TRITAX EUROBOX

Full-year results for the year ended 30 September 2023

05 December 2023

Delivered good progress on our strategic priorities of growing income, lowering the cost ratio and paying a fully covered dividend. Portfolio valuation stable over H2, with good momentum in the disposal programme expected to reduce leverage further.

Full-year 2023 key figures

Financial performance

12 months to:	30 September 2023	30 September 2022	*Change*
Rental income	€68.1m	€57.9m	*17.6%*
Adjusted earnings per share (EPS)[1]	5.51 cents	4.24 cents	*30.0%*
Basic EPS[1]	(27.68) cents	7.28 cents	*n/a*
Dividend per share	5.00 cents	5.00 cents	-
Total Return	(22.5)%	6.0%	*(28.5) pts*
Portfolio value[2]	€1,561.9m	€1,765.6m	*(14.5)%*
EPRA net tangible assets (NTA) per share	€1.02	€1.38	*(26.1)%*
IFRS NAV per share	€0.99	€1.32	*(25.0)%*
Loan to value (LTV) ratio[3]	46.4%	35.2%	*11.2 pts*
Annualised rental income[4]	€76.3m	€74.3m	*2.7%*

Operational performance

	30 September 2023	30 September 2022	31 March 2023
	FY23	*FY22*	*H1 23*
Like-for-like rental growth[5]	4.5%	3.6%	2.8%
Rent collection	100%	100%	100%
Weighted average unexpired lease term[6]	7.9 years	8.0 years	7.9 years
EPRA vacancy rate	5.5%	0.3%	5.4%
Adjusted EPRA cost ratio[7]	24.2%	29.5%	25.6%
Average cost of debt	1.3%	1.5%	1.2%
Like-for-like estimated rental value (ERV) growth[8]	6.5%	8.2%	3.4%

Chairman's commentary

Robert Orr, Chairman of Tritax EuroBox plc, commented:

“Over the past 12 months we have made good progress on delivering the strategic priorities we outlined a year ago. We have generated strong rental income growth and our cost ratio is now within our target range. This improved operational performance has led to a substantial increase in adjusted earnings and a fully covered dividend for the year.

“We have not been immune to the rapid increase in interest rates, which has adversely impacted our portfolio valuation over the year. However, the marginal decline in the second half and pricing of recent sales broadly in line with book values, indicates some market stabilisation. Further planned disposals are expected to reduce leverage as we move through 2024.

“While mindful of the ongoing challenging geo-political and macro-economic backdrop, our high-quality portfolio and strong customer base mean the Company remains well placed to benefit from the structural tailwinds and favourable underlying market dynamics in the European logistics sector.”

FY23 full-year results overview

Rental income growth and cost efficiencies supporting higher Adjusted Earnings and a covered dividend

- Rental income of €68.1 million, up 17.6%, reflecting the full-year effect of prior year acquisitions, rent indexations, asset management and development activity.
- Like-for-like[5] rental growth was 4.5% (7.8% including new income from the Barcelona and Strykow extensions).
- Adjusted EPRA Cost Ratio[7] of 24.2% (FY22: 29.5%), in line with our target range of 20-25%, benefiting from higher income and lower management fee.
- Adjusted EPS of 5.51 cents, up 30%.
- Dividend per share of 5.00 cents was 110.2% covered by Adjusted EPS for the full year.

Investment portfolio let to strong customers on long-term, inflation-linked leases

- Portfolio value[2] of €1,561.9 million (FY22: €1,765.6 million), with 12-month like-for-like reduction of 14.5% primarily due to significant outward yield shift across the sector, partly offset by rental growth. H2 FY23 valuation decline of 0.3%.
- Despite a good operational performance, the fall in portfolio value led to a decline in NTA to €1.02 (FY22: €1.38) and a negative Total Return of 22.5% (FY22: 6.0%).
- Portfolio reversion of 17.6% or €13.4 million, reflecting a like-for-like increase in portfolio ERV of 6.5%.
- 97% of leases subject to annual rental increases, with 81% linked to inflation.
- Increase in EPRA vacancy rate to 5.5% (FY22: 0.3%) reflecting the completion of speculative forward fundings in Sweden and Italy, and a lease expiry in Poland, partially offset by new lettings.

Asset management, indexation and development adding €6.3 million to annualised rental income[4]

- Completed two pre-let developments and four speculative forward fundings, adding 224,763 sqm of new space.
- Completed a 109,083 sqm extension in Barcelona, adding €2.3 million to annual rent, and commenced an 8,841 sqm extension in Poland, increasing the annual rent by €0.5 million.
- Commenced a 23,000 sqm speculative development in Oberhausen, Germany; completion targeted for July 2024.
- Signed three new leases totalling €4.3 million of annual rent, an increase of €0.6 million above previous rent or guarantees.
- Sales of asset in Hammersbach in August for c.€65 million and, post period end, two assets in Bochum and Malmö for c.€47 million and c.€28 million respectively. All three were either broadly in line or above book value, and aligned with our stated disposal strategy.
- Ongoing integration of ESG objectives into operational business, including completion of two solar PV installations, adding a total of 2.8 MW to the portfolio, with a further six projects in progress.

Robust balance sheet with low cost of debt

- 100% of debt with fixed rates or caps, with an average cost of debt of 1.30% for FY23.
- 3.5-year weighted maturity, with earliest refinancing in Q4 2025.
- €172.5 million of undrawn debt facilities as at year end.
- Loan to value (LTV) ratio[3] of 46.4% remains higher than we would like, with the disposal proceeds offset by the portfolio valuation decline, development capital expenditure and other working capital effects.
- Covenant headroom with LTV[3] of 46.4% and interest cover of 4.8x, versus covenants of 65% and 1.5x.
- Taking into account the post-period-end disposals at Bochum and Malmö, the pro-forma LTV decreases to 44.0%.

Notes

1 See note 12 to the condensed financial statements for reconciliation.

2 Valuation under IFRS (excluding rental guarantees), this includes assets held for sale.

3 As per KPI definition.

4 Contracted rent, on an annualised basis, at the reporting date. Including rental guarantees and licence fee.

5 Excluding extensions at Barcelona and Strykow. Including extensions, like-for-like rental growth is 7.8%.

6 Weighted average unexpired lease term to break is 7.9 years and weighted average unexpired lease term to expiry is 9.6 years.

7 Including licence fee income and rental guarantees.

8 Like-for-like ERV growth for 12 months for FY23 and FY22 and for six months for H1 23.

Presentation for investors and analysts

A Company presentation for analysts and investors will take place via a live webcast at 09.00am (GMT) today. To view the live webcast, please register via this link:

Tritax EuroBox plc – Full-year results 2023

Analysts and investors will also be able to listen to the event via a moderated conference call using the following details:

Phone number: +44 (0) 33 0551 0200

Participant access: quote *‘Tritax Full Year Results*

The presentation will also be accessible on-demand later in the day from the Company website:

tritaxeurobox.co.uk/investors/results-and-presentations/.

Further information

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Further information on the Company is available at: tritaxeurobox.co.uk

The Company's LEI is: 213800HK59N7H979QU33.

Chairman's statement

Over the past 12 months we have made good progress on delivering the strategic priorities we outlined a year ago. Rental income has increased by 17.6% and our Adjusted EPRA Cost Ratio at 24.2% is now within our target range. This improved operational performance has led to a 30.0% increase in Adjusted Earnings and the dividend 110.2% covered for the full year. In addition, we expect our ongoing disposal programme to reduce our loan to value ratio towards our preferred percentage range in the low 40s in the year ahead.

Supportive structural trends throughout our five-year history

The past year marked the fifth anniversary of Tritax EuroBox plc, a five-year period that has seen consistently supportive underlying occupier market fundamentals against, more recently, a significant change in economic and investment market conditions.

Since its IPO in 2018, the combination of positive structural demand drivers and the constrained supply of modern warehouse space has generated strong rental growth across European logistics markets. These strong market fundamentals attracted considerable amounts of capital into the sector, further encouraged by supportive debt markets, leading to a corresponding decline in property yields and increase in capital values.

More recently, in response to central banks sharply raising interest rates to combat higher levels of inflation, property yields have shifted upwards to reflect the higher cost of capital, with asset values subsequently falling. Following an extended period of benign economic conditions, these fluctuations are a reminder that real estate markets are inherently cyclical in nature.

Despite these market swings, the Company's strategy – and its delivery – has remained consistent. Over the past five years, we have focused on assembling a portfolio of best-in-class, modern logistics assets that are mission-critical to our customers, with leading ESG credentials, and concentrated in major distribution corridors in key European markets. Our approach, based on the ownership and management of a stabilised portfolio of core assets, with a carefully managed exposure to value-add and development risk, enables the Company to deliver income growth consistently through the economic cycle.

Our high-quality portfolio remains well placed to capitalise on structural drivers

The portfolio is now valued at €1.56 billion with a rent roll of €76.3 million and home to 35 customers, including multi-national organisations such as Mango, Amazon, Puma and Lidl. The assets are let on primarily long-term leases with annual uplifts linked to inflation, generating predictable and regular growth in rental income, which serves to support the fully covered dividend paid to Shareholders.

We remain of the view that the positive tailwinds from structural demand drivers will continue to benefit the Company for some time to come. The impact of increasing online shopping penetration, the need to build greater resilience into supply chains, and the aim of reducing the environmental impact of distribution operations will continue to generate strong demand for high-quality, sustainable warehouse space. The portfolio remains well positioned to benefit from these trends.

That said, we are also cognisant of the changing market context and the challenges this presents. While the central focus of our strategy remains constant, aimed at harnessing these supportive, long-term structural drivers, we have adapted our priorities to ensure the business remains appropriately positioned in this altered and evolving environment.

Over the past 12 months the Company has focused on capturing the income growth opportunities embedded within the existing portfolio, improving operational efficiency, growing earnings to deliver a covered dividend, and taking action to maintain a strong balance sheet position through selected disposals. During the period, good progress has been made on these priorities and we remain on track to achieve our objectives.

Financial performance driven by good progress on our strategic priorities

Rental income increased to €68.1 million per annum (FY22: €57.9 million) and like-for-like rental growth was 4.5% (7.8% if new income from completed extensions is included). The Company also continued to benefit from the revised Investment Management Agreement that reduced the Manager fees payable by the Company, with the Adjusted EPRA Cost Ratio declining to 24.2% from 29.5% over the year. These activities contributed to a 30.0% increase in Adjusted EPS to 5.51 cents (FY22: 4.24 cents).

We declared quarterly dividends totalling 5.00 cents per share for the period, in line with the previous year. The dividend was 110.2% covered by Adjusted EPS.

However, the Company continues to be affected by the decline in asset values that is impacting the entire European logistics sector. The portfolio was independently valued by CBRE at €1,561.9 million at the period end (FY22: €1,765.6 million), representing a like-for-like valuation reduction of 14.5% for the full year. Signs of stabilisation are emerging, with a deceleration in the rate of decline from a reduction of 14.7% in H1 to a fall of 0.3% in H2. This resulted in EPRA NTA per share of €1.02, down 26% (FY22: €1.38).

One of the key priorities of the business is to maintain balance sheet strength. Earlier in the year we commenced a programme of planned disposals to lower the Company's leverage and in August announced the sale of an asset in Hammersbach (Germany) for c.€65 million. Post period end, we announced the sales of assets in Bochum (Germany) for c.€47 million and in Malmö (Sweden) for c.€28 million. Bochum was broadly in line with valuation and Malmö was significantly ahead. These transactions brought gross sales signed so far to c.€139 million.

However, the LTV of 46.4% (pro forma 44.0% post the Bochum and Malmö disposals) remains above where we would like it to be at this point in the cycle. This is due to the lower portfolio valuation, capital expenditure on developments and movements in working capital offsetting the benefit of the sales proceeds. Further disposals are planned in the months ahead.

The Company continues to benefit from a low average cost of debt of 1.30% due to the fixed or capped rates on all its borrowings and is not exposed to any near-term refinancings. In the medium term, the Company expects to refinance the RCF and the bond ahead of their respective maturities in October 2025 and June 2026.

Advancement of our ESG strategy and solar PV installations

During the year, we have made good progress with our ESG strategy, with several initiatives announced over the past 12 months. At the Interim Results in May we launched our new ESG targets. These include an accelerated commitment to achieve net zero carbon across all aspects of our business by 2040, rather than the previously stated 2050 target.

Our targets, which will be reviewed annually, will help drive further improvement for the benefit of our stakeholders and help us to keep pace with the evolving regulatory and market environment. This will ensure our approach is evidence- and data-led, and that we accurately measure and disclose our impact.

We have increased the renewable electricity generated by solar schemes on our assets, with our portfolio's generating capacity now 10.3 MW across arrays on eight buildings. We have made good progress on our plans to increase this further over the coming year, with applications submitted to commence schemes on three further assets, which would add an extra c.9 MW of capacity. In addition, there are three other projects in the pipeline.

As previously reported, we held the first meeting of our ESG Board Committee, chaired by the Board ESG Champion, Eva-Lotta Sjöstedt. This provides a dedicated forum for the Board and representatives of the Manager to oversee and review the progress in delivering our ESG objectives.

Also reported earlier in the year, we reviewed the Board and Committee composition and announced Sarah Whitney's appointment as Senior Independent Director (SID) with effect from 6 December 2022. Sarah has taken on the role from Keith Mansfield, who continues to make an important contribution as a Non-Executive Director and Chair of the Audit & Risk Committee.

In February 2023, the Management Engagement Committee approved the appointment of CBRE as the Company's independent valuer, replacing JLL. The position had been held by JLL since the Company's IPO in 2018 and the Board felt a rotation of this important role was appropriate at this time.

Outlook

The past 12 months have been characterised by a challenging geo-political and macro-economic backdrop. This has adversely impacted property investment markets and occupier sentiment across Europe. However, inflation in Continental Europe is now on a downward trajectory and interest rates are forecast to have peaked. This increased visibility is leading to signs of stabilisation in asset values, as demonstrated by the marginal fall in our portfolio valuation over the second half of the financial year and recently completed disposals broadly in line with book values.

While we expect investors to remain cautious and transaction volumes relatively low in the near term, we anticipate the positive structural drivers and strong market fundamentals of the logistics sector will support investor appetite and liquidity as we move through 2024.

In addition, while take-up of warehouse buildings has fallen over the past nine months, the availability of modern, sustainable logistics space remains low and the potential for a material supply increase limited. We expect these dynamics to keep vacancy rates at low levels and support positive rental growth, albeit at more normalised levels versus the very high rates seen recently.

The Board remains confident that the high-quality portfolio and strong customer base means the Company is well placed to benefit from the structural tailwinds and favourable underlying market dynamics that will continue to support the performance of the European logistics sector.

Despite the challenging market environment during the past year, the Company has delivered good progress on the strategic priorities set out 12 months ago. The Board continues to believe the focus on driving earnings, paying a fully covered dividend, and maintaining balance sheet strength through the ongoing programme of disposals, remains appropriate and will deliver value to Shareholders in the long term.

Our market

Structural drivers continue to support the occupier market

Our market is characterised by strong occupier demand, limited supply of available space in core markets and high barriers to developing new assets in prime locations. These favourable market dynamics are supporting rental growth, with vacancy rates remaining low.

Good rental growth across core Continental European markets

Structural trends such as digitalisation and online retail growth are being amplified by growing urbanisation. In tandem, supply chains are evolving as organisations seek improved resilience and reliability, and demands for sustainability are increasing, driven by shifting stakeholder and societal expectations, including the emergence of circular economies. These themes are continuing to shape the demand-supply dynamics of the logistics sector.

Long-term demand drivers

Global events such as the Covid-19 pandemic and recent heightened geopolitical risk have accelerated demand in the short term. Over the longer term, demand is being driven by three underlying factors:

1) *Growth of e-commerce*: Warehouse space is fundamental to both successfully fulfilling e-commerce sales and doing so at a cost that allows companies to operate profitably. Companies typically require large, flexible, modern and well-located properties to deliver orders and manage returns rapidly and efficiently.

2) *Creating resilient supply chains*: Companies are reinforcing their supply chains to ensure their efficiency and resilience to external shocks. Measures used to do this include adopting the latest supply chain planning tools; reviewing manufacturing locations and transportation networks; and holding more critical stock closer to customers and end-users.

3) *Drive towards more sustainable real estate and operations*: Companies are looking for their logistics real estate to help meet their ESG objectives. In addition to reducing their environmental impacts – through incorporating clean energy generation, low-carbon technologies, and energy efficiencies – occupiers want a workspace that promotes employee wellbeing to help them attract and retain staff. Meanwhile, decarbonising transportation has driven increased demand for features such as EV charging points.

We believe these trends will continue to favour the modern, high-quality and well-located buildings we own.

High barriers to development in prime markets

The availability of logistics space in many prime sub-markets continues to be limited, and the barriers to developing new warehouses in attractive locations remain high. These barriers include:

1) *Availability of land*: Sourcing new sites for assets continues to become more difficult. 95%[1] of developers highlight it as an issue, up from 76% in 2022.

2) *Difficulty securing planning consents*: Developers are also finding it increasingly difficult to obtain permission to develop land. 83% underlined the length of the zoning/permit process as an important restriction, while 82% note that increased ESG requirements are an important issue when seeking permission for a development[1].

3) *Increased finance and construction costs*: Raw material and labour cost inflation has eased, but development costs overall remain elevated. Increased finance costs are a further burden that negatively impact potential development profitability.

Real estate market fundamentals and investment markets

Take-up has moderated across European markets

2023 has seen a healthy level of demand for warehouse space across Europe despite the challenging macroeconomic backdrop. Take-up for the 12 months to Q3 2023 totalled 20.7 million sqm, down 24% year-on-year but in line with pre-Covid-19 levels[2]. The demand adjustment seen this year reflects a normalisation to more typical, pre-pandemic levels of activity.

The uncertain market environment has impacted occupier decision-making, as evidenced by the 2023 Savills/EuroBox European Logistics Real Estate Census. Rising costs remain a key concern and 39% of respondents suggested they have scaled back or delayed decisions by one to two years. Leasing volumes also continue to be impacted by ongoing constraints around the availability of well-located, high-quality logistics buildings.

[1] Savills/Tritax EuroBox European Logistics Real Estate Census.

[2] CBRE.

Despite these challenges, a wide range of occupiers continue to commit to new logistics buildings. Retailer, e-commerce, and manufacturing companies all continued to evolve their warehouse network and 3PLs have been particularly active in the year. 3PLs continue to lease properties to satisfy demand driven by their customers' outsourcing logistics requirements and need to hold higher levels of buffer stock[3], as well as new business opportunities such as facilitating the return, repair, and reuse of goods. Our letting at Dormagen, Germany was evidence of the latter, where the occupier is using our building to process returns and repairs of household appliances.

Supply remains constrained in core markets

Development completions slowed to 17.6 million sqm in the 12 months to Q3 2023, down from 19.5 million sqm in the year to Q3 2022. Completions have dropped particularly sharply in Germany, where year-on-year new supply is down 30% and completions are below pre-pandemic levels[2]. The limited availability of land, particularly for very large sites, and challenges associated with securing planning are especially evident across many of Europe's core logistics sub-markets. For example, in the Netherlands less than 50% of new supply in the last 12 months has been delivered into its nine principal sub-markets[2].

While pockets of excess speculative development have emerged, these are typically outside of the main logistics hubs where availability remains very low. Furthermore, the supply pipeline across Europe continues to reduce as developers reassess opportunities in light of the evolving market environment and higher cost of capital. Looking ahead, this is likely to continue the mismatch between available supply and occupier requirements in many of the best locations. These requirements include a heightened focus on ESG features, energy efficiency and generation, and the technical building features required to operate more efficient, productive and resilient supply chains.

Low vacancy in many core logistics markets continues to support rental growth

Pan-European vacancy remains low by historical standards at just 3.6%[2]. An increasingly diverse picture is, however, beginning to emerge. While vacancy has ticked up at an aggregate level, it remains below 3%[2] in countries such as Germany, the Netherlands, and Belgium. Furthermore, many core logistics sub-markets have vacancy levels below the national average, which continues to limit the options for occupiers looking for new space in the most attractive markets.

A combination of healthy demand and still-constrained supply in the best locations has contributed to further rental traction in many sub-markets across Europe. Prime headline rents have risen by 8% on average[4] and, across the year, almost every major sub-market has experienced rental growth.

While the near-term outlook will continue to be impacted by the volatile macroeconomic backdrop, we believe the ongoing structural trends underpinning demand and supply barriers in the best locations will lead to attractive levels of rental growth in our markets over the medium term.

Stabilisation of capital markets through the second half of the year

Transaction activity totalled €11.7 billion in Q1-Q3 2023, down 58%[2] versus the same period in 2022. That said, quarterly deal volumes have remained relatively flat through 2023[2] despite central banks continuing to raise interest rates, further impacting the cost of capital. Lower logistics deal volumes also reflect the trend across the wider real estate market, which continues to adjust to the higher cost of capital and return requirements that currently exists. Logistics real estate accounted for 19% of all real estate deal volumes year to date which is consistent with recent years, and up significantly from pre-Covid-19 levels which were typically around 12%[2].

A steady flow of transactions continues to provide pricing discovery, but many buildings have reversionary potential because of the healthy recent rental growth, which leases have often failed to fully capture. Pricing for these assets may therefore not directly reflect the market values reported by CBRE and others which are a best estimate for a prime, rack-rented building.

Prime yields, as reported by CBRE, have adjusted higher over the past 18 months but recent quarters have seen increasing signs of stabilisation. Since March 2023, yields have moved out by 10bps or fewer in Germany, the Netherlands, and France. Peripheral markets have seen yields shift by between 20bps and 40bps over the same period.

The rapid adjustment in yields has helped keep logistics real estate pricing broadly in line with other asset classes and prices have stabilised over recent quarters. While the near-term outlook will continue to be heavily influenced by the macro trends that currently dominate, we continue to believe logistics real estate remains a compelling area for investment.

[3] JLL, European logistics market update, Q2 2023.

[4] Based on a straight average of rents in the leading sub-market in each of Germany, France, the Netherlands, Belgium, Italy, Spain, Sweden and Poland.

Manager’s report

At the start of the financial year, we set out four key priorities: to capture income growth opportunities embedded within the existing portfolio; to improve operational efficiencies to lower the cost ratio; to combine these activities to drive forward earnings per share and deliver a fully covered dividend for the year; and to underpin these activities by maintaining a strong balance sheet position.

Over the past 12 months, the Company has made good progress on delivering these strategic priorities despite the more challenging macro-economic and property market backdrop experienced in Continental Europe throughout the period.

During the year, the effect of sharply higher interest rates continued to impact investment markets in the form of increased yields, lower asset values and subdued transaction volumes. Most of the value adjustments were experienced in the first half of the financial year, with the modest declines in the second half reflecting the relatively rapid adjustments already taken and greater visibility emerging in the macro-economic environment.

In contrast to previous property cycles, occupational market fundamentals have remained robust, with most markets characterised by low levels of available modern warehouse space. While occupiers have become more cautious in response to the challenging economic conditions, the sector continues to be supported by long-term structural drivers, low vacancy rates and a limited pipeline of supply.

The high-quality nature of our assets has enabled the Company to navigate these tougher market conditions. The property portfolio we have curated provides resilience through the market cycle and delivers income growth over the long term. This resilience and income growth potential are produced by combining high-quality assets (modern buildings with excellent ESG credentials, located in sought-after distribution hubs and corridors), with attractive income characteristics (let on long leases to strong customers with annual rental uplifts linked to inflation).

Delivering on our strategic priorities

The focus over the past 12 months has been on driving improvements in operational performance, with a key part of this being the capture of income growth opportunities embedded within the existing property portfolio. During the period we successfully completed several initiatives across a broad spectrum of asset management, development and leasing activities, which delivered both new income growth and enhanced capital values.

Over the year, the in-house team, in conjunction with our locally based asset management and development partners, secured €3.6 million per annum of new rental income, which also positively impacted corresponding asset valuations. The in-built uplifts from the index-linked and fixed uplift structures of our leases produced €2.3 million of new rental income, and represented a significant driver of growth in annualised rental income, which increased to €76.3 million (FY22: €74.3 million). The like-for-like increase in rental income was 4.5% (7.8% including the extensions in Barcelona and Strykow).

We have also delivered enhancements in operational efficiency, including the full-year impact of the revised Investment Management Agreement, effective from August 2022. These improvements contributed to a reduction in the Adjusted EPRA Cost Ratio to 24.2% from 29.5% in the prior year. Our Adjusted EPRA Cost Ratio is now in line with our pan-European peers and within our target range of 20–25%. We continue to pursue opportunities to reduce the cost base to enable us to move towards our longer-term aspiration of being at the lower end of this range.

The combination of higher rental income and lower operational costs, together with full-year contributions from the completion of building extensions and developments, resulted in a 30% increase in Adjusted Earnings Per Share to 5.51 cents. The Company has declared quarterly dividends totalling 5.00 cents in the period, resulting in dividend cover of 110.2% and the delivery of a fully covered dividend for the year.

Underpinning these priorities is our objective to maintain a strong balance sheet position, encompassing the appropriate management of our cost of debt, available liquidity and metrics including LTV and net debt/EBITDA.

The Company continues to benefit from a low average cost of debt of 1.30%, maintained through fixed and capped rates, no refinancings until Q4 2025 and €172.5 million of undrawn facilities in its RCF. In addition, there remains significant headroom to LTV ratio and interest cover ratio (ICR) covenants in the Company’s debt agreements.

In response to the elevated LTV ratio reported in our Interim Results announcement in May, we outlined a disposal programme aimed at generating proceeds of at least €150 million over 12–18 months. The recycled capital would be used to lower debt levels, fund opportunities within the existing portfolio and maintain our investment grade credit rating.

We announced the first sale in this disposal programme in August, comprising a modern warehouse building in Hammersbach, near Frankfurt in Germany, for c.€65 million, which was broadly in line with book value. However, at

46.4% the LTV ratio remains higher than we would like, with the beneficial impact of the disposal being offset by a decline in the portfolio valuation, development capital expenditure and working capital movements.

Post period end, we also announced the disposal of a second asset in Germany, at Bochum, for c.€47 million and an asset in Sweden, at Malmö, for c.€28 million. These brought the cumulative total gross sale proceeds from the disposals to c.€139 million, decreasing the pro forma LTV ratio to 44.0% and showing further progress against our target. We aim to lower the LTV ratio towards our preferred percentage range in the low 40s over 6 to 12 months through our ongoing programme of disposals.

In the medium term, the Company expects to refinance the RCF and the bond ahead of their respective maturities in October 2025 and June 2026. Our expectation is for the refinanced debt facilities to be lower than the current amount, albeit at a higher rate to reflect a likely higher interest rate environment.

Valuation performance

The sharp increase in interest rates and higher cost of capital has led to a rapid adjustment in asset values over the past 12–18 months and continues to affect investor sentiment and transaction volumes across the European logistics sector. However, strong underlying structural drivers, supportive market fundamentals and rebased asset pricing are attracting investors back to the sector, with investment activity and asset values showing signs of stabilisation.

The Company’s portfolio valuation declines have reflected these market trends, with an increase in property yields first manifesting in the second half of FY22, a greater impact seen in the first half of FY23, followed by a more modest adjustment at the latest valuation date at the end of September 2023.

The property portfolio was valued by the Company’s independent valuer, CBRE, at €1,561.9 million as at 30 September 2023 compared with €1,765.6 million at 30 September 2022. The valuation declined by 14.5% on a like-for-like basis during the period, driven by the outward yield shift across the portfolio partly offset by asset management gains and rental growth. This included a decline of 0.3% in the second half as signs of stabilisation emerged. As at 30 September 2023, the portfolio net initial yield was 4.4% (30 September 2022: 3.8%), with the equivalent yield at 4.9% (30 September 2022: 3.9%).

In contrast to the weaker investment markets, the continued strength of occupier markets is reflected in like-for-like rental growth of 4.5% (7.8% including the Barcelona and Strykow extensions) and ERV growth of 6.5% over the year, continuing the positive momentum seen in the prior year.

As at 30 September 2023, the portfolio’s ERV (which is the rent the valuer estimates the portfolio should generate if all buildings were leased at current market levels) was €84.5 million (30 September 2022: €81.2 million). As a result, the portfolio reversion has increased to €13.4 million or 17.6% (30 September 2022: €7.1 million or 9.5%), and the reversionary yield has increased to 5.3% from 4.2% on 30 September 2022.

Portfolio strategy and composition

Our portfolio strategy is based on a long-term investment approach and the goal to generate income-orientated returns with the ability to capture capital growth over time. We seek to deliver this strategy through combining a disciplined approach to capital allocation and proactive asset management and customer engagement, with enhancing ESG performance central to all our activities.

Our portfolio composition is based on the following characteristics:

- diversified by:
  - geography, but with the objective of each country having the appropriate critical mass to enable advantages of scale to be captured;
  - building size, but with a focus on larger-scale warehouses that facilitate operational efficiencies and where existing and potential supply is limited; and
  - customer and business sector, but with a focus on large, multi-national organisations;
- displaying an appropriate balance between:
  - stabilised, income producing assets; and
  - exposure to opportunities to create value through asset management and development activities;
- highly efficient:
  - let on long leases to strong companies; and
  - incorporating in-built, inflation-linked rent escalators;
- with market-leading ESG credentials:
  - reducing the environmental impact of our own and our customers' operations;

- making a meaningful difference to people and communities across our geographies; and
- seeking green lease clauses, which commit customers to using buildings sustainably, along with an obligation to share resource usage data.

At the year end, the portfolio comprised 23 high-quality warehouse assets, diversified by location, building size and customer sector, plus one building under construction and one plot of land. The assets are modern, with 89% of the portfolio built in the past 10 years, located across Belgium, Germany, Italy, the Netherlands, Poland, Spain and Sweden, and are relatively large, with 65% of the portfolio in excess of 50,000 sqm (the average size being 66,000 sqm).

To deliver an attractive level of return with an appropriate level of risk, our portfolio combines core, stabilised assets with a managed exposure to development and land. The exposure to development and value-add activities is managed dynamically to be aligned with investment and occupational market conditions. With the external environment becoming more challenging over the past 12 months, we have sought to reduce portfolio exposure to speculative development risk and to focus on capturing income growth and value from the existing stabilised portfolio.

The stabilised assets provide the portfolio's core income, comprise the majority of the portfolio and reflect the relatively low-risk positioning of the Company.

Exposure to development activity provides the potential for capturing higher returns with the forward funding of pre-let developments representing the lower end of the risk spectrum and the funding of speculative developments the higher end. Typically, but not in all cases, rental guarantees will be agreed with our developer-partners to provide protection from potential void periods following the completion of the building. Speculative development offers the opportunity to capture higher market rental levels than appraised levels or the additional rental growth that may have occurred through the construction phase of the development.

Asset type (as a % of portfolio value)	**FY23**	**FY22**
Stabilised assets	99%	93%
Pre-let forward funding	*0%*	*5%*
Speculative forward funding	*1%*	*2%*
Development assets	1%	7%
Total	**100%**	**100%**

The stabilised assets combine to form a highly efficient portfolio, reinforced by four distinct characteristics. Specifically, the assets are let:

i) On long leases

At the period end, the portfolio Weighted Average Unexpired Lease Term to expiry was 9.6 years (FY22: 9.3 years) and the Weighted Average Unexpired Lease Term to the first break was 7.9 years (FY22: 8.0 years).

Lease duration (as a % of passing rent)	**FY23**	**FY22**
0 – 5 years	24%	29%
5 – 10 years	35%	38%
>10 years	41%	33%
Total	**100%**	**100%**

ii) To a high-quality customer base

Across the portfolio, the Company has 35 customers operating in a range of business sectors. Many of the Company's customers are multi-billion Euro businesses, including some of the world's best-known companies, underpinning the security of the portfolio's rental income.

Customer (as a % of passing rent)	FY23	FY22
Mango	14%	11%
Amazon	9%	9%
Puma	8%	8%
Lidl	8%	7%
Wayfair	8%	8%
Action Logistics	6%	6%
Rhenus	6%	6%
Cummins	5%	5%
Clipper	4%	-
OVS	3%	3%
Other	29%	37%
Total	**100%**	**100%**

iii) With annual rental uplifts

The majority of the Company's leases contain indexation provisions offering significant inflation protection and regular uplifts in income. Rental uplifts are either linked to local inflation measures or fixed at an agreed rate, with the increases usually taking place annually.

Indexation (as a % of passing rent)	FY23	FY22
CPI uncapped	52%	54%
CPI – capped/other	29%	26%
Fixed	16%	17%
None	3%	3%
Total	**100%**	**100%**

iv) With structurally low vacancies

The EPRA vacancy at the period end was 5.5% (FY22: 0.3%). This increase was the result of the completion of two speculative forward fundings at Rosersberg (Sweden) and Settimo Torinese (Italy) that remain unlet (but covered by rental guarantees), and the take-back of 22,213 sqm at Strykow. This was partially offset by lettings at Dormagen (Germany) and half of the development in Settimo Torinese (Italy).

Strong ESG credentials

Our customers require the ESG performance of the buildings they occupy to be aligned with their own ESG commitments and targets. The ESG credentials of our buildings play an important role in attracting and retaining high-quality occupiers to the portfolio and also enable our customers to meet the expectations of their stakeholders. We have a clear ESG strategy focused on working collaboratively with our customers to jointly deliver enhanced building performance including carbon reduction, wellbeing and biodiversity.

The ESG performance of our buildings and alignment with our net zero carbon pathway are key considerations in determining the future value and liquidity of our assets. The Company holds a four Green Star rating from GRESB and EPRA Gold for its Sustainability Best Practices Recommendations submission.

ESG credentials (as a % of passing rent)	FY23	FY22
EPC rating & green building certification	35%	28%
EPC rating	45%	52%
Green building certification	6%	5%
Unrated	14%	15%
Total	**100%**	**100%**

A proactive approach to asset management

A fundamental part of how we deliver our portfolio strategy is our proactive approach to asset management. This is focused on extracting income growth and value uplifts from the opportunities embedded within the existing portfolio.

Our asset management operations are led by an experienced in-house team, giving us scope to take a direct and active role in the strategic asset management of the portfolio and strengthen relationships with our customers. The in-house team works closely and collaboratively with our locally based partners and also draws on the specialist skills within the wider Tritax Group, such as supply chain, ESG and power expertise, to help formulate our future asset management plans.

We undertake a thorough bottom-up review of all our assets on a biannual basis. This enables us to determine the value-maximising strategy for each property and to review expected returns. In conjunction with this, a top-down assessment is undertaken to ensure the portfolio is optimally positioned to capture efficiencies and to benefit from the positive structural tailwinds that continue to drive the Continental European logistics sector.

This process informs our asset recycling strategy by highlighting those assets where, for example, we have completed our asset management plans and maximised value or where forecast ESG performance is not aligned with our overall portfolio objectives. It also identifies markets where we expect performance to be less strong or where we have a sub-scale position and gaining sufficient scale in an appropriate timescale will be challenging. Such assets will be identified for disposal, enabling us to recycle the capital into higher returning opportunities or reduce balance sheet leverage.

Delivering our portfolio objectives

We set ourselves four key portfolio objectives for the year:

1. Capture income growth opportunities embedded in the existing portfolio.
2. Complete ongoing development projects and de-risk rental guarantees by securing new customers for unlet space.
3. Commence a disposal programme to maintain our balance sheet strength, and recycle proceeds into reducing debt levels and funding existing opportunities within the portfolio.
4. Progress agreements with our customers and secure necessary permits to enable the installation of roof-mounted PV panels on selected assets.

We have made good progress over the period on all these objectives.

Objective 1: Capture income growth

We have successfully completed several asset management initiatives during the period, including:

Asset, location	Asset management initiative	Detail
Barcelona, Spain	Extension	Completion of a 109,083 sqm extension in November 2022, which has increased annualised rental income by €2.3 million.
Strykow, Poland	Extension and lease re-gear	Commencement of a new extension for our customer Arvato, together with an 11-year re-gear of its existing lease. The extension was completed at a yield on cost of 7.2%, increasing the annualised rental income by €0.5 million upon completion.
Dormagen, Germany	Letting	Completion of a new 10-year lease to GXO at a rent 17.8% ahead of the underwritten rental guarantee, converting the rental guarantee into a lease and increasing the annualised rental income by an additional €0.5 million.
Settimo Torinese, Italy	Letting	Letting of unit one of the 28,287 sqm speculatively developed asset, with rent in line with ERV and consistent with the development funding underwrite. The six-year green lease to an Italian logistics specialist includes a further six-year extension option and includes annually reviewed inflation-linked uplifts.
Bochum, Germany	Letting	Letting of unit three at the four-unit prime asset to a German specialist catering equipment company, with a seven-year lease 35% above the current passing rent.

Objective 2: Complete development projects and de-risk rental guarantees

We made good progress with the development programme during the period, completing six forward-funded developments, totalling 224,763 sqm and producing €14.6 million per annum in rental income (€11.2 million leased to customers and €3.4 million subject to rental guarantees).

Asset, location	Portfolio activity	Detail
Roosendaal, the Netherlands	Development completion *(pre-let)*	The second and third units (Phase 1B and 2) totalling 65,276 sqm of this forward funded development pre-let to Lidl were completed in December 2022 and February 2023 respectively. The units generate annualised rental income of €3.2 million.
Rosersberg I, Sweden	Development completion *(speculative)*	Completed the speculative forward funding development of 13,181 sqm in January 2023, producing annualised rental income of €1.1 million through a rental guarantee, which expires in February 2024. We are in discussion with potential tenants at rents above the levels of the rental guarantees.
Dormagen, Germany	Development completion *(speculative)*	Completed speculative forward funding of 36,434 sqm in March 2023, with a 10-year lease signed with GXO in early May, 17.8% ahead of the underwritten rental guarantee.
Settimo Torinese, Italy	Development completion *(speculative)*	Practical completion reached in June 2023 of this speculative forward funding of 28,287 sqm, with half the space leased to an Italian logistics specialist in August 2023. The total scheme has an ERV of €1.3 million.
Bönen, Germany	Development completion *(pre-let)*	Practical completion reached in June 2023 of this forward funded development of 63,753 sqm, pre-let to Rhenus at an annualised rent of €4.3 million.
Rosersberg II, Sweden	Development completion *(speculative)*	Practical completion reached in July 2023 of this 17,832 sqm speculative forward funding, producing annualised rental income of €1.6 million through a rental guarantee, which expires in August 2024.
Oberhausen, Germany	Construction commenced *(speculative)*	Construction commenced on this two-unit, 23,243 sqm speculative forward funding in July 2023, which has the potential to produce annualised rental income of €2.0 million when fully let. Practical completion is targeted for Q3 2024 and we are targeting a DGNB Platinum certification.

The Company owns two further land plots with potential for building extensions at Wunstorf, Germany, where the existing building can be extended by 10,000 sqm, and at Geiselwind, Germany, where capacity exists for a 42,000 sqm extension.

Objective 3: Commence disposal programme and recycle proceeds

In the Interim Results announcement in May we outlined our intention to undertake asset disposals of at least €150 million over the following 12–18-month period to reduce the Company's debt levels and to fund existing opportunities from within the portfolio. Further to this, and in line with our bi-annual portfolio review process, in August we announced the disposal of an asset in Hammersbach (Germany) for c.€65 million. This reflected a net initial yield of 4.45%, broadly in line with the book valuation of the property, and represented a good first step in our disposal programme.

Post period end, we announced the sale of a second asset, in Bochum (Germany), for c.€47 million, reflecting a net initial yield of 4.88%. We also announced the sale of an asset in Malmö for c.€28 million. The sale of the three assets generated gross sale proceeds of c.€139 million, with further sales expected during 2024.

Objective 4: Increase the solar PV generating capacity of the portfolio

During the year, we continued to progress initiatives to increase the generation of renewable energy by the installation of roof-mounted solar panels on our assets. We increased the solar PV generating capacity of our portfolio to 10.3 MW (FY22: 7.5 MW), with rooftop solar arrays now installed on eight of our assets.

In addition, we have made applications to commence schemes on three assets in Germany and are in negotiations with the customers to agree new Purchasing Power Agreements (PPAs) for those projects. These assets have been chosen due to their large roof areas, long unexpired lease terms, sufficient roof load-bearing capacity and positive, ongoing discussions with the respective customers. The forecast installation of these projects is Q3 2024 and would add a further c.9 MW to our portfolio's generating capacity, taking the total level to over 19 MW.

The intention is to maintain a rolling programme of feasibility studies to support a phased delivery of installations, in collaboration with our customers. Our aspiration is to install two to three solar schemes each year as we look to enhance the portfolio and support customers with their energy requirements and ESG ambitions.

Evolving our ESG strategy

At the heart of our asset management approach is our commitment to an ambitious ESG strategy. This comprises targets across four areas, comprising sustainable buildings; climate and carbon; nature and wellbeing; and social value. These are aimed at driving social, environmental and economic value for our customers, partners, investors and the wider society.

In 2020 we set a range of ESG targets for the period 2020–2023. One of our key priorities for 2022 was to establish a clear baseline from which to launch our new updated ESG targets. These targets reflect our four principal ambitions for the ESG performance of the Company, which are summarised as:

1. Our ESG strategy and performance criteria to fundamentally underpin the investment philosophy of the Company.
2. Our portfolio and our assets to be net zero carbon.
3. Our portfolio to have a positive impact on our climate and the natural world.
4. The social value which our portfolio delivers to make a meaningful difference to people and communities across our geographies.

Most notable within these targets is an enhanced commitment to achieve net zero carbon (as defined by the UK Green Building Council) 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	Target	KPI	FY23 progress
Sustainable buildings	- 100% of all asset due diligence uses Tritax ESG due diligence framework	- % utilisation of enhanced ESG due diligence framework	The Company did not purchase any buildings during the financial year. We commenced the development of the Oberhausen asset, for which we are targeting a DGNB Platinum certification. In addition, the Manager revised its due diligence processes to ensure ESG factors, including climate risks, are systematically considered pre-acquisition.
	- 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	The Company engaged a third-party consultant to measure the embodied carbon associated with its forward-funded developments in Rosersberg (Sweden) and Oberhausen (Germany). The reduction to a GRESB score of 84/100 (FY22: 88/100) was due to an increase in energy consumption. The Company is seeking to mitigate this through its renewable energy and customer engagement programme.
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 incorporated into each asset management plan - 1.5°C Paris decarbonisation pathway alignment - Science-Based Targets initiative (SBTi) alignment (or equivalent)	The Company finalised and disclosed its updated net zero targets and is integrating emissions' reduction across the portfolio. We are continuously reviewing changes in market best practice, including evolutions in the SBTi building sector guidance.
	- Integrate physical climate risk mitigation across asset lifecycle	- % climate risk incorporated into each asset management plan - Portfolio TCFD alignment	The Company updated its portfolio-wide physical climate risk assessment, and conducted a vulnerability assessment on assets exposed to natural hazards.
Nature and wellbeing	- Year-on-year annual increase in biodiversity for standing assets	- % increase in biodiversity against 2022 baseline	Baseline data collection methodology agreed. Implemented biodiversity improvement measures on several assets including in Belgium and Poland. New developments: continued enhancement of ESG development specification, including integration of biodiversity measures.
	- Year-on-year increased provision of wellbeing enhancements to developments and standing assets	- % increase in provision against 2022 baseline	Assessed all buildings currently without a green building certification against the BREEAM In-Use certification scheme, including the Health & Wellbeing criteria. Increasing customer engagement, primarily through site visits. New electric vehicle (EV) charging stations installed at three assets.
Social value	- Publish community investment structure - Further integrate ESG criteria into supply chain procurement processes, both for upstream and downstream	- Set-up and operation of community investment structure - % utilisation of due diligence framework for suppliers	The Manager is developing a community investment structure to oversee the social value workstream. The Manager undertook a review of the property management agreement, with key focus on ESG services.
	- Continue support for the Company's main charity	- Level of financial and non-financial contributions	The Company donated £25,000 to The Mission to Seafarers – continuing the Company's three-year partnership with the charity.

Financial Review

FY23 progress summary

What we said we would do

A year ago, we highlighted three key financial objectives:

1. cover the dividend;
2. reduce the Adjusted EPRA Cost Ratio; and
3. manage leverage and maintain a robust balance sheet.

What we achieved

The dividend is 110.2% covered for the financial year, an increase from 84.8% in FY22. This was the result of higher income, driven by development completions, asset management and indexation, together with lower costs, primarily from a reduction in management fees.

The Adjusted EPRA Cost Ratio has reduced to 24.2% for FY23 from 29.5% in FY22. The ratio improved through the year, with an Adjusted EPRA Cost Ratio of 22.8% in the six months to September 2023. Our aim is to remain in our target range of 20–25%.

Despite a solid start to our programme of disposals, the LTV ratio has increased to 46.4% as at 30 September 2023 and remains higher than we would like at this point of the cycle. The increase was a result of valuation declines, ongoing development expenditure and movements in working capital, offsetting the sale proceeds. Post period-end, we have made further good progress with our disposal programme, which has generated gross proceeds of c.€139m to date including the disposals of Bochum for c.€47 million and Malmö for c.€28 million. Taking account of the Bochum and Malmö disposals, the pro forma LTV ratio is 44.0%. Further disposals have been identified and we remain confident of achieving our target LTV percentage of low 40s over the next 6 to 12 months.

What to expect next

We will look to maintain a covered dividend and the Adjusted EPRA Cost Ratio within the 20-25% range.

We will seek additional disposals to reduce debt and deliver a lower LTV ratio, showing a trajectory towards our preferred level. In the medium term, we expect to refinance the RCF and the bond ahead of their respective maturities in October 2025 and June 2026.

Portfolio valuation

The portfolio was independently valued by CBRE as at 30 September 2023, in accordance with the RICS Valuation – Global Standards. The portfolio's total value at the year end was €1,561.9 million (30 September 2022: €1,765.6 million), reflecting a like-for-like valuation decrease of 14.5%, including a decline of 0.3% in the second half. The Valuation NEY increased by 100 bps over the past 12 months and 10 bps over the past six months, with this outward yield shift only partially offset by like-for-like ERV growth of 6.5% over the year.

Financial results

Income

Rental income for the year was €68.1 million (FY22: €57.9 million), up 17.6%. The growth was primarily the result of acquisitions during 2022, rent indexations and our asset management initiatives, including the Mango extension in Barcelona. On a 12-month like-for-like basis, total annualised rental income was 4.5% higher (or 7.8% higher when including the Barcelona and Strykow extensions).

As at 30 September 2023, the annualised rental income was €76.3 million (FY22: €74.3 million), including €3.4 million annualised rental guarantees. With the recent completion of most of our developments, we expect the share of rental guarantees as a percentage of total income to decrease materially in 2024, with most of these rental guarantees converted into IFRS income as customers take occupation of available warehouse space and leases commence.

Costs

The Company's operating and administrative costs were €16.4 million (FY22: €18.2 million), which primarily comprised:

- the Management Fee payable to the Manager of €5.5 million (FY22: €7.9 million);
- the Company's running costs, including accounting, tax and audit; and
- the Directors' fees.

The EPRA Cost Ratio for the financial year (inclusive of vacancy cost) was 27.4% (FY22: 41.3%). The Adjusted EPRA Cost Ratio was 24.2% (FY22: 29.5%), including rental guarantees received.

The lower cost ratio was primarily the result of the change in the Investment Management Agreement last year, that lowered the fee payable by the Company to the Manager. This was implemented on 6 October 2022, and backdated to be effective from 1 August 2022.

Investment Management Agreement fees

Effective 1 August 2022

NAV Value	Fee
<€1 billion	1.00%
>€1 billion	0.75%

Previously

NAV value	Fee
<€0.5 billion	1.30%
>€0.5 billion ≤€2 billion	1.15%
>€2 billion	1.00%

The total cost of debt (net of income earned on interest rate derivatives) for the year was €10.1 million (FY22: €8.7 million), reflecting an attractive average cost of debt of 1.30% (FY22: 1.22%). This is the result of all debt facilities during the year being fixed or hedged, with no refinancing maturities before Q4 2025.

Post period end, we renewed some of our interest rate caps expiring in October 2023. We bought a €40 million portion with a two-year maturity co-terminus with the remaining term of the RCF and a €40 million portion to match our short-term RCF requirement pending the full execution of the disposal programme. Reflecting current financing conditions, the weighted average strike price of these caps is 2.72% (previously 0.65%). Looking ahead to FY24, we expect the total cost of debt to be in the range of 1.25% and 1.50%, subject to drawdowns on the RCF.

The Group made a consolidated loss before tax for the period of €243.0 million (FY22: gain of €76.6 million), primarily due to the decrease in the portfolio valuation, as outlined above.

The income taxation charge for the year was 2.5% (FY22: 2.3%). The charge is primarily incurred in the local jurisdictions in which the Company invests. As an HMRC approved investment trust, the Company is exempt from UK corporation tax on its chargeable gains. The Company is also exempt from UK corporation tax on dividend income received, whether from UK or non-UK companies, provided the dividends fall within one of the exempt classes under the Corporation Tax Act 2009.

The corporation tax rate in future periods will depend primarily on the jurisdictions where the Company owns the property assets, given the differing tax rates across Continental Europe. The Company does not use any structures designed to artificially reduce its tax liabilities and looks to pay the appropriate level of tax where it is due.

Earnings Per Share

Basic Earnings Per Share for the year was negative 27.68 cents (FY22: 7.28 cents), with the decrease versus the prior year reflecting the adverse valuation movement through FY23. EPRA EPS, which excludes valuation movements, was 5.66 cents (FY22: 2.58 cents). Adjusted Earnings, which include rental guarantees, were €44.5 million (FY22: €34.2 million), resulting in Adjusted EPS of 5.51 cents (FY22: 4.24 cents). More information about the calculation of basic, EPRA and Adjusted EPS can be found in Note 12 to the Financial Statements.

Net assets

The IFRS NAV per share at the year-end was €0.99 (30 September 2022: €1.32). The EPRA NTA per share at the year-end was €1.02 (30 September 2022: €1.38). The Board recognises the 42% discount to EPRA NTA, as at 30 September 2023. The valuation of investment property is the main driver of the EPRA NTA, and was determined by CBRE as independent valuer. The Board is satisfied that the valuation exercise was performed in accordance with RICS Valuation – Global Standards. As such, the Board has full confidence in the level of EPRA NTA disclosed in the financial statements at the reporting date. More information on EPRA's net asset valuation metrics can be found in the EPRA Performance Measures section.

Debt financing

At the year end, the Company had total debt drawn of €777 million. This resulted in an LTV ratio of 46.4% (30 September 2022: 35.2%), with €172.5 million available undrawn debt. Taking into account the recently announced disposals at Bochum and Malmö, the pro forma LTV ratio decreases to 44.0%. Further disposals are planned during 2024 to reduce the LTV towards our preferred level of low 40s.

The Company's financing is insulated from any near-term increases in interest rates, with no maturities before Q4 2025 and 100% of its total drawn debt either fixed or benefiting from interest rate caps limiting the rise in Euribor to 2.72%.

Post period-end activity

On 29 November 2023, the Company agreed a lease at its two-unit asset in Settimo Torinese, Italy.

On 30 November 2023, the Company exchanged on the sale of its asset at Bochum, Germany, and the redevelopment site at Malmo, Sweden.

Related party transactions

Transactions with related parties included the Management Fee paid to the Manager and the Directors' fees.

Alternative Investment Fund Manager (AIFM)

The Company is an Alternative Investment Fund within the meaning of the AIFMD and has appointed the Manager as its AIFM. The Manager is authorised and regulated by the Financial Conduct Authority as a full scope AIFM.

Dividends

The Company has declared the following dividends in respect of the year:

Declared	Amount per share	In respect of	Paid/to be paid
9 February 2023	1.25 cents	1 October to 31 December 2022	14 March 2023
18 May 2023	1.25 cents	1 January to 31 March 2023	23 June 2023
8 August 2023	1.25 cents	1 April to 30 June 2023	8 September 2023
5 December 2023	1.25 cents	1 July to 30 September 2023	12 January 2024

The total dividend for the year was 5.00 cents per share or €40.3 million (FY22: €40.3 million) and was 110.2% covered by Adjusted Earnings (FY22: 84.8%).

Key Performance Indicators

Set out below are the key performance indicators we use to track our strategic progress.

KPI and definition	Our progress in FY23	Performance (for the year ended 30 September)
1. Dividend per share Dividends paid to shareholders and declared in relation to the period.	Our policy is to pay an attractive and progressive dividend, with a minimum payout of 85% of Adjusted Earnings. While keeping the Dividend per share unchanged from the prior year, the earnings growth from the business supported the dividend being fully covered for the year.	**2023: 5.00 cents per share** 2022: 5.00 cents per share
2. Total Return (TR) Total Return measures the change in the EPRA Net Tangible Assets (EPRA NTA) over the period plus dividends paid.	The return calculated from the dividends paid has been more than offset by the decline in valuation, which was driven by inflation and the resulting impacts on interest rates.	**2023: (22.5)%** 2022: 6.0%
3. Basic Net Asset Value Net asset value in IFRS GAAP.	Inflation and the resulting impacts on interest rates have been the key drivers of this valuation movement, which could not be fully offset by strong market rental growth and indexation.	**2023: €795.6 million (€0.99 per share)** 2022: €1,065.8 million (€1.32 per share)
4. Adjusted earnings EPRA earnings, adjusted to include licence fees and rental guarantees receivable on forward funded development assets and for other earnings not supported by cash flows.	Adjusted Earnings increased by 30.0% in the year, reflecting the full-year impact on rental income from acquisitions in the prior year and a 10% decrease in administrative expenses.	**€44.5 million (5.51 cents per share)** €34.2 million (4.24 cents per share)
5. Loan to value ratio (LTV) The proportion of our gross asset value that is funded by net borrowings (excluding cash).	The lower portfolio valuation, ongoing capital expenditure and working capital movements largely offset the benefit of the sales proceeds from the disposal programme. The Company remains comfortably below the LTV ratio covenant of 65%. Including the disposals of Bochum and Malmö, the pro forma LTV is 44.0%.	**2023: 46.4%** 2022: 35.2%
6. Weighted average unexpired lease term (WAULT) The portfolio average of the remaining number of years, weighted by annual passing rents, until the sooner of the lease expiry or the customer's break option.	The Company has maintained a WAULT of greater than five years across the portfolio, in accordance with typical lease lengths in Continental Europe. The WAULT to expiry is 9.6 years.	**2023: 7.9 years (9.6 years to term.)** 2022: 8.0 years (9.3 years to term)
7. Dividend cover Adjusted Earnings as a proportion of the dividend declared for the financial period.	The 30.0% growth in Adjusted Earnings, combined with maintaining a dividend per share of 5.00 cents, drove an increase in dividend cover to 110.2%.	**2023: 110.2%** 2022: 84.8%

8. Interest cover The ratio of consolidated earnings before interest and taxation to consolidated net finance costs in respect of any measurement period. The definition, and calculation method, of interest cover ratio has changed during the year aligning banking covenants and reporting. See Notes to EPRA and Other Key Performance Indicators for calculation. Comparatives for FY22 and FY21 were 6.6x and 6.3x using the previous definition.	The Company remains comfortably above its interest cover ratio covenant of 1.5x.	**2023: 4.8x** 2022: 4.2x
9. Like-for-like rental growth Like-for-like rental growth (excluding extensions; including extensions: 7.8%) compares the growth of the rental income of the portfolio that has been consistently in operation and not under development during the two full preceding periods. The definition, and calculation method, of like-for-like growth has changed during the year, moving to be in line with the industry standard definition, which excludes extensions. The comparative for FY22 using the previous basis was 4.0%.	Solid rental growth in the period was driven by our asset management initiatives and indexation.	**2023: 4.5%** 2022: 3.6%

EPRA performance measures

The table below shows additional performance measures, calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA). We provide these measures to aid comparison with other European real estate businesses. For a full reconciliation of the new EPRA NAV measures, please see the Notes to the EPRA and Other Key Performance Indicators.

KPI and definition	Comments	**Performance** (for the year ended 30 September)
1. EPRA Net Reinstatement Value (EPRA NRV) Basic NAV adjusted for mark-to-market valuation of derivatives, deferred tax and transaction costs (real estate transfer tax and purchaser's costs).	A key measure to highlight the value of net assets on a long-term basis. The metric reflects what would be needed to recreate the current portfolio of the company.	**2023: €903.0 million** 2022: €1,194.7 million
2. EPRA Net Tangible Assets (EPRA NTA) Basic NAV adjusted to remove the fair values of financial instruments and deferred taxes. This excludes transaction costs.	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	**2023: €820.6 million** 2022: €1,111.0 million
3. EPRA Net Disposal Value (EPRA NDV) Equivalent to IFRS NAV, as this includes the fair values of financial instruments and deferred taxes.	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.	**2023: €795.6 million** 2022: €1,065.8 million
4. EPRA Earnings Earnings from operational activities.	A key measure of the Company's underlying results and an indication of the extent to which current dividend payments are supported by earnings.	**2023: €45.7 million** 2022: €20.9 million
5. 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) purchasers' costs.	This measure should make it easier for investors to judge for themselves how the valuations of portfolios compare.	**2023: 4.2%** 2022: 3.6%
6. 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).	This measure should make it easier for investors to judge for themselves how the valuations of portfolios compare.	**2023: 4.3%** 2022: 3.7%
7. EPRA Vacancy Rate Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	A 'pure' (%) measure of investment property space that is vacant, based on ERV.	**2023: 5.5%** 2022: 0.3%
8. EPRA Cost Ratio Administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income.	A key measure to enable meaningful measurement of the changes in a company's operating costs.	**2033: 27.4%** 2022: 41.3%
9. Adjusted EPRA Cost Ratio EPRA Cost Ratio adjusted for non-operational items.	This ratio includes licence fee income and rental guarantees and excludes exceptional items of a capital nature.	**2023: 24.2%** 2022: 29.5%
10. EPRA Loan to value (LTV) ratio The proportion of our gross asset value funded by net borrowings (incorporating net payables).	The EPRA LTV introduces a consistent and comparable metric for the sector, with the aim to assess the gearing of the shareholder equity within a real estate company.	**2023: 46.3%** 2022: 35.6%

Principal risks and uncertainties

At least twice a year, the Board undertakes a formal risk review, with the assistance of the Audit & Risk Committee, to assess the effectiveness of our risk management and internal control systems. During the period the Audit & Risk Committee instructed BDO to perform a risk review. In conjunction with the Manager, the engagement was to enhance the Company's approach to risk management. The outcome of the review has led to an improved risk register, enhanced mitigations and a pathway to more adequate risk based decisions in the future.

The Audit & Risk Committee considers that general macroeconomic uncertainty results in greater volatility on certain risks, namely the value of the portfolio, finance costs and customer default risk.

The Company's principal risks are summarised below:

Property risks

1. Customers may default.
2. The value of the property portfolio may experience adverse change.
3. Portfolio growth may slow.
4. Lack of diversification may amplify local risks.
5. Development activities may not be profitable.
6. The product may not appeal to customers or investors.
7. Getting the market cycle wrong, leading to wrong investment, divestment, and/or leasing decisions.
8. Inappropriate portfolio construct.

Operational risks

9. The performance of the Manager and/or third-party suppliers may not be adequate.
10. Insurance at appropriate premiums may not be available.

Financial risks

11. Debt funding at appropriate levels may not be available.
12. The Euro may fluctuate against other currencies of countries in which the Company operates.
13. The leverage level and target range may not be appropriate.
14. Debt covenants may be breached.

Taxation risks

15. A change in the Company’s investment trust status may cause loss.
16. Changes to local tax legislation in countries in which the Company is invested may cause loss.

Political and market risks

17. General political and/or economic uncertainty may disrupt the Company’s ability to execute its strategy.
18. Rising energy prices may impact the overall economy and our customers.

ESG risks

19. Physical and transition risks from climate change.

Other risks

20. The Company’s data may be exposed to cyber-attack.
21. Lack of corporate governance and/or lack of compliance with laws and regulations.

Group Statement of Comprehensive Income

For the year ended 30 September 2023

	Note	**Year ended 30 September 2023 €m**	Year ended 30 September 2022 €m
Rental income	6	**68.07**	57.89
Service charge income	6	**10.79**	10.14
Other income	6	**1.03**	0.70
Gross property income	6	**79.89**	68.73
Direct property costs	7	**(14.15)**	(16.53)
Net property income		**65.74**	52.20
Fair value (loss)/gain on investment properties	14	**(285.43)**	49.94
Loss on disposal of investment property		**(2.73)**	—
Administrative and other expenses	8	**(16.35)**	(18.18)
Operating (loss)/profit		**(238.77)**	83.96
Finance income	10	**3.49**	—
Finance expense	10	**(5.21)**	(12.07)
Effect of foreign exchange differences	8	**(0.29)**	0.20
Changes in fair value and realised loss on interest rate derivatives	21	**(2.19)**	4.55
(Loss)/profit before taxation		**(242.97)**	76.64
Taxation	11	**19.61**	(17.87)
(Loss)/profit for the year		**(223.36)**	58.77
Other comprehensive income			
Foreign currency translation differences – foreign operations		**(6.43)**	(6.30)
Total comprehensive (loss)/income for the year attributable to the Shareholders		**(229.79)**	52.47
Earnings Per Share (“EPS”) (expressed in cents per share)			
EPS – basic and diluted	12	**(27.68)**	7.28

Group Statement of Financial Position

As at 30 September 2023

	Note	**30 September 2023 €m**	30 September 2022 €m
Non-current assets			
Investment properties	14	**1,512.55**	1,765.60
Derivative financial instruments	21	**1.05**	4.43
Trade and other receivables	16	**1.76**	1.17
Deferred tax assets	11	**1.23**	2.11
Total non-current assets		**1,516.59**	1,773.31
Current assets			
Asset held for sale	15	**49.30**	-—
Trade and other receivables	16	**33.63**	31.43
Cash and cash equivalents	17	**52.31**	90.18
Total current assets		**135.24**	121.61
Total assets		**1,651.83**	1,894.92
Current liabilities			
Trade and other payables	18	**(30.21)**	(38.80)
Income tax liability		**(1.32)**	(0.60)
Total current liabilities		**(31.53)**	(39.40)
Non-current liabilities			
Trade and other payables	18	**(1.71)**	(1.29)
Loan notes and borrowings	19	**(770.10)**	(701.07)
Deferred tax liabilities	11	**(27.22)**	(51.74)
Other liabilities	20	**(23.31)**	(33.62)
Customer deposit	24	**(2.34)**	(2.05)
Total non-current liabilities		**(824.68)**	(789.77)
Total liabilities		**(856.21)**	(829.17)
Net assets		**795.62**	1,065.75
Equity			
Share capital	25	**8.07**	8.07
Share premium reserve		**597.58**	597.58
Translation reserve		**(12.67)**	(6.24)

Retained earnings		**202.64**	466.34
Total equity		**795.62**	1,065.75
Net Asset Value ("NAV") per share (expressed in Euro per share)			
Basic NAV	26	**0.99**	1.32
EPRA NTA	26	**1.02**	1.38

The financial statements were approved by the Board of Directors on 4 December 2023 and signed on its behalf by:

Robert Orr
Independent Chairman

Company registration number: 11367705

Group Statement of Changes in Equity

For the year ended 30 September 2023

	Note	Share capital €m	Share premium €m	Translation reserve €m	Retained earnings €m	Total €m
At 1 October 2022		8.07	597.58	(6.24)	466.34	1,065.75
Net loss for the year		—	—	—	(223.36)	(223.36)
Other comprehensive loss		—	—	(6.43)	—	(6.43)
Total comprehensive loss		—	—	(6.43)	(223.36)	(229.79)
Contributions and distributions:						
New share capital subscribed	25	—	—	—	—	—
Associated share issue costs		—	—	—	—	—
Dividends paid	13	—	—	—	(40.34)	(40.34)
Total contributions and distributions		—	—	—	(40.34)	(40.34)
At 30 September 2023		**8.07**	**597.58**	**(12.67)**	**202.64**	**795.62**

	Note	Share capital €m	Share premium €m	Translation reserve €m	Retained earnings €m	Total €m
At 1 October 2021		8.07	597.46	0.06	447.91	1,053.50
Net profit for the year		—	—	—	58.77	58.77
Other comprehensive income		—	—	(6.30)	—	(6.30)
Total comprehensive income		—	—	(6.30)	58.77	52.47
Contributions and distributions:						
New share capital subscribed	25	—	0.14	—	—	0.14
Associated share issue costs		—	(0.02)	—	—	(0.02)
Dividends paid	13	—	—	—	(40.34)	(40.34)
Total contributions and distributions		—	0.12	—	(40.34)	(40.22)
At 30 September 2022		8.07	597.58	(6.24)	466.34	1,065.75

Group Cash Flow Statement

For the year ended 30 September 2023

	Note	**For the year ended 30 September 2023 €m**	For the year ended 30 September 2022 €m
Cash flows from operating activities			
Loss/profit for the year		**(223.36)**	58.77
Result on disposal of investment property		**2.73**	—
Changes in fair value of investment properties	14	**285.43**	(49.94)
Changes in value of interest rate derivatives	21	**3.91**	(4.38)
Tax (credit)/expense	11	**(19.61)**	17.87
Net finance expense	10	**1.72**	12.07
Spreading of customer lease incentives	6	**(1.67)**	(2.45)
Amortisation of capital contribution and lease commissions	6	**0.95**	0.54
(Increase)/decrease in trade and other receivables		**(3.54)**	(24.30)
Increase/(decrease) in trade and other payables		**(8.10)**	15.06
Increase/(decrease) in other liabilities		**(7.78)**	8.37

Cash generated from operations		**30.68**	31.61
Tax paid		**(3.31)**	(0.92)
Net cash flow generated from operating activities		**27.37**	30.69
Investing activities			
Purchase of investment properties	14	**(25.89)**	(288.41)
Disposal of investment properties		**59.06**	—
Disposal of assets held for sale		**—**	—
Improvements to investment properties and development expenditure	14	**(127.13)**	(144.79)
Rental guarantees and developer licence fees received		**9.20**	8.74
Net cash flow used in investing activities		**(84.76)**	(424.46)
Financing activities			
Net proceeds from issue of Ordinary Share capital		**—**	0.12
Loans received	19	**126.00**	206.48
Loans repaid	19	**(59.50)**	—
Premium paid for interest rate cap	21	**(0.53)**	—
Finance expense paid		**(5.23)**	(8.96)
Dividends paid to equity holders	13	**(40.34)**	(40.34)
Net cash flow generated from financing activities		**20.40**	157.30
Net movement in cash and cash equivalents for the year		**(36.99)**	(236.47)
Cash and cash equivalents at start of the year	17	**90.18**	329.73
Unrealised foreign exchange gains		**(0.88)**	(3.08)
Cash and cash equivalents at end of the year		**52.31**	90.18

Notes to the Consolidated Accounts

1. Corporate information

The consolidated financial statements of the Group for the year ended 30 September 2023 comprise the results of Tritax EuroBox plc (“the Company”) and its subsidiaries (together “the Group”) and were approved by the Board for issue on 4 December 2023. The Company is a public limited company incorporated and domiciled in England and Wales. 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.

The financial information presented here does not constitute the company's statutory accounts for the periods ended 30 September 2023 or 2022 but is derived from those accounts. Statutory accounts for period ended 30 September 2022 have been delivered to the registrar of companies, and those for the year ended 30 September 2023 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Accounting policies

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards (UK-adopted IFRS) and the applicable legal requirements of the Companies Act 2006. The Group’s financial statements have been prepared on a historical cost basis, as modified for the Group’s investment properties and interest rate derivatives, which have been measured at fair value through the Group profit or loss.

The Group has chosen to adopt EPRA (European Public Real Estate Association – www.epra.com/finance/financial-reporting/guidelines) best practice guidelines for calculating key metrics such as net tangible assets (“NTA”) and Earnings Per Share. The Group has decided to adopt EPRA NTA as its primary EPRA NAV measure. These are disclosed in notes 12 and 26.

2.1. Going concern

The Directors have prepared cash flow forecasts for the Group for a period of at least 12 months from the date of approval of the consolidated financial statements.

The assumptions underpinning these forecast cash flows and covenant compliance forecasts were sensitised, to explore the Group’s resilience to the potential impact of its significant risks, or a combination of those risks, as detailed in the scenarios below.

1) The combined impact of four key customers defaulting without replacement, combined with a 12-month delay in letting properties under development.
2) Yield expansion resulting in further property valuation falls and the impact on debt covenants.
3) Worsening macroeconomic environment resulting in increasing debt costs and inability to execute disposals.

The above sensitivities indicated that the Group would be able to operate within its existing facilities and maintain covenant compliance in a severe but plausible downside.

The Group’s cash balance at 30 September 2023 was €52.31 million. It also had undrawn amounts under its unsecured Revolving Credit Facility (“RCF”) of a further €172.50 million at the date of approval of these financial statements. Of the Group’s total loans and facilities (RCF, Green Bond and USPP), €250 million mature in 2025, €500 million in 2026, €100 million in 2029, €50 million in 2032 and €50 million in 2034. The loan includes financial covenants for loan to value (“LTV”), interest cover ratio (“ICR”) and gearing. These covenants have been complied with throughout the year and up to the date of approval of these financial statements.

The LTV covenant is measured quarterly based on the property valuation as used in the consolidated financial statements. Based on the most recent valuation the Group retained headroom against a covenant limit, reporting 46.4% against the limit of 65%. LTV would breach 65% if the valuation of the Group's investment properties were to decrease by 28.6%, based on the latest valuation.

The gearing covenant is measured quarterly based on consolidated total net borrowings to consolidated Shareholders' funds. Based on the most recent reporting the Group retained headroom against the covenant limit, reporting 91% against the limit of 150%. Gearing would breach 150% if the valuation of the Group's investment properties were to decrease by 20%, based on the latest valuation. The Directors are confident that there's sufficient headroom from the potential downside scenarios identified in the reverse stress tests.

LTV and gearing covenants are measured using "net borrowings" which reduces the drawn debt by the Group's cash holdings at each measurement date.

The ICR covenant is measured as the ratio of the Group's consolidated earnings before income and tax, subject to certain adjustments, to consolidated net finance costs in respect of any measurement period, by reference to accounting income (see Notes to the EPRA and Other Key Performance Indicators).

Based on the most recent reporting, the Group was not in breach of covenant minimum, reporting 4.81 times which was above the 1.5 times minimum.

As a result of the above considerations the Directors forecast that covenant compliance will continue for at least the next 12 months.

Consequently, the Directors are confident that the Group and the Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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.

3.1. 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:

Business combinations

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 Group applies the optional "concentration test" in determining whether an acquisition is a business combination; 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 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 relating to pre-acquisition property valuation gains arises.

In the current and prior periods all acquisitions were accounted for as asset acquisitions as in all acquisitions substantially all of the fair value of the gross assets acquired was concentrated in asingle asset.

Segment reporting

The Directors are of the opinion that the Group is engaged in a single segment business, being the investment in and development of European Big Box assets. The Directors consider that these properties have similar economic characteristics and as a result these individual properties have been reported as a single operating segment.

3.2. Estimates

Fair valuation of investment property

The fair value of investment property is determined, by an independent property valuation expert, 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, applying the principles of both IAS 40 and IFRS 13.

The valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Global Standards January 2022 (the "Red Book"). Factors reflected include current market conditions, annual rentals, lease lengths and location. The significant methods and assumptions used by valuers in estimating the fair value of investment property are set out in note 14.

4. Summary of significant accounting policies

4.1. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company up to 30 September 2023.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. For acquisitions not considered business combinations, the cost of acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised. Non-controlling interests are accounted for in section 4.5.

For each of the subsidiaries within the Group with non-controlling interests (see note 4 of the Company financial statements), the Group has issued put options to the non-controlling interest. The Group has adopted the anticipated acquisition method under which the underlying interests of the non-controlling interest are presented in the Group Statement of Financial Position and the Group Statement of Comprehensive Income as if they are already acquired by the Group.

The day-to-day operations of Fondo Minerva Eurobox Italy are managed by Savills IM ("Savills") in accordance with the requirements of the Italian REIF regime. The Company has control to replace Savills with another operator and therefore considers the investment to be a subsidiary under IFRS 10.

The results of subsidiaries where control is acquired or disposed of during the year are included in the Group profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those of the Group.

All intercompany transactions and balances between Group companies are eliminated on consolidation. These consolidated financial statements include the financial statements of the Company and the subsidiary companies as listed in note 4 of the Company accounts.

4.2. Investment property and investment property under construction

Investment property comprises completed property that is owned or held under a lease to earn rentals or for capital appreciation, or both, and property under development where the Group intends to retain ownership on completion.

Investment property is recognised when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost of the investment property can be measured reliably. The cost of investment property includes potential payments under put options granted to non-controlling interests of subsidiaries which own investment property. Rent guarantees and top-ups paid by a vendor to the Group to compensate the Group for vacant space or rent-free periods are treated as part of the cost of the property acquired and offset the initial purchase consideration. Such receipts are included in the Group's Adjusted EPS in note 12. Transaction costs include transfer taxes, professional fees for legal and other 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.

Investment properties under construction are financed by the Group where the Group enters into contracts for both pre-let properties and speculative development under a funding agreement. All such contracts specify a fixed amount of consideration. The speculative development risk is mitigated by having rental guarantees in place to mitigate this risk. Investment properties under construction are initially recognised at cost (including any associated costs), which reflect the Group's investment in the assets. Development payments made in line with funding agreements are recognised in additions. 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.

Additions to properties include costs of a capital nature only. Expenditure is classified as capital when it results in identifiable future economic benefits, that can be measured reliably, which are expected to accrue to the Group. All other property expenditure is expensed in the Group profit or loss as incurred.

The corresponding entry upon recognising lease incentives or fixed/minimum rental uplifts is made to investment property. For further details please see accounting policy note 4.8.1.

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 at the point of disposal is recognised in the Group profit or loss in the year of retirement or disposal.

4.3. Assets held for sale

A non-current asset or disposal group is classified as held for sale when the carrying amount will be recovered principally through sale rather than through continuing use. Four criteria must all be satisfied to trigger disclosure as an asset held for sale. These are; the asset is available for immediate sale, it is management's intent to dispose of the asset, there are active efforts to promote its disposal, and sale is highly probable within one year. Such assets or disposal groups are measured at the lower of the carrying amount and fair value less costs to sell and once classified as held for sale, the asset is no longer amortised or depreciated. Investment property that is classified as held for sale is held at fair value.

4.4. 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.

4.4.1. Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Derivative financial instruments

Derivative financial instruments refer to interest rate caps purchased for hedging purposes which are initially recognised at fair value plus costs of acquisition and are subsequently measured at fair value. The Group does not apply hedge accounting and hence the gain or loss at each fair value remeasurement date is recognised in the profit or loss.

Amortised cost

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

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 which 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 default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss disclosed in the Group profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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

4.4.2. Financial liabilities

The Group classifies its financial liabilities as amortised cost.

The Group's accounting policy for each type of financial liability is as follows:

Loans and borrowings

Loans and bank borrowings 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 year 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.

Extensions of bank borrowings under accordion options in the original facility agreement are treated as changes in estimated cash flows under the original financial liability.

Other non-derivative financial liabilities

Non-derivative financial liabilities are recognised initially at the date that the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value less initial direct costs and subsequently measured at amortised cost. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

4.5. Put option liabilities

Liabilities for put options held by non-controlling interests are initially and subsequently recognised at the present value of the exercise price of the option. This is taken to be the non-controlling interest's proportionate share of the current fair value of investment property, the carrying amount of other net assets plus the present value of anticipated payments to be made by the Group under dividend guarantees to the non-controlling interest.

Changes in the carrying amount of the put liability are recognised within finance expenses in the Group Statement of Comprehensive Income.

4.6. Forward funded pre-let investments

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

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

4.7. 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.

4.8. Property income

4.8.1. 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. The lease term is the non-cancellable period of the lease. Customer break clauses are assumed to be exercised unless it is reasonably certain at inception of the lease that the break will not be exercised.

Customer lease incentives are recognised as an adjustment of rental revenue on a straight-line basis over the term of the lease. Included in the straight-line basis are the effects of future fixed or minimum uplifts. Any contingent rental uplifts are excluded until the amounts are known. 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.

Amounts received from customers to terminate leases or to compensate for dilapidations are recognised in the Group Statement of Comprehensive Income when the right to receive them arises. Similarly, amounts paid to customers to terminate leases are recognised in the Group Statement of Comprehensive Income.

When the Group enters into a forward funded transaction, the future customer signs an agreement for lease. No rental income is recognised under the agreement for lease; once practical completion has taken place and the formal lease is signed, rental income commences to be recognised in the Group profit or loss.

4.8.2. Service charges and other income

Income from providing services is recognised in the accounting period in which the services are rendered. Revenue from services is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided and recognised over time. The Group generally acts as the principal in service charge transactions as it directly controls the delivery of the services at the point they are provided to the customer. Where the Group acts as a principal, service charge income is presented gross within revenue and service charge expense presented gross within costs.

4.9. Finance income

Finance income is recognised as interest accrues on cash balances and short-term deposits held by the Group. Finance income is also recognised in respect of interest rate derivatives. Interest charged to a customer on overdue rental income is also recognised within finance income.

4.10. Finance costs

Finance costs consist of interest and other costs that the Group incurs in connection with bank and other borrowings, and the holding of deposits in Euro bank accounts. All interest costs are expensed to the Group profit or loss in the period in which they occur on an effective interest basis and all loan issue costs paid are offset against amounts drawn on the facilities and are amortised over the term of the facilities.

The Group has elected not to capitalise interest on investment properties under development.

4.11. Taxation

The Company is approved by HMRC as an investment trust under Section 1158 of the Corporation Tax Act 2010.

In respect of each accounting period for which the Company continues to be approved by HMRC as an investment trust, the Company will be exempt from UK taxation on its capital gains. The Company is, however, liable to UK corporation tax on its income.

The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non-UK companies) fall within one of the “exempt classes” in Part 9A of the CTA 2009. The Company is also able to elect to take advantage of modified UK tax treatment in respect of its “qualifying interest income” for an accounting period referred to as the “streaming” regime. Under regulations made pursuant to the Finance Act 2009, the Company may designate as an “interest distribution” all or part of the amount it distributes to Shareholders as dividends, to the extent that it has “qualifying interest income” for the accounting period. If the Company designates any dividend it pays in this manner, it is able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period.

The Company’s status as an approved investment trust does not impact the taxation of its subsidiaries or the Group’s liability to tax in the other countries in which the Group operates.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before tax” as reported in the Consolidated Statement of Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

Where corporation tax arises in subsidiaries, these amounts are charged to the Consolidated Statement of Comprehensive Income. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the balance sheet in the countries where the Group operates.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year. The rates used in the calculation of deferred tax are in accordance with legislation where the Group operates.

The carrying values of the Group's investment properties are assumed to be realised by sale at the end of use. The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the Consolidated Balance Sheet regardless of whether the Group would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

4.12. Provision

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

4.13. Foreign currency translation

The presentation currency of the Company is Euro. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. All entities in the Group, with the exception of Sweden, have Euro as the functional currency.

The assets and liabilities of Sweden are translated to the Group's presentational currency, Euro, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date that the fair value was determined. Gains and losses arising on exchange are included in the profit or loss for the year, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly to equity, and any exchange component of that gain and loss is also recognised directly to equity.

5. Standards in issue

5.1. Standards in issue and effective from 1 October 2022

There was no material effect from the adoption of amendments to IFRS effective in the year. They have no 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

There are new standards and amendments to standards and interpretations which have been issued that are effective in future accounting periods, and which the Group has decided not to adopt early. None of these are expected to have a material impact on the consolidated financial statements of the Group.

Certain new accounting standards and amendments are effective for annual periods beginning after 1 January 2023, and have not been applied in preparing these financial statements:

- IFRS 17 'Insurance contracts';
- Amendments to IAS 1, 'Presentation of Financial Statements', onxclassification of liabilities;
- Amendments to IAS 8, 'Accounting policies, Changes in Accounting Estimates and Errors', definition of accounting estimates;
- Amendments to IAS 1, 'Presentation of Financial Statements', disclosure of accounting policies;
- Amendments to IAS 12 – 'Deferred taxes related to assets and liabilities arising from a single transaction'; and
- Amendments to IFRS 17 Insurance Contracts: Initial application of IFRS 17 and IFRS 9 – Comparative Information'.

The amendments that are not yet effective are not expected to have a material impact on the Group in the current or future reporting periods and on the foreseeable future transactions.

6. Gross property income

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Rental income	**67.35**	55.98
Spreading of customer incentives	**1.67**	2.45
Amortisation of capital contribution and lease commission	**(0.95)**	(0.54)
Gross rental income	**68.07**	57.89
Service charges recoverable	**10.79**	10.14
Other income	**1.03**	0.70
Gross property income	**79.89**	68.73

The Group derives property income from the following countries:

Gross property income (€m)	Belgium	Germany	Spain	Italy	Poland	The Netherlands	Sweden	Total
30 September 2023	**9.00**	**32.69**	**10.97**	**9.85**	**6.66**	**7.66**	**3.06**	**79.89**
30 September 2022	7.98	28.34	10.77	8.95	6.18	4.00	2.51	68.73

The undiscounted 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
30 September 2023	**71.41**	**70.59**	**64.79**	**62.51**	**53.57**	**284.28**	**607.15**
30 September 2022	64.98	63.74	60.27	55.65	53.22	262.64	560.50

The Group's investment properties are leased mainly to single customers, some of which have rental securities attached (bank or parent guarantees, cash deposit), under the terms of a commercial property lease. The majority have rent indexation that are linked to either RPI/CPI or fixed uplifts.

There is one customer (€9.73 million) representing more than 10% of rental income during the year (2022: two customers €7.75 million and €6.29 million). As of 30 September 2023, one customer represented more than 10% of passing rent (2022: one customer).

7. Direct property costs

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Service charge expense	**11.60**	10.49
Other expenses	**2.55**	1.74
Lease surrender payment[1]	**—**	4.30
Total property expenses	**14.15**	16.53

[1] Payment to terminate existing lease.

8. Administrative and other expenses

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Investment management fees[1]	**9.29**	11.86
Directors' remuneration (note 9)	**0.35**	0.32
Auditor's fees:		
Fees payable for the audit of the Company's accounts	**0.53**	0.51
Fees payable for the review of the Company's interim accounts	**0.07**	0.07
Fees payable for the audit of the Company's subsidiaries	**0.35**	0.12
Total Auditor's fee	**0.95**	0.70
Corporate administration fees	**1.89**	1.80
Regulatory fees	**0.11**	0.12
Legal and professional fees	**2.28**	2.03
Marketing and promotional fees	**0.93**	0.70
Other administrative costs	**0.55**	0.65
Total administrative and other expenses	**16.35**	18.18

[1] Investment management fees include fees payable to Tritax Management LLP for €5.47 million (30 September 2022: €7.88 million (see note 27)). The remaining €3.82 million (2022: €3.98 million) was paid to asset managers and property managers.

The effect of foreign exchange differences for the year ended 30 September 2023 consists of an unrealised foreign exchange currency loss of €0.29 million (2022: unrealised foreign exchange currency gain of €0.28 million and offset by realised foreign exchange currency loss of €0.08 million).

9. Directors' remuneration

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Directors' fees	**0.22**	0.21
Employer's National Insurance	**0.13**	0.11
Total Directors' remuneration	**0.35**	0.32

A summary of the Directors' emoluments, including the disclosures required by the Companies Act 2006, is set out in the Directors' Remuneration Report (page 97).

Personnel

During the current and prior periods the Company did not have any personnel, besides the Directors of the Company.

10. Finance income and expense

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Interest income on interest rate derivative	**3.41**	—

Interest received on bank deposits	**0.08**	—
Total finance income	**3.49**	—
Interest payable on loans and bank borrowings and other liabilities	**11.91**	6.76
Commitment fees payable on bank borrowings	**0.99**	1.13
Present value movement on remeasurement of put option and repayment	**(10.89)**	0.90
Bank fees	**0.25**	0.80
One-off cost of bank loans	**—**	0.05
Amortisation of loan arrangement fees and derivative financial instrument	**2.95**	2.43
Total finance expense	**5.21**	12.07

The total interest payable on financial liabilities carried at amortised cost comprises interest and commitment fees payable on bank borrowings of €12.90 million (30 September 2022: €7.89 million), of which €nil was capitalised in both periods, and amortisation of loan arrangement fees of €2.55 million (30 September 2022: €2.43 million), of which €nil million (30 September 2022: €2.40 million) of the loan agreement fees was capitalised into the loan in the year (see note 19).

The present value movement on remeasurement of put option relates to the minority interest in the Group's German properties. This reflects the minority interest's share of the respective financial result for the financial year, for further details see note 20 and accounting policy 4.5.

11. Taxation

a) Tax charge in the Group Statement of Comprehensive Income

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Current taxation:		
UK taxation	**—**	—
Overseas taxation – current year	**(1.71)**	(1.19)
Overseas taxation – prior year adjustment	**—**	—
Deferred taxation:		
UK taxation	**—**	—
Overseas taxation	**21.32**	(16.68)
Total tax credit/(charge)	**19.61**	(17.87)

The UK corporation tax charge of €nil reflects the Company’s intention to declare sufficient “qualifying interest distributions” to fully offset its “qualifying interest income” in the year in accordance with its status as an Investment Trust Company (“ITC”).

In the 3 March 2021 Budget it was announced that, from 1 April 2023, the UK main rate of corporation tax would be increased to 25%. Given that the Company’s tax charge is €nil, due to its status as an ITC, there is no anticipated consequential effect on the future tax charge.

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 30 September 2023 €m	Year ended 30 September 2022 €m
(Loss)/profit before taxation	**(242.97)**	76.64
Theoretical tax at UK corporation tax rate of blended 22% (30 September 2022: 19%)	**53.45**	(14.56)
Losses and other differences where no deferred taxes have been recognised	**(33.68)**	(2.52)
Impact of different tax rates on foreign jurisdictions	**(3.28)**	(2.50)
Expenses not deductible for tax purposes	**1.19**	(0.99)
Impact of UK interest distributions from the Investment Trust	**1.93**	2.65
Prior year adjustment to current tax	**—**	0.05
Total tax credit/(charge)	**19.61**	(17.87)

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Deferred tax assets:		
Differences between tax and property revaluation	**0.71**	1.64
Tax losses carried forward	**0.52**	0.47
Other	**—**	—
Total	**1.23**	2.11

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Deferred tax liabilities:		

Differences between tax and property revaluation	**27.22**	51.74
Other	**—**	—
Total	**27.22**	51.74

The amount of unutilised tax losses and tax credits for which no deferred tax asset is recognised in the profit and loss account was €16.1 million (2022: €9.6 million).

12. Earnings Per Share

Earnings Per Share ("EPS") amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Group by the weighted average number of Ordinary Shares in issue during the year. As at 30 September 2023 and 2022, there are no dilutive or potentially dilutive equity arrangements in existence.

The calculation of EPS is based on the following:

For the year ended 30 September 2023	**Net profit attributable to Ordinary Shareholders €m**	**Weighted average number of Ordinary Shares[1] '000**	**Earnings Per Share cents**
Basic EPS	**(223.36)**	**806,804**	**(27.68)**
Adjustments to remove:			
Deferred tax charge/(credit) (note 11)	**(21.32)**		
Changes in fair value of investment properties and investment property under construction (note 14)	**285.43**		
Changes in fair value of interest rate derivatives (note 21)	**1.70**		
Loss on disposal on investment properties	**2.73**		
Loss on disposal of financial derivatives (note 21)	**0.49**		
EPRA EPS	**45.67**	**806,804**	**5.66**
Adjustments to (exclude)/include:			
Rental income recognised in respect of fixed uplifts	**(0.72)**		
Amortisation of loan arrangement fees	**2.55**		
Unrealised foreign exchange currency loss (note 8)	**0.29**		
Present value movement on remeasurement of put option and repayment (note 20)	**(10.89)**		
Rental guarantee receipts and developer's licence fee excluded from property income – settled via cash[2]	**9.20**		
Finance income from financial derivatives	**(1.63)**		
Adjusted EPS	**44.47**	**806,804**	**5.51**

For the year ended 30 September 2022	Net profit attributable to Ordinary Shareholders €m	Weighted average number of Ordinary Shares[1] '000	Earnings Per Share cents
Basic EPS	58.77	806,779	7.28
Adjustments to remove:			
Deferred tax charge and capital gains tax on disposal of investment properties (note 11)	16.68		
Changes in fair value of investment properties and investment property under construction (note 14)	(49.94)		
Changes in fair value of interest rate derivatives (note 21)	(4.66)		
EPRA EPS	20.85	806,779	2.58
Adjustments to (exclude)/include:			
Rental income recognised in respect of fixed uplifts	(1.90)		
Amortisation of loan arrangement fees	2.43		
Unrealised foreign exchange currency loss	(0.26)		
Fair value movement on remeasurement of put option (note 20)	0.05		
Rental guarantee receipts and developer's licence fee excluded from property income – settled via cash[2]	8.74		
Lease surrender payment[3]	4.30		
Adjusted EPS	34.21	806,779	4.24

[1] Based on the weighted average number of Ordinary Shares in issue throughout the period.
[2] This is offset against the cost of investment properties.
[3] Capital investment to terminate an existing lease in Hammersbach to harness rental growth resulting in longer-term value to the business – refer to note 7.

Adjusted Earnings is a performance measure used by the Board to assess the level of the Group's dividend payments. The metric mainly adjusts EPRA earnings for:

i. Exclusion of 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;

ii. Inclusion of licence fees which relate to cash received from developers during development periods, in order to access the land;

iii. Inclusion of rental guarantee adjustments which relate to acquired assets with properties which have had an income guarantee attached to them as part of the acquisition of the asset. The rental guarantee is released (through a cash movement or contracted liability settlement) as Adjusted Earnings over the period of the lease which it is intended to cover or lease break. However, this release does not go through rental income in the Group Statement of Comprehensive Income, and as such an adjustment is made to recognise the receipt;

iv. Exclusion of exceptional items, considered as an expense under IFRS, which are capital in substance and nature and result in longer-term value to the business; and

v. Exclusion of the over hedged portion of interest income from financial derivatives, considered as income under IFRS, as financing activities are not part of the Group's operations.

13. Dividends paid

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Final dividend in respect of year ended 30 September 2022 at 1.25 cents per Ordinary Share (30 September 2021: 1.25 cents)	**10.08**	10.08
First interim dividend in respect of year ended 30 September 2023 at 1.25 cents per Ordinary Share (30 September 2022: 1.25 cents)	**10.09**	10.08
Second interim dividend in respect of year ended 30 September 2023 at 1.25 cents per Ordinary Share (30 September 2022: 1.25 cents)	**10.08**	10.09
Third interim dividend in respect of year ended 30 September 2023 at 1.25 cents per Ordinary Share (30 September 2022: 1.25 cents)	**10.09**	10.09
Total dividends paid	**40.34**	40.34
Total dividends paid for the year	**3.75 cents**	3.75 cents
Total dividends unpaid but declared for the year	**1.25 cents**	1.25 cents
Total dividends declared for the year	**5.00 cents**	5.00 cents

On 5 December 2023 the Directors of the Company declared a fourth interim dividend in respect of the period from 1 July 2023 to 30 September 2023 of 1.25 cents per Ordinary Share, which will be payable on or around 12 January 2024 to Shareholders on the register on 15 December 2023.

Out of €40.34 million (30 September 2022: €40.34 million) dividends declared for the year, €15.09 million (30 September 2022: €8.79 million) is designated as interest distribution.

14. Investment properties

The Group's investment property has been valued at fair value by CBRE an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the locations and categories of the investment properties being valued. The prior year's valuation was carried out by Jones Lang LaSalle. The valuations have been prepared in accordance with the RICS Valuation – Global Standards January 2022 (the "Red Book") and incorporate the recommendations of the International Valuation Standards which are consistent with the principles set out in IFRS 13. In forming its opinion, CBRE makes a series of assumptions, which are typically market related, such as yields and expected rental values, and are based on the valuer's professional judgement and the current tenancy of the properties.

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

The total valuation fee incurred by the Group in the year amounts to €132,055 (period ended 30 September 2022: €124,800). The fee is not contingent on the valuation of the properties.

Other than Tritax EuroBox plc, the external valuer provides valuation and research-related services to the Tritax Group, as well as to other funds Tritax Group manages. The Directors ensure full independence of the valuer.

All acquisitions during the current and prior period have been treated as asset purchases rather than business combinations (see note 3.1).

During the year, the Group acquired land at Oberhausen. The acquisition was finalised on 5 January 2023, shown in the table below under investment properties under construction.

	Investment properties completed €m	Investment properties under construction €m	Investment properties total €m
At 1 October 2022	1,543.87	221.73	1,765.60
Acquisition of properties[1]	1.13	7.05	8.18
Additions to investment properties	2.42	142.42	144.84
Transfer from investment properties under construction to investment properties	339.87	(339.87)	—
Investment property transferred to asset held for sale	(49.30)	—	(49.30)
Disposal of investment property	(65.70)	—	(65.70)
Licence fees and rental guarantees received	(3.21)	—	(3.21)
Fixed rental uplift and customer lease incentives[2]	4.64	—	4.64
Amortisation of rental uplift and customer lease incentives[2]	(1.49)	—	(1.49)

Change in fair value during the year[3]	(271.79)	(13.64)	(285.43)
Foreign exchange movement during the year	(5.58)	—	(5.58)
As at 30 September 2023	**1,494.86**	**17.69**	**1,512.55**

	Investment properties completed €m	Investment properties under construction €m	Investment properties total €m
At 1 October 2021	1,257.35	24.03	1,281.38
Acquisition of properties[1]	168.65	134.52	303.17
Additions to investment properties	1.41	143.38	144.79
Transfer from investment properties to investment properties under construction	(1.30)	1.30	—
Transfer from investment properties under construction to investment properties	70.17	(70.17)	—
Licence fees and rental guarantees received	(0.44)	(14.31)	(14.75)
Fixed rental uplift and customer lease incentives[2]	5.66	—	5.66
Amortisation of rental uplift and customer lease incentives[2]	(1.35)	—	(1.35)
Change in fair value during the year[3]	46.87	3.07	49.94
Foreign exchange movement during the year	(3.15)	(0.09)	(3.24)
As at 30 September 2022	1,543.87	221.73	1,765.60

[1] This includes acquisition costs of €0.64 million (30 September 2022: €13.81 million) and relates to the purchase of land at Oberhausen.

[2] 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 amount as at 30 September 2023 was €13.30 million (30 September 2022: €10.94 million). The difference between this and cash receipts changes the carrying value of the property against which revaluations are measured (also see note 6).

[3] Included in the fair value change in the year were unrealised gains of €6.16 million (30 September 2022: €93.08 million) and unrealised losses of €291.59 million (30 September 2022: €43.14 million).

	30 September 2023 €m	30 September 2022 €m
Investment properties in balance sheet and asset held for sale (see note 15)	**1,561.85**	1,765.60
Rental guarantee held in separate receivable	**2.90**	6.93
Total external valuation of investment properties	**1,564.75**	1,772.53

As at 30 September 2023, the Group had €22.9 million of outstanding capital commitments in relation to its forward funded development assets (30 September 2022: €123.7 million):

- Stryków €1.8 million; and
- Oberhausen €21.1 million.

These costs are not provided for in the Statement of Financial Position. Capital commitments represent costs to bring the asset to completion under the developer's funding agreements which include the developer's margin.

Valuation risk

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

Real estate investments can be impacted adversely by external factors such as the general economic climate, supply and demand dynamics in the market, climates risks, competition, and increase in operating costs.

Besides asset-specific characteristics, general market circumstances affect the value and income from investment properties such as the cost of regulatory requirements related to investment properties, interest rate levels and the availability of financing.

The Manager of the Group has implemented a portfolio strategy with the aim to mitigate the above stated real estate risk. By diversifying in regions, risk categories and customers, it is expected to lower the risk profile of the portfolio.

As of the date of this Annual Report, the only investments of the Group that have been identified consist of the current portfolio as specified in the Management Report.

With respect to new investments, management will be targeting specific investment categories based on the Group's investment objective and restrictions. Because such investments may be made over a substantial period of time, the Group faces the risk of interest rate fluctuations in case of leveraging these investments and adverse changes in the real estate markets.

Fair value hierarchy

The Group considers that all of its investment properties and investment properties under construction fall within Level 3 of the fair value hierarchy as defined by IFRS 13. There have been no transfers between Level 1 and Level 2 during any of the periods, nor have there been any transfers between Level 2 and Level 3 during any of the periods.

The valuations have been prepared on the basis of market value ("MV"), which is defined in the RICS Valuation Standards as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

MV as defined in the RICS Valuation Standards is the equivalent of fair value under IFRS.

The descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining fair values are as follows:

Valuation techniques

Investment properties completed: income approach

The income method (or income approach) quantifies the net present value of future benefits associated with the ownership of the asset by totalling the current tenancy of the property, followed by the demand market rent on lease expiry, capitalised at an appropriate yield. The methodology is based on a direct capitalisation model where the lease-based income has been capitalised with an all-risk yield in perpetuity. The choice of this methodology represents the likely basis of analysis to be used by a potential purchaser for this type of property (income producing).

Investment properties under construction: residual approach or equivalent

The residual approach or equivalent for properties under construction takes the expected valuation of the finished property using the income approach and deducts forecast costs to complete the development and an allowance for developer's profit.

Unobservable input: estimated rental value ("ERV")

ERV is dependent upon a number of variables in relation to the Group's property. These include: size, building specification and location derived from comparable evidence as identified by the independent valuer. At 30 September 2023, the range was between €33 and €104 per square metre, per annum (2022: €44 and €94). The Group has not disclosed the weighted average ERV due to the large dispertion of these due to the different markets that the properties are located in.

Unobservable input: yield

Yield is dependent on the customer, lease length and the other variables listed above for ERV, derived from comparable evidence as identified by the independent valuer. At 30 September 2023, the weighted average yield for standing assets was 4.43% and the range was between 3.56% and 5.70% (2022: 3.28% and 4.89%). Implicit in the yield is the valuer's consideration of climate risks.

Yield and ERV are not necessarily independent variables. It is possible a change in one assumption may result in an offsetting change to the other but equally the change in both assumptions may increase the impact on valuation.

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 estimation uncertainty and is inherently subjective by nature. At the balance sheet date, when the property portfolio was valued, the Group considered the range used below, in the sensitivity analysis, to be appropriate as at that date. As in a stabilised logistics market, the ranges used represent reasonable possible changes in unobservable inputs.

As a result the following sensitivity analysis has been prepared for investment properties:

	-0.25% yield €m	+0.25% yield €m	-5% in ERV €m	+5% in ERV €m
Increase/(decrease) in the fair value of investment properties as at 30 September 2023	**85.45**	**(76.19)**	**(52.79)**	**53.08**
Increase/(decrease) in the fair value of investment properties under construction and land as at 30 September 2023	**5.05**	**(4.56)**	**(4.83)**	**4.83**
Increase/(decrease) in the fair value of investment properties as at 30 September 2022	95.69	(84.74)	(31.67)	33.82
Increase/(decrease) in the fair value of investment properties under construction as at 30 September 2022	19.45	(17.48)	(14.07)	15.14

The CBRE valuation includes deductions for transaction costs that would be incurred by a hypothetical purchaser at the valuation date. These costs include Real Estate Transfer Tax ("RETT") equivalent to stamp duty except for properties in Belgium, Poland and Sweden. In Belgium, Poland and Sweden, the local valuation practice is to exclude such costs given the prevalence of corporate rather than asset transactions in these markets.

15. Asset held for sale

	30 September 2023 €m	30 September 2022 €m
Asset held for sale	**49.30**	—

Asset held for sale relates to an investment property for which there was Investment Committee approval to dispose of at the year-end date, and the intention is to dispose of the asset, which is highly probable to be disposed of within 12 months. The asset is expected to be disposed of via a share deal, with the investment in subsidiary balance detailed as a current asset in the parent company financial statements.

16. Trade and other receivables

Non-current trade and other receivables	**30 September 2023 €m**	30 September 2022 €m
Cash in public institutions	**1.76**	1.17

The cash in public institutions is a deposit of €1.76 million given by the customer for the property in Barcelona, Spain.

Current trade and other receivables	**30 September 2023 €m**	30 September 2022 €m
Trade receivables	**1.77**	1.34
Prepayments, accrued income and other receivables[1]	**28.89**	18.61
VAT receivable[2]	**2.97**	11.48
	33.63	31.43

[1] Other receivables includes a fitout cost of €6.75 million receivable from a tenant, and two subsidies totalling €11.58 million receivable from KfW, the German development bank, on recently completed developments (30 September 2022: €nil).

[2] VAT receivable includes VAT on capital expenditure across the developments and a reclaim on the purchase of the property in Italy of €0.93 million (30 September 2022: €1.00 million).

The following table sets out the ageing of trade receivables as at 30 September 2023:

Past due but not impaired	**30 September 2023 €m**	30 September 2022 €m
<30 days	**1.11**	0.92
30–60 days	**—**	—
60–90 days	**0.15**	0.02
90 days+	**0.72**	0.40
Total	**1.98**	1.34
Past due and impaired	**(0.21)**	—
Total	**1.77**	1.34

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experienced over the period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. Both the expected credit loss provisions in the current and prior period are immaterial.

No reasonably possible changes in the assumptions underpinning the expected credit loss provision would give rise to a material expected credit loss.

17. Cash and cash equivalents

	30 September 2023 €m	30 September 2022 €m
Cash and cash equivalents	**52.31**	90.18

At the year-end there are no balances deemed as cash equivalents. All cash held under the Italian subsidiaries fund are subject to local dividend distribution rules which means that dividends can only be paid twice a year. The amount of cash held in Italy as at 30 September 2023 was €9.23 million (30 September 2022: €24.40 million).

18. Trade and other payables

Non-current trade and other payables	**30 September 2023 €m**	30 September 2022 €m
Other payables	**1.71**	1.29

Current trade and other payables	**30 September 2023 €m**	30 September 2022 €m
Trade and other payables	**8.25**	7.44
Bank loan interest payable	**2.38**	2.40
Deferred income	**2.54**	2.97
Accruals	**15.62**	25.99
VAT liability	**1.42**	—
	30.21	38.80

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

19. Loan notes and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see note 22.

	30 September 2023 €m	30 September 2022 €m

Bank borrowings	**76.25**	9.11
Loan notes	**693.85**	691.96
Non-current liabilities: loans and borrowings	**770.10**	701.07

The Group has €200 million US private placement debt split into three tranches: €100 million with a coupon of 1.216% maturing in 2029, €50 million with a coupon of 1.449% maturing in 2032, and €50 million with a coupon of 1.590% maturing in 2034. The 0.95% Green Bond matures in 2026.

The Group has a long-term Revolving Credit Facility ("RCF") (see table below). The loan has a margin of 1.2% to 1.9% above the higher of zero or Euribor, depending on the drawn level and the prevailing LTV ratio.

	Facility €m	Maturity date
Banco Santander	58.8	19 October 2025
BNP Paribas	58.8	19 October 2025
Bank of China	58.8	19 October 2025
Bank of America	58.8	19 October 2025
Banco de Sabadell	14.8	19 October 2025
Total RCF	250.0	

As at 30 September 2023, 73.7% (2022: 73.7%) of the Group's debt facilities are fixed term with 26.3% floating term (2022: 26.3%). The weighted average term to maturity of the Group's total debt facilities at the year end is 3.5 years (30 September 2022: 4.5 years). The LTV across all drawn debt was 46.4%.

The Group has been in compliance with all of the financial covenants of the Group's loans and borrowings facilities as applicable throughout the year covered by the financial statements.

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

Bank borrowings drawn	**30 September 2023 €m**	30 September 2022 €m
Bank borrowings at the beginning of the year	**9.11**	—
Bank borrowings drawn in the year	**126.00**	11.00
Bank borrowings repaid in the year	**(59.50)**	—
Loan issue costs paid	**(0.01)**	(0.45)
Non-cash amortisation of loan issue costs	**0.65**	0.55
Reclass unamortised loan issue costs to/(from) prepayments	**—**	(1.99)
Non-current liabilities: borrowings	**76.25**	9.11

Loan notes	**30 September 2023 €m**	30 September 2022 €m
Green Bond	**500.00**	500.00
1.216% USPP 2029	**100.00**	100.00
1.449% USPP 2032	**50.00**	50.00
1.590% USPP 2034	**50.00**	50.00
Less: unamortised costs on loan notes	**(6.15)**	(8.04)
Non-current liabilities: loan notes	**693.85**	691.96

A summary of the drawn and undrawn loans and bank borrowings in the year is shown below:

	30 September 2023		
	Drawn €m	**Undrawn €m**	**Total debt available €m**
Repayable between one and two years	**—**	**—**	**—**
Repayable between two and three years	**577.50**	**172.50**	**750.00**
Repayable between three and four years	**—**	**—**	**—**
Repayable between four and five years	**—**	**—**	**—**
Repayable in over five years	**200.00**	**—**	**200.00**
	777.50	**172.50**	**950.00**

	30 September 2022		
	Drawn €m	Undrawn €m	Total debt available €m
Repayable between one and two years	—	—	—
Repayable between two and three years	—	—	—
Repayable between three and four years	511.00	239.00	750.00
Repayable between four and five years	—	—	—
Repayable in over five years	200.00	—	200.00

	711.00	239.00	950.00

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

	Book value 30 September 2023 €m	**Fair value 30 September 2023 €m**	Book value 30 September 2022 €m	Fair value 30 September 2022 €m
Bank borrowings: RCF	**77.50**	**77.50**	11.00	11.00
Loan notes: 0.95% Green Bonds 2026	**500.00**	**440.30**	500.00	422.55
1.216% USPP 2029	**100.00**	**91.85**	100.00	91.81
1.449% USPP 2032	**50.00**	**44.37**	50.00	44.75
1.590% USPP 2034	**50.00**	**43.52**	50.00	44.14
Loan notes and borrowings	**777.50**	**697.54**	711.00	614.25

The fair value of the 0.95% Green Bonds 2026 is determined with reference to its quoted market price. The fair value of the 1.216% USPP 2029, 1.449% USPP 2032 and 1.590% USPP 2034 is determined by an independent third party. The financial liabilities are considered to be a Level 1 and Level 2 fair value measure. The fair value of the financial liabilities at Level 1 was €440.30 million (30 September 2022: €422.55 million) and Level 2 was €179.74 million (2022: €180.70 million).

20. Other liabilities

	30 September 2023 €m	30 September 2022 €m
Balance at the beginning of the year	**33.62**	25.19
Addition	**3.93**	8.38
Repayments	**(0.97)**	(0.85)
Disposal	**(3.35)**	—
Present value movements on measurement of put option	**(9.92)**	0.90
Balance at the end of the year	**23.31**	33.62

The Group's properties in Germany are held in subsidiaries in which the Group holds 94.9% or 89.9% of the shares in those subsidiaries. As part of the purchase agreements, the Group issued put options to the minority Shareholders. The options are exercisable 10 years after acquisition and would require the Group to acquire all shares held by the minority Shareholders at the then market value. Prior to the option date the Group has guaranteed a fixed dividend to the minority Shareholders. If this is not met by the subsidiary, then the Company is required to settle this obligation.

The options are exercisable as follows:

Companies	Ownership %	Date of maturity of option
Tritax EuroBox (Bochum) Propco GmbH	94.9	5 April 2029
Tritax EuroBox (Peine) Propco GmbH	94.9	28 March 2029
Tritax EuroBox (Bremen I) Propco GmbH	89.9	22 February 2030
Tritax EuroBox (Bremen II) Propco GmbH	89.9	22 February 2030
Tritax EuroBox (Gelsenkirchen) Propco GmbH (formerly Dietz Logistik 26. Grundbesitz GmbH)	89.9	31 August 2031
Dietz Logistik 44. Grundbesitz GmbH	89.9	6 November 2031
Dietz 23. Grundbesitz GmbH	89.9	13 December 2031
Dietz FNL 5. Grundbesitz GmbH	89.9	24 April 2032

21. Derivative financial instruments

To mitigate the interest rate risk that arises as a result of entering into variable rate loans, a number of interest rate caps have been taken out in respect of the Group's variable rate debt to cap the rate to which three-month Euribor can rise.

During the year the Group disposed of €125 million of interest rate caps that were due to expire in October 2023, realising a loss of €0.41 million. A new €25 million interest rate cap was purchased for €0.53 million, with a start date on 19 October 2023 and expiring on 19 October 2025 which is in line with the maturity of the RCF.

The table below details the interest rate caps at the current period end.

Nominal	CAP rate	Start date	End date
€100m	0.50%	30/11/2018	19/10/2023
€25m	0.75%	28/02/2019	19/10/2023
€25m	2.50%	19/10/2023	19/10/2025

The weighted average capped rate, excluding any margin payable, for the Group as at the year end was 0.55% (30 September 2022: 0.65%).

	30 September 2023 €m	30 September 2022 €m
Interest rate derivatives valuation brought forward	**4.43**	0.05
Purchase of interest rate cap	**0.53**	—

Realised loss on derivative	**(0.49)**	(0.11)
Disposal of interest rate cap/cap break receipt	**(1.32)**	(0.17)
Amortisation of derivative financial instrument	**(0.40)**	—
Fair value movement	**(1.70)**	4.66
Non-current assets: interest rate derivatives carried forward	**1.05**	4.43

The interest rate derivatives are marked to market based on the valuation 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.

As at the year-end date the total proportion of drawn debt hedged via interest rate derivatives equated to 100% (30 September 2022: 100%).

Fair value hierarchy

The fair value of the 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. The valuation was provided by the counterparty to the derivatives. 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.

22. 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 bank borrowings and interest rate derivatives, the main purpose of which is to finance the acquisition and development of the Group's investment property portfolio and hedge against the risk of interest rates rising. The book value of the Group's financial instruments that are carried in the financial statements approximates their fair value at the end of the year.

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, which are summarised below.

Market risk

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by the Group that are affected by market risk are principally the Group's cash balances and bank borrowings along with interest rate derivatives entered into to mitigate interest rate risk.

The Group monitors its interest rate exposure on a regular basis. A sensitivity analysis was performed to ascertain the impact on the Group Cash Flow Statement and net assets based on nominal borrowings at the year end. The RCF was drawn by €77.50 million at the year end, 31% of the total €250 million facility. A sensitivity analysis performed to ascertain the impact on the Group Cash Flow Statement and net assets shows that a 50 basis point decrease or increase in interest rates would result in an increase of €nil or a decrease of €0.06 million to the interest payable charge, based on the nominal borrowings at the year end. The RCF benefits from interest rate caps, at the year-end, capping the level of Euribor 3-months to a maximum of 0.65%. On 18th October the RCF benefits from a new set of caps, approximately €80 million, with a cap of 2.72%.

The Group currently operates in eight countries. The current distribution of total assets is as follows:

Total assets	Belgium	Germany	Spain	Italy	Poland	UK	The Netherlands	Sweden	Total
30 September 2023	**149.24**	**755.26**	**214.43**	**182.97**	**78.97**	**4.34**	**148.28**	**118.34**	**1,651.83**
30 September 2022	170.02	877.33	238.06	227.39	63.82	24.81	181.79	111.70	1,894.92

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 customers being required to pay rentals in advance under their lease obligations. The credit quality of the customer is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement or acquiring a let property. The Group holds collateral by way of bank deposits totalling €1.76 million (see note 16), and in certain cases holds bank guarantee letters.

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 less the collateral held.

Credit risk related to cash deposits

One of the credit risks of the Group arises with the banks and financial institutions. The Board of Directors believes that the credit risk on short-term deposits and current account cash balances is limited because the counterparties are banks, which are committed lenders to the Group, with high credit ratings assigned by international credit rating agencies.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and, going forward, the finance charges, principal repayments on its borrowings and its commitments under forward funded development arrangements (see note 14). 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 RCF is drawn in short to medium-term tranches of debt which are repayable within 6 months from draw-down. These tranches of debt can be rolled over provided certain conditions are met, including covenant compliance. The Group considers that it is highly unlikely it would be unable to exercise its right to roll-over the debt. This is due to mitigating actions it could take to maintain compliance with these conditions. The Directors therefore believe that the Group has the ability to roll-over the drawn RCF amounts when due and consequently has presented the RCF as a non-current liability. Included within Loans and Borrowings, at 30 September 2023, are amounts drawn-down of €76.25 million relevant to the RCF (2022: €9.11 million).

The table below summarises the maturity profile of the Group's financial liabilities, on the amount drawn at the year end, based on contractual undiscounted payments, including interest charges:

	Carrying amount €m	Total cash flows €m	Less than 3 months €m	3–12 months €m	Between 1–2 years €m	Between 2–5 years €m	More than 5 years €m
30 September 2023							
Loans and borrowings[1]	**770.10**	**815.08**	**2.40**	**7.19**	**9.59**	**588.98**	**206.92**
Trade and other payables[2]	**27.96**	**27.96**	**26.25**	**—**	**1.71**	**—**	**—**
Non-current liabilities	**23.31**	**23.31**	**—**	**—**	**—**	**—**	**23.31**
Customer deposit	**2.34**	**2.34**	**—**	**—**	**0.11**	**—**	**2.23**
	823.71	**868.69**	**28.65**	**7.19**	**11.41**	**588.98**	**232.46**

	Carrying amount €m	Total cash flows €m	Less than 3 months €m	3–12 months €m	Between 1–2 years €m	Between 2–5 years €m	More than 5 years €m
30 September 2022							
Loans and borrowings[1]	701.07	752.93	2.06	6.19	8.25	526.43	210.00
Trade and other payables[2]	35.83	35.83	34.54	—	1.29	—	—
Non-current liabilities	33.62	33.62	—	—	—	—	33.62
Customer deposit	2.05	2.05	—	—	0.47	—	1.58
	772.57	824.43	36.60	6.19	10.01	526.43	245.20

[1] Included within the between 2 to 5 years disclosure is the €77.5 million nominal value of drawn RCF (2022: €11 million).

[2] Excludes VAT and deferred income as these are not financial liabilities

Foreign currency risk

As at 30 September 2023	Investment property exposure €m	Cash and cash equivalents exposure €m	Total currency exposure €m
Pound Sterling	**—**	**0.30**	**0.30**
Zloty	**—**	**2.33**	**2.33**
SEK	**106.50**	**9.36**	**115.86**
Total foreign currency	**106.50**	**11.99**	**118.49**

Foreign currency sensitivity	+10% movement €m	+5% movement €m	-5% movement €m	-10% movement €m
Pound Sterling	0.03	0.01	(0.02)	(0.03)
Zloty	0.21	0.11	(0.12)	(0.26)
SEK	10.53	5.52	(6.10)	(12.87)

As at 30 September 2022	Investment property exposure €m	Cash and cash equivalents exposure €m	Total currency exposure €m
Pound Sterling	**—**	**10.19**	**10.19**
Zloty	**—**	**1.64**	**1.64**
SEK	**9.65**	**11.71**	**21.36**
Total foreign currency	**9.65**	**23.54**	**33.19**

Foreign currency sensitivity	+10% movement €m	+5% movement €m	-5% movement €m	-10% movement €m
Pound Sterling	1.13	0.54	(0.49)	(0.93)
Zloty	0.18	0.09	(0.08)	(0.15)
SEK	2.37	1.12	(1.02)	(1.94)

The Group's functional currency is the Euro as the Group operates in Continental Europe. The Group keeps some cash in foreign currency to finance its working capital.

As at 30 September 2023 the Group has a cash balance of GBP 0.26 million and PLN 10.82 million, equivalent to €0.30 million and €2.33 million respectively (30 September 2022: GBP 8.94 million and PLN 7.97 million, equivalent to €10.18 million and €1.64

million respectively). The Group also has a cash balance of SEK 108.05 million, equivalent to €9.36 million as at 30 September 2023 (30 September 2022: SEK 127.44 million, equivalent to €11.72 million).

The Group holds investment properties in Sweden, which transact business denominated in SEK. As such, there is currency exposure resulting from translating their performance and net assets into the functional currency, Euros, for each financial period and at each balance sheet date.

Development risk

Development risk is the exposure that the Group takes in projects where building is not yet completed. Construction risk is mitigated by the Group by entering into fixed price contracts with the developers/general contractors. Letting risk is usually alleviated by entering into pre-let agreements with customers or rental guarantees with the developers or vendors.

Taxation risk

Tax laws in these countries may change in the future, representing an increase in tax risk to the Company.

23. Capital management

The primary objective of the Group's capital management is to ensure that it remains a going concern.

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 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.

The Group has complied with all covenants on its borrowings up to the date of this report. The targets mentioned above sit comfortably within the Group's covenant levels, which include LTV and interest cover ratio. The Group LTV at the year end was 46.4% (30 September 2022: 35.2%).

24. Customer deposit

Non-current liabilities	**30 September 2023 €m**	30 September 2022 €m
Balance at the beginning of the year	**2.05**	2.11
Additions/(repayments) in the year	**0.29**	(0.06)
Balance at the end of the year	**2.34**	2.05

The balance mainly relates to a cash deposit given by the customer for the property in Barcelona, Spain.

25. Share capital

The share capital relates to amounts subscribed for share capital at its nominal value:

	30 September 2023 Number	**30 September 2023 €m**	30 September 2022 Number	30 September 2022 €m
Issued and fully paid at 1 cent each				
Balance at beginning of year – €0.01 Ordinary Shares	**806,803,984**	**8.07**	806,693,378	8.07
Shares issued in the year	**—**	**—**	110,606	—
Balance at end of year	**806,803,984**	**8.07**	806,803,984	8.07

The Group has one class of Ordinary Shares which carry no right to fixed income.

26. 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 no dilutive instruments outstanding, Basic NAV per share is shown below:

	30 September 2023 €m	30 September 2022 €m
Net assets per Group Statement of Financial Position	**795.62**	1,065.75
Ordinary Shares:		
Issued share capital (number)	**806,803,984**	806,803,984
NAV per share (expressed in Euro per share):		
Basic NAV per share	**0.99**	1.32

	30 September 2023			30 September 2022		
	EPRA NRV €m	**EPRA NTA €m**	**EPRA NDV €m**	EPRA NRV €m	EPRA NTA €m	EPRA NDV €m
NAV attributable to Shareholders	**795.62**	**795.62**	**795.62**	1,065.75	1,065.75	1,065.75
Mark-to-market adjustments of derivatives	**(1.05)**	**(1.05)**	**—**	(4.43)	(4.43)	—
Deferred tax adjustment	**25.99**	**25.99**	**—**	49.63	49.63	—
Transaction costs[1]	**82.39**	**—**	**—**	83.78	—	—
NAV	**902.95**	**820.56**	**795.62**	1,194.73	1,110.95	1,065.75
NAV per share in Euro	**1.12**	**1.02**	**0.99**	1.48	1.38	1.32

[1] EPRA NTA and EPRA NDV reflect IFRS values which are net of transaction costs (RETT and purchaser's costs). Transaction costs are added back when calculating EPRA NRV.

27. Transactions with related parties

For the year ended 30 September 2023, all Directors and some of the Partners 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. The fee payable to the Manager for the year ended 30 September 2023 was €5.47 million (2022: €7.88 million). An additional €0.24 million of the investment management fee was capitalised during the year (2022: €0.19 million).

The total amount outstanding at the year end relating to the Investment Management Agreement was €1.12 million (2022: €1.99 million).

Details of amounts paid to Directors for their services can be found within the Directors' Remuneration Report.

The Members of the Manager that are considered as key management personnel are James Dunlop, Henry Franklin, Petrina Austin and Phil Redding.

During the year, the Directors received the following dividends: Robert Orr: €9,773 (2022: €4,714); Keith Mansfield: €14,500 (2022: €14,500); Taco De Groot: €2,100 (2022: €2,100); Eva-Lotta Sjöstedt: €245 (2022: €345); and Sarah Whitney: €2,849 (2022: €403).

During the year, the Members of the Manager received the following dividends: James Dunlop: €18,787 (2022: €16,348); Henry Franklin: €7,104 (2022: €10,144); Petrina Austin: €2,079 (2022: €1,816); and Phil Redding: €7,170 (2022: €681).

28. Leases

As lessor

Details of the Group's leases from customers of its investment property are found in note 6.

As lessee

The Group holds one investment property, with a carrying amount of €113.75 million, on a lease which ends in 84.5 years. A peppercorn rent is paid and hence the associated lease liability and right-of-use asset are immaterial.

29. Subsequent events

On 29 November 2023, the Group agreed a lease at its two-unit asset in Settimo Torinese, Italy. The new six-year lease has been secured with the same leading Italian logistics provider which signed a lease for the other unit in August 2023.

On 30 November 2023, the Group successfully exchanged on the sale of the warehouse in Bochum, Germany for a consideration of €46.8 million to a leading pan-European real estate investment manager.

On 30 November 2023, the Group successfully exchanged on the sale of the redevelopment site in Malmö, Sweden for a consideration of €28.3 million to a data centre owner-occupier.

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

Company Balance Sheet

Company registration number 11367705

	Note	**At 30 September 2023 €m**	At 30 September 2022 €m
Non-current assets			
Derivative financial instruments		**1.05**	4.43
Trade and other receivables	5	**895.41**	854.03
Investment in subsidiaries	4	**551.68**	671.37
Total non-current assets		**1,448.14**	1,529.83
Current assets			
Investment in subsidiaries*	4	**14.23**	—
Trade and other receivables	5	**3.90**	8.86
Cash held at bank	6	**1.31**	16.47
Total current assets		**19.44**	25.33
Total assets		**1,467.58**	1,555.16
Current liabilities			
Trade and other payables	7	**(9.03)**	(5.81)
Income tax liability		**—**	—
Total current liabilities		**(9.03)**	(5.81)
Non-current liabilities			
Loans and borrowings	8	**(770.10)**	(701.07)
Total non-current liabilities		**(770.10)**	(701.07)
Total liabilities		**(779.13)**	(706.88)

Total net assets		**688.45**	848.28
Equity			
Share capital	9	**8.07**	8.07
Share premium reserve		**597.58**	597.58
Retained earnings		**82.80**	242.63
Total equity		**688.45**	848.28

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 the financial statements. The loss attributable to the Parent Company for the year ended 30 September 2023 amounted to €119.49 million (2022: loss €11.45 million).

*See note 15 of the Group financial statements, relates to the asset held for sale.

The financial statements were approved by the Board of Directors on 4 December 2023 and signed on its behalf by:

Robert Orr
Director

Company Statement of Changes in Equity

For the year ended 30 September 2023

	Note	Share capital €m	Share premium €m	Retained earnings €m	Total €m
At 1 October 2022		8.07	597.58	242.63	848.28
Net loss for the year		—	—	(119.49)	(119.49)
Total comprehensive loss		—	—	(119.49)	(119.49)
Contributions and distributions:					
New share capital subscribed		—	—	—	—
Associated share issue costs		—	—	—	—
Dividends paid	3	—	—	(40.34)	(40.34)
At 30 September 2023		**8.07**	**597.58**	**82.80**	**688.45**

	Note	Share capital €m	Share premium €m	Retained earnings €m	Total €m
At 1 October 2021		8.07	597.46	294.42	899.95
Net loss for the year		—	—	(11.45)	(11.45)
Total comprehensive loss		—	—	(11.45)	(11.45)
Contributions and distributions:					
New share capital subscribed[1]		—	0.14	—	0.14
Associated share issue costs		—	(0.02)	—	(0.02)
Dividends paid	3	—	—	(40.34)	(40.34)
At 30 September 2022		8.07	597.58	242.63	848.28

[1] See note 25 of the Group accounts.

Notes to the Company Accounts

1. Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards (UK-adopted IFRS), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Disclosure exemptions adopted

In preparing the financial statements the Company has taken advantage of all applicable disclosure exemptions conferred by FRS 101. Therefore the financial statements do not include:

- certain comparative information as otherwise required by UK-adopted IFRS;
- certain disclosures regarding the Company’s capital;

- a statement of cash flows and related notes;
- 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 the Tritax EuroBox plc Group.

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. The financial statements do not include certain disclosures in respect of:

- 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 periods presented, unless otherwise stated. No newly applicable accounting standards for the current year had any material impact on the Company.

Currency

The Company financial statements are presented in Euro which is also the Company's functional currency.

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.

Financial assets and financial liabilities

Please refer to sections 4.4.1 and 4.4.2 of the Summary of significant accounting policies of the Group accounts.

Investment in subsidiaries

The investment in subsidiary companies is included in the Company's Balance Sheet at cost less provision for impairment. Provision for impairment is determined by comparing the carrying value of the subsidiary, at the reporting date, against the recoverable amounts. The recoverable amount is the greater of its value in use and its fair value less costs to sell. The fair value is driven by investment property, held in the subsidiary, which is measured using fair value hierarchy in accordance with IFRS 13. See note 14 of the Group financial statements for further details.

Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. There were no significant accounting judgements, estimates or assumptions in preparing the financial statements.

2. Taxation

	30 September 2023 €m	30 September 2022 €m
UK corporation tax	**0.06**	—

In the 3 March 2021 Budget it was announced that, from 1 April 2023, the UK main rate of corporation tax would be increased to 25%. Given that the Company's tax charge is €nil, due to its status as an ITC, there is no anticipated consequential effect on the future tax charge.

The tax credit relates to a relief received owing to an overpayment in a previous financial year.

The UK corporation tax charge of €nil reflects the Company's intention to declare sufficient "qualifying interest distributions" to fully offset its "qualifying interest income" in the year.

3. Dividends paid

Please refer to note 13 of the Group accounts.

4. Investment in subsidiaries

	30 September 2023 €m	30 September 2022 €m
At the beginning of the year	**671.37**	458.21
Increase in investments via share purchase	**49.40**	239.76
Disposals in the year[1]	**(19.30)**	—
Impairment in the year[2]	**(135.56)**	(26.60)
At the end of the year	**565.91**	671.37

The recoverable amount of the impaired investments is €352.74 million (30 September 2022: €208.66 million).

1 This relates to the Hammersbach disposal whereby the subsidiary, Dietz Logistik 33. Grundbesitz GmbH, was divested.

2 Impairments to investment in subsidiaries in the current year have resulted primarily from the reduction in the valuation of investment properties held, the primary driver of fair value in each subsidiary. Investment property valuation is measured using the fair value hierarchy; see note 14 of the Group financial statements for further detail. The impairment charge is sensitive to the assumptions used in the valuation of the investment property, see sensitivity table below.

	-0.25% yield €m	+0.25% yield €m	-5% in ERV €m	+5% in ERV €m
Increase/(decrease) in the impairment charge as at 30 September 2023	**(50.14)**	**44.78**	**31.77**	**(36.01)**
Increase/(decrease) in the impairment charge as at 30 September 2022	(13.41)	35.05	21.15	(10.03)

The Company has the following subsidiary undertakings as at 30 September 2023:

	Principal activity	Country of incorporation	Ownership %
Tritax EuroBox (Spain) Holdco, S.L.	Investment Holding Company	Spain	100%*
Tritax EuroBox Barcelona SLU	Property Investment	Spain	100%
Eurobox Italy Holdco Limited	Investment Holding Company	Jersey	100%*
Fondo Minerva Eurobox Italy**	Property Investment	Italy	100%
Tritax Eurobox (Belgium) Holdco NV	Investment Holding Company	Belgium	100%*
Panton Kortenberg Vastgoed NV	Property Investment	Belgium	100%
Rumst Logistics NV	Property Investment	Belgium	100%
Rumst Logistics II NV	Property Investment	Belgium	100%
Rumst Logistics III NV	Property Investment	Belgium	100%
Pakobo NV	Property Investment	Belgium	100%
LCP Nivelles DC NV	Property Investment	Belgium	100%
Tritax EuroBox (Wunstorf) Holdco Limited***	Investment Holding Company	United Kingdom	100%*
Tritax EuroBox (Germany) Holdco Limited	Investment Holding Company	United Kingdom	100%*
Tritax EuroBox (Bochum) Propco GmbH	Property Investment	Germany	94.9%*
Tritax EuroBox (Peine) Propco GmbH	Property Investment	Germany	94.9%*
Dietz Logistik 33. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Tritax EuroBox (Bremen I) Propco GmbH	Property Investment	Germany	89.9%*
Tritax EuroBox (Bremen II) Propco GmbH	Property Investment	Germany	89.9%*
Dietz Logistik 26. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Dietz Logistik 44. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Tritax EuroBox (Poland) Propco sp. z.o.o.	Property Investment	Poland	100%*
Tritax EuroBox (Strykow) Propco sp. z o.o.	Property Investment	Poland	100%*
Tritax EuroBox (Breda) PropCo B.V.	Property Investment	The Netherlands	100%*
Tritax EuroBox (Oberhausen) Propco B.V.	Property Investment	The Netherlands	100%*
Tritax EuroBox (Gothenburg) Propco AB	Property Investment	Sweden	100%*
Tritax EuroBox (Sweden) Holdco Limited	Investment Holding Company	United Kingdom	100%*
Dietz 23. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Tritax EuroBox (Gelsenkirchen) Propco GmbH	Property Investment	Germany	89.9%*
Tritax EuroBox (Hammersbach) FixCo GmbH	Property Investment	Germany	100%*
Dietz FNL 5. Grundbesitz GmbH	Property Investment	Germany	89.9%*
Tritax EuroBox (Roosendaal) PropCo B.V.	Property Investment	The Netherlands	100%*
Tritax EuroBox (Roosendaal) Solar B.V.	Property Investment	The Netherlands	100%*
Tritax EuroBox (Rosersberg I) AB	Property Investment	Sweden	100%*
Tritax EuroBox (Rosersberg II) AB	Property Investment	Sweden	100%*
Tritax EuroBox (Malmo) Propco AB	Property Investment	Sweden	100%
Tritax EuroBox (Malmo) Holdco AB	Property Investment	Sweden	100%
Tritax EuroBox (France) Propco SCI	Investment Holding Company	France	100%*
Tritax EuroBox (France) Holdco Limited	Investment Holding Company	UK	100%*
Tritax EuroBox (France) Minco Limited	Investment Holding Company	UK	100%*

* These are direct subsidiaries of the Company.

** The day-to-day operations of Fondo Minerva Eurobox Italy are managed by Savills IM ("Savills") in accordance with the requirements of the Italian REIF regime. The Company has the power to replace Savills with another operator and therefore considers the investment to be a subsidiary under IFRS 10.

*** The subsidiary Tritax EuroBox (Wunstorf) Holdco Limited is exempt from Companies Act 2006 requirements relating to the audit of its individual accounts by virtue of Section 479A of the Act as this company has guaranteed these subsidiary companies under Section 479C of the Act.

The registered addresses for the subsidiaries across the Group are consistent based on their country of incorporation and are as follows:

Spain entities: Calle Maria Auxiliadora, 5, Local 10, 29602, Marbella, Málaga, Spain

Jersey entities: 26 New Street, St Helier, Jersey JE2 3RA

Italy entities: Savills Investment Management SGR S.p.A., Fondo Minerva, Via San Paolo 7, 20121 Milano, Italy

Belgium entities: Floor 7, Louizalaan 489, 1050 Brussels, Belgium

Germany entities: Darmstädter Straße 246, 64625 Bensheim, Germany, and Eschersheimer Landstraße 14, 603 22 Frankfurt am Main, Germany

Poland entities: Warsaw, ul. Piękna 18, 05-077 Warsaw, Poland

The Netherlands entities: Hoogoorddreef 15, 1101BA Amsterdam, the Netherlands

Sweden entities: c/o Scandinavian Trust AB, Birger Jarlsgatan 12, 114 34 Stockholm, Sweden

United Kingdom entities: 3rd Floor, 6 Duke Street St James's, London SW1Y 6BN, United Kingdom

France entity: 92, Avenue de Wagram, 75017 Paris, France

5. Trade and other receivables

	30 September 2023 €m	30 September 2022 €m
Amounts receivable from Group companies	**895.41**	854.03
Other receivables	**3.90**	8.86
	899.31	862.89

All amounts receivable from Group companies are documented under term loans with maturity exceeding three years, with an option to extend for a further five years. All borrowings are unsecured and are charged at 3%–5%. Interest is generally payable quarterly and, therefore, is classified as current assets.

	30 September 2023 €m	30 September 2022 €m
Current assets	**3.90**	8.86
Non-current assets	**895.41**	854.03
	899.31	862.89

6. Cash held at bank

	30 September 2023 €m	30 September 2022 €m
Cash held at bank	**1.31**	16.47

7. Trade and other payables

	30 September 2023 €m	30 September 2022 €m
Trade and other payables	**4.33**	5.57
Accruals	**4.70**	0.24
	9.03	5.81

8. Loan notes and borrowings

All external borrowings of the Group are held by the Company. Please refer to note 19 of the Group accounts for further details.

9. Share capital

Please refer to note 25 of the Group accounts.

10. Related party transactions

The Company has taken advantage of the exemption not to disclose transactions with other wholly owned members of the Group as the Company's own financial statements are presented together with its consolidated financial statements.

Below are the amounts received by the companies which are not wholly owned:

Income received from Group companies	**30 September 2023 €m**	30 September 2022 €m
Tritax EuroBox (Bochum) Propco GmbH	**0.93**	0.98
Tritax EuroBox (Peine) Propco GmbH	**2.52**	2.59
Dietz Logistik 33. Grundbesitz GmbH*	**1.24**	1.27
Tritax Eurobox (Bremen I) Propco GmbH	**0.50**	0.53
Tritax Eurobox (Bremen II) Propco GmbH	**0.53**	0.55
Dietz Logistik 26. Grundbesitz GmbH	**2.82**	2.96
Dietz Logistik 44. Grundbesitz GmbH	**3.27**	3.37
Dietz 23. Grundbesitz GmbH	**1.93**	0.75
Tritax EuroBox (Gelsenkirchen) Propco GmbH	**0.56**	0.45
Dietz FNL 5. Grundbesitz GmbH	**1.51**	0.32
	15.81	13.77

* This subsidiary was disposed of during the financial year, see note 14 of the Group financial statements.

Below are the amounts owed by the companies which are not wholly owned:

Amount owed from Group companies as at 30 September 2023	**Less than one year €m**	**More than one year €m**
Tritax EuroBox (Bochum) Propco GmbH	**—**	**22.92**
Tritax EuroBox (Peine) Propco GmbH	**—**	**62.24**
Tritax Eurobox (Bremen I) Propco GmbH	**—**	**12.36**
Tritax Eurobox (Bremen II) Propco GmbH	**—**	**13.06**
Dietz Logistik 26. Grundbesitz GmbH	**—**	**84.83**
Dietz Logistik 44. Grundbesitz GmbH	**—**	**80.20**
Dietz 23. Grundbesitz GmbH	**—**	**77.04**
Tritax EuroBox (Gelsenkirchen) Propco GmbH	**—**	**18.35**
Dietz FNL 5. Grundbesitz GmbH	**—**	**42.52**
	—	**413.52**

Amount owed from Group companies as at 30 September 2022	Less than one year €m	More than one year €m
Tritax EuroBox (Bochum) Propco GmbH	—	24.42
Tritax EuroBox (Peine) Propco GmbH	—	64.74
Dietz Logistik 33. Grundbesitz GmbH	—	35.10
Tritax Eurobox (Bremen I) Propco GmbH	—	13.16
Tritax Eurobox (Bremen II) Propco GmbH	—	13.86
Dietz Logistik 26. Grundbesitz GmbH	—	91.53
Dietz Logistik 44. Grundbesitz GmbH	—	84.30
Dietz 23. Grundbesitz GmbH	—	41.84
Tritax EuroBox (Gelsenkirchen) Propco GmbH	—	18.95
Dietz FNL 5. Grundbesitz GmbH	—	28.42
	—	416.32

For all other related party transactions please refer to note 27 of the Group accounts.

11. Directors’ remuneration

Please refer to note 9 of the Group accounts.

12. Subsequent events

Please refer to note 29 of the Group accounts.

Notes to the EPRA and Other Key Performance Indicators (Unaudited)

1. EPRA Earnings Per Share

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Total comprehensive profit/(loss) (attributable to Shareholders)	**(223.36)**	58.77
Adjustments to remove:		
Changes in fair value of investment properties	**285.43**	(49.94)
Deferred tax adjustment	**(21.32)**	16.68
Changes in fair value of interest rate derivatives	**1.70**	(4.66)
Loss on disposal of investment property	**2.73**	—
Loss on disposal of interest rate derivative	**0.49**	—
Profits to calculate EPRA Earnings Per Share	**45.67**	20.85
Weighted average number of Ordinary Shares	**806,803,984**	806,779,439
EPRA Earnings Per Share – basic and diluted	**5.66 cents**	2.58 cents

2. EPRA NAV measures

The Group has adopted EPRA NTA and EPRA NTA per share metrics as its primary EPRA NAV metric measure, alongside Basic IFRS NAV, for the year ended 30 September 2022 onwards.

	30 September 2023			30 September 2022		
	EPRA NRV €m	**EPRA NTA €m**	**EPRA NDV €m**	EPRA NAV €m	EPRA NTA €m	EPRA NDV €m
NAV attributable to Shareholders	**795.62**	**795.62**	**795.62**	1,065.75	1,065.75	1,065.75

Mark-to-market adjustments of derivatives	(1.05)	(1.05)	—	(4.43)	(4.43)	—
Deferred tax adjustment	25.99	25.99	—	49.63	49.63	—
Transaction costs[1]	82.39	—	—	83.78	—	—
NAV	902.95	820.56	795.62	1,194.73	1,110.95	1,065.75
NAV per share in Euro	1.12	1.02	0.99	1.48	1.38	1.32

[1] EPRA NTA and EPRA NDV reflect IFRS values which are net of transaction costs (RETT and purchaser's costs). Transaction costs are added back when calculating EPRA NRV.

3. EPRA Net Initial Yield ("NIY") and EPRA Topped Up NIY

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Investment property	1,561.85	1,765.60
Less: development properties	(17.69)	(214.89)
Completed property portfolio	1544.16	1,550.71
Allowance for estimated purchaser's costs	82.39	83.78
Gross up completed property portfolio valuation (B)	1,626.55	1,634.49
Annualised passing rental income	72.00	61.19
Property outgoings	(3.36)	(2.15)
Annualised net rents (A)	68.64	59.04
Notional rent expiration of rent-free periods or other lease incentives	0.87	0.94
Topped up annualised net rents (C)	69.51	59.98
EPRA Net Initial Yield (A/B)	**4.22%**	3.61%
EPRA Topped Up Net Initial Yield (C/B)	**4.27%**	3.67%

4. EPRA vacancy rate

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Annualised estimated rental value of vacant premises	4.86	0.19
Portfolio estimated rental value[1]	87.65	69.46
EPRA vacancy rate	**5.54%**	0.28%

[1] Excludes land held for development.

80% of vacant space is currently covered by rental guarantees.

5. EPRA Cost Ratio and Adjusted EPRA Cost Ratio

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Property operating costs[1]	2.55	6.10
Administrative expenses	16.35	18.18
Net service charge costs	0.81	0.35
Other operating income	(1.03)	(0.70)
Total costs including vacant property costs (A)	18.68	23.93
Vacant property costs	(0.81)	(0.35)
Total costs excluding vacant property costs (B)	17.87	23.58
Gross rental income – per IFRS (C)	68.07	57.89
Total EPRA Cost Ratio (including vacant property costs) (A/C)	27.44%	41.34%
Total EPRA Cost Ratio (excluding vacant property costs) (B/C)	26.25%	40.73%
Gross rental income including rental guarantee (D)	77.27	66.63
Total Adjusted EPRA Cost Ratio[1] (including vacant property costs) (A/D)	24.17%	29.46%
Total Adjusted EPRA Cost Ratio[1] (excluding vacant property costs) (B/D)	23.13%	28.94%

[1] Prior year adjusted for €4.3 million lease surrender payment at Hammersbach – see note 12 of financial statements for further details.

6. Capital expenditure

	30 September 2023 €m	30 September 2022 €m
Acquisition[1]	25.89	303.17
Development[1]	124.71	144.79
Investment properties[1]:		
Incremental lettable space	2.42	6.32

Customer incentives[2]	**3.15**	4.31
Other material non-allocated types of expenditure[3]	**2.90**	6.93
Total	**159.07**	465.52

[1] See note 14 of Group financial statements.
[2] Fixed rental uplift and customer lease incentives after adjusting for amortisation on rental uplift and customer lease incentives.
[3] Licence fees and rental guarantees.

The Group has no interest in joint ventures.

7. Total Return

	Year ended 30 September 2023 cents	Year ended 30 September 2022 cents
Opening EPRA NTA	**137.70**	134.69
Closing EPRA NTA	**101.71**	137.70
Increase/(decrease) in EPRA NTA	**(35.99)**	3.01
Dividends paid	**5.00**	5.00
Total growth in EPRA NTA plus dividends paid	**(30.99)**	8.01
Total Return	**(22.51)%**	5.95%

8. Loan to value (“LTV”) ratio

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Gross asset value (A)	**1,561.85**	1,765.60
Borrowings[1] (B)	**777.50**	711.00
Cash and cash equivalents (C)	**52.31**	90.18
LTV ((B-C)/A)	**46.43%**	35.16%

[1] Nominal value of borrowings.

9. EPRA Loan to value (“LTV”) ratio

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Include:		
Borrowings from financial institutions	**277.50**	211.00
Bond loans	**500.00**	500.00
Net payables	**(1.38)**	7.97
Exclude:		
Cash and cash equivalents	**52.31**	90.18
Net debt (A):	**723.81**	628.79
Include:		
Investment properties at fair value	**1,494.86**	1,541.27
Properties held for sale	**49.30**	—
Properties under development	**17.69**	224.33
Total property value (B):	**1,561.85**	1,765.60
EPRA LTV (A/B)	**46.34%**	35.61%

10. Dividend cover

	Year ended 30 September 2023 €m	Year ended 30 September 2022 €m
Adjusted earnings (A)	**44.47**	34.21
Dividends paid for the financial year (B)	**40.34**	40.34
Dividend cover (A/B)	**110.24%**	84.80%

11. Interest cover

	Year ended 30 September 2023 €	Year ended 30 September 2022 €
Gross property income (note 6)	**79.89**	68.73
Direct property costs (note 7)	**(14.15)**	(16.53)
Net property income	**65.74**	52.20
Administrative cost (note 8)	**(16.35)**	

		(18.18)
Repayments (note 20)	**(0.97)**	(0.85)
Finance income from financial derivatives (note 12)	**1.63**	—
EBIT (A)	**50.05**	33.17
Interest payable	**11.91**	6.76
Commitment fees	**0.99**	1.13
Bank fees	**0.25**	0.80
Repayments (note 20)	**(0.97)**	(0.85)
Hedged portion of finance income from financial derivatives	**(1.78)**	—
Net finance expense (B)	**10.40**	7.84
Interest cover (A/B)	**4.81**	4.23