for the trade receivables. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Group Statement of Financial Position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

4.6.2. 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.

4.7. Forward funded pre-let investments

The Group enters into forward funding development agreements for pre-let investment property. The Group will enter into a forward funding agreement with a developer and simultaneously enter into an agreement for lease with a prospective tenant willing to occupy the building once complete.

4.7.1. Licence fees receivable

During the period between initial investment in a forward funded agreement and the rent commencement date under the lease, the Group receives licence fee income on certain property transactions. This is payable by the developer to the Group throughout this period and typically reflects the approximate level of rental income that is expected to be payable under the lease, as and when practical completion is reached. IAS 40.20 states that investment property should be recognised initially at cost, being the consideration paid to acquire the asset, therefore such licence fees are deducted from the cost of investment property and are initially recognised as a receivable.

4. Summary of significant accounting policies continued

4.7. Forward funded pre-let investments continued

4.7.1. Licence fees receivable continued

Any economic benefit of the licence fee is reflected within the Group profit or loss as a movement in the fair value of investment property and not within gross rental income. Licence fees received are treated as gross receipts within the Group Cash Flow Statement. In addition, IAS 16.21 indicates that income and expenses from operations that are not to bring an asset to the location and condition necessary for it to be capable of operating in the manner intended, should be recognised in profit or loss.

4.8. 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.

4.9. 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.

4.10. 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.

4.11. 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.

4.12. 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. Summary of significant accounting policies continued

4.13. 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.

4.14. Share-based payments

The Company has entered into an agreement with the Symmetry Management Shareholders where future amounts payable are based on the Adjusted NAV of Tritax Symmetry Limited and subject to certain provisions around continuing employment. 25% of the amounts payable are to be settled in cash with the remaining 75% settled in cash or shares at the discretion of the Company. Where the Company has a present obligation to settle the amounts in cash, either through its stated intention or past practice, the Company accounts for the amounts as cash settled share-based payments. The fair value of the cash settled obligation is recognised over the vesting period and presented as a liability in the Group Statement of Financial Position. The liability is remeasured at each reporting date with the charge to the profit or loss updated over the vesting period.

4.15. Dividends payable to Shareholders

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the Shareholders at an Annual General Meeting.

4.16. Property income

4.16.1. 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.

4.16.2. 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.

4.17. Finance income

Finance income is recognised as interest accrues on cash balances held by the Group. Interest charged to a tenant on any overdue rental income is also recognised within finance income.

4.18. Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with bank and other borrowings. Any finance costs that are separately identifiable and directly attributable to the acquisition or construction of an asset that takes a period of time to complete are capitalised as part of the cost of the asset. All other finance costs are expensed to the Group profit or loss in the period in which they occur.

4. Summary of significant accounting policies continued

4.19. Taxation

Taxation on the profit or loss for the period not exempt under UK REIT regulations comprises current and deferred tax. Current tax is expected tax payable on any profit not relating to the property rental business for the year, using tax rates enacted or substantively enacted at the year-end date, including any adjustment to tax payable in respect of previous years.

5. New standards issued

5.1. New standard issued and effective from 1 January 2022

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 2022 £m	Year ended 31 December 2021 £m
Rental income – freehold property	**162.3**	146.5
Rental income – long leasehold property	**32.6**	30.9
Spreading of tenant incentives and guaranteed rental uplifts	**11.1**	7.2
Other income	**0.2**	0.1
Gross rental income	**206.2**	184.7
Property insurance recoverable	**4.2**	3.9
Service charges recoverable	**2.1**	1.2
Total property insurance and service charge income	**6.3**	5.1
Total property income	**212.5**	189.8

There was one individual tenant representing more than 10% of gross rental income, constituting £32.2 million of rental income in 2022 (2021: £25.0 million)

Included in the £9.3 million of other operating income, was a charge of £1.7 million (2021: £5.4 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 2022 £m	Year ended 31 December 2021 £m
Property insurance expense	**4.3**	4.0
Service charge expense	**2.2**	1.2
Total property expenses	**6.5**	5.2

8. Administrative and other expenses

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Investment management fees	**26.0**	20.7
Directors' remuneration (note 9)	**0.5**	0.4
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**	0.8
Corporate administration fees	**0.5**	0.5
Regulatory fees	**0.1**	0.1
Legal and professional fees	**1.9**	1.3
Marketing and promotional fees	**0.5**	0.5
Other costs	**1.1**	0.6
Total administrative and other expenses	**32.2**	25.5

9. Directors' remuneration

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Directors' fees	**0.4**	0.3
Employer's National Insurance	**0.1**	0.1
	0.5	0.4

A summary of the Directors' emoluments, including the disclosures required by the Companies Act 2006, is set out in the Directors' Remuneration Report.

10. Finance income

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Interest received on bank deposits	**0.1**	—
Interest received on swaps and other derivatives	**1.5**	—
Total tax charge	**1.6**	—

11. Finance expense

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Interest payable on bank borrowings	**9.3**	6.1
Interest payable on loan notes	**29.8**	29.8
Commitment fees payable on bank borrowings	**1.7**	2.0
Swap interest payable	**0.1**	0.4
Amortisation of loan arrangement fees	**3.2**	2.5
	44.1	40.8
Borrowing costs capitalised against development properties	**(4.7)**	(0.7)
Total tax charge	**39.4**	40.1

The interest capitalised rate is the Group's weighted average cost of debt as detailed in note 25.

12. Taxation

a) Tax charge in the Group Statement of Comprehensive Income

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
UK corporation tax credit/(charge)	**1.6**	(2.4)
Appropriation tax refund	**—**	3.9
Tax credit	**1.6**	1.5

The UK corporation tax rate for the financial year is 19%. Accordingly, this rate has been applied in the measurement of the Group's tax liability at 31 December 2022.

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 2022 £m	Year ended 31 December 2021 £m
Profit/(loss) on ordinary activities before taxation	**(601.0)**	971.1
Theoretical tax at UK corporation tax rate of 19.0% (31 December 2021: 19.0%)	**(114.2)**	184.5
REIT exempt income	**(25.0)**	(23.8)
Non-taxable items	**141.5**	(160.7)
Permanent differences/tax losses not recognised	**—**	—
Tax refund	**—**	(3.9)
Residual losses	**(3.9)**	6.3
Total tax (credit)/charge	**(1.6)**	2.4

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 £1.1 million (2021: £4.3 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.

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. As there are dilutive instruments outstanding, basic and diluted earnings per share are shown below.

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

For the year ended 31 December 2022	Net profit/(loss) 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 EPS[2]	**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 charges	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 EPS[2]	**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 (see below).
3. Relates to dilutive shares in respect of contingent consideration. This being the 75% of the amounts due to the B and C Shareholders that could potentially be settled as equity. The share-based payments charges are dilutive to EPRA and Adjusted EPS only at year end.

13. Earnings per share continued

For the year ended 31 December 2021	Net profit attributable to Ordinary Shareholders £m	Weighted average number of Ordinary Shares[1] '000	Earnings per share pence
Basic EPS	972.6	1,755,927	55.39
Add: Shares to be issued on outstanding investment manager's fees		668	
Add back: Dilutive share based payment charge	1.7		
Add back: Fair value movement in contingent consideration	4.2	8,017	
Add back: Dilutive shares in respect of B and C Shareholders		4,462	
Diluted EPS[2]	978.5	1,769,074	55.31
Adjustments to remove:			
Dilutive share based payment charge	(1.7)		
Changes in fair value of contingent consideration payable	(4.2)		
Changes in fair value of investment property	(840.9)		
Changes in fair value of interest rate derivatives	(2.8)		
Gain on disposal of investment properties	(2.0)		
Amortisation of other property assets	5.4		
Refund of corporation tax	(3.9)		
Share of profit from joint ventures	(0.1)		
Impairment of intangible contract and other property assets	2.9		
EPRA EPS	131.2	1,755,927	7.47
Add: Shares to be issued on outstanding investment manager's fees		668	
EPRA diluted EPS[2]	131.2	1,756,595	7.47
Adjustments to include:			
Licence fee receivable on Forward Funded Developments	7.3		
Fixed rental uplift adjustments	(6.2)		
Share-based payments charges	5.5		
Changes in fair value of contingent consideration payable	4.2		
Amortisation of loan arrangement fees and intangibles (see note 11)	2.5		
Adjusted EPS[4]	144.5	1,755,927	8.23
Add back: Shares to be issued on outstanding investment manager's fees		668	
Adjusted diluted EPS	144.5	1,756,595	8.22

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

Adjusted earnings is a performance measure used by the Board to assess the Group's dividend payments. The metric reduces EPRA earnings by other non-cash items credited or charged to the Group Statement of Comprehensive Income, such as fixed rental uplift adjustments and amortisation of loan arrangement fees. Licence fees received during the period are added to earnings on the basis noted below as the Board sees these cash flows as supportive of dividend payments. The Board compares the Adjusted earnings to the available distributable reserves when considering the level of dividend to pay.

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

Fixed rental uplift adjustments relate to adjustments to net rental income on leases with fixed or minimum uplifts embedded within their review profiles. The total minimum income recognised over the lease term is recognised on a straight-line basis and therefore not 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&C share holding in Tritax Symmetry Limited. It is therefore removed from Adjusted earnings.

14. Dividends paid

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Fourth interim dividend in respect of period ended 31 December 2021 at 1.900 pence per Ordinary Share (fourth interim for 31 December 2020 at 1.7125 pence per Ordinary Share)	**35.5**	29.5
First interim dividend in respect of year ended 31 December 2022 at 1.675 pence per Ordinary Share (31 December 2021: 1.600 pence)	**31.3**	27.5
Second interim dividend in respect of year ended 31 December 2022 at 1.675 pence per Ordinary Share (31 December 2021: 1.600 pence)	**31.3**	27.5
Third interim dividend in respect of year ended 31 December 2022 at 1.675 pence per Ordinary Share (31 December 2021: 1.600 pence)	**31.3**	29.9
Total dividends paid	**129.4**	114.4
Total dividends paid for the year	**5.025p**	4.80p
Total dividends unpaid but declared for the year	**1.975p**	1.90p
Total dividends declared for the year	**7.00p**	6.70p

On 1 March 2023, the Company approved the fourth interim dividend for declaration in respect of the year ended 31 December 2022 of 1.975 pence per share payable on 30 March 2023. The total dividends declared for the year of 7.00 pence were made up by 6.775 pence paid as a property income distribution ("PID") and 0.225 pence paid as an ordinary dividend ("Non-PID").

15. Investment property

In accordance with IAS 40, investment property are stated at fair value as at 31 December 2022. 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 valuations are the ultimate responsibility of the Directors. Accordingly, the critical assumptions used in establishing the independent valuation are reviewed by the Board. It is the view of the Company that ESG factors will increasingly play a part in asset valuations in the future. For example, assets with the highest standards of ESG (such as higher EPC ratings and renewable energy sources) are likely to command the highest rental levels and have the least future capex requirements with regards to meeting ESG standards.

All corporate acquisitions during the year 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 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**

15. Investment property continued

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

1. Included within the carrying value of investment property is £70.6 million (2021: £59.5 million) in respect of accrued contracted rental uplift income. This balance arises as a result of the IFRS treatment of leases with fixed or minimum rental uplifts and rent-free periods, which requires the recognition of rental income on a straight-line basis over the lease term. The difference between this and cash receipts change the carrying value of the property against which revaluations are measured. Also see note 6.

	31 December 2022 £m	31 December 2021 £m
Investment property at fair value per Group Statement of Financial Position	**4,847.3**	5,249.1
Capital commitments under forward funded development and other contracts	**—**	9.2
Assets held for sale at fair value	**25.1**	—
Total investment property valuation*	**4,872.4**	5,258.3

* Including costs to complete under forward funded development and other contracts.

Costs committed under other contracts of £nil (2021: £9.2 million) have been provided for in the Group Statement of Financial Position in 2022.

The Group has other capital commitments which represent commitments made in respect of direct construction, asset management initiatives and development land (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.

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

Fees payable under the DMA totalling £2.3 million (2021: £1.0 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 ("MV"), which is defined in the RICS Valuation Standards, as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Market Value as defined in the RICS Valuation Standards is the equivalent of fair value under IFRS.

The following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining fair values are as follows:

Valuation techniques

The yield methodology approach is used when valuing the Group's properties which uses market rental values capitalised with a market capitalisation rate. This is sense-checked against the market comparable method (or market comparable approach) where a property's fair value is estimated based on comparable transactions in the market.

For investment property under construction and the majority of land held for development, properties are valued using a residual method approach. Under this approach, the valuer initially assesses the investment value (using the above methodology for completed properties). Then, the total estimated costs to complete (including notional finance costs and developer's profit) are deducted from the value to take into account the hypothetical purchaser's management of the remaining development process and their perception of risk with regard to construction and the property market (such as the potential cost overruns and letting risks). Land values are sense-checked against the rate per acre derived from actual market transactions.

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.

	Unobservable Inputs	
31 December 2022	**ERV range £ psf**	**Net initial yield range %**
South East	**5.46 – 15.12**	**3.65 – 5.66**
South West	**6.50 – 7.00**	**4.00 – 4.85**
East Midlands	**5.75 – 11.25**	**3.60 – 5.82**
West Midlands	**6.33 – 8.54**	**4.10 – 6.00**
Yorkshire and the Humber	**5.96 – 7.25**	**4.30 – 5.25**
North East	**3.91 – 4.25**	**4.63 – 4.80**
North West	**4.95 – 11.25**	**4.05 – 6.31**

	Unobservable Inputs	
31 December 2021[1]	ERV range £ psf	Net initial yield range %
South East	5.30 – 13.75	2.67 – 5.00
South West	6.25 – 6.50	3.50 – 4.10
East Midlands	5.75 – 7.00	3.24 – 6.00
West Midlands	5.50 – 7.25	3.10 – 5.75
Yorkshire and the Humber	5.75 – 6.50	2.95 – 5.13
North East	3.91 – 4.25	3.40 – 3.40
North West	4.25 – 10.00	3.20 – 6.31

1. The unobservable input data for 2021 was not previously reported and has been provided for comparability purposes.

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 2022	**(226.7)**	**226.7**	**(243.6)**	**273.0**
(Decrease)/increase in the fair value of investment properties as at 31 December 2021	(251.1)	251.1	(321.3)	368.5

16. Investment in land options

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Opening balance	**201.5**	228.1
Costs capitalised in the year	**13.0**	15.0
Transferred to investment property	**(57.1)**	(41.6)
Closing balance	**157.4**	201.5

The average maturity date across land options held is approximately eight years (2021: seven years) term remaining.

Fees payable under the DMA totalling £3.4 million (2021: £3.4 million) have been capitalised in the year being directly attributable to the ongoing development projects.

17. Investment in joint ventures

As at 31 December 2022 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 2022:

	Principal activity	Country of incorporation	Ownership	Joint venture partner
HBB (J16) LLP	Property development	UK	50%	HB Midway Limited
Magnitude Land LLP	Property investment	UK	50%	Pochin Midpoint Limited

The registered office for the above joint ventures is: Unit B, Grange Park Court, Roman Way, Northampton, England NN4 5EA.

Net investment	Total 100% £m	Group's share £m
At beginning of year	51.2	25.6
Total comprehensive income	1.0	0.5
Impairment of JV asset	(2.4)	(1.2)
Capital repaid	(1.0)	(0.5)
Cash contributed	5.6	2.8
As at 31 December 2022	**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

Year ended 31 December 2022	Total 100% £m	Group's share £m
Income	1.0	0.5
Administrative expenses	—	—
Profit before taxation	1.0	0.5
Taxation	—	—
Total comprehensive profit	**1.0**	**0.5**

Statement of Financial Position

As at 31 December 2022	Total 100% £m	Group's share £m
Investment property	4.8	2.4
Options to acquire land	52.8	26.4
Non-current assets	**57.6**	**28.8**
Other receivables	0.4	0.2
Cash	0.2	0.1
Current assets	**0.6**	**0.3**
Trade and other payables	(3.8)	(1.9)
Current liabilities	**(3.8)**	**(1.9)**
Net assets	**54.4**	**27.2**

The Group's share of contingent liabilities in the joint ventures is £nil (December 2021: £nil).

18. Assets held for sale

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Assets held for sale	**25.1**	—

Assets held for sale relate 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. Two properties are classified as held for sale at the year end for which contracts have been exchanged to sell.

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 statement in note 5.

20. Trade and other receivables

Non-current trade and other receivables	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Cash in public institutions	**2.0**	2.0

The cash in public institutions is a deposit of £2.0 million paid by certain tenants to the Company, as part of their lease agreements.

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Trade receivables	**16.4**	7.1
Prepayments, accrued income and other receivables	**2.9**	25.7
VAT	**5.6**	4.3
	24.9	37.1

The carrying value of trade and other receivables classified at amortised cost approximates fair value. The increase in trade receivables in the period was due to an increase in receivable relating to a single DMA project totalling £7.1 million (2021: £nil). The decrease in accrued income, again relates to two DMA projects where accrued income totaled £1.4 million (2021: 24.1 million).

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the 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 2022 was £0.3 million (31 December 2021: £0.1 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 2022 £m	Year ended 31 December 2021 £m
Cash and cash equivalents to agree with cash flow	**47.4**	70.9
Restricted cash	**0.2**	0.2
	47.6	71.1

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

Cash and cash equivalents reported in the Consolidated Statement of Cash Flows totalled £47.4 million (2021: £70.9 million) as at the year end, which excludes long-term restricted and ring-fenced cash deposits totalling £0.2 million (2021: £0.2 million). Total cash held at bank as reported in the Group Statement of Financial Position is £47.6 million (2021: £71.1 million).

22. Trade and other payables

Non-current trade and other payables	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Other payables	**2.0**	2.0

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Trade and other payables	**75.0**	66.6
Bank loan interest payable	**6.5**	6.0
Accruals	**29.7**	13.3
	111.2	85.9

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

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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 are treated as a combination of both contingent consideration for the acquisition of a 13% economic interest in the Symmetry Portfolio and a 13% economic right held to their share of future performance of the Tritax Symmetry Development assets. This is as a result of certain vesting conditions attached to the B and C Shares over the first five years of the contract (see note 24 below).

A non-controlling interest has not been recognised at the acquisition date for the 13% economic interest held by the Symmetry Management Shareholders due to the put and call options attached to the shares issued, which are expected to be exercised on or around the eighth anniversary of the acquisition at the latest. The Symmetry Management Shareholders have a put option, on the third to eighth anniversary of the acquisition allowing them to sell 1.5% of their 13% economic interest to the Company at each date subject to satisfying a performance hurdle. The Company has a call option, to buy any remaining economic interest still due to the Symmetry Management Shareholders on the eighth anniversary.

During the year, other property assets were amortised by a charge of £1.7 million (2021: £5.3 million) resulting in a net position on the Group Statement of Financial Position of £2.3 million (2021: £4.0 million).

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:

31 December 2022	**Contingent consideration £m**	**Share-based payment £m**	**Fair value £m**
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**

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

The Group considers that the amounts due to the B and C Shareholders fall within Level 3 of the fair value hierarchy as defined by IFRS 13. There have been no transfers between Level 1 and Level 2 during any of the periods, nor have there been any transfers between Level 2 and Level 3 during any of the periods.

1. Contingent consideration

The B and C Shares vest over a five-year period and require the Symmetry Management Shareholders to, amongst other things, remain in the employment of the Symmetry ManCo for the vesting period. The value of the amount due (subject to certain vesting conditions) is the lower of 50% of the adjusted NAV of Tritax Symmetry at the relevant future point in time and the value of the B and C Shares at the original completion date. Based on the above, the range of possible outcome is between £nil to £38 million. In accordance with IFRS 3 “Business Combinations” the unconditional amount due under Shareholders agreement is accounted for as contingent consideration.

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

2. Share-based payment

In accordance with IFRS 3 “Business Combinations” the requirement to remain in continued employment in order to realise the full value of the B and C Shares has resulted in the excess value (over and above the amount recognised as contingent consideration) being accounted for as payments for post combination services which reflect the 13% economic right held to their share of future performance of the Tritax Symmetry Development assets over and above the completion NAV. The amount due to Symmetry Management Shareholders is based on the adjusted NAV of Tritax Symmetry and is settled in cash to the value of 25% with the balance settled in either cash and/or shares in the Company, at the sole discretion of the Company.

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

24. Amounts due to B and C Shareholders continued

2. Share-based payment continued

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

Amounts due to B and C Shareholders are shown as a liability at fair value in the Group Statement of Financial Position. The liability is fair valued at each reporting date with a corresponding charge recognised in the Group profit or loss over the vesting period. For the year ended 31 December 2022, £1.9 million (2021: £5.5 million) was charged in the Group profit or loss for the share-based payment.

25. Borrowings

The Group has a £300 million unsecured revolving credit facility ("RCF") with a syndicate of relationship lenders comprising Banco Santander S.A. London Branch, Barclays Bank plc, BNP Paribas London Branch, J.P.Morgan Chase Bank N.A., London Branch, The Royal Bank of Scotland International Limited London Branch, Wells Fargo Bank N.A. London Branch and SMBC Bank International. In June 2022, the termination date in respect of £10 million of the £300 million RCF was extended from 14 June 2025 to 14 June 2026 so all £300 million terminates on 14 June 2026. In December 2022, the Company increased the size of the facility, from £200 million to £300 million via use of its accordion option.

The Group also has a second RCF of £450 million which provides the Group with a significant level of operational flexibility. The syndicate for the £450 million unsecured RCF comprises Barclays Bank plc, BNP Paribas London Branch, J.P.Morgan Chase Bank N.A., London Branch, Sumitomo Mitsui Trust Bank, The Royal Bank of Scotland plc, Santander UK plc, Wells Fargo Bank N.A. London Branch and Bank of China. In May 2022, the termination date in respect of £50 million of the £350 million RCF was extended from 10 December 2023 to 10 December 2024 so all £450 million terminates on 10 December 2024. In December 2022, the Company increased the size of the facility, from £350 million to £450 million via use of its accordion option.

The increase in the RCF was not deemed to be a substantial modification under IFRS 9 because there has not been a significant change in the terms and conditions and the net present value of the cash flows under the new terms discounted at the original effective interest rate (EIR) is less than 10% different from the carrying amount of the original debt.

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 2022, 62% (2021: 69%) of the Group's debt facility commitments are fixed term, with 38% floating term (2021: 31%). When including interest rate hedging the Group has fixed term or hedged facilities totalling 99% of drawn debt (see note 26).

As at 31 December 2022, the weighted average cost of debt was 2.57% (2021: 2.26%). As at the same date the Group had undrawn debt commitments of £483.0 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 (Sterling Overnight Index Average). SONIA is an overnight rate, whereas LIBOR was a term rate. SONIA is close to a risk-free measure of borrowing costs. It is compounded over a lending period to produce a backward-looking term interest rate.

From 1 January 2022, all borrowings under these agreements attract an interest rate of the borrowing margin, plus SONIA, plus a credit adjustment spread equal to 11.93 bps. It is expected that this change in risk-free rate will not lead to a material change in overall borrowing costs.

A summary of the drawn and undrawn bank borrowings in the year is shown below:

Bank borrowings

	Bank borrowings drawn £m	**Bank borrowings undrawn £m**	**Total £m**
As at 1 January 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**

	Bank borrowings drawn £m	Bank borrowings undrawn £m	Total £m
As at 1 January 2021	212.9	550.0	762.9
Bank borrowings drawn in the year under existing facilities	245.5	(245.5)	—
Bank borrowings repaid in the year under existing facilities	(245.5)	245.5	—
As at 31 December 2021	212.9	550.0	762.9

25. Borrowings continued

Bank borrowings continued

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 2022 £m	31 December 2021 £m
Bank borrowings drawn: due in more than one year	479.9	212.9
Less: unamortised costs on bank borrowings	(5.1)	(5.3)
	474.8	207.6

Loan notes

Bonds	31 December 2022 £m	31 December 2021 £m
2.625% Bonds 2026	249.6	249.5
3.125% Bonds 2031	247.8	247.5
2.860% USPP 2028	250.0	250.0
2.980% USPP 2030	150.0	150.0
1.500% Green Bonds 2033	246.7	246.4
Less: unamortised costs on loan notes	(5.0)	(5.8)
	1,139.1	1,137.6

The weighted average term to maturity of the Group's debt as at the year end is 5.4 years (31 December 2021: 6.5 years).

Maturity of borrowings

	31 December 2022 £m	31 December 2021 £m
Repayable between one and two years	164.0	—
Repayable between two and five years	443.0	300.3
Repayable in over five years	1,022.9	1,056.0
	1,629.9	1,356.3

26. 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 1.19% (2021: 1.20%), which effectively caps the level to which SONIA can rise to on £299.3m 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 99% of the Group's drawn borrowings at the year end have an all-inclusive interest rate payable of 2.57% (2021: 2.26%). The total premium payable in the year towards securing the interest rate caps was £3.2m (2021: nil).

	31 December 2022 £m	31 December 2021 £m
Non-current assets: interest rate derivatives	19.9	1.8
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 2022 £m	31 December 2021 £m
Interest rate derivative valuation brought forward	1.8	(1.0)
Premium paid	3.2	—
Changes in fair value of interest rate derivatives	14.9	2.8
	19.9	1.8

26. Interest rate derivatives continued

It is the Group's target to hedge at least 90% of the total debt portfolio either using interest rate derivatives or entering fixed-rate loan arrangements. As at the year-end date the total proportion of drawn debt either hedged via interest rate derivatives or subject to fixed-rate loan agreements equated to 99.0%, as shown below:

	31 December 2022 Drawn £m	31 December 2021 Drawn £m
Total borrowings drawn (note 25)	**1,629.9**	1,356.3
Notional value of effective interest rate derivatives and fixed-rate loans	**1,612.9**	1,356.3
Proportion of hedged debt	**99.00%**	100.00%

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:

	Book value 31 December 2022 £m	**Fair value 31 December 2022 £m**	Book value 31 December 2021 £m	Fair value 31 December 2021 £m
Financial assets				
Interest rate derivatives	**19.9**	**19.9**	1.8	1.8
Trade and other receivables[1]	**17.2**	**17.2**	31.3	31.3
Cash held at bank	**47.6**	**47.6**	71.1	71.1
Financial liabilities				
Interest rate derivatives	**—**	**—**	—	—
Trade and other payables[2]	**87.3**	**87.3**	85.9	85.9
Amounts due to B and C Shareholders	**42.2**	**42.2**	41.4	41.4
Borrowings	**1,624.0**	**1,402.8**	1,356.3	1,405.3

1. Excludes certain VAT, prepayments and other debtors.
2. Excludes tax and VAT liabilities.

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

The 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 2022**	**1,084.9**	**941.1**	**143.8**	**—**
Borrowings	31 December 2021	1,352.5	1,187.3	165.2	—

The Group has two fixed-rate loans totalling £162 million, provided by PGIM (£90 million) and Canada Life (£72 million). The fair value is determined by comparing the discounted future cash flows using the contracted yields with the reference gilts plus the margin implied. The reference gilts used were the Treasury 1.25% 2027 Gilt and Treasury 4.75% 2030 Gilt respectively, with an implied margin that is unchanged since the date of fixing. The loans are considered to be a Level 2 fair value measurement. For all other bank loans there is considered no other difference between fair value and carrying value.

27. Financial risk management continued

Financial instruments continued

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 £941.1 million (2021: £1,187.3 million) and the financial liabilities at Level 2 fair value measure were £143.8 million (2021: £165.2 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, 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 (2021: £0.3 million) or a decrease of £3.2 million (2021: £0.3 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. A small number of tenants had entered into payment plans during the prior year which continued for part of the current year, as a result of the impact of Covid-19. All payments have currently been received in line with the payment plans and there are no payment plans continuing. Therefore we do not currently foresee any issues with the recoverability of the remaining payment plan balances.

Credit risk related to financial instruments and cash deposits

One of the principal credit risks of the Group arises with the banks and financial institutions. The Board of Directors believes that the credit risk on short-term deposits and current account cash balances is limited because the counterparties are banks, who are committed lenders to the Group, with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

Liquidity risk arises from the Group's management of working capital, the finance charges, principal repayments on its borrowings and its commitments under forward funded development arrangements. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due, as the majority of the Group's assets are property investments and are therefore not readily realisable. The Group's objective is to ensure it has sufficient available funds for its operations and to fund its capital expenditure. This is achieved by continuous monitoring of forecast and actual cash flows by management, ensuring it has appropriate levels of cash and available drawings to meet liabilities as they fall due.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	<3 months £m	3-12 months £m	Between 1-2 years £m	Between 2-5 years £m	More than 5 years £m	Total £m
31 December 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**
31 December 2021						
Borrowings	8.7	26.2	34.9	404.3	1,153.9	1,628.0
Amounts due to B and C Shareholders	—	—	—	—	41.4	41.4
Trade and other payables	85.9	—	—	—	2.0	87.9
	94.6	26.2	34.9	404.3	1,197.5	1,757.3

Included within the contracted payments is £280.2 million (2021: £265.1 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 31.2% (2021: 23.5%) 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:

Issued and fully paid at 1 pence each	31 December 2022 Number	31 December 2022 £m	31 December 2021 Number	31 December 2021 £m
Balance at beginning of year – £0.01 Ordinary Shares	**1,867,781,310**	**18.7**	1,719,141,878	17.2
Shares issued in relation to further Equity issuance	**—**	**—**	147,058,823	1.4
Shares issued in relation to management contract	**1,045,682**	**—**	1,580,609	0.1
Balance at end of year	**1,868,826,992**	**18.7**	1,867,781,310	18.7

Share premium

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

Capital reduction reserve

In 2015 and 2018, the Company by way of Special Resolution cancelled the then value of its share premium account, by an Order of the High Court of Justice, Chancery Division. As a result of this cancellation, £422.6 million and £932.4 million respectively were transferred from the share premium account into the capital reduction reserve account. The capital reduction reserve account is classed as a distributable reserve. Movements in the current year relate to dividends paid.

Retained earnings

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

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 2022 £m	31 December 2021 £m
Net assets per Group Statement of Financial Position	**3,350.0**	4,076.5
EPRA NTA	**3,370.8**	4,157.6
Ordinary Shares:		
Issued share capital (number)	**1,868,826,992**	1,867,781,310
Basic net asset value per share	**179.25p**	218.26p
Dilutive shares in issue (number)	**—**	668,309
Diluted net asset value per share	**179.25p**	218.18p

30. Net asset value ("NAV") per share continued

	31 December 2022			31 December 2021		
	EPRA NTA £m	**EPRA NRV £m**	**EPRA NDV £m**	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to Shareholders	**3,350.0**	**3,350.0**	**3,350.0**	4,076.5	4,076.5	4,076.5
Revaluation of land options	**20.4**	**20.4**	**20.4**	66.0	66.0	66.0
Mark-to-market adjustments of derivatives	**1.8**	**1.8**	**—**	16.9	16.9	—
Intangibles	**(1.4)**	**—**	**—**	(1.7)	—	—
Fair value of debt	**—**	**—**	**221.1**	—	—	(47.0)
Real estate transfer tax[1]	**—**	**387.4**	**—**	—	376.3	—
NAV	**3,370.8**	**3,759.6**	**3,591.5**	4,157.7	4,535.7	4,095.5
NAV per share	**180.37p**	**201.17p**	**192.17p**	222.60p	242.84p	219.27p
Dilutive NAV per share	**180.37p**	**201.17p**	**192.17p**	222.52p	242.75p	219.19p

1. EPRA NTA and EPRA NDV reflect IFRS values which are net of RETT (real estate transfer tax). RETT are added back when calculating EPRA NRV.

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 2022	**197.3**	**195.3**	**191.0**	**183.3**	**179.7**	**1,836.1**	**2,782.7**
31 December 2021	191.5	190.3	182.8	177.3	169.4	1,825.6	2,736.9

The Group's investment properties are leased to single tenants, with the exception of one asset which is leased to two separate tenants, some of which have guarantees attached, under the terms of a commercial property lease. Each has upward-only rent reviews that are linked to either RPI/CPI, open market or with fixed uplifts. The weighted average unexpired lease term is 12.6 years (2021: 13.0 years).

32. Transactions with related parties

For the year ended 31 December 2022, all Directors and some of the Members of the Manager are considered key management personnel. The terms and conditions of the Investment Management Agreement are described in the Management Engagement Committee Report. 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 £6.7 million (2021: £5.7 million).

The total expense recognised in the Group profit or loss relating to share-based payments under the Investment Management Agreement was £5.3 million (2021: £2.7 million), of which £2.7 million (2021: £1.5 million) was outstanding at the year end.

Details of amounts paid to Directors for their services can be found within the Directors' Remuneration Report.

On 1 February 2021, Alasdair Evans and Philip Redding were appointed as new Members of the Manager. The other six Members of the Manager were 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: £16,240 (2021: £13,345), Alastair Hughes: £3,001 (2021: £2,279), Richard Laing: £3,463 (2021: £3,051), Karen Whitworth £2,126 (2021: £1,277) Wu Gang £87 (2021: £nil) and Elizabeth Brown £469 (2021: £nil) . See note 9 and Directors' Remuneration Report for further details.

During the year the Members of the Manager received the following dividends: Colin Godfrey: £174,834 (2021: £149,570), James Dunlop: £170,516 (2021: £145,509), Henry Franklin: £127,643 (2021: £107,003), Petrina Austin: £21,777 (2021: £18,004), Bjorn Hobart: £24,623 (2021: £20,349) and Frankie Whitehead £10,470 (2021: £7,888).

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 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**

In addition to the above cash flow movements in borrowings, interest was also paid of £35.8m (2021: £37.5m), this is included in the movement in accruals.

	Borrowings £m	Derivative financial instruments £m	Loan notes £m	Total £m
Balance on 1 January 2021	206.8	1.0	1,136.5	1,344.3
Cash flows from financing activities:				
Bank borrowings advanced	245.5	—	—	245.5
Bank borrowings repaid	(245.5)	—	—	(245.5)
Amounts received on the issue of loan notes	—	—	—	—
Loan arrangement fees paid	(0.4)	—	(0.5)	(0.9)
Non-cash movements:				
Change in creditors for loan arrangement fees payable	0.1	—	0.2	0.3
Amortisation of loan arrangement fees	1.1	—	1.4	2.5
Fair value movement	—	(2.8)	—	(2.8)
Balance on 31 December 2021	207.6	(1.8)	1,137.6	1,343.4

34. Capital commitments

The Group had capital commitments of £99.9 million in relation to its development activity, asset management initiatives and commitments under development land, outstanding as at 31 December 2022 (31 December 2021: £65.4 million). All commitments fall due within one year from the date of this report.

35. Subsequent events

On 18 January 2023, the Group completed the sale of two newly-developed and vacant non-core assets at Littlebrook for a total consideration of £25 million.

On 1 March 2023, the Group successfully exchanged on the sale of three assets for a total consideration of £125 million, in line with their respective 31st December 2022 valuations, to a leading global investor in real estate.

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 2022

Company Registration Number: 08215888

	Note	At 31 December 2022 £m	At 31 December 2021 (restated) £m
Fixed assets			
Investment in subsidiaries	5	**2,243.3**	2,243.3
Total fixed assets		**2,243.3**	2,243.3
Current assets			
Trade and other receivables	6	**1,394.7**	1,268.5
Cash held at bank	7	**2.2**	2.8
Total current assets		**1396.9**	1,271.3
Total assets		**3,640.2**	3,514.6
Current liabilities			
Trade and other payables	8	**(17.0)**	(15.3)
Loans from Group companies		**(88.2)**	(71.9)
Total current liabilities		**(105.2)**	(87.2)
Non-current liabilities			
Bank borrowings	9	**(101.1)**	—
Loan notes	9	**(1,139.1)**	(1,137.6)
Total non-current liabilities		**(1,240.2)**	(1,137.6)
Total liabilities		**(1,345.4)**	(1,224.8)
Total net assets		**2,294.8**	2,289.8
Equity			
Share capital	10	**18.7**	18.7
Share premium reserve		**764.4**	762.0
Capital reduction reserve		**835.1**	964.5
Retained earnings		**676.6**	544.6
Total equity		**2,294.8**	2,289.8

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 2022 amounted to £132.1 million (31 December 2021: £61.4 million).

These financial statements were approved by the Board of Directors on 1 March 2023 and signed on its behalf by:

Aubrey Adams
Chairman

Company Statement of Changes in Equity

For the year ended 31 December 2022

	Note	Undistributable reserves		Distributable reserves		
		Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total £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	4	**—**	**—**	**(129.4)**	**—**	**(129.4)**
31 December 2022		**18.7**	**764.3**	**835.1**	**676.7**	**2,294.8**

	Note	Undistributable reserves		Distributable reserves		
		Share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total £m
1 January 2021		17.2	466.5	1,078.9	483.2	2,045.8
Profit for the year and total comprehensive income		—	—	—	61.4	61.4
		17.2	466.5	1,078.9	544.6	2,107.2
Contributions and distributions						
Shares issued in relation to further equity issue	10	1.4	298.5	—	—	299.9
Share issue costs in relation to further equity issue		—	(5.8)	—	—	(5.8)
Shares issued in relation to management contract		0.1	2.8	—	—	2.9
Share-based payments		—	—	—	2.7	2.7
Transfer of share-based payments to liabilities to reflect settlement		—	—	—	(2.7)	(2.7)
Dividends paid	4	—	—	(114.4)	—	(114.4)
31 December 2021		18.7	762.0	964.5	544.6	2,289.8

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). Assets are classified in accordance with the definitions of fixed and current assets in the Companies Act 2006.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- Certain comparative information as otherwise required by adopted IFRS;
- Certain disclosures regarding the Company's capital;
- A statement of cash flows;
- The effect of future accounting standards not yet adopted;
- The disclosure of the remuneration of key management personnel; and
- Disclosure of related party transactions with other wholly owned members of Tritax Big Box REIT plc.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the Company's consolidated financial statements. These financial statements do not include certain disclosures in respect of:

- Share-based payments;
- Financial instruments; and
- Fair value measurement other than certain disclosures required as a result of recording financial instruments at fair value.

Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of accounting

These financial statements have been presented as required by the Companies Act 2006 and have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and policies in the United Kingdom ("UK GAAP").

Currency

The Company financial statements are presented in Sterling which is also the Company's functional currency and all values are rounded to the nearest 0.1 million (£m), except where otherwise indicated.

Other income

Other income represents dividend income which has been declared by its subsidiaries and is recognised when it is received.

Dividends payable for Shareholders

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the Shareholders at an Annual General Meeting.

1.1 Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value. They are carried in the Company Balance Sheet at fair value with changes in fair value recognised in the profit or loss in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost

These assets arise principally from the provision of goods and services to customers (such as trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost being the effective interest rate method, less provision for impairment.

Impairment provisions for current receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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 require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future years. There were no significant accounting judgements, estimates or assumptions in preparing these financial statements.

Prior year restatement

The amounts in the Company balance sheet at 31 December 2021 have been restated to increase fixed asset investment in subsidiaries by £55 million and reduce current asset trade and other receivables by £55 million to correct a misclassification discovered in recording the Parent Company's subscription for shares in a direct subsidiary. There is no impact on net assets or profit in either the Company or Group.

2. Standards issued and effective from 1 January 2022

There was no material effect from the adoption of other amendments to IFRS effective in the year. They have no impact to the Company significantly as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

3. Taxation

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £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 2022.

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 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**
As at 1 January 2021	2,188.3	—	2,188.3
Increase in investments via share purchase	55.0	—	55.0
As at 31 December 2021 (restated)	2,243.3	—	2,243.3

The increase in investments were as a result of capitalisation of inter-Company loans and to fund the acquisitions made in the periods.

The amounts at 31 December 2021 have been restated to increase fixed asset investment in subsidiaries by £55 million and reduce current asset trade and other receivables by £55 million to correct a misclassification discovered in recording the Parent Company's subscription for shares in a direct subsidiary.

5. Investment in subsidiaries

The Company has the following subsidiary undertakings as at 31 December 2022:

	Principal activity	Country of Incorporation	Ownership %
TBBR Holdings 1 Limited	Investment holding company	Jersey	100%*
TBBR Holdings 2 Limited	Investment holding company	Jersey	100%
Baljean Properties Limited	Property investment	Isle of Man	100%
Tritax Acquisition 2 Limited	Investment holding company	Jersey	100%
Tritax Acquisition 2 (SPV) Limited	Investment holding company	Jersey	100%
The Sherburn RDC Unit Trust	Property investment	Jersey	100%
KG (Jersey) Limited#	Investment holding company	Jersey	100%
KL (Jersey) Limited#	Investment holding company	Jersey	100%
G Avonmouth Unit Trust#	Property Investment	Jersey	100%
Tritax Acquisition 4 Limited	Property investment	Jersey	100%
Tritax Acquisition 5 Limited	Property investment	Jersey	100%
Sonoma Ventures Limited	Property investment	BVI	100%
Tritax REIT Acquisition 8 Limited	Investment holding company	UK[1]	100%*
Tritax REIT Acquisition 9 Limited	Investment holding company	UK[1]	100%*
Tritax Acquisition 9 Limited	Property investment	Jersey	100%
Tritax Acquisition 10 Limited	Property investment	Jersey	100%
Tritax Acquisition 11 Limited	Property investment	Jersey	100%
Tritax Acquisition 12 Limited	Property investment	Jersey	100%
Tritax Acquisition 13 Limited	Property investment	Jersey	100%
Tritax Acquisition 14 Limited	Property investment	Jersey	100%
Tritax Worksop Limited	Property investment	BVI	100%
Tritax REIT Acquisition 16 Limited	Investment holding company	UK[1]	100%*
Tritax Acquisition 16 Limited	Property investment	Jersey	100%
Tritax Acquisition 17 Limited	Property investment	Jersey	100%
Tritax Acquisition 18 Limited	Property investment	Jersey	100%
Tritax Harlow Limited	Property investment	Guernsey	100%
Tritax Lymedale Limited	Property investment	Guernsey	100%
Tritax Acquisition 21 Limited	Property investment	Jersey	100%
Tritax Acquisition 22 Limited	Property investment	Jersey	100%
Tritax Acquisition 23 Limited	Property investment	Jersey	100%
Tritax Acquisition 24 Limited	Property investment	Jersey	100%
Tritax Knowsley Limited	Property investment	Isle of Man	100%
Tritax Burton Upon Trent Limited	Property investment	BVI	100%
Tritax Acquisition 28 Limited	Property investment	Jersey	100%
Tritax Peterborough Limited	Property investment	Jersey	100%
Tritax Littlebrook 2 Limited	Property investment	Jersey	100%
Tritax Littlebrook 4 Limited	Property investment	Jersey	100%
Tritax Atherstone (UK) Limited	Property investment	UK[1]	100%
Tritax Stoke DC1&2 Limited	Investment holding company	Jersey	100%*
Tritax Stoke DC3 Limited	Investment holding company	Jersey	100%*
Tritax Holdings CL Debt Limited	Investment holding company	Jersey	100%*
Tritax Portbury Limited	Property investment	Jersey	100%
Tritax Newark Limited	Property investment	Jersey	100%
Tritax Carlisle Limited	Investment holding company	Jersey	100%*
Tritax Worksop 18 Limited	Property investment	Jersey	100%*
Tritax Stoke Management Limited	Management company	UK[1]	100%
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%*

5. Investment in subsidiaries continued

	Principal activity	Country of Incorporation	Ownership %
Tritax Acquisition 40 Limited	Property investment	Jersey	100%*
Tritax Acquisition 41 Limited	Property investment	Jersey	100%*
Tritax Littlebrook 1 Limited	Property investment	Jersey	100%
Tritax Littlebrook 3 Limited	Property investment	Jersey	100%
Tritax Atherstone Limited	Investment holding company	Jersey	100%*
Tritax Acquisition 42 Limited	Property investment	Jersey	100%*
Tritax Acquisition 43 Limited	Property investment	Jersey	100%*
Tritax Carlisle UK Limited	Investment holding company	UK[1]	100%
Tritax Edinburgh Way Harlow Limited	Property investment	Jersey	100%*
Tritax Crewe Limited	Investment holding company	Jersey	100%*
Tritax Acquisition 44 Limited	Property investment	Jersey	100%*
Tritax Acquisition 45 Limited	Property investment	Jersey	100%*
Tritax Acquisition 46 Limited	Property investment	Jersey	100%*
Tritax Acquisition 47 Limited	Property investment	Jersey	100%*
Tritax Acquisition 48 Limited	Property investment	Jersey	100%*
Tritax Acquisition 49 Limited#	Property investment	Jersey	100%*
Tritax Littlebrook Management Limited#	Property investment	UK[1]	100%*
Tritax Symmetry Holdings Limited (formerly known as Tritax Symmetry Limited)	Investment holding company	Jersey	100%*
db Symmetry Group Ltd	Investment holding company	UK[2]	100%
db Symmetry Ltd	Investment holding company	UK[2]	100%
Tritax Symmetry Power Limited#	Investment holding company	UK[2]	100%
Tritax Symmetry Power Biggleswade Limited#	Investment holding company	UK[2]	100%
Tritax Symmetry (BVI) Ltd	Investment holding company	British Virgin Islands	100%
Tritax Symmetry Holdings (Biggleswade) Co Ltd	Investment holding company	British Virgin Islands	100%
Tritax Symmetry Properties (Biggleswade) Co Ltd	Property investment	British Virgin Islands	100%
Tritax Symmetry Holdings (Blyth) Co Ltd	Investment holding company	British Virgin Islands	100%
Tritax Symmetry Properties (Blyth) Co. Ltd	Property investment	British Virgin Islands	100%
Tritax Symmetry Holdings (Middlewich) Co. Ltd	Investment holding company	British Virgin Islands	100%
Tritax Symmetry Properties (Middlewich) Co. Ltd	Investment holding company	British Virgin Islands	100%
Tritax Symmetry Development (Blyth) UK Ltd	Property development	UK[2]	100%
Tritax Symmetry Development (Biggleswade) UK Ltd	Property development	UK[2]	100%
Tritax Symmetry Ardley Limited	Property investment	Jersey	100%
Tritax Symmetry Bicester 2 Limited	Property investment	Jersey	100%
Tritax Symmetry Northampton West Ltd	Property investment	Jersey	100%
Tritax Symmetry Rugby South Ltd	Property investment	Jersey	100%
Tritax Symmetry St Helens Ltd	Property investment	Jersey	100%
Tritax Symmetry Wigan Ltd	Property investment	Jersey	100%
Tritax Symmetry Oxford North Ltd	Property investment	Jersey	100%
Tritax Symmetry Northampton Ltd	Property investment	Jersey	100%
Tritax Symmetry Merseyside 1 Ltd	Property investment	Jersey	100%
Tritax Symmetry South Elmsall Ltd	Property investment	Jersey	100%
Tritax Symmetry (Goole) Ltd	Property investment	UK[2]	100%
Tritax Symmetry (Midlands) Ltd	Investment holding company	UK[2]	100%
Tritax Symmetry (Aston Clinton) Ltd	Property investment	UK[2]	100%
Tritax Symmetry Leicester South Ltd	Property investment	Jersey	100%
Tritax Symmetry Gloucester Ltd	Property investment	Jersey	100%
Tritax Symmetry (Speke) Ltd	Property investment	UK[2]	100%
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%

5. Investment in subsidiaries continued

	Principal activity	Country of Incorporation	Ownership %
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[2]	100%
Symmetry Park Kettering Management Company Limited#	Management company	UK[2]	100%
Symmetry Park Wigan Management Company Limited#	Management company	UK[2]	100%
Symmetry Park Rugby Management Company Limited#	Management company	UK[2]	100%
Tritax Symmetry Merseyside Land Limited#	Property investment	UK[2]	100%
Tritax Symmetry West Limited#	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

UK[1] entities: 3rd Floor, 6 Duke Street St James's, London SW1Y 6BN

UK[2] entities: Unit B, Grange Park Court, Roman Way, Northampton, England NN4 5EA

The Company also has interests in the following joint arrangements as at 31 December 2021:

	Principal activity	Country of incorporation	Ownership %
Symmetry Park Doncaster Management Company Limited	Management company	UK[2]	50%
Symmetry Park Bicester Management Company Limited	Management company	UK[2]	33%

All of the companies registered offshore are managed onshore and are UK residents for UK corporation tax purposes, save for the Sherburn Unit Trust and G Avonmouth Trust.

6. Trade and other receivables

	31 December 2022 £m	31 December 2021 £m (restated)
Amounts receivable from Group companies	**1,393.8**	1,264.8
Prepayments	**0.1**	0.3
Other receivables	**0.8**	3.4
	1,394.7	1,268.5

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% (2021: 0%–10%).

The amounts at 31 December 2021 have been restated to increase fixed asset investment in subsidiaries by £55 million and reduce current asset trade and other receivables by £55 million to correct a misclassification discovered in recording the Parent Company's subscription for shares in a direct subsidiary.

7. Cash held at bank

	31 December 2022 £m	31 December 2021 £m
Cash held at bank	**2.2**	2.8

8. Trade and other payables

	31 December 2022 £m	31 December 2021 £m
Trade and other payables	**9.3**	8.8
Accruals	**7.7**	6.5
	17.0	15.3

9. Borrowings

Bank borrowings drawn

	31 December 2022 £m	31 December 2021 £m
Bank borrowings drawn: due in more than one year	**103.0**	212.9
Less: unamortised costs on bank borrowings	**(1.9)**	(5.3)
	101.1	207.6

Loan notes

Bonds	31 December 2022 £m	31 December 2021 £m
2.625% Bonds 2026	**249.6**	249.5
3.125% Bonds 2031	**247.8**	247.5
2.860% USPP 2028	**250.0**	250.0
2.980% USPP 2030	**150.0**	150.0
1.500% Green Bonds 2033	**246.7**	246.4
Less: unamortised costs on loan notes	**(5.0)**	(5.8)
Non-current liabilities: net borrowings	**1,139.1**	1,137.6

Maturity of loan notes	31 December 2022 £m	31 December 2021 £m
Repayable between one and two years	**—**	—
Repayable between two and five years	**249.6**	249.5
Repayable in over five years	**894.6**	893.9
	1,144.2	1,143.4

10. Equity reserves

Refer to note 29 of the Group's financial statements.

11. Related party transactions

The Company has taken advantage of the exemption not to disclose transactions with other members of the Group as the Company's own financial statements are presented together with its consolidated financial statements.

For all other related party transactions make reference to note 32 of the Group's financial statements.

12. Directors' remuneration

Refer to note 9 of the Group's financial statements.

13. Subsequent events

Refer to note 35 of the Group's financial statements.

Notes to the EPRA and Other Key Performance Indicators

1. Adjusted earnings income statement

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

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Gross rental income	**206.2**	184.7
Service charge income	**6.3**	5.1
Service charge expense	**(6.5)**	(5.2)
Fixed rental uplift adjustments	**(6.1)**	(6.3)
Net rental income	**199.9**	178.3
Other operating income	**9.3**	18.9
Administrative expenses	**(32.2)**	(25.5)
Licence fee receivable on forward funded developments	**—**	7.3
Amortisation of other property assets	**1.7**	5.4
Adjusted operating profit before interest and tax	**178.7**	184.4
Net finance costs	**(37.8)**	(40.0)
Amortisation of loan arrangement fees	**3.1**	2.5
Adjusted earnings before tax	**144.0**	146.9
Tax on adjusted profit	**1.6**	(2.4)
Adjusted earnings after tax	**145.6**	144.5
Adjustment to remove additional DMA income	**(5.3)**	(14.9)
Adjusted earnings (exc. additional DMA income)	**140.3**	129.6
Weighted average number of Ordinary Shares	**1,868,637,910**	1,755,926,756
Adjusted earnings per share	**7.79p**	8.23p
Adjusted earnings per share (exc. additional DMA income)	**7.51p**	7.38p

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 2022 £m	Year ended 31 December 2021 £m
Total comprehensive income (attributable to Shareholders)	**(599.4)**	972.6
Adjustments to remove:		
Changes in fair value of investment properties	**759.5**	(840.9)
Changes in fair value of interest rate derivatives	**(14.9)**	(2.8)
Share of loss/(profits) from joint ventures	**(0.5)**	(0.1)
Gain on disposal of investment properties	**—**	(2.0)
Amortisation of other property assets	**1.7**	5.4
Impairment of intangible and other property assets	**1.5**	2.9
Tax refund	**—**	(3.9)
Profits to calculate EPRA earnings per share	**147.9**	131.2
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	**144.8**	131.2
Weighted average number of Ordinary Shares	**1,868,637,910**	1,755,926,756
EPRA earnings per share – basic	**7.91p**	7.47p
Shares to be issued on outstanding investment manager's fees	**22,814,350**	668,309
EPRA earnings per share – diluted	**7.66p**	7.47p

3. EPRA NAV per share

A net asset value per share calculated in accordance with EPRA's methodology.

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 per share		**180.37**	**201.17**	**192.17**
		180.37	**201.17**	**192.17**

31 December 2021	Note	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
NAV attributable to Shareholders		4,076.5	4,076.5	4,076.5
Revaluation of land options		66.0	66.0	66.0
Mark-to-market adjustments of derivatives		16.9	16.9	—
Intangibles		(1.7)	—	—
Fair value of debt		—	—	(47.0)
Real estate transfer tax[1]		—	376.3	—
At 31 December 2021	28	4,157.7	4,535.7	4,095.5
NAV per share		222.60p	242.84p	219.27p
Dilutive NAV per share		222.52p	242.75p	219.19p

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 2022 £m	Year ended 31 December 2021 £m
Investment property – wholly owned	**4,872.4**	5,123.7
Investment property – share of joint ventures	**4.2**	2.5
Less: development properties	**(403.2)**	(105.0)
Completed property portfolio	**4,473.4**	5,021.2
Allowance for estimated purchasers' costs	**303.3**	340.4
Gross up completed property portfolio valuation (B)	**4,776.7**	5,361.6
Annualised passing rental income	**224.0**	195.9
Less: contracted rental income in respect of development properties	**(18.8)**	—
Property outgoings	**(0.2)**	(0.2)
Less: contracted rent under rent-free period	**(4.9)**	(4.8)
Annualised net rents (A)	**200.1**	190.9
Contractual increases for fixed uplifts	**9.7**	10.2
Topped up annualised net rents (C)	**209.8**	201.1
EPRA net initial yield (A/B)	**4.19%**	3.56%
EPRA topped up net initial yield (C/B)	**4.39%**	3.75%

5. EPRA vacancy rate

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

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Annualised estimated rental value of vacant premises	**5.3**	–
Portfolio estimated rental value[1]	**247.2**	216.2
EPRA vacancy rate	**2.1%**	0%

1. Excludes land held for development.

6. EPRA Cost Ratio

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

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Property operating costs	**0.2**	0.2
Administration expenses	**32.2**	25.5
Service charge costs recovered through rents but not separately invoiced	**—**	—
Total costs including and excluding vacant property costs (A)/(B)	**32.4**	25.7
Vacant property cost	**—**	—
Total costs excluding vacant property costs (B)	**32.4**	25.7
Gross rental income – per IFRS	**206.2**	184.7
Less: Service charge cost components of gross rental income	**—**	—
Gross rental income (C)	**206.2**	184.7
Total EPRA Cost Ratio (including vacant property costs)	**15.7%**	13.9%
Total EPRA Cost Ratio (excluding vacant property costs)	**15.7%**	13.9%

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 2022 £m	Year ended 31 December 2021 £m	Change £m	Change %
Like-for-like rental income	**168.0**	162.2		
Other rental income	**0.2**	0.1		
Like-for-like Gross rental income	**168.2**	162.3	5.9	3.6
Irrecoverable property expenditure	**(0.2)**	(0.1)		
Like-for-like Net rental income	**168.0**	162.2	5.8	3.6
Reconciliation to Net rental income per Statement of Comprehensive Income:				
Development properties	**22.3**	11.7		
Properties acquired	**4.6**	3.3		
Properties disposed	**0.2**	0.2		
Properties under rent free periods	**—**	(2.6)		
Spreading of tenant incentives and guaranteed rental uplifts	**11.1**	7.2		
Total per statement of comprehensive income	**206.2**	184.6		

8. EPRA property-related capital expenditure

	Year end 31 December 2022 £m	Year ended 31 December 2021 £m
Acquisition[1]	**4.9**	89.6
Development[2]	**375.1**	274.3
Transfers to Investment Property[2]	**(57.1)**	(41.6)
Investment properties:		
Tenant incentives[3]	**11.1**	7.2
Capitalised interest	**4.7**	0.7
Total	**338.7**	330.3

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 2022 £m	Year ended 31 December 2021 £m
Opening EPRA NTA	**222.60p**	175.61p
Closing EPRA NTA	**180.37p**	222.60p
Change in EPRA NTA	**(42.23p)**	46.99p
Dividends paid	**6.93p**	6.51p
Total growth in EPRA NTA plus dividends paid	**(35.30p)**	53.50p
Total return	**(15.9%)**	30.5%
One-off transactional costs	**—**	—
Total return excluding one-off transactional costs	**(15.9%)**	30.5%

10. Total expense ratio

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Total operating costs	**32.2**	25.5
Average net assets over the period	**4,219.2**	3,231.0
Total expense ratio	**0.76%**	0.79%

11. Loan to value ratio

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Gross debt drawn	**1,624.0**	1,356.3
Less: Cash	**(47.6)**	(71.1)
Net Debt	**1,576.4**	1,285.2
Gross property value	**5,059.3**	5,480.2
Loan to value ratio	**31.2%**	23.5%

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

Group Statement of Comprehensive Income

	2022 £m	2021 £m	2020 £m	2019 £m	2018 £m
Gross rental income	**206.2**	184.7	161.6	144.4	133.9
Service charge income	**6.3**	5.1	4.6	4.1	3.9
Service charge expense	**(6.5)**	(5.2)	(4.7)	(4.2)	(5.0)
Net rental income	**206.0**	184.6	161.5	144.3	132.8
Other operating income	**9.3**	18.9	8.6	4.1	—
Administrative and other expenses	**(32.2)**	(25.5)	(22.6)	(21.7)	(18.1)
Acquisition related costs	**—**	—	—	(4.2)	(1.0)
Operating profit before changes in fair value of investment properties, share of profit from joint ventures and share-based payment charges	**183.1**	178.0	147.5	122.5	113.7
Changes in fair value of investment properties	**(759.5)**	840.9	351.1	54.5	163.0
Gain on disposal of investment properties	**—**	2.0	0.1	—	—
Share of profit/(loss) from joint ventures after tax	**0.5**	0.1	(0.1)	—	—
Impairment of intangible and other property assets	**(1.4)**	(2.9)	(0.4)	(0.6)	—
Share-based payment charge	**(1.9)**	(5.5)	(5.9)	(3.3)	—
Changes in fair value of contingent consideration payable	**1.1**	(4.2)	(2.9)	(0.5)	—
Gain on bargain purchase	**—**	—	—	7.8	—
Operating profit	**(578.1)**	1,008.4	489.4	180.4	276.7
Finance income	**1.6**	—	—	0.4	0.2
Finance expense	**(39.4)**	(40.1)	(37.6)	(34.4)	(23.1)
Changes in fair value of interest rate derivatives	**14.9**	2.8	(2.3)	(5.2)	(1.2)
Changes in fair value of amounts due to third parties	**—**	—	—	—	—
Profit before taxation	**(601.0)**	971.1	449.5	141.2	252.6
Tax on profit for the period	**1.6**	1.5	(0.1)	—	—
Profit and total comprehensive income	**(599.4)**	972.6	449.4	141.2	252.6
Earnings per share – basic	**(32.08)p**	55.4p	26.3p	8.40p	17.54p
Earnings per share – diluted	**(32.08)p**	55.3p	26.3p	8.38p	17.54p

Group Statement of Financial Position

	2022 £m	2021 £m	2020 £m	2019 £m	2018 £m
Non-current assets					
Intangible assets	**1.4**	1.7	2.0	2.3	—
Investment property	**4,847.3**	5,249.1	4,053.5	3,541.2	3,038.3
Investment in land options	**157.4**	201.5	228.1	226.0	—
Investment in joint ventures	**27.2**	25.6	28.5	30.1	—
Other property assets	**2.3**	4.0	9.4	13.9	—
Trade and other receivables	**2.0**	2.0	2.0	—	—
Interest rate derivatives	**19.9**	1.8	0.1	1.3	5.2
Total non-current assets	**5,057.5**	5,485.7	4,323.6	3,814.8	3,043.5
Current assets					
Rent and other receivables	**24.9**	37.1	25.1	25.7	42.3
Assets held for sale	**25.1**	—	—	—	—
Cash at bank	**47.6**	71.1	57.8	21.4	48.3
Total current assets	**97.6**	108.2	82.9	47.1	90.6
Total assets	**5,155.1**	5,593.9	4,406.5	3,861.9	3,134.1
Current liabilities					
Deferred rental income	**(34.7)**	(38.6)	(36.1)	(35.3)	(30.2)
Trade and other payables	**(111.2)**	(85.9)	(69.3)	(76.1)	(42.5)
Tax liabilities	**(1.1)**	(4.3)	(1.9)	(18.7)	—
Total current liabilities	**(147.0)**	(128.8)	(107.3)	(130.1)	(72.7)
Non-current liabilities					
Trade and other payables	**(2.0)**	(2.0)	(2.0)	—	—
Interest rate derivatives	**—**	—	(1.1)	—	—
Bank borrowings	**(474.8)**	(207.6)	(206.7)	(256.2)	(327.8)
Loan notes	**(1,139.1)**	(1,137.6)	(1,136.4)	(891.5)	(492.7)
Amounts due to third parties	**(42.2)**	(41.4)	(31.7)	(22.9)	—
Total non-current liabilities	**(1,658.1)**	(1,388.6)	(1,377.9)	(1,170.6)	(820.5)
Total liabilities	**(1,805.1)**	(1,517.4)	(1,485.2)	(1,300.7)	(893.2)
Total net assets	**3,350.0**	4,076.5	2,921.3	2,561.2	2,240.9
Equity					
Share capital	**18.7**	18.7	17.2	17.1	14.8
Share premium reserve	**764.3**	762.0	466.5	446.7	153.6
Capital reduction reserve	**835.1**	964.5	1,078.9	1,188.1	1,304.4
Retained earnings	**1,731.9**	2,331.3	1,358.7	909.3	768.1
Total equity	**3,350.0**	4,076.5	2,921.3	2,561.2	2,240.9
Net asset value per share – basic	**179.25p**	218.26p	169.92p	150.04p	152.00p
Net asset value per share – diluted	**179.25p**	218.18p	169.92p	150.04p	152.00p
EPRA net asset value per share – diluted	**180.37p**	222.52p	175.61p	151.79p	152.83p

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

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

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

"Board"
The Directors of the Company.

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

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

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

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

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

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

"Directors"
The Directors of the Company as of the date of this report being:

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

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

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

"Embodied Carbon"
The amount of carbon emitted during the construction of a building. This includes extraction of raw materials, manufacturing and refinement of materials, transport, building phase, deconstruction, and disposal.

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

"EPRA"
European Public Real Estate Association.

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

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

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

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

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

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

"EPRA Net Initial Yield (NIY)"
Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchaser's costs.

"EPRA 'Topped-Up' NIY"
This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives, such as discounted rent periods and step rents).

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

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

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

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

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

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

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

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

"Future development pipeline"
The Group's land bank for future development typically controlled under option agreements which do not form part of the Current or Near Term development pipeline.

"Gearing"
Net borrowings divided by total Shareholders' equity excluding intangible assets and deferred tax provision.

"GIA"
Under the RICS Code of Measuring Practice (6th Edition) the Gross Internal Area (GIA) is the basis of measurement for valuation of industrial buildings (including ancillary offices) and warehouses.

The area of a building measured to the internal face of the perimeter walls at each floor level (including the thickness of any internal walls). All references to building sizes in this document are to the GIA.

"GAV"
The Group's gross asset value.

"GRESB Assessment"
GRESB assesses the ESG performance of real estate and infrastructure portfolios and assets worldwide, providing standardised and validated data to the capital markets.

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

"Group" or "REIT Group"
The Company and all of its subsidiary undertakings.

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

"IMA"
The Investment Management Agreement between the Manager and the Company.

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

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

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

"LIBOR"
London Interbank Offered Rate.

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

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

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

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

"London Stock Exchange"
London Stock Exchange plc.

"Manager"
Tritax Management LLP (partnership number 0C326500).

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

"Near-term development pipeline"
Sites which have either received planning consent or sites where planning applications have been submitted prior to the year end.

"Net equivalent yield"
The internal rate of return from an Investment property, based on the value of the property assuming the current passing rent reverts to ERV and assuming the property becomes fully occupied over time.

"Net initial yield"
The annual rent from a property divided by the combined total of its acquisition price and expenses.

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

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

"Net Zero Carbon – Construction"
When the amount of carbon emissions associated with a buildings construction up to practical completion is zero through use of offsets or the export of onsite renewables.

"Net Zero Carbon – Operational Energy"
When the amount of carbon emissions associated with a building's operational energy on an annual basis is zero.

"Net Zero Carbon – Whole Life"
When the amount of carbon emissions associated with a buildings embodied and operational impacts over the life of the building are zero.

"Non-PID Dividend"
A dividend received by a Shareholder of the principal Company that is not a PID.

"Operational Carbon"
The carbon emissions arising from all energy consumed and from water supply and waste water treatment for an asset in-use, over its life cycle.

"Ordinary Shares"
Ordinary Shares of £0.01 each in the capital of the Company.

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

Excludes service charge income (which is netted off against service charge expenses).

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

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

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

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

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

"Rent roll"
See "Passing rent".

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

"Scope 1 Emissions"
Direct carbon emissions from owned or controlled sources.

"Scope 2 Emissions"
Indirect emissions from the generation of purchased electricity, steam, heating and cooling.

"Scope 3 Emissions"
All other indirect emissions that occur in a company's value chain.

"SDLT"
Stamp Duty Land Tax – the tax imposed by the UK Government on the purchase of land and properties with values over a certain threshold.

"Shareholders"
The holders of Ordinary Shares.

"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.

"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
Non-Executive Chairman

Karen Whitworth FCA
Senior Independent Director

Alastair Hughes FRICS
Non-Executive Director

Elizabeth Brown
Non-Executive Director

Wu Gang
Non-Executive Director

Richard Laing FCA
Non-Executive Director

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Company Registration Number: 08215888

Incorporated in the United Kingdom

Cautionary statement

This Annual Report and the Tritax Big Box REIT plc website may contain certain 'forward-looking statements' with respect to Tritax Big Box REIT plc's ("Company") financial condition, results of its operations and business, and certain plans, strategy, objectives, goals and expectations with respect to these items and the economies and markets in which the Company operates. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'anticipates', 'aims', 'due', 'could', 'may', 'should', 'will', 'would', 'expects', 'believes', 'intends', 'plans', 'targets', 'goal' or 'estimates' or, in each case, their negative or other variations or comparable terminology. Forward-looking statements are not guarantees of future performance. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

Many of these assumptions, risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely. There are a number of such factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in the economies and markets in which the Company operates; changes in the legal, regulatory and competition frameworks in which the Company operates; changes in the markets from which the Company raises finance; the impact of legal or other proceedings against or which affect the Company; changes in accounting practices and interpretation of accounting standards under IFRS, and changes in interest and exchange rates. Any forward-looking statements made in this Annual Report or Tritax Big Box REIT plc website, or made subsequently, which are attributable to the Company, or persons acting on their behalf, are expressly qualified in their entirety by the factors referred to above. Each forward-looking statement speaks only as of the date it is made.

Except as required by its legal or statutory obligations, the Company does not intend to update any forward-looking statements. Nothing in this Annual Report or the Tritax Big Box REIT plc website should be construed as a profit forecast or an invitation to deal in the securities of the Company.

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