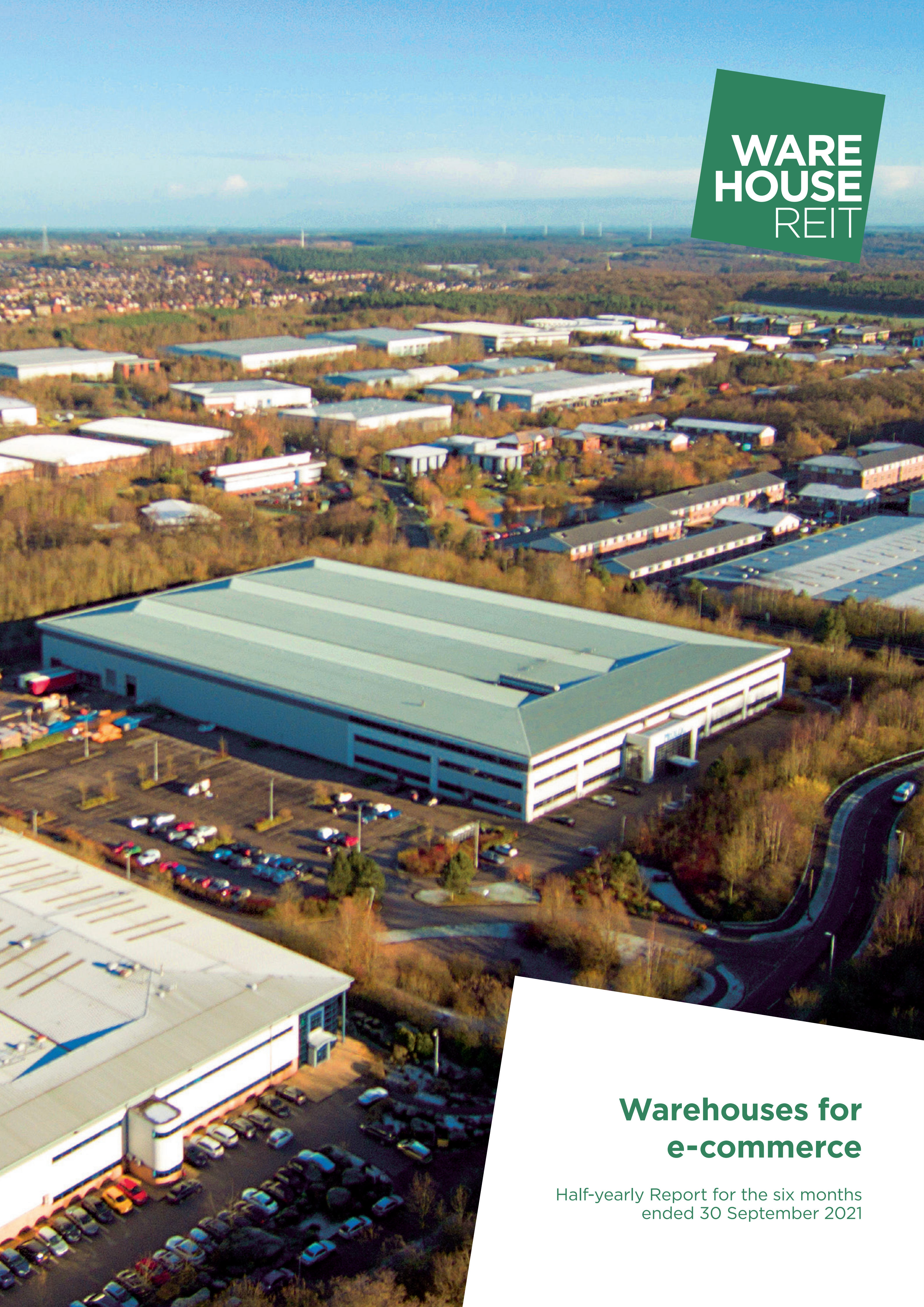

Warehouses for e-commerce

Half-yearly Report for the six months ended 30 September 2021

WAREHOUSE REIT PLC IS A SPECIALIST WAREHOUSE INVESTOR.

Our purpose is to own and manage warehouses in economically vibrant urban areas across the UK, providing the space our occupiers need for their businesses to thrive.

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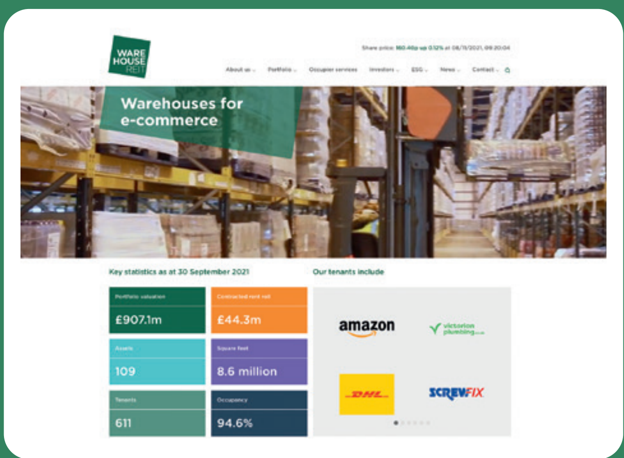
Find us online
www.warehousereit.co.uk



FINANCIAL HIGHLIGHTS[1]

Period ended 30 September 2021

REVENUE **£23.4m** 30 September 2020: £15.7m	OPERATING PROFIT BEFORE GAINS[2] **£16.7m** 30 September 2020: £10.8m	IFRS PROFIT BEFORE TAX **£86.4m** 30 September 2020: £40.4m
IFRS EPS **20.4p** 30 September 2020: 13.2p	EPRA EPS **3.1p** 30 September 2020: 2.6p	ADJUSTED EPS[3] **3.1p** 30 September 2020: 2.6p
DIVIDENDS PER SHARE[4] **3.1p** 30 September 2020: 3.1p	TOTAL ACCOUNTING RETURN[5] **15.1%** 30 September 2020: 9.5%	TOTAL COST RATIO[6] **27.2%** 30 September 2020: 29.4%

As at 30 September 2021

PORTFOLIO VALUATION **£907.1m** 31 March 2021: £792.8m	IFRS NAV **£647.4m** 31 March 2021: £574.1m	IFRS NAV PER SHARE **152.4p** 31 March 2021: 135.1p
EPRA NTA PER SHARE **152.4p** 31 March 2021: 135.1p	LTV RATIO **26.2%** 31 March 2021: 24.6%	

- Dividends totalling 3.1 pence per share paid or declared in respect of the period, in line with the full-year target of at least 6.2 pence per share
- Continued strong rent collection performance, with 92.1% of rent due in relation to the period collected at 4 November 2021
- Total portfolio valued at £907.1 million (31 March 2021: £792.8 million), with a like-for-like uplift of 9.4% at the period end. Portfolio valuation comprised £857.7 million in relation to the investment portfolio of completed assets and £49.4 million of development property and land (31 March 2021: £751.9 million and £40.9 million)
- EPRA net tangible assets ("NTA") per share of 152.4 pence (31 March 2021: 135.1 pence), with 12.8% growth driven primarily by a revaluation increase of 17.3 pence per share
- Total accounting return for the period of 15.1% (six months ended 30 September 2020: 9.5%)
- Bank debt of £263.0 million and cash balances of £25.0 million at the period end, resulting in a loan to value ("LTV") ratio of 26.2% (31 March 2021: 24.6%), with the increase reflecting asset acquisitions in the period, net of revaluation uplifts
- Move to the Main Market of the London Stock Exchange remains a strategic near-term priority

OPERATIONAL HIGHLIGHTS[7]

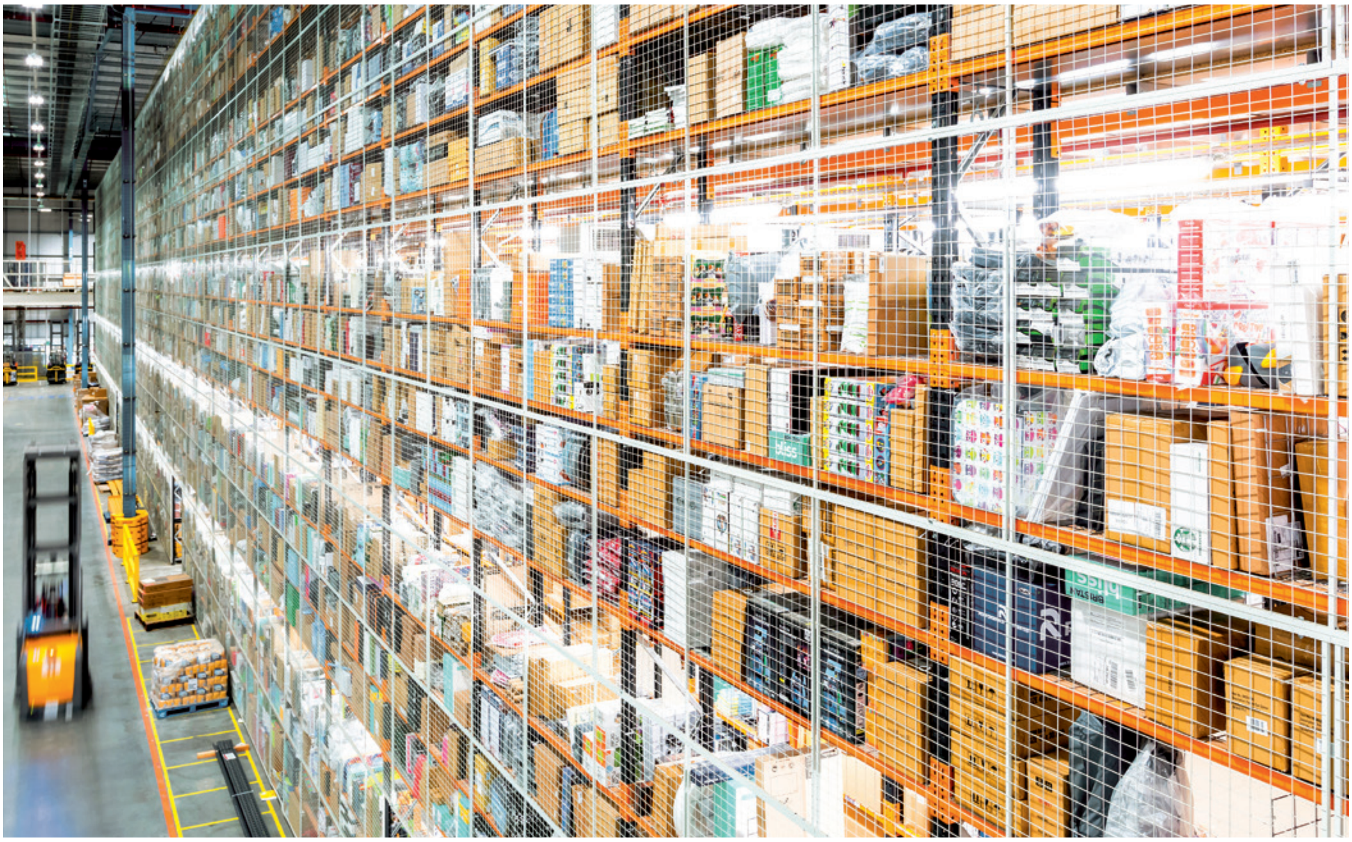
As at 30 September 2021

CONTRACTED RENT	PASSING RENT	WAULT[8] TO EXPIRY
£44.3m	**£38.7m**	**5.7 years**
31 March 2021: £43.0m	31 March 2021: £38.6m	31 March 2021: 5.8 years

WAULT TO FIRST BREAK	EPRA NIY	OCCUPANCY
4.6 years	**4.0%**	**94.6%**
31 March 2021: 4.7 years	31 March 2021: 4.7%	31 March 2021: 95.6%

- Occupational market remains highly favourable, with significant occupier demand driven by e-commerce and the need to reinforce supply chains, combined with increasingly constrained supply
- Acquired five assets totalling 168,500 sq ft, plus adjacent development land, for £35.0 million (including costs) at a blended net initial yield of 4.6% (excluding the development land)

- Unlocked further value from the portfolio through asset management, including:
  - 74 lease events over 0.5 million sq ft, contributing to like-for-like rental growth of 0.8%, generating rent of £3.2 million per annum, in-line with March 2021 estimated rental value ("ERV"). The ERV across the portfolio has grown by 2.5% on a like-for-like basis
  - Investment portfolio capital expenditure of £3.3 million (six months ended 30 September 2020: £0.9 million), to drive future rental and capital value growth
  - Occupancy of 94.6% at the period end (31 March 2021: 95.6%). Effective occupancy, which excludes units undergoing refurbishment or under offer to let, was 97.5% (31 March 2021: 98.2%)
  - Made further progress generating value from surplus or adjacent land, including submitting detailed planning at Nexus, Knowsley and exchanging contracts to acquire a further 16 acres at Radway Green, Crewe
- WAULT of 5.7 years at the period end (31 March 2021: 5.8 years), reflecting the benefit of acquisitions and asset management initiatives offsetting the natural reduction in WAULT over time
- Continued to implement the Group's sustainability strategy, including engaging with occupiers to understand their sustainability objectives and developing a strategy for enhancing Energy Performance Certificate ratings
- Maintained our Gold status for our 2021 Annual Report under EPRA's Best Practices Recommendations ("BPR") and awarded Gold status and most improved report in the EPRA Sustainability Best Practices Recommendations awards ("sBPR")



Post period end highlights

- Submitted a planning application for phase two at Radway Green, Crewe, for approximately 1 million sq ft of new warehouse space on 60 acres of greenfield land. Securing this consent has the potential for a significant material uplift in value with an anticipated completed investment value in the region of £200 million, when combined with phase one, for which planning permission was granted in March 2021

1. The Group presents adjusted earnings per share ("EPS"), dividends per share, total accounting return, total cost ratio, LTV and EPRA Best Practices Recommendations as Alternative Performance Measures ("APMs") to assist stakeholders in assessing performance alongside the Group's statutory results reported under IFRS. APMs are among the key performance indicators used by the Board to assess the Group's performance and are used by research analysts covering the Group. EPRA Best Practices Recommendations have been disclosed to facilitate comparison with the Group's peers through consistent reporting of key real estate specific performance measures. Certain other APMs may not be directly comparable with other companies' adjusted measures and are not intended to be a substitute for, or superior to, any IFRS measures of performance. EPRA EPS is set out in note 10. EPRA NTA is set out in note 20. A glossary of terms is shown at the end of this report.
2. Operating profit before gains on investment properties.
3. Adjusted earnings per share is based on IFRS earnings excluding unrealised fair value gains on investment properties, profit on disposal of investment properties and one-off costs. There were no one-off costs in the six months ended 30 September 2021 or in the comparative period.
4. Dividends paid and declared in relation to the period, including the second interim dividend to be paid on 30 December 2021. Dividends paid during the period totalled 3.1 pence per share (six months ended 30 September 2020: 1.6 pence per share).
5. Total accounting return based on increase in EPRA NTA per share of 17.3 pence plus dividends paid per share of 3.1 pence, as a percentage of the opening EPRA NTA of 135.1 pence per share.
6. Total cost ratio represents the EPRA cost ratio including direct vacancy cost, but excluding one off costs.
7. All references to contracted rent, passing rent, ERV, WAULT, NIY, net reversionary yield ("NRY"), occupancy and capital expenditure in this report relate only to the investment portfolio of completed assets and exclude development property and land. Development property and land is where the whole or a material part of an estate is identified as having potential for development. Such assets are classified as development property and land until development is completed and they have the potential to be fully income generating.
8. Weighted average unexpired lease term.

CHAIRMAN'S STATEMENT

I AM PLEASED TO SAY THAT THE FAVOURABLE TRENDS WE HAVE PREVIOUSLY HIGHLIGHTED IN OUR ASSET CLASS HAVE CONTINUED IN THE FIRST HALF OF THE YEAR.

NEIL KIRTON
Chairman

I am pleased to say that the favourable trends we have previously highlighted in our asset class have continued in the first half of the year. In particular, valuation yields have further compressed. At the half year, our portfolio was valued at £907.1 million, implying a net initial yield shift from 5.4% at the previous year end to 4.9% at 30 September 2021.

Our core proposition remains focused on 'last-mile' or urban industrial warehouses in strategic locations, where we have been deploying capital at below replacement cost and actively managing those assets to enhance value. Occupier demand remains strong and the availability of high-quality industrial space is increasingly limited. This shortage of space is being compounded by some fundamental shifts in occupiers' approach to managing their supply chains, with the impact of Covid-19 and the immediate aftermath of Brexit adding to demand for well-located and high-quality space. We expect these trends to continue as the supply chain moves from 'just in time' to 'just in case'.

The favourable market conditions and active asset management of the portfolio means contracted rents continue to rise, with like-for-like growth of 0.8% achieved through a combination of 40 new lettings and 34 lease renewals in the period. We have also continued to focus on enhancing the quality of the income stream, maintaining its duration from the previous year end. At IPO in September 2017, the average lease length was 5.4 years. At 30 September 2021, this had increased to 5.7 years, with occupiers signing longer leases to protect their businesses, given the lack of available space. The Group's rent collection performance over the last 18 months has also demonstrated that the portfolio's income stream is robust and secure, averaging over 98.5% collected.

The Board continues to work closely and very effectively with our Investment Advisor, Tilstone. It is a credit to Tilstone that the vision of the Company at IPO has been realised in the last four years. Tilstone has sourced further attractive opportunities on our behalf and with very positive effect. Everyone involved with the Company continues to exert the utmost rigour in every aspect of our process. This has been important throughout the lifetime of Warehouse REIT as a public company and it continues to be a key aspect of the way we operate, as we see more capital trying to access our asset class.

Dividends and total accounting return

Our policy is to pay quarterly dividends. For the period under review, we have declared a first interim dividend of 1.55 pence per share, which was paid as a property income distribution in October 2021. The Board has also declared a second interim dividend of 1.55 pence per share, again payable as a property income distribution in December 2021. The total dividend for the period of 3.1 pence per share was fully covered by EPRA earnings. We continue to target a payout of at least 6.2 pence per share for the financial year to March 2022.

Total accounting return for the period was strong, at 15.1%. This was primarily driven by the valuation uplift at the period end, in addition to dividends paid in the period.

Financial performance

The EPRA NTA per share at the period end was 152.4 pence (31 March 2021: 135.1 pence), up 12.8%. The growth reflects the strong valuation uplift, with a like-for-like valuation increase of 9.4% in the six months. ERV growth contributed 22.7% to the overall like-for-like valuation movement, with the remainder driven by yield compression referred to above, benefits of asset management and capital expenditure.

At the period end, the Group had net debt of £238.0 million (31 March 2021: £194.8 million), reflecting the acquisitions in the period and, net of revaluation uplifts, the LTV ratio was 26.2% (31 March 2021: 24.6%).

Sustainability

ESG matters are increasingly integrated into the way the business operates. As previously reported, we have created a Sustainability Committee, chaired by my colleague Aimée Pitman, and we will report regularly on the Committee's activities and priorities as it evolves. We made further progress against our ESG strategy, as detailed in the Investment Advisor's report. I have referred previously to the strategic importance of having close relationships with our occupiers, and we are fully engaged with a number of them around their ESG requirements and how we work with them to fulfil our own imperatives around ESG. Our ESG policy and our Modern Slavery Statement are published on our website.

Governance

The Board has continued to function very effectively as a governing group. We held our annual strategy day in September, which continues to be an important aspect of both our governance and our oversight. The session was attended by all the Board members and a number of Tilstone staff. We deliberately focus the agenda for the day on a small number of issues that we regard as key to both the effective running of the Company and the generation of shareholder returns. This year, we also had a leading independent market analyst presenting to us about the industrial sector generally and some of the trends we are currently seeing.

Without doubt, the market drivers I outlined earlier have increased the desire of some investors to access expertly assembled portfolios of existing assets in the industrial sector. We have also devoted increasing time in the boardroom to how we maximise the value of the strategic land holdings that we have assembled over the years. I have referred to these as 'lazy acres' in my previous communications. As the market for existing assets rerates, we believe that time spent assessing how we apply Tilstone's asset management expertise to these situations could be very beneficial. An example is Radway Green, Crewe, which is discussed in the Investment Advisor's report.

Outlook

As a Board, we have complete confidence in the strategy that we have been pursuing and the returns that our shareholders will receive. The assets are rerating and we continue to extend both the quality and longevity of the income stream from the portfolio. We have various important asset management initiatives in train that we will report on in due course but we are without doubt in an extremely exciting phase of our development as a public company.

Neil Kirton
Chairman

9 November 2021

INVESTMENT ADVISOR'S REPORT

"

THIS WAS ANOTHER GOOD PERIOD FOR THE GROUP. WE CONTINUED TO ADD ATTRACTIVE ASSETS TO THE PORTFOLIO.

TILSTONE PARTNERS LIMITED
Investment Advisor

Market overview

Conditions in the occupational market remain highly favourable for asset owners. The ongoing growth in e-commerce continues to be an important driver of demand for warehouse space. At the same time, many companies are looking to reinforce their supply chains. Having seen their supply chains disrupted by Covid-19, as well as increased border friction post-Brexit, these businesses are reshoring their supply and holding stock closer to where it will be needed, moving away from 'just in time' to 'just in case'.

So far in 2021, take-up of space has been running at record levels, with take-up in the first half of 2021 at 82% above the long-term average. Availability of larger units has fallen sharply, with big box availability falling by 31% between the first and second quarter of this year. This has prompted a shift towards taking space in smaller units in prime and good secondary multi-let estates to fill urgent requirements, particularly among online retailers and third-party logistics companies.

There is currently around 16.7 million sq ft of space being constructed speculatively across the UK. However, a large proportion of this space is subsequently under offer during the construction phase, reflecting the strong market demand. Supply of new space may also be constrained by rising build costs and shortages of materials and contractors, which may see speculative developments being pushed back.

As a result of strong demand and limited supply, vacancy rates across the market continue to decline. Vacancy rates are at record lows in some regions, such as the East Midlands (3.0%), the North West (3.4%) and Yorkshire and the North East (2.9%). In London and the South East, vacancy stands at 4.0%.

Not surprisingly, the imbalance of demand and supply is leading to rising rents. Average rental growth in 2021 is expected to be 2.5% to 3.0%, with growth of around 5.0% in London and the South East. Forecast rental growth is approximately 2.7% per annum for the next five years (source: Savills/RealFor). Given record low vacancy rates and rising build costs, there is a clear case for rental growth exceeding these forecasts.

These market conditions make industrial and logistics assets highly attractive to investors, particularly at a time when office and retail asset sectors are experiencing Covid-19-related uncertainty. Investment volumes into logistics real estate in H1 were nearly 2.5 times the same period last year, with both foreign and domestic capital looking to deploy and several new entrants joining the market. The weight of capital chasing a finite amount of stock has pushed yields down to the point where deals are now completing in the 2.0% to 3.0% range, which has never previously been seen in the logistics market.

We believe the asset class will continue to remain attractive in the post-Covid-19 and post-Brexit era. According to estimates from Forrester, an additional 63.9 million sq ft of warehouse space is required across the UK by 2025, just to meet the demands of the online retail sector. As many other types of business also require industrial space, strong occupier demand is set to continue in the coming years.

Acquisitions

In the first half, the Group acquired a total of more than 130,000 sq ft of space on Dales Manor Business Park, through three separate transactions. The estate is in a highly attractive location close to Cambridge, where occupancy rates and prime rents are at record highs. The acquisitions increase the Group's exposure to the key Oxford/Cambridge arc.

In total, the Group acquired 26 units on the estate and also bought an adjacent development site, which already has planning permission for an additional 14-unit multi-let scheme, totalling 73,000 sq ft. We intend to undertake a phased development of this site, against partial pre-lets. The aggregate purchase price was £29.3 million including the development land, and the blended net initial yield for the standing assets was 4.5%. In addition to the land, the acquisition offers scope for value creation through letting vacant space in the units acquired and through securing rental growth.

The Group also completed two transactions that increased its holding at Midpoint-18, Middlewich, by a further 38,300 sq ft. The total cost was £4.0 million, at a net initial yield of 5.2%. The Group's overall holding now extends beyond 600,000 sq ft in this strategically important North West location, which is just two miles from the M6 motorway.

Increasing the Group's holdings in existing locations offers additional scope to add value, since we have detailed knowledge of occupiers' need for space and the rents being paid. Adding to holdings can also create marriage value through, for example, the ability to extend existing buildings.

In addition to the acquisition of standing assets, during the period the Group exchanged contracts to acquire a further 16 acres of land immediately adjoining the north and eastern boundary of its existing Radway Green multi-let estate in Crewe, bringing the total landholding acquired to 101 acres. Earlier this year, the Group announced that it had secured planning consent, submitted in collaboration with the adjoining landowner, for a combined 803,000 sq ft across six new high-bay warehouse units, ranging from 22,000 sq ft to 340,000 sq ft. This acquisition provides the Group with control over the whole site required to implement the proposed scheme, which it will pursue on the back of occupier requirements.

Pipeline

We continually review the pipeline of opportunities for the Group, which reflects our ability to source stock off-market. Our continued focus on capital discipline means that we will only make purchases that are accretive for shareholders.

Asset management

Working with occupiers

Multi-let estates make up around two-thirds of the Group's portfolio, which means the Group benefits from a large and diverse mix of occupiers, spread across different industries and business sizes. This helps to mitigate financial and leasing risk and avoids reliance on any one occupier. The Group's largest occupier is Amazon, which makes up 8.4% of the contracted rent roll, with the top ten occupiers accounting for 30.7%.

We continue to carry out assessments on all occupiers, so we can assess the spread of credit risk across the portfolio. This enables us to strategically target specific occupiers or units from an asset management perspective.

The strength of the Group's occupiers is reflected in the continued strong rent collection performance. As at 4 November 2021, we had collected 92.1% of the rent due in respect of the period and we expect this will continue to increase as we work with occupiers to collect the outstanding amounts.

Disposals

The Group did not dispose of any assets in the period. We continually review the portfolio to identify opportunities to increase efficiency and dispose of any assets that are considered ex-growth or non-core.

Capital expenditure

Carefully targeted capital expenditure is key to enhancing the quality of the Group's assets. It enables us to attract occupiers, increase rental levels and capital values, and support occupiers' growth plans. The Group therefore aims to invest around 0.75% of its gross asset value ("GAV") in capital expenditure each year. This excludes investment in development projects and is therefore based on GAV excluding developments.

Total capital expenditure in the period was £3.3 million, equivalent to 0.4% of GAV. At the period end, approximately 2.5% of the portfolio's ERV was under refurbishment (31 March 2021: 1.5%).

INVESTMENT ADVISOR'S REPORT CONTINUED

We made further progress with extracting value from the portfolio through asset management and strategic development initiatives, and delivered a solid financial performance.

Asset management continued

Leasing activity

We have continued to successfully let vacant space and renew leases, reflecting the quality of the Group's assets and strong occupier demand for space. The Group has maintained its record of leasing outperformance, with new lettings consistently achieving rents ahead of ERV and lease renewals also driving strong growth over previous contracted rents.

Lease lengths also continue to increase, with the average length for new leases and renewals in the period being 7.2 years. This reflects both the Group's occupiers' confidence in their businesses and the shortage of available space in key locations.

New leases

The Group secured 40 new leases on 0.3 million sq ft of space during the period. These will generate annual rent of £1.7 million, achieved at 0.8% below the ERV. The results are skewed by the letting of an un-furbished unit in Harlow (March 2021 ERV assumed refurbishment). The unit was let immediately upon vacation of the previous tenant and has saved the Group significant void costs, refurbishment capital and contributed to the asset's 16.4% valuation uplift for the period-ended 30 September 2021. Excluding the impact of this letting, the Group secured new lettings 5.5% above the ERV. The level of incentives remains steady.

New lettings in the period included:

- 12,200 sq ft at Midpoint-18, Middlewich to an international manufacturing business for a new 15-year term at a rent in excess of £7.0 per sq ft, as well as simultaneously acquiring the freehold of its adjoining premises with the occupier taking a lease back on similar terms; and
- 22,700 sq ft of vacant space at Groundwell Industrial Estate, Swindon to an existing occupier specialising in print and digital marketing for ten years for £117,400 at 8.9% above ERV, combined with a five-year lease extension over two units at an average of 26.8% ahead of previous rent.

Lease renewals

The Group continues to retain the majority of its occupiers, with 70.6% remaining in occupation at lease expiry and 68.8% with a break arising in the period not exercised.

In total, there were 34 lease renewals on 0.2 million sq ft of space during the year. The renewals resulted in an average uplift of 12.0% above the previous passing rent and 0.7% above the ERV.

Examples of notable lease renewals included:

- a ten-year renewal, with no breaks, at Stone Business Park, Stone. The agreement reflects an 18.6% uplift to previous rent paid, with a headline rent of £260,100 per annum or £6.3 per sq ft; and
- a seven-year renewal, with a break at year three, at Queenslie Industrial Estate, Glasgow to a large international telecommunications company for 13,100 sq ft of space, at an uplift of 30.6%.

Development activity

We look to extract value from unused or underutilised land, either on or adjacent to the Group's estates. In doing so, our aim is to obtain new assets for the portfolio at a yield ahead of acquiring a similar standing investment. The Group will not build new space without first achieving a pre-let on at least some of the proposed space. The Company's investment policy limits investment in development activity to 15% of GAV at the time of purchase. Development also enables the Group to accelerate the ongoing improvement in the sustainability characteristics of the portfolio, for example by building to high energy efficiency standards.

Having exchanged contracts to secure an additional 16 acres at Radway Green, Crewe during the period, the Group has since submitted a planning application for phase two at this site, for approximately 1 million sq ft of new warehouse space on 60 acres of greenfield land. Securing this consent has the potential for a significant material uplift in value with a total site covering 101 acres, with an anticipated completed investment value in the region of £200 million, when combined with phase one, for which planning permission was granted in March 2021.

In addition, we continue to make progress with the Group's development plans at Queenslie Industrial Estate, Glasgow, with interest from high-quality potential occupiers. Securing pre-lets will enable us to start on site. At Nexus, Knowsley, the Group owns two parcels of land with outline consent for roadside use and a 30,000 sq ft warehouse. During the period, the Group signed an agreement for lease for the warehouse building, with an agreement for lease on the roadside site signed after the period end. This enables the Group to submit a detailed planning consent. The transactions will increase the overall WAULT of the estate, improve the quality of income, enhance the estate's ESG credentials through the provision of new and efficient warehouse space, and deliver marriage value.

ESG

We continued to successfully implement the Group's sustainability strategy during the period, with progress against each of the four elements of the strategy. Examples of the Group's initiatives are set out below:

- **Creating a resilient portfolio**. We are working with a partner to evaluate net zero carbon frameworks, with a view to identifying the most appropriate pathway for achieving net zero carbon status in operations, design and construction.
- **Reducing our footprint**. We have progressed the Group's strategy to improve Energy Performance Certificates ("EPCs") across the portfolio and have put in place a dashboard, enabling us to track and report on EPC ratings.
- **Supporting our occupiers**. As part of the Group's ongoing questionnaire programme with occupiers, we are asking if they have a sustainability agenda and, if so, which issues are most important to them. Our aim is to identify occupiers to partner with on initiatives such as energy reduction and renewables. We are also asking occupiers to share data on their energy consumption.
- **Responsible business foundations**. As noted in the Chairman's statement, the REIT has established a Sustainability Committee with Board representation, as well as publishing policies on the Company's website and issuing reports on, for example, the portfolio's EPC analysis.

We were pleased to maintain the REIT's EPRA BPR Gold status for the 2021 Annual Report and to be awarded Gold status and most improved report in the EPRA sBPR awards.

Portfolio analysis

The acquisitions and asset management activity during the period contributed to the portfolio valuation of £907.1 million at the period end (31 March 2021: £792.8 million), across a total of 8.6 million sq ft of space (31 March 2021: 8.5 million sq ft).

The table below analyses the portfolio as at 30 September 2021:

	Valuation £m	Occupancy	Net initial yield	Net reversionary yield	Lease length to expiry (years)	Lease length to break (years)	Average rent £ per sq ft	Average capital value £ per sq ft
Regional distribution	208.8	100.0%	4.0%	4.1%	7.3	7.1	5.2	120.4
Last-mile	132.9	94.1%	4.8%	5.6%	5.8	4.6	5.7	100.7
Multi-let greater than 100k sq ft	269.3	95.2%	5.1%	5.7%	5.1	3.9	5.4	90.2
Multi-let less than 100k sq ft	246.7	91.2%	5.3%	6.2%	5.4	3.7	6.1	97.8
Total	**857.7**	**94.6%**	**4.9%**	**5.5%**	**5.7**	**4.6**	**5.6**	**100.2**
Development land	49.4							
Total	**907.1**							

At the period end, the contracted rent roll for the investment portfolio, which excludes development property and land, was £44.3 million, compared with the ERV of £49.9 million. In addition, the Group had contracted rent of £0.6 million from development property. Total contracted rents increased by 0.8% on a like-for-like basis. The NIY of the investment portfolio was 4.9% at 30 September 2021, with a reversionary yield of 5.5%.

The WAULT for the investment portfolio stood at 5.7 years at 30 September 2021 (31 March 2021: 5.8 years), reflecting the benefit of acquisitions and asset management initiatives offsetting the natural reduction in WAULT over time.

Occupancy across the investment portfolio was 94.6% at the period end (31 March 2021: 95.6%). Effective occupancy, which excludes units under offer to let or undergoing refurbishment, was 97.5% at the period end (31 March 2021: 98.2%), with 0.4% of the investment portfolio under offer to let and a further 2.5% undergoing refurbishment at that date.

INVESTMENT ADVISOR'S REPORT CONTINUED

Financial review

Performance

Rental income was £22.0 million (six months ended 30 September 2020: £15.1 million), with the increase of 46.2% being driven by a full period of acquisitions made during the year ended 31 March 2021, the initial contribution from assets acquired in the period and underlying rental growth. EPRA like-for-like rental income rose by 2.4%.

Total revenue, which includes insurance recharges, dilapidation income and any surrender premiums, was £23.4 million (six months ended 30 September 2020: £15.7 million).

The Group's operating costs include its running costs (primarily the management, audit, company secretarial, other professional and Directors' fees), and property-related costs (including legal expenses, void costs and repairs). Total operating costs for the period were £6.7 million (six months ended 30 September 2020: £5.0 million). The Investment Advisor fee for the period increased by £1.3 million, primarily as a result of the strong net asset growth. The net increase in the expected credit loss allowance was £0.2 million (six months ended 30 September 2020: £0.4 million), reflecting the benefits of the Group's diverse portfolio of occupiers and our close relationships with them.

The total cost ratio, which is the EPRA cost ratio including direct vacancy cost, excluding one off costs, was 27.2% (six months ended 30 September 2020: 29.4%). The ratio reduced as expected, given the ongoing focus on cost control, the revenue growth described above and the fixed or semi-fixed nature of a number of the Group's costs. The ongoing charges ratio, representing the costs of running the REIT as a percentage of NAV, was also lower at 1.3% (six months ended 30 September 2020: 1.5%).

There were no asset disposals in the period and hence no profit or loss on disposal (six months ended 30 September 2020: £0.1 million loss).

At 30 September 2021, the Group recognised a gain of £73.2 million on the revaluation of its investment properties (six months ended 30 September 2020: gain of £32.7 million).

Financing costs include the interest and fees on the Group's revolving credit facility ("RCF") and term loan (see debt financing and hedging). Net financing costs totalled £3.5 million in the period (six months ended 30 September 2020: £3.0 million), with the increase reflecting the higher average debt in the period as a result of the acquisitions completed. The all-in cost of debt remained unchanged at approximately 2.1%.

Statutory profit before tax for the period was £86.4 million (six months ended 30 September 2020: £40.4 million).

As a REIT, the Group's profits and capital gains from its property investment business are exempt from corporation tax. The corporation tax charge for the period was therefore £nil (six months ended 30 September 2020: £nil).

Earnings per share ("EPS") under IFRS was 20.4 pence (six months ended 30 September 2020: 13.2 pence). EPRA EPS was 3.1 pence (six months ended 30 September 2020: 2.6 pence).

Dividends

The Company has declared the following interim dividends in respect of the six months ended 30 September 2021:

- an interim dividend of 1.55 pence per share in relation to the three months to 30 June 2021, which was paid as a property income distribution ("PID") on 1 October 2021; and
- an interim dividend of 1.55 pence per share in relation to the three months to 30 September 2021, which will be paid in full as a PID on 30 December 2021, to shareholders on the register at 3 December 2021. The ex-dividend date will be 2 December 2021.

The total dividend for the period of 3.1 pence per share is in line with the target for the year of at least 6.2 pence per share and was fully covered by EPRA EPS.

The cash cost of the total dividend for the period will be £13.2 million (six months ended 30 September 2020: £11.8 million).

Valuation and net asset value

The portfolio was independently valued by CBRE as at 30 September 2021, in accordance with the internationally accepted RICS Valuation – Global Standards 2020 (incorporating the International Valuation Standards) (the "Red Book"), and the RICS Valuation – Global Standards 2017 – UK national supplement.

The portfolio valuation was £907.1 million (31 March 2021: £792.8 million). This represented a 9.4% like-for-like valuation increase, taking into account the capital expenditure in the period of £3.6 million. The like-for-like valuation increase was primarily driven by yield compression, as well as income growth. The EPRA NIY was 4.0% (31 March 2021: 4.7%).

The valuation resulted in an EPRA NTA of 152.4 pence per share at the period end (31 March 2021: 135.1 pence per share). This primarily reflects the revaluation gain noted above, equivalent to 17.3 pence per share.

Debt financing and hedging

The Group has a debt facility with a club of four banks: HSBC, Bank of Ireland, Royal Bank of Canada and Barclays. The facility runs for five years from January 2020. At the start of the reporting period, the facility comprised an RCF of £63.0 million, a term loan of £182.0 million, and a remaining accordion of £55.0 million, giving a total of £300.0 million. The Group's facilities transitioned from LIBOR to SONIA from July 2021.

During the period, we drew an additional £20.0 million of the accordion to extend the RCF during the period to £83.0 million of which £81.0 million was drawn down at the period end. At 30 September 2021, £2.0 million of the RCF remained available to be drawn, with an additional £35.0 million available to be drawn via the accordion.

As at 30 September 2021, £81.0 million was drawn against the RCF and £182.0 million against the term loan. This gave total debt of £263.0 million (31 March 2021: £222.0 million), with the Group also holding cash balances of £25.0 million (31 March 2021: £27.2 million). The LTV ratio at 30 September 2021 was therefore 26.2% (31 March 2021: 24.6%), with the increase reflecting the acquisitions in the period, partially offset by the period-end valuation increase.

The Group has two interest rate caps of £30.0 million each. They run until November 2022 and November 2023 and have respective rates of 1.50% and 1.75%, excluding lending margin. At the period end, the Group had therefore hedged the interest costs on 22.8% of its debt. There were no changes to the Group's interest rate hedging arrangements during the period.

As the portfolio grows, we continue to explore opportunities to diversify the Group's sources of debt funding, extend the average maturity of its debt and further reduce the average cost of debt.

Post period end activity

- The Group submitted a planning application for phase two at Radway Green, Crewe for approximately 1 million sq ft of new warehouse space on 60 acres of greenfield land. Securing this consent has the potential for a significant material uplift in value with an anticipated completed investment value in the region of £200 million, when combined with phase one, for which planning permission was granted in March 2021.

Risk management

The principal risks facing the Group are documented on pages 64 to 69 of the Annual Report for the year ended 31 March 2021. The Board has conducted a review of the principal risks and confirms that there were no material changes to the risks the Group faces during the period, other than:

- Impact of Covid-19 – the Group's performance and activities were not significantly impacted during the main lockdowns in 2020 and 2021, and therefore the Board considers that it is appropriate to reduce its assessment of the residual risk.

Going concern

In preparing the financial statements, we and the Board are required to assess whether the Group remains a going concern. During the period, the Group generated revenues of £23.4 million and operating profits of £16.7 million, showing that rents would have to fall by approximately 73.8% before the business became loss-making. This is considered highly unlikely, given the strong occupational demand for warehouse assets, our strong relationships with the broad range of occupiers across the portfolio, the high level of rent collection and the fact that the portfolio ERV exceeds the period-end contracted rent roll by 12.7%. At the same time, the Group has a strong balance sheet, with substantial headroom within its facilities and cash at the period end of £62.0 million, as noted above. We and the Board have also carefully reviewed the risk landscape, as discussed in the Chairman's statement, and do not believe that the risks facing the Group have materially increased. As a result, we are confident that the Group remains a going concern.

Investment Manager

The Company is an alternative investment fund for the purposes of the Alternative Investment Fund Managers Directive ("AIFMD") and, as such, is required to have an Investment Manager who is duly authorised to undertake that role. G10 Capital Limited ("G10") is the Company's AIFM and Investment Manager, with Tilstone providing advisory services to both G10 and the Company.

Tilstone Partners Limited

Investment Advisor

9 November 2021

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

Continuing operations	Notes	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
Revenue	3	**23,433**	15,732
Property operating expenses	4	**(2,800)**	(2,245)
Gross profit		**20,633**	13,487
Administration expenses	4	**(3,921)**	(2,723)
Operating profit before gains on investment properties		**16,712**	10,764
Loss on disposal of investment properties	11	**—**	(48)
Fair value gain on revaluation of investment properties	11	**73,224**	32,660
Operating profit		**89,936**	43,376
Finance income	5	**16**	24
Finance expenses	6	**(3,506)**	(3,012)
Profit before tax		**86,446**	40,388
Taxation	7	**—**	—
Total comprehensive income for the period		**86,446**	40,388
EPS (basic and diluted) (pence)	10	**20.4**	13.2

The accompanying notes form an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 SEPTEMBER 2021

	Notes	30 September 2021 £'000	31 March 2021 £'000
Assets			
Non-current assets			
Investment property	11	**921,297**	807,063
Interest rate derivatives	14	**31**	16
		921,328	807,079
Current assets			
Cash and cash equivalents	12	**24,998**	27,185
Trade and other receivables	13	**9,419**	5,977
		34,417	33,162
Total assets		**955,745**	840,241
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	15	**(260,175)**	(219,099)
Other payables and accrued expenses	17	**(16,550)**	(17,050)
Head lease liability	16	**(14,168)**	(14,259)
		(290,893)	(250,408)
Current liabilities			
Other payables and accrued expenses	17	**(9,141)**	(7,573)
Deferred income	17	**(7,616)**	(7,531)
Head lease liability	16	**(729)**	(638)
		(17,486)	(15,742)
Total liabilities		**(308,379)**	(266,150)
Net assets		**647,366**	574,091
Equity			
Share capital	19	**4,249**	4,249
Share premium		**275,648**	275,648
Capital reduction reserve		**161,149**	161,149
Retained earnings		**206,320**	133,045
Total equity		**647,366**	574,091
Number of shares in issue (thousands)		**424,862**	424,862
NAV per share (pence)	20	**152.4**	135.1

The accompanying notes form an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Capital reduction reserve £'000	Total £'000
Balance at 1 April 2021		**4,249**	**275,648**	**133,045**	**161,149**	**574,091**
Total comprehensive income		**—**	**—**	**86,446**	**—**	**86,446**
Ordinary shares issued	19	**—**	**—**	**—**	**—**	**—**
Share issue costs		**—**	**—**	**—**	**—**	**—**
Dividends paid	9	**—**	**—**	**(13,171)**	**—**	**(13,171)**
Balance at 30 September 2021		**4,249**	**275,648**	**206,320**	**161,149**	**647,366**

	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Capital reduction reserve £'000	Total £'000
Balance at 1 April 2020		2,403	74,028	25,539	161,149	263,119
Total comprehensive income		—	—	40,388	—	40,388
Ordinary shares issued		1,390	151,609	—	—	152,999
Share issue costs		—	(3,652)	—	—	(3,652)
Dividends paid	9	—	—	(3,844)	—	(3,844)
Balance at 30 September 2020		3,793	221,985	62,083	161,149	449,010

The accompanying notes form an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	Notes	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
Cash flows from operating activities			
Operating profit		**89,936**	43,376
Adjustments to reconcile profit for the period to net cash flows:			
Gains from change in fair value of investment properties	11	**(73,224)**	(32,660)
Realised loss on disposal of investment properties		**—**	48
Head lease asset depreciation	4	**91**	57
Operating cash flows before movements in working capital		**16,803**	10,821
Increase in other receivables and prepayments		**(5,216)**	(7,030)
(Decrease)/increase in other payables and accrued expenses		**(231)**	2,806
Net cash flows generated from operating activities		**11,356**	6,597
Cash flows from investing activities			
Acquisition of investment properties		**(34,697)**	(93,267)
Capital expenditure		**(3,332)**	(1,040)
Disposal of investment properties		**—**	12,067
Net cash used in investing activities		**(38,029)**	(82,240)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**—**	152,999
Share issuance costs paid		**—**	(3,652)
Bank loans drawn down	15	**41,000**	8,300
Bank loans repaid	15	**—**	(37,800)
Interest received	5	**1**	24
Loan interest and other finance expenses paid		**(2,802)**	(2,543)
Head lease payments		**(542)**	(329)
Dividends paid in the period		**(13,171)**	(3,844)
Net cash flows generated from financing activities		**24,486**	113,155
Net increase in cash and cash equivalents		**(2,187)**	37,512
Cash and cash equivalents at start of the period		**27,185**	5,483
Cash and cash equivalents at end of the period	12	**24,998**	42,995

The accompanying notes form an integral part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

1. General information

Warehouse REIT plc (the "Company") is a closed-ended Real Estate Investment Trust ("REIT") incorporated in England and Wales on 24 July 2017. The Company began trading on 20 September 2017. The registered office of the Company is Beaufort House, 51 New North Road, Exeter EX4 4EP. The Company is admitted to trading on AIM, a market operated by the London Stock Exchange.

2. Basis of preparation

These interim condensed consolidated unaudited financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and International Financial Reporting Standards ("IFRS") and interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the United Kingdom.

These interim condensed consolidated unaudited financial statements should be read in conjunction with the Company's last financial statements for the year ended 31 March 2021. These interim condensed consolidated unaudited financial statements do not include all of the information required for a complete set of annual financial statements prepared in accordance with IFRS as adopted by the UK; however, they have been prepared using the accounting policies adopted in the audited financial statements for the year ended 31 March 2021 and selected explanatory notes have been included to explain events and transactions that are significant in understanding changes in the Company's financial position and performance since the last financial statements.

The financial statements have been prepared under the historical cost convention, except for investment property and interest rate derivatives, which have been measured at fair value. The interim financial statements are presented in Pound Sterling and all values are rounded to the nearest thousand pounds (£'000), except when otherwise indicated.

The financial information contained within these interim results does not constitute full statutory accounts as defined in section 434 of the Companies Act 2006. The financial statements for the six months ended 30 September 2021 have not been either audited or reviewed by the Company's Auditor. The information for the year ended 31 March 2021 has been extracted from the latest published Annual Report and Financial Statements, which has been filed with the Registrar of Companies. The Auditor reported on those accounts; its report was unqualified and did not contain a statement under sections 498(2) or (3) of the Companies Act 2006.

The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group has the resources to continue in business for the foreseeable future, for a period of not less than 12 months from the date of this report. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

2.1 Changes to accounting standards and interpretations

There was one new standard and amendment to existing standards which is required for the Group's accounting period beginning on 1 April 2021, which has been considered and applied.

The following has been considered, but had no impact on the Group for the reporting period:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39 and IFRS 7).

There are other 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 condensed consolidated financial statements of the Group.

2.2 Significant accounting judgements and estimates

The preparation of these financial statements in accordance with IAS 34 requires the Directors of the Company to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of an asset or liability in the future.

Judgements

In the course of preparing the financial statements, no judgements have been made in the process of applying the Group's accounting policies, other than those involving estimations, that have had a significant effect on the amounts recognised in the financial statements.

Estimates

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

Valuation of property

The valuations of the Group's investment property are at fair value as determined by the external valuer on the basis of market value in accordance with the internationally accepted RICS Valuation – Global Standards 2020 (incorporating the International Valuation Standards), and the RICS Valuation – Global Standards 2017 – UK national supplement and in accordance with IFRS 13. See notes 11 and 21 for further details.

The key estimates made by the valuer are the ERV and equivalent yields of each investment property.

2.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are consistent with those applied within the Company's Annual Report and Financial Statements for the year ended 31 March 2021.

Basis of consolidation

The Company does not meet the definition of an investment entity and therefore does not qualify for the consolidation exemption under IFRS 10. The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 September 2021. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtained control, and will continue to be consolidated until the date that such control ceases. An investor controls an investee when the investor 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. In preparing these financial statements, intra-group balances, transactions and unrealised gains or losses have been eliminated in full. All subsidiaries have the same year end as the Company. Uniform accounting policies are adopted in the financial statements for like transactions and events in similar circumstances.

Functional and presentation currency

The objective of the Group is to generate returns in Pound Sterling and the Group's performance is evaluated in Pound Sterling. Therefore, the Directors consider Pound Sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have therefore adopted it as the functional and presentation currency.

Segmental reporting

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

3. Revenue

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
Rental income	**22,044**	15,054
Insurance recharged	**792**	531
Dilapidation income	**597**	147
Total	**23,433**	15,732

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) CONTINUED

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

4. Property operating and administration expenses

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
Premises expenses	**1,283**	1,193
Insurance	**853**	482
Rates	**363**	121
Utilities	**60**	62
Loss allowance on trade receivables	**241**	387
Property operating expenses	**2,800**	2,245
Investment Advisor's fees	**3,085**	1,835
Directors' remuneration	**84**	81
Head lease asset depreciation	**91**	57
Other administration expenses	**661**	750
Administration expenses	**3,921**	2,723
Total	**6,721**	4,968

5. Finance income

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
Income from cash and short-term deposits	**1**	24
Change in fair value of interest rate derivatives	**15**	—
Total	**16**	24

6. Finance expenses

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
Loan interest	**2,555**	2,345
Head lease interest	**515**	303
Loan arrangement fees amortised	**414**	352
Bank charges	**22**	—
	3,506	3,000
Change in fair value of interest rate derivatives	**—**	12
Total	**3,506**	3,012

7. Taxation

Corporation tax has arisen as follows:

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
Corporation tax on residual income for current period	—	—
Total	**—**	—

Reconciliation of tax charge to profit before tax:

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
Profit before tax	**86,446**	40,388
Corporation tax at 19.0% (2020: 19.0%)	**16,425**	7,674
Change in value of investment properties	**(13,913)**	(6,197)
Tax-exempt property rental business	**(2,512)**	(1,477)
Total	**—**	—

8. Operating leases

Operating lease commitments – as lessor

The Group has entered into commercial property leases on its investment property portfolio. These non-cancellable leases have a remaining term of up to 22 years.

Future minimum rentals receivable under non-cancellable operating leases as at 30 September 2021 are as follows:

	30 September 2021 £'000	31 March 2021 £'000
Within one year	**41,326**	40,530
Between one and five years	**102,127**	102,912
More than five years	**61,420**	62,818
Total	**204,873**	206,260

9. Dividends

Six months ended 30 September 2021	Pence per share	£'000
Third interim dividend for year ended 31 March 2021 paid on 1 April 2021	**1.55**	**6,585**
Fourth interim dividend for year ended 31 March 2021 paid on 30 June 2021	**1.55**	**6,586**
Total dividends paid during the period	**3.10**	**13,171**
Paid as:		
Property income distributions	**3.10**	**13,171**
Ordinary dividends	**—**	**—**
Total	**3.10**	**13,171**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) CONTINUED

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

9. Dividends continued

Six months ended 30 September 2020	Pence per share	£'000
Fourth interim dividend for year ended 31 March 2020 paid on 3 July 2020	1.60	3,844
Total dividends paid during the period	1.60	3,844
Paid as:		
Property income distributions	1.60	3,844
Ordinary dividends	—	—
Total	1.60	3,844

As a REIT, the Company is required to pay PIDs equal to at least 90% of the property rental business profits of the Group.

The Company declared a first interim dividend for the year ending 31 March 2022 of 1.55 pence per share on 3 August 2021 which was paid on 1 October 2021. The dividend was paid in full as a property income distribution.

10. Earnings per share

Basic EPS is calculated by dividing profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares during the period. As there are no dilutive instruments in issue, basic and diluted EPS are identical.

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
IFRS earnings	**86,446**	40,388
EPRA earnings adjustments:		
Loss on disposal of investment properties	**—**	48
Fair value gains on investment properties	**(73,224)**	(32,660)
Changes in fair value of interest rate derivatives	**(15)**	12
EPRA earnings	**13,207**	7,788
Adjusted earnings	**13,207**	7,788

	Six months ended 30 September 2021 Pence	Six months ended 30 September 2020 Pence
Basic IFRS EPS	**20.4**	13.2
Diluted IFRS EPS	**20.4**	13.2
EPRA EPS	**3.1**	2.6
Adjusted EPS	**3.1**	2.6

	30 September 2021 Number of shares	30 September 2020 Number of shares
Weighted average number of shares in issue (thousands)	**424,862**	304,859

11. UK investment property

	Completed investment property £'000	Development property and land £'000	Total investment property £'000
Investment property valuation brought forward as at 1 April 2021	**751,930**	**40,870**	**792,800**
Acquisition of properties	**29,953**	**5,000**	**34,953**
Capital expenditure	**3,276**	**293**	**3,569**
Movement in rent incentives	**2,579**	**—**	**2,579**
Fair value gains on revaluation of investment property	**70,037**	**3,187**	**73,224**
Total portfolio valuation per valuer's report	**857,775**	**49,350**	**907,125**
Adjustment for head lease obligations	**14,172**	**—**	**14,172**
Carrying value at 30 September 2021	**871,947**	**49,350**	**921,297**

	Completed investment property £'000	Development property and land £'000	Total investment property £'000
Investment property valuation brought forward as at 1 April 2020	433,550	16,970	450,520
Acquisition of properties	229,272	17,293	246,565
Capital expenditure	1,938	625	2,563
Disposal of properties	(16,455)	—	(16,455)
Rent incentives	4,584	—	4,584
Fair value gains on revaluation of investment property	99,041	5,982	105,023
Total portfolio valuation per valuer's report	751,930	40,870	792,800
Adjustment for head lease obligations	14,263	—	14,263
Carrying value at 31 March 2021	766,193	40,870	807,063

Realised loss on disposal of investment property

	30 September 2021 £'000	31 March 2021 £'000
Net proceeds from disposals of investment property during the period	**—**	15,951
Carrying value of disposals	**—**	(16,455)
Realised loss on disposal of investment property	**—**	(504)

12. Cash and cash equivalents

	30 September 2021 £'000	31 March 2021 £'000
Unrestricted cash and cash equivalents	**19,080**	21,260
Restricted cash and cash equivalents	**5,918**	5,925
Total	**24,998**	27,185

Restricted cash comprises £5,918,000 (31 March 2021: £5,925,000) of cash held by the Registrar in advance of the payment of the third interim dividend.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) CONTINUED

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

13. Trade and other receivables

	30 September 2021 £'000	31 March 2021 £'000
Rent and insurance receivables	**5,799**	4,193
Tenant deposits	**535**	593
Prepayments	**909**	193
Other receivables	**2,176**	998
Total	**9,419**	5,977

14. Interest rate derivatives

	30 September 2021 £'000	31 March 2021 £'000
At the start of the period	**16**	22
Changes in fair value of interest rate derivatives	**15**	(6)
Balance at the end of the period	**31**	16

15. Interest-bearing loans and borrowings

	30 September 2021 £'000	31 March 2021 £'000
At the beginning of the period	**222,000**	186,500
Drawn in the period	**41,000**	73,300
Repaid in the period	**—**	(37,800)
Interest-bearing loans and borrowings	**263,000**	222,000
Unamortised fees at the beginning of the period	**(2,901)**	(3,310)
Loan arrangement fees paid in the period	**(338)**	(363)
Amortisation charge for the period	**414**	772
Unamortised loan arrangement fees	**(2,825)**	(2,901)
Loan balance less unamortised loan arrangement fees	**260,175**	219,099

As at 30 September 2021, £2.0 million of the RCF remained available to be drawn, with an additional £35.0 million available to be drawn via an accordion facility. The term loan was fully drawn. Credit facilities are secured on all properties within the portfolio and expire on 22 January 2025.

The debt facilities include loan to value and interest cover covenants that are measured at Group level. The Group has maintained significant headroom against all measures throughout the financial period and is in full compliance with all loan covenants at 30 September 2021.

16. Head lease obligations

The following table analyses the minimum lease payments under non-cancellable finance leases using an average discount rate of 6.91%:

	30 September 2021 £'000	31 March 2021 £'000
Current liabilities		
Within one year	**729**	638
Non-current liabilities		
After one year but not more than five years	**3,343**	3,268
Later than five years	**10,825**	10,991
Non-current head lease obligations	**14,168**	14,259
Total	**14,897**	14,897

17. Other liabilities – other payables and accrued expenses and deferred income

	30 September 2021 £'000	31 March 2021 £'000
Property operating expenses payable	**1,042**	1,580
Administration expenses payable	**2,571**	1,979
Loan interest payable	**1,030**	915
Capital expenses payable	**4,132**	2,363
Other expenses payable	**366**	736
Other payables and accrued expenses – current	**9,141**	7,573

	30 September 2021 £'000	31 March 2021 £'000
Capital expenses payable	**16,550**	17,050
Other payables and accrued expenses – non-current	**16,550**	17,050

	30 September 2021 £'000	31 March 2021 £'000
Deferred income	**7,616**	7,531
Deferred income	**7,616**	7,531

During the year ended 31 March 2021, the Group exchanged contracts to acquire land for £15.1 million; during that period, £1.5 million was paid to the vendor. On 1 September 2021, the third instalment of £1.0 million was made. The remaining £12.6 million will be paid over four instalments on fixed dates, with the final payment due on 1 September 2024.

Non-current capital expenses payable includes net deferred consideration of up to £4.5 million in relation to a property acquired during the year ended 31 March 2020. The deferred consideration is due in September 2023, or earlier if the property is sold before that date. The consideration is secured on a second ranking charge over the asset.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) CONTINUED

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

18. Capital commitments

At 30 September 2021, the Group had contracted capital expenditure of £1.8 million (2020: £nil). At the balance sheet date, the Group had conditionally exchanged contracts to acquire development land for £7.5 million (2020: £nil).

19. Share capital

Share capital is the nominal amount of the Company's ordinary shares in issue.

Ordinary shares of £0.01 each	30 September 2021 Number	30 September 2021 £'000	31 March 2021 Number	31 March 2021 £'000
Authorised, issued and fully paid:				
At the start of the period	**424,861,650**	**4,249**	240,254,043	2,403
Shares issued	**—**	**—**	177,025,308	1,770
In specie share issue	**—**	**—**	7,582,299	76
Balance at the end of the period	**424,861,650**	**4,249**	424,861,650	4,249

The share capital comprises one class of ordinary shares. At general meetings of the Company, ordinary shareholders are entitled to one vote on a show of hands and, on a poll, to one vote for every share held. There are no restrictions on the size of a shareholding or the transfer of shares, except for the UK REIT restrictions.

20. Net asset value per share

Basic NAV per share is calculated by dividing net assets attributable to ordinary equity holders of the Company in the statement of financial position by the number of ordinary shares outstanding at the end of the period. As there are no dilutive instruments in issue, basic and diluted NAV per share are identical.

	30 September 2021 £'000	31 March 2021 £'000
IFRS net assets attributable to ordinary shareholders	**647,366**	574,091
IFRS net assets for calculation of NAV	**647,366**	574,091
Adjustment to net assets:		
Fair value of interest rate derivatives (see note 14)	**(31)**	(16)
EPRA NTA	**647,335**	574,075

	30 September 2021 £'000	31 March 2021 £'000
IFRS basic and diluted NAV per share (pence)	**152.4**	135.1
EPRA NTA per share (pence)	**152.4**	135.1

	30 September 2021 Number of shares	31 March 2021 Number of shares
Number of shares in issue (thousands)	**424,862**	424,862

21. Fair value

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values.

The fair value of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

Interest-bearing loans and borrowings are disclosed at amortised cost. The carrying value of the loans and borrowings approximate their fair value due to the contractual terms and conditions of the loan. The loans are at a variable interest rates of between 2.0%-2.2% above SONIA.

Six-monthly valuations of the investment properties are performed by CBRE, an accredited external valuer with recognised and relevant professional qualifications and recent experience of the location and category of the investment property being valued. The valuations are the ultimate responsibility of the Directors, however, who appraise these every six months.

The valuation of the Group's investment property at fair value is determined by the external valuer on the basis of market value in accordance with the internationally accepted RICS Valuation – Global Standards 2020 (incorporating the International Valuation Standards), and the RICS Valuation – Global Standards 2017 – UK national supplement.

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams), the capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property and discount rates applicable to those assets.

The following tables show an analysis of the fair values of investment properties recognised in the statement of financial position by level of the fair value hierarchy[1]:

	30 September 2021			
Assets and liabilities measured at fair value	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investment properties	**—**	**—**	**907,125**	**907,125**
Interest rate derivatives	**—**	**31**	**—**	**31**
Total	**—**	**31**	**907,125**	**907,156**

	31 March 2021			
Assets and liabilities measured at fair value	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment properties	—	—	792,800	792,800
Interest rate derivatives	—	16	—	16
Total	—	16	792,800	792,816

1. Explanation of the fair value hierarchy:
   - Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
   - Level 2 – use of a model with inputs (other than quoted prices included in Level 1) that are directly or indirectly observable market data; and
   - Level 3 – use of a model with inputs that are not based on observable market data.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) CONTINUED

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

21. Fair value continued

Sensitivity analysis to significant changes in unobservable inputs within the valuation of investment properties

The following table analyses:

- the fair value measurements at the end of the reporting period;
- a description of the valuation techniques applied;
- the inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building; and
- for Level 3 fair value measurements, quantitative information about significant unobservable inputs used in the fair value measurement.

30 September 2021	Fair value £'000	Valuation technique	Key unobservable inputs	Range
Completed investment property	**£857,775**	**Income capitalisation**	**ERV**	**£43,820 – £2,505,460 per annum**
			Equivalent yield	**3.2% – 14.1%**
Development property and land	**£49,350**	**Comparable method/ residual method**	**Various**	
	£907,125			

31 March 2021	Fair value £'000	Valuation technique	Key unobservable inputs	Range
Completed investment property	£751,930	Income capitalisation	ERV	£42,300 – £1,533,937 per annum
			Equivalent yield	4.1% – 15.0%
Development property and land	£40,870	Comparable method/ residual method	Various	
	£792,800			

Significant increases/decreases in the ERV (per sq ft per annum) and rental growth per annum in isolation would result in a significantly higher/lower fair value measurement. Significant increases/decreases in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly higher/lower fair value measurement.

Generally, a change in the assumption made for the ERV (per sq ft per annum) is accompanied by:

- a similar change in the rent growth per annum and discount rate (and exit yield); and
- an opposite change in the long-term vacancy rate.

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within Level 3 of the fair value hierarchy amount to £73,224,000 (six months to 30 September 2020: £32,660,000) and are presented in the condensed consolidated statement of comprehensive income in line item 'fair value gains on investment properties'.

All gains and losses recorded in profit or loss for recurring fair value measurements categorised within Level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

The carrying amount of the Group's assets and liabilities is considered to be the same as their fair value.

22. Related party transactions

Directors

The Directors (all Non-Executive Directors) of the Company and its subsidiaries are considered to be the key management personnel of the Group. Directors' remuneration for the period totalled £83,671 (six months to 30 September 2020: £80,499) and at 30 September 2021, a balance of £nil (31 March 2021: £nil) was outstanding.

Investment Advisor

The Company is party to an Investment Management Agreement with the Investment Manager, pursuant to which the Investment Manager has appointed the Investment Advisor to provide investment advisory services relating to the respective assets on a day-to-day basis in accordance with their respective investment objectives and policies, subject to the overall supervision and direction by the Investment Manager and the Board of Directors.

For its services to the Group, the Investment Advisor receives an annual fee at the rate of 1.1% of the NAV of the Group up to £500 million, then at a lower rate of 0.9% of the Group NAV once the Group NAV exceeds £500 million.

During the period, the Group incurred £3,084,684 (30 September 2020: £1,835,497) in respect of the Investment Advisor's fees. £1,548,705 (31 March 2021: £1,319,000) was outstanding as at the period end date.

Subsidiaries

As at 30 September 2021, the Company owned a 100% controlling stake in Tilstone Holdings Limited, Tilstone Warehouse Holdco Limited, Tilstone Industrial Warehouse Limited, Tilstone Retail Warehouse Limited, Tilstone Industrial Limited, Tilstone Retail Limited, Tilstone Trade Limited, Tilstone Basingstoke Limited, Tilstone Glasgow Limited, Tilstone Radway Limited, CHIP (One) Limited, CHIP (Four) Limited, CHIP (Five) Limited, CHIP (Ipswich) One Limited, CHIP (Ipswich) Two Limited, Tilstone Chesterfield Limited, Tilstone Liverpool Limited, Warehouse 1234 Limited, Tilstone Property Holdings Limited, and Tilstone Oxford Limited.

Glashen Services Limited was wound up during the period ended 30 September 2021.

23. Ultimate controlling party

It is the view of the Directors that there is no ultimate controlling party.

24. Post balance sheet events

A second interim dividend of 1.55 pence per share in respect of the year ending 31 March 2022 will be paid in full as a PID on 30 December 2021 to shareholders on the register at 3 December 2021. The ex-dividend date will be 2 December 2021.

SUPPLEMENTARY NOTES
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

The Group is a member of the European Public Real Estate Association ("EPRA"). EPRA has developed and defined the following performance measures to give transparency, comparability and relevance of financial reporting across entities which may use different accounting standards. The following measures are calculated in accordance with EPRA guidance.

Table 1: EPRA performance measures summary

	Notes	Six months ended 30 September 2021	Six months ended 30 September 2020
EPRA EPS (pence)	Table 2	**3.1**	2.6
EPRA cost ratio (including direct vacancy cost)	Table 6	**27.2%**	29.4%
EPRA cost ratio (excluding direct vacancy cost)	Table 6	**23.0%**	27.6%

	Notes	30 September 2021	31 March 2021
EPRA NDV per share (pence)	Table 3	**152.4**	135.1
EPRA NRV per share (pence)	Table 3	**166.9**	147.8
EPRA NTA per share (pence)	Table 3	**152.4**	135.1
EPRA NIY	Table 4	**4.0%**	4.7%
EPRA 'topped-up' net initial yield	Table 4	**4.6%**	5.2%
EPRA vacancy rate	Table 5	**5.4%**	4.4%

Table 2: EPRA income statement and earnings performance measures

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
Revenue	**23,433**	15,732
Less: dilapidation income	**(597)**	(147)
Less: insurance recharged	**(792)**	(531)
Rental income	**22,044**	15,054
Property operating expenses	**(2,800)**	(2,245)
Add back: dilapidation income	**597**	147
Add back: insurance recharged	**792**	531
Gross profit	**20,633**	13,487
Administration expenses	**(3,921)**	(2,723)
Adjusted operating profit before interest and tax	**16,712**	10,764
Finance income	**16**	24
Finance expenses	**(3,506)**	(3,012)
Less change in fair value of interest rate derivatives	**(15)**	12
Adjusted profit before tax	**13,207**	7,788
Tax on adjusted profit	**—**	—
Adjusted earnings	**13,207**	7,788
Weighted average number of shares in issue (thousands)	**424,862**	304,859
Adjusted EPS (pence)	**3.1**	2.6

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
Adjusted earnings	**13,207**	7,788
EPRA earnings	**13,207**	7,788
Weighted average number of shares in issue (thousands)	**424,862**	304,859
EPRA EPS (pence)	**3.1**	2.6

EPRA earnings represents earnings from operational activities. It is a key measure of the Group's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.

Table 3: EPRA balance sheet and net asset value performance measures

EPRA publishes Best Practices Recommendations ("BPR") for financial disclosures by public real estate companies. EPRA net disposal value ("NDV"), EPRA net reinvestment value ("NRV") and EPRA net tangible assets ("NTA").

EPRA NTA is considered to be the most relevant measure for Warehouse REIT's operating activities. A reconciliation of the three EPRA NAV metrics from IFRS NAV is shown in the table below.

As at 30 September 2021	EPRA NDV £'000	EPRA NRV £'000	EPRA NTA £'000
Total properties[1]	907,125	907,125	907,125
Net borrowings[2]	(238,002)	(238,002)	(238,002)
Other net liabilities	(21,757)	(21,757)	(21,757)
IFRS NAV	647,366	647,366	647,366
Exclude: fair value of interest rate derivatives	—	(31)	(31)
Include: purchasers' costs[3]	—	61,685	—
NAV used in per share calculations	647,366	709,020	647,335
Number of shares in issue (thousands)	424,862	424,862	424,862
NAV per share (pence)	152.4	166.9	152.4
Loan to value ratio[4]			26.2%

SUPPLEMENTARY NOTES CONTINUED
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

Table 3: EPRA balance sheet and net asset value performance measures continued

As at 31 March 2021	EPRA NDV £'000	EPRA NRV £'000	EPRA NTA £'000
Total properties[1]	792,800	792,800	792,800
Net borrowings[2]	(194,815)	(194,815)	(194,815)
Other net liabilities	(23,894)	(23,894)	(23,894)
IFRS NAV	574,091	574,091	574,091
Exclude: fair value of interest rate derivatives	—	(16)	(16)
Include: purchasers' costs[3]	—	53,910	—
NAV used in per share calculations	574,091	627,985	574,075
Number of shares in issue (thousands)	424,862	424,862	424,862
NAV per share (pence)	135.1	147.8	135.1
Loan to value ratio[4]			24.6%

1. Professional valuation of investment property.
2. Comprising interest-bearing loans and borrowings (excluding unamortised loan arrangement fees) of £263,000,000 (31 March 2021: £222,000,000) net of cash of £24,998,000 (31 March 2021: £27,185,000).
3. EPRA NTA and EPRA NDV reflect IFRS values which are net of purchasers' costs. Purchase costs are added back when calculating EPRA NRV.
4. Net borrowings divided by the aggregate fair value of properties.

EPRA NDV details the full extent of liabilities and resulting shareholder value if Company assets are sold and/or if liabilities are not held until maturity. Deferred tax and financial instruments are calculated as to the full extent of their liability, including tax exposure not reflected in the statement of financial position, net of any resulting tax.

EPRA NTA assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.

EPRA NRV highlights the value of net assets on a long-term basis and reflects what would be needed to recreate the Company through the investment markets based on its current capital and financing structure. Assets and liabilities that are not expected to crystallise in normal circumstances, such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses, are excluded. Costs such as purchasers' costs are included.

Table 4: EPRA net initial yield

	30 September 2021 £'000	31 March 2021 £'000
Total properties per external valuer's report	**907,125**	792,800
Less development property and land	**(49,350)**	(40,870)
Net valuation of completed properties	**857,775**	751,930
Add estimated purchasers' costs[5]	**58,329**	51,131
Gross valuation of completed properties including estimated purchasers' costs (A)	**916,104**	803,061
Gross passing rents[6] (annualised)	**38,714**	38,574
Less irrecoverable property costs[6]	**(1,783)**	(1,121)
Net annualised rents (B)	**36,931**	37,453
Add notional rent on expiry of rent-free periods or other lease incentives[7]	**5,567**	4,454
'Topped-up' net annualised rents (C)	**42,498**	41,907
EPRA NIY (B/A)	**4.0%**	4.7%
EPRA 'topped-up' net initial yield (C/A)	**4.6%**	5.2%

5. Purchasers' costs estimated at 6.8%.
6. Gross passing rents and irrecoverable property costs assessed as at the balance sheet date for completed investment properties excluding development property and land.
7. Adjustment for unexpired lease incentives such as rent-free periods, discounted rent period and step rents. The adjustment includes the annualised cash rent that will apply at the expiry of the lease incentive. Rent-frees expire over a weighted average period of nine months.

EPRA NIY represents 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. It is a comparable measure for portfolio valuations designed to make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.

EPRA 'topped-up' NIY 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).

NIY as stated in the Investment Advisor's report calculates net initial yield on topped-up annualised rents but does not deduct non-irrecoverable property costs.

Table 5: EPRA vacancy rate

	30 September 2021 £'000	31 March 2021 £'000
Annualised ERV of vacant premises (D)	**2,710**	2,054
Annualised ERV for the investment portfolio (E)	**49,915**	47,151
EPRA vacancy rate (D/E)	**5.4%**	4.4%

EPRA vacancy rate represents ERV of vacant space divided by ERV of the completed investment portfolio, excluding development property and land. It is a pure measure of investment property space that is vacant, based on ERV.

Table 6: Total cost ratio/EPRA cost ratio

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
Property operating expenses	**2,800**	2,245
Add back insurance recharged	**(792)**	(531)
Net property operating expenses	**2,008**	1,714
Administration expenses	**3,921**	2,723
Less ground rents[8]	**(91)**	(57)
Total cost including direct vacancy cost (F)	**5,838**	4,380
Direct vacancy cost	**(901)**	(271)
Total cost excluding direct vacancy cost (G)	**4,937**	4,109
Rental income[9]	**22,044**	15,201
Less ground rents paid	**(542)**	(329)
Gross rental income (H)	**21,502**	14,872
Less direct vacancy cost	**(901)**	(271)
Net rental income	**20,601**	14,601
Total cost ratio including direct vacancy cost (F/H)	**27.2%**	29.4%
Total cost ratio excluding direct vacancy cost (G/H)	**23.0%**	27.6%

SUPPLEMENTARY NOTES CONTINUED
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

Table 6: Total cost ratio/EPRA cost ratio continued

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000
Total cost including direct vacancy cost (F)	5,838	4,380
EPRA total cost (I)	5,838	4,380
Direct vacancy cost	(901)	(271)
EPRA total cost excluding direct vacancy cost (J)	4,937	4,109
EPRA cost ratio including direct vacancy cost (I/H)	27.2%	29.4%
EPRA cost ratio excluding direct vacancy cost (J/H)	23.0%	27.6%

8. Ground rent expenses included within administration expenses such as depreciation of head lease assets.
9. Prior period rental income includes dilapidation income for the purpose of total cost and EPRA cost ratio calculations.

EPRA cost ratios represent administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income. They are a key measure to enable meaningful measurement of the changes in the Group's operating costs.

It is the Group's policy not to capitalise overheads or operating expenses and no such costs were capitalised in either the six months ended 30 September 2021 or the year ended 31 March 2021.

Table 7: Lease data

As at 30 September 2021	Year 1 £'000	Year 2 £'000	Years 3 to 10 £'000	Year 10+ £'000	Head rents payable £'000	Total £'000
Passing rent of leases expiring in:	4,591	2,606	27,356	5,287	(1,126)	38,714
ERV of leases expiring in:	8,120	2,805	34,300	5,881	(1,191)	49,915
Passing rent subject to review in:	6,596	5,769	23,777	3,698	(1,126)	38,714
ERV subject to review in:	10,265	6,194	30,523	4,124	(1,191)	49,915

WAULT to expiry is 5.7 years and to break is 4.6 years.

As at 31 March 2021	Year 1 £'000	Year 2 £'000	Years 3 to 10 £'000	Year 10+ £'000	Head rents payable £'000	Total £'000
Passing rent of leases expiring in:	5,327	2,450	26,064	5,859	(1,126)	38,574
ERV of leases expiring in:	7,754	2,597	31,115	6,876	(1,191)	47,151
Passing rent subject to review in:	7,036	4,664	23,496	4,504	(1,126)	38,574
ERV subject to review in:	9,467	5,066	28,507	5,302	(1,191)	47,151

WAULT to expiry is 5.8 years and to break is 4.7 years.

Table 8: Capital expenditure

	Six months ended 30 September 2021 £'000	Year ended 31 March 2021 £'000
Acquisitions[10]	**34,953**	246,565
Development spend[11]	**293**	625
Completed investment properties:[12]		
No incremental lettable space – like-for-like portfolio	**3,276**	1,493
No incremental lettable space – other	**—**	82
Tenant incentives	**—**	363
Total capital expenditure	**38,522**	249,128
Conversion from accruals to cash basis	**(493)**	(21,916)
Total capital expenditure on a cash basis	**38,029**	227,212

10. Acquisitions include £29,953,000 completed investment property and £5,000,000 development property and land (31 March 2021: £229,272,000 and £17,293,000 respectively).
11. Expenditure on development property and land.
12. Expenditure on completed investment properties.

Table 9: Like-for-like rental income

	Six months ended 30 September 2021 £'000	Six months ended 30 September 2020 £'000	Change %
Like-for-like net rental income[13]	**13,859**	13,562	2.4%
Other[14]	**324**	—	
Adjusted like-for-like net rental income	**14,183**	13,562	4.6%
Development lettings	**297**	296	
Properties acquired	**7,467**	801	
Properties sold	**97**	395	
Rental income	**22,044**	15,054	
Dilapidation income	**597**	147	
Insurance recharge	**792**	531	
Revenue	**23,433**	15,732	

13. Like-for-like portfolio valuation as at 30 September 2021: £544,960,000 (30 September 2020: £441,385,000).
14. Includes rent surrender premiums, back rent and other items.

GLOSSARY

Adjusted earnings per share ("Adjusted EPS")
EPRA EPS adjusted to exclude one-off costs, divided by the weighted average number of shares in issue during the period

Admission
The admission of Warehouse REIT plc onto the AIM market of the London Stock Exchange on 20 September 2017

AGM
Annual General Meeting

AIC
The Association of Investment Companies

AIFM
Alternative Investment Fund Manager

AIFMD
Alternative Investment Fund Managers Directive

AIM
A market operated by the London Stock Exchange

Contracted rent
Gross annual rental income currently receivable on a property plus rent contracted from expiry of rent-free periods and uplifts agreed at the balance sheet date less any ground rents payable under head leases

Development property and land
Whole or a material part of an estate identified as having potential for development. Such assets are classified as development property and land until development is completed and they have the potential to be fully income generating

Effective occupancy
Total open market rental value of the units leased divided by total open market rental value excluding assets under development, units undergoing refurbishment and units under offer to let

EPRA
The European Public Real Estate Association, the industry body for European REITs

EPRA cost ratio
The sum of property expenses and administration expenses as a percentage of gross rental income calculated both including and excluding direct vacancy cost

EPRA earnings
IFRS profit after tax excluding movements relating to changes in fair value of investment properties, gains/losses on property disposals, changes in fair value of financial instruments and the related tax effects

EPRA earnings per share ("EPRA EPS")
A measure of EPS on EPRA earnings designed to present underlying earnings from core operating activities based on the weighted average number of shares in issue during the year

EPRA guidelines
The EPRA Best Practices Recommendations Guidelines October 2019 and the EPRA Sustainability Best Practices Recommendations Guidelines September 2017

EPRA like-for-like rental income growth
The growth in rental income on properties owned throughout the current and previous year under review. This growth rate includes revenue recognition and lease accounting adjustments but excludes development property and land in either year and properties acquired or disposed of in either year

EPRA NAV/EPRA NDV/EPRA NNNAV/EPRA NRV/EPRA NTA per share
The EPRA net asset value measures figures divided by the number of shares outstanding at the balance sheet date

EPRA net disposal value ("EPRA NDV")
The net asset value measure detailing the full extent of liabilities and resulting shareholder value if company assets are sold and/or if liabilities are not held until maturity. Deferred tax and financial instruments are calculated as to the full extent of their liability, including tax exposure not reflected in the statement of financial position, net of any resulting tax

EPRA net initial yield ("EPRA NIY")
The annualised passing rent generated by the portfolio, less estimated non-recoverable property operating expenses, expressed as a percentage of the portfolio valuation (adding notional purchasers' costs), excluding development property and land

EPRA net reinstatement value ("EPRA NRV")
The net asset value measure to highlight the value of net assets on a long-term basis and reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure. Assets and liabilities that are not expected to crystallise in normal circumstances, such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses, are excluded. Costs such as purchasers' costs are included

EPRA net tangible assets ("EPRA NTA")
The net asset value measure assuming entities buy and sell assets, thereby crystallising certain levels of deferred tax liability

EPRA 'topped-up' net initial yield
The annualised passing rent generated by the portfolio, topped up for contracted uplifts, less estimated non-recoverable property operating expenses, expressed as a percentage of the portfolio valuation (adding notional purchasers' costs), excluding development property and land

EPRA vacancy rate
Total open market rental value of vacant units divided by total open market rental value of the portfolio excluding development property and land

EPS
Earnings per share

Equivalent yield
The weighted average rental income return expressed as a percentage of the investment property valuation, plus purchasers' costs, excluding development property and land

ERV
The estimated annual open market rental value of lettable space as assessed by the external valuer

FCA
Financial Conduct Authority

GAV
Gross asset value

Group
Warehouse REIT plc and its subsidiaries

IASB
International Accounting Standards Board

IFRS
International Financial Reporting Standards adopted by the United Kingdom

IFRS earnings per share ("EPS")
IFRS earnings after tax for the period divided by the weighted average number of shares in issue during the period

IFRS NAV per share
IFRS net asset value divided by the number of shares outstanding at the balance sheet date

Investment portfolio
Completed buildings and excluding development property and land

IPO
Initial public offering

LIBOR
The basic rate of interest used in lending between banks on the London interbank market and also used as a reference for setting the interest rate on other loans

Like-for-like rental income growth
The increase in contracted rent of properties owned throughout the period under review, expressed as a percentage of the contracted rent at the start of the period, excluding development property and land and units undergoing refurbishment

Like-for-like valuation increase
The increase in the valuation of properties owned throughout the period under review, expressed as a percentage of the valuation at the start of the period, net of capital expenditure

Loan to value ratio ("LTV")
Gross debt less cash, short-term deposits and liquid investments, divided by the aggregate value of properties and investments

NAV
Net asset value

Net initial yield ("NIY")
Contracted rent at the balance sheet date, expressed as a percentage of the investment property valuation, plus purchasers' costs, excluding development property and land

Net rental income
Gross annual rental income receivable after deduction of ground rents and other net property outgoings including void costs and net service charge expenses

Net reversionary yield ("NRY")
The anticipated yield to which the net initial yield will rise (or fall) once the rent reaches the ERV

Occupancy
Total open market rental value of the units leased divided by total open market rental value excluding development property and land, equivalent to one minus the EPRA vacancy rate

Passing rent
Gross annual rental income currently receivable on a property as at the balance sheet date less any ground rents payable under head leases

Property income distribution ("PID")
Profits distributed to shareholders which are subject to tax in the hands of the shareholders as property income. PIDs are usually paid net of withholding tax (except for certain types of tax-exempt shareholders). REITs also pay out normal dividends called non-PIDs

RCF
Revolving credit facility

Real Estate Investment Trust ("REIT")
A listed property company which qualifies for, and has elected into, a tax regime which is exempt from corporation tax on profits from property rental income and UK capital gains on the sale of investment properties

RPI
Retail price index

SONIA
Sterling Overnight Index Average

Total accounting return
The movement in EPRA NTA over a period plus dividends paid in the period, expressed as a percentage of the EPRA NTA at the start of the period

Total cost ratio
EPRA cost ratio excluding one-off costs calculated both including and excluding vacant property costs

Weighted average unexpired lease term ("WAULT")
Average unexpired lease term to first break or expiry weighted by contracted rent across the portfolio, excluding development property and land

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