

Q3 2020 UPDATE

STRONG PORTFOLIO PERFORMANCE AND CONTINUING STRATEGIC PROGRESS

Tritax Big Box REIT plc today announces an update on its performance for the third quarter of its 2020 financial year.

UK logistics market continues to strengthen

Big Box logistics assets continue to benefit from changing shopping habits as the greater efficiencies they offer drives strong occupational activity, despite the uncertain economic backdrop. Take-up over the past nine months of 32.6 million sq ft has surpassed previous annual historic levels and is c.3% above 2018's previous annual record levels, according to CBRE. This demand is aligned with a noticeable increase in enquiries we have received on opportunities within the development portfolio since July driven by increasing volumes of online sales.

Additional occupational requirements within the UK have also translated into stronger investment demand. We see potential for further yield compression in the near-term given attractive structural trends and the secure, long-term income offered by large-scale modern logistics buildings.

Resilient portfolio underpinned by high-quality assets delivering strong rent collection

Our focus on high-quality assets, and the critical role they play for our customers, is reflected in ongoing strong levels of rent collection in the quarter.

We expect that 99% of Q4 2020 rents will be collected by the end of November 2020 comprised of the following:

- 89% of rents have been paid to date.
- 10% is scheduled to be collected on a monthly basis over the remainder of the quarter.
- For the remaining 1% of rents, payment plans have been agreed with a small number of tenants seeking to defer rental payments, with recovery expected over the near-term.

In line with our expectations, 97% of Q2 2020 rents have now been paid along with 99% of Q3 2020 rents. To date, no rent-free periods or rent reductions have been agreed across the portfolio and, with outstanding rental payments being subject to a small number of agreed deferral arrangements, our overarching expectation is 100% of all rent for the 2020 year will be paid over the remainder of 2020 and into 2021.

Direct and active management of our portfolio delivering value for shareholders

Our strategy is based on actively and directly managing our portfolio to drive value for shareholders. As part of this, we are taking advantage of strong investment demand for logistics real estate, selling assets where we have completed our asset management initiatives and have maximised value for shareholders. This enables us to reinvest the proceeds into higher returning opportunities within our portfolio or acquiring property in the market where we can add significant value through asset management initiatives.

During the quarter we have exchanged on the sale of four assets achieving:

- A total consideration of £134 million, in line with our target of £125-175 million per annum.
- An average levered IRR in excess of 12.5% per annum (net of corporate costs).
- A blended sale NIY of 5.0% compared to aggregated purchase NIY of 6.6%.

We continue to identify ways to increase the value of our portfolio assets through asset management. During the period, we added £1.0 million to passing annual rent through the settlement of six rent reviews, which in aggregate equated to an increase of 8.5% to the previous passing rent. In the period to December 2021, the Company has a further 40% of the portfolio that is subject to rent review.

Redeploying disposal proceeds into accelerating development platform

Our development landbank is the UK's largest focused on industrial logistics assets providing the opportunity to deliver a yield on cost of 6-8%. Demand for large scale logistics assets continues to increase while supply remains constrained. During the quarter we have seen an uptick in interest from a range of customers requiring additional logistics capabilities further supporting our confidence in the market.

During the quarter we have made significant progress including:

- Successful lettings of 320,000 sq ft across three speculatively developed buildings to tenants including Apple, adding £2.5 million to portfolio contracted annual rent.
- Achieved 1.9 million sq ft of outline planning consent at Rugby* and submitted planning applications across a further 2.0 million sq ft.
- Reached practical completion on 2.3 million sq ft of pre-let forward funded developments across our buildings let to Howdens in Raunds and Amazon in Durham.
- Delivering one of Europe's largest and most sustainable logistics buildings, let to Amazon, at our Littlebrook, Dartford site, with the external structure expected to be wind and watertight by mid November, and on track for practical completion in Summer 2021. https://youtu.be/_tdv7H7nXrg
- We are progressing our focus on ESG, which includes a recently announced commitment to net zero carbon in construction of new developments. Construction has commenced on the 59,000 sq ft asset at Bicester, pre-let to DPD where we will reduce the carbon impact by 35%, and offsetting the remaining 20,000 tonnes of construction related embedded carbon emissions, in line with industry best practice.

Colin Godfrey, CEO, Fund Management, commented:

“This has been another strong quarter across our business with good operational and strategic progress. Our focus on owning the highest-quality assets and maintaining a strong tenant roster continues to position us well to weather the worst of the pandemic and deliver on our expectation that 100% of all rent for the 2020 year will be paid.

“We are selling assets into a strong market, delivering attractive returns to shareholders, enabling us to redeploy proceeds into higher returning opportunities both within the portfolio and in the market. Combining a high-quality portfolio, growing development pipeline and asset management initiatives with increasing demand for logistics space, we are well positioned to continue to deliver both attractive and secure income and capital growth for investors.”

* Subject to Judicial Review period

FOR FURTHER INFORMATION, PLEASE CONTACT:

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NOTES:

Tritax Big Box REIT plc (ticker: BBOX) is the only listed vehicle dedicated to investing in very large logistics warehouse assets (**Big Boxes**) in the UK and is committed to delivering attractive and sustainable returns for Shareholders. Investing in and actively managing existing built investments, land suitable for Big Box development and developments predominantly delivered through pre-let forward funded basis, the Company focuses on large, well-located, modern Big Box logistics assets, let to institutional-grade tenants on long-term leases (typically at least 12 years in length) with upward-only rent reviews and geographic and tenant diversification throughout the UK. The Company seeks to exploit the significant opportunity in this sub-sector of the UK logistics market owing to strong tenant demand and limited supply of Big Boxes.

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

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