21 November 2024

Warehouse REIT plc

(the "Company" or "Warehouse REIT", together with its subsidiaries, the "Group")
Interim results for the 6 months to 30 September 2024

Multi-let strategy delivers strong valuation uplift; resilient occupier market, strong reversion and active asset management driving further leasing momentum

Neil Kirton, Chairman of Warehouse REIT commented: "The occupational market for multi-let industrial continues to be resilient: rents are growing at an attractive rate, quality stock remains in short supply and, for the first time since March 2022, we have seen yield compression on multi-let assets which has supported a 4.1% increase in the value of the investment portfolio.

"Our strategy continues to focus on maximising the income streams from our high quality portfolio of predominately multi-let, well-located and highly reversionary warehouse assets. This approach goes hand in hand with reducing our debt and rebuilding dividend cover, which are strategic imperatives for the business. Key to this is executing on the sale of our Radway Green development, and we are pleased to have agreed terms on the first phase.

"Discussions are underway between the Independent Directors and Tilstone Partners directed at making some changes to the management arrangements. It is intended that these discussions will result in a lower cost of managing the portfolio and further increase alignment between the plc shareholders and the Advisor."

Portfolio valuation uplift driven by outperformance of strategically located multi-let assets

- Like-for-like portfolio valuation up 2.3% to £811.3 million (31 March 2024: £810.2 million)
  - Multi-let asset valuation up 5.0%, with multi-let now comprising 79.1% of investment portfolio
  - Equivalent yield contraction of c.12 bps for multi-let, demonstrating a significant improvement in market sentiment
  - Development land down 13.4%, reflecting recent offers for Radway Green, Crewe
  - Like-for-like growth in estimated rental values of 2.6%, driven by leasing activity
- EPRA NTA per share up 2.5% to 127.5p (31 March 2024: 124.4p) delivering a total accounting return of 5.1%

Demand resilient for space in gateway locations, with the multi-let model providing frequent opportunities to capture rental growth

- 46 lease events over 0.8 million sq ft securing £5.5 million in contracted rent, including:
  - £0.9 million from 20 new lettings, 22.3% ahead of previous contracted rent;
  - £1.2 million from 16 renewals, 24.5% ahead of previous contracted rent; and
  - £3.3 million from 10 rent reviews, 11.3% ahead of previous contracted rent; 27.9% excluding contracted uplifts
- Highly reversionary portfolio with £7.1 million or 16.3% of potential rental reversion, including £3.2 million available near-term. There is a further £2.8 million of potential rent on vacant space
- Occupancy down marginally to 94.8% (FY24: 96.4%); effective occupancy, which excludes units under offer or undergoing refurbishment of 95.9% with c.99% of HY24 rent already collected
- Post period-end, a further 15 lease events agreed over 0.3 million sq ft, 29.3% ahead of previous contracted rent, 6.5% ahead of the 31 March 2024 ERV

Improved financial performance and sound financial management

- IFRS Profit after tax up 14.1% to £25.1 million
- Operating profit up 8.0% to £18.7 million (30 Sept 2023: £17.3 million)
- Adjusted earnings of £12.3 million (30 Sept 2023: £9.8 million); adjusted EPS of 2.9p (30 Sept 2023: 2.3p)
- Dividend maintained at 3.2p; dividend coverage linked to completion of strategic initiatives
- 88.3% of debt hedged against interest rate volatility with no major refinancing until 2028
- LTV at 34.1% in-line with self-imposed target, with significant headroom of £43.7 million in cash and available facilities

Targeted disposal plan well progressed, recycling capital into value-accretive opportunities

- £23.0 million headline net proceeds received, refocusing the portfolio on highly reversionary opportunities
  - £61.6 million of non-core asset sales, 0.6% ahead of March 2024 book value

    - £38.6 million acquisition of Ventura Retail Park, Tamworth, NIY of 7.4%; achieved a valuation uplift of 9.6% since June 2024
- Terms agreed and solicitors instructed on the sale of Phase 1 of Radway Green, Crewe, 0.8 million sq ft
- £12.8 million of sales agreed in recent weeks, 3.8% ahead of recent valuations (7.6% ahead of March 2024) with additional sales in solicitor's hands; ongoing capital recycling, continuing to rotate the bottom 10% of the portfolio
- Total sales of £182.1 million since disposal plan announced in November 2022

Progressing our sustainability strategy

- 63.7% of the portfolio EPC A+ to C rated (31 March 2024: 66.6%), with progress offset by disposal of higher rated properties

Financial highlights

Six months to 30 September	**2024**	**2023**
Gross property income	£25.1m	£23.3m
Operating profit before change in value of investment properties	£18.7m	£17.3m
IFRS profit/(loss) before tax	£25.1m	£22.0m
IFRS earnings per share	5.9p	5.2p
EPRA earnings per share	2.8p	1.9p
Adjusted earnings per share	2.9p	2.3p
Dividends per share	3.2p	3.2p
Total accounting return	5.1%	3.5%
Total cost ratio	26.3%	23.2%
As at	**30 September 2024**	**31 March 2024**
Portfolio valuation	£811.3m	£810.2m
IFRS net asset value	£547.1m	£535.6m
IFRS net asset value per share	128.8p	126.1p
EPRA net tangible assets ("NTA") per share	127.5p	124.4p
Loan to value ("LTV") ratio	34.1%	33.1%

Investment portfolio statistics

As at	**30 September 2024**	**31 March 2024**
Contracted rent	£43.6m	£44.6m
ERV	£53.4m	£53.5m
Passing rent	£42.1m	£42.9m
WAULT to expiry	4.7 years	5.0 years
WAULT to first break	3.6 years	4.1 years
Occupancy	94.8%	96.4%

Meeting

A meeting for professional investors and analysts will be held at 10.30am on 21 November 2024 at the offices of FTI Consulting, 200 Aldersgate, London EC1A 4HD. Registration is required for this event, please email FTI Consulting at warehousereit@fticonsulting.com should you wish to attend.

The results presentation will also be available in the Investor Centre section of the Group's website.

Enquiries

Warehouse REIT plc
via FTI Consulting

Tilstone Partners Limited
Simon Hope, Peter Greenslade, Paul Makin, Jo Waddingham
+44 (0) 1244 470 090

G10 Capital Limited (part of the IQEQ Group, AIFM)
Maria Baldwin
+44 (0) 207 397 5450

FTI Consulting (Financial PR and IR Advisor to the Company)
Dido Laurimore, Richard Gotla
+44 (0) 7904 122207 / WarehouseReit@fticonsulting.com

Further information on Warehouse REIT is available on its website: warehousereit.co.uk

Notes

Warehouse REIT is a UK Real Estate Investment Trust that invests in UK warehouses, focused on multi-let assets in industrial hubs across the UK.

We provide a range of warehouse accommodation in key locations, which meets the needs of a broad range of occupiers. Our focus on multi-let assets means we provide occupiers with greater flexibility so we can continue to match their requirements as their businesses evolve, encouraging them to stay with us for longer.

We invest in our business by selectively acquiring assets with potential and by delivering opportunities we have created. Through pro-active asset management we unlock the value inherent in our portfolio, helping to capture rising rents and driving an increase in capital values to deliver strong returns for our investors over the long term.
Sustainability is embedded throughout our business, helping us meet the expectations of our stakeholders today and futureproofing our business for tomorrow.

The Company is an alternative investment fund ("AIF") for the purposes of the AIFM Directive and, as such, is required to have an investment manager who is duly authorised to undertake the role of an alternative investment fund manager ("AIFM"). The AIFM and the Investment Manager is currently G10 Capital Limited (Part of the IQEQ Group).

Forward-looking statements

Certain information contained in these half-year results may constitute forward-looking information. This information relates to future events or occurrences or the Company's future performance. All information other than information of historical fact is forward-looking information. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "predict" and "potential" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that this information will prove to be correct, and such forward looking information included in this announcement should not be relied upon. Forward-looking information speaks only as of the date of this announcement.

The forward-looking information included in this announcement is expressly qualified by this cautionary statement and is made as of the date of this announcement. The Company and its Group do not undertake any obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.

CHAIRMAN'S STATEMENT

Introduction

The occupational market for our multi-let industrial space continues to be resilient. I am pleased to report that rents continue to grow at an attractive rate, quality stock continues to be in short supply and yields across our multi-let portfolio have started to compress. The results announced today, together with our perspective over the near term show how the benefits of a carefully assembled and well-located portfolio are being reflected in our valuation performance.

Our strategy focuses on maximising the income streams from this portfolio and recycling capital out of assets which are now less attractive in terms of future returns. Our priority remains to reduce our debt and rebuild our dividend cover. These are strategic imperatives.

The sale of Radway Green, our development asset in Crewe, is an important step in that regard and having conducted a thorough process, I am pleased to report that we have now agreed terms and instructed solicitors on the sale of Phase 1 of that scheme.

Delivering on this has taken longer than expected, partly because achieving the best price required securing a comprehensive planning consent and sufficient power for both phases, but also because it has taken until now to achieve a price that reflects our conviction in the value this scheme will deliver over time. Reserved matters consents is still outstanding on Phase 2, the most valuable phase of the scheme, and the Board considers that delivering these consents prior to selling it will achieve the most attractive outcome for shareholders.

In addition, our "business as usual" capital recycling is delivering a more focused, higher quality portfolio with significant and growing potential to further drive rents going forward. We see a heightened level of investment activity taking place in our asset class, from public and private institutional capital, which reinforces our view of the quality of the assets that we own on your behalf.

Operational review

The value of our investment portfolio has increased by 4.1% on a like-for-like basis to £742.5 million, with the total portfolio, including developments, now valued at £811.3 million. The uplift was driven by ERV growth of 2.6%, demonstrating the continuing strength of our occupational markets. We are also pleased that yields have now started to compress, which is a very positive signal for multi-let industrials. Multi-let assets, which comprise 79.1% of the investment portfolio, were up 5.0% on a like-for-like basis. This is a highly defensive asset class, with rebuild costs per sq ft of over £120.0 per sq ft well above capital values of £98.0 per sq ft on our portfolio, resulting in very limited new development, which is supportive of rental growth. In addition, the greater frequency of lease events on a multi-let portfolio provides more opportunities to capture that. This is a key focus for our business.

In the half year, our asset management teams concluded 46 lease events, securing £5.5 million of contracted rent. On average, deals were 15.7% above prior rent, which is below our historic rate, but includes two large rent reviews on single-let assets where the uplift was contractually fixed; excluding these leases, the uplift was 25.0%. Following sales concluded in the period, less than 5% of leases by contracted rent are subject to cap or collar arrangements, which is our strong preference, providing the ability to drive rents ahead of inflation.

Our portfolio has a potential rental reversion of 16.3%, equating to an additional £7.1 million of rent to be captured in the coming years. £3.2 million of reversion is technically available in the current financial year, but much of that falls towards the end of the period and, given we typically conduct some refurbishments where occupiers leave, we would expect to start to see the benefit of this come through in the next financial year. There is a further potential £2.8m of additional income available on letting the vacant space and capturing this is a real focus for our asset management team.

Financial performance

Our financial results reflect our sharp focus on maximising the potential of our assets. At £18.7 million, operating profit was 8.0% ahead of HY24 despite an active capital recycling programme, with an increase in dilapidation receipts and a reduction in the Group's exposure to unhedged debt largely offsetting the loss of income from net sales and driving a 26.1% increase in adjusted earnings per share to 2.9p. Dividend cover has improved to 90.6% as a result. Combined with an uplift in our valuation, our EPRA NTA increased 2.5% to 127.5p (31 March 2024: 124.4p), resulting in a 5.1% total accounting return for the period.

Capital allocation and balance sheet

As a Board, we think carefully about how we allocate our capital to maximise returns from our portfolio. In the period, we sold £61.6 million of assets on a headline basis, crystalising a profit on sale of c.£0.1 million. Sales included Barlborough Links in Chesterfield, a single-let asset, with an index-linked lease and therefore not core to our strategy, which was sold for £46.0 million. Including post period end activity, total sales since our deleveraging plan was announced in November 2022 now stand at £182.1 million.

This progress gave the Board comfort that we had sufficient flexibility to undertake selective, value accretive acquisitions and in June, identified an opportunity to acquire part of the Ventura Retail Park in Tamworth, for £38.6 million. Not only was this purchased on a highly attractive yield of 7.4% but it was our expectation that this would form the basis of a broader joint venture arrangement. The retail warehousing market has moved quickly and as a result, both the Board and the Investment Advisor have decided not to pursue the joint venture as envisaged; but pleasingly the asset has seen significant yield compression and an uplift in valuation of 9.6%. Going forward, the business will continue to focus on its core strengths in multi-let industrial warehouses.

Following this activity, net debt stood at £276.3 million at the period end, with a loan to value ratio of 34.1%. Having undertaken a comprehensive refinancing last year, the Group has £250 million of interest rate caps and was therefore 88.3% hedged at 30 September 2024. With interest rates remaining elevated, this position impacts our earnings and ability to pay a covered dividend and the Board is therefore focused on reducing our overall debt position to a level consistently below £250 million. We are also actively managing the hedging moving forward and will review the Group's hedging requirements closer to expiry. The part sale of Radway will go some way towards achieving this but in addition, we rigorously assess the returns we think we can derive from all our assets and regularly make disposals of assets that do not meet our hurdle rate. We have agreed a further £12.8 million of sales that fit this description in recent weeks, and are currently evaluating further sales into what is a rapidly improving market. This activity also enhances the overall quality of our portfolio and reduces the extent to which unhedged debt undermines the earnings cover for the dividend.

ESG

Sustainability is firmly embedded in the way we manage our business. The work we are doing to improve the environmental credentials of our assets, strengthen their climate resilience and make them more engaging places to work, directly enhances their value. Our refurbishment programme aims to achieve a minimum EPC B rating and has delivered a significant improvement to the portfolio ratings in recent years. Reflecting recent capital activity, primarily the sale of Barborough Links, Chesterfield a 500,000 sq ft asset (which saw an increase from C to B prior to sale), at the end of the half year, 63.7% of the total portfolio by sq ft was EPC A+ to C rated, down from 66.6% at year-end. While we would expect our asset management initiatives to drive an improvement in EPC ratings, as we sell out of assets where we have substantially delivered our asset management plan and potentially invest into assets where we see an opportunity to drive value, this figure may fluctuate.

We were pleased to be awarded an EPRA Gold in the EPRA sBPR awards for the fourth consecutive year as well as an EPRA Gold in the EPRA BPR. Looking forward, building on good progress made last year, which included reporting of some scope 3 data for the first time, we are currently working with our advisors to set a target for the reduction of scope 3 emissions. This would be an important milestone in our ESG journey.

Share price and equity market context

An ongoing feature of the period under review has been that the value of our equity continues to trade at a substantial discount to the independent valuer's appraisal of the portfolio's value. While the primary driver for this has been wider market volatility, both the Independent Directors and the Investment Advisor recognise that one aspect of this may relate to the market's more recent concerns about external management structures generally and, in particular, the basis on which the Investment Advisor is remunerated. A discussion is taking place within the boardroom about changes that can be made to the existing management arrangements in the interests of delivering both a greater level of alignment between the Board and the Investment Advisor and which would reduce the ongoing cost to Warehouse REIT.

While we cannot prejudge the market impact of successfully concluding this conversation, both parties see it as an important step to attracting a broader investor audience and an update will be provided in due course.

Conclusion

In summary, multi-let warehousing will continue to sit at the heart of our strategy and, we believe, offers the best opportunity to drive both rental and capital growth over time. We have made progress on our plan but are acutely aware that we have further to go if the market is to fully recognise the potential we have in this portfolio. Delivering on these initiatives is the key priority for the Board and we look forward to updating you in due course.

Neil Kirton
Chairman

INVESTMENT ADVISOR'S REPORT

MARKET OVERVIEW

The multi-let industrial market is characterised by a highly diverse occupier base, which has gentrified in recent years to include retail trade counters, logistics and quasi-office space, alongside more traditional uses such as general manufacturing and high-tech engineering. Supply is generally constrained, given the economics of building multi-let space is typically less attractive than larger, big box units. These longer-term dynamics are supportive of rental growth. Annual take-up of multi-let space is running at between 30-40 million sq ft based on take up in the second half of 2023 and first quarter of 2024. While below the pre-pandemic averages, agents (Gerald Eve) attribute this more to the lack of new development and the low multi-let availability. However, uncertainty in the earlier part of the year, with fewer interest rate cuts materialising than expected and with the pending election, may have weighed on decision-making. Gerald Eve has further reported an uptick in the quantity of viewings in the first half of 2024. At the big box end of the market, where data is more readily available, Savills is reporting take-up of 16.8 million sq ft for the first six months, an increase of 44% on the same period in 2023 and with nearly two-thirds of that occurring in Q2, points to a strengthening market.

The multi-let vacancy rate was notably higher in London and the South East at 10.4% at the end of the first quarter, compared to 7.9% in the rest of the UK, reflecting the speculative completion of a number of Inner London schemes in recent years, with owners maintaining optimistic pricing expectations. Void rates in a number of regions, including the North West and East Midlands remain very low at under 6%. There is currently just 3.3 million sq ft of multi-let development under construction, which is less than one month's supply at current take-up rates. Across the market more generally, there is a further 10.8 million sq ft of multi-let space in planning, but supply has typically shifted outwards.

Investor sentiment towards multi-let industrial has improved significantly in recent months, and is reflected in a high volume of private equity investment into the space. Good-quality secondary space is particularly attractive given the greater reversionary potential of these assets compared to new prime stock, where rents are more likely to be at market levels. This activity has supported an inwards shift of prime multi-let yields of 25 bps across the market to 5.6% as at June 2024. Greater certainty at a macro level, including further interest rate cuts should be supportive in this respect.

STRATEGY

The Group's strategy is to invest in assets where there is an opportunity to drive rents and value. The focus is on multi-let warehouses in relevant economic centres with access to major arterial routes and a large pool of available labour. The Group favours the multi-let format, which offers the following key advantages:

- more asset management opportunities than single-let assets, helping to raise the rental tone faster and capture the reversion created;
- reduced risk reflecting a more diverse range of occupiers;
- greater flexibility for occupiers with a range of unit sizes to suit the life cycle of a company and the ability to scale up by taking multiple units;
- low obsolescence, requiring manageable capex to maintain; and
- relative scarcity, with rebuild costs generally below capital values, constraining supply and supporting rental growth.

Multi-let estates make up 79.1% of the investment portfolio by value as at 30 September 2024, with the Group's balanced portfolio also including Single-let Regional assets, which are over 125,000 sq ft and Single-let Last Mile assets, which are smaller.

In particular, the investment portfolio has exposure to key industrial hubs in:
- the North (30.7%);
- the Midlands (22.6%); and
- the Oxford-Cambridge Arc, centred on Milton Keynes (25.8%).

Strategic priorities

In June 2023, the Board set four strategic priorities for the business. These were to:

- capture the reversionary potential in the portfolio;
- recycle capital, enabling us to pay down the Group's floating rate debt, strengthen the balance sheet and support earnings;
- progress the disposal of Radway Green development scheme; and
- increase dividend cover, by driving earnings through these actions.

The Group has consistently performed well against the first two of these priorities and has now made material progress against the third which should support dividend coverage. A summary of the Group's performance aligning to these priorities in the period is set out below:

PRIORITY	HY25 PROGRESS
CAPTURE REVERSION	£1.4m new rent added, with £0.6m of reversion captured Future reversion of £7.1m, providing a potential uplift of 16.3%
CONTINUED CAPITAL RECYCLING	£61.6m headline sales, 0.6% ahead of book value £0.1m profit on sale £12.8m post period-end, taking total sales to £182.1m since the deleveraging plan was announced Additional sales in solicitor's hands; ongoing capital recycling, continuing to rotate the bottom 10% of the portfolio
PROGRESS RADWAY GREEN	Terms agreed and solicitors instructed on the sale of Phase 1 (0.8m sq ft) Pursuing reserved matters consent on Phase 2 to maximise value and increase liquidity in the short term
PATHWAY TO DIVIDEND COVER	90.6% covered for HY25 Coverage linked to the completion of strategic initiatives including the sale of Radway and potential changes to the management arrangements

PORTFOLIO REVIEW

CAPITAL ACTIVITY

	£ million	**NIY**
Disposals	61.6	6.0%
Acquisitions	38.6	7.4%

The Group keeps the portfolio under constant review, to identify mature or non-core assets that are candidates for disposal. Sales have focused on single-let assets, or assets where the Group has substantially completed its asset management initiatives leaving little further upside. In addition, disposal targets include those that generate a yield below the Group's cost of debt and are therefore earnings-enhancing on sale.

During the period, the Group sold four assets for £61.6 million (headline), 0.6% ahead of the aggregate book value, crystallising a profit on disposal of £0.1 million, and reflecting a blended net initial yield on passing rent of 6.0%. This good performance demonstrates our ability to match assets that are non-core for Warehouse REIT with pockets of demand across the market.

The assets sold in the period were:

- Barlborough Links, Chesterfield for £46.0 million;
- Parkway Industrial Estate, Plymouth for £6.3 million;
- Celtic Business Park, Newport for £5.2 million; and
- Pikelaw Place, Skelmersdale for £4.1 million.

Post period-end the Group agreed on the sale of £12.8 million of four fully-let assets 7.6% ahead of March 2024 and 3.8% ahead of September 2024 valuations.

Total asset sales since the Group announced the disposal plan in November 2022 are now £182.1 million.

On 25 June 2024, the Group acquired Phase 2 of Ventura Retail Park ("Ventura"), a 13-unit scheme in Tamworth, close to Birmingham, for £38.6 million, representing a net initial yield of 7.4%.

Built in two phases, Ventura is one of the top 20 shopping parks in the UK by sq ft. Phase 2 covers 120,000 sq ft and is fully let to a high-quality occupier line-up including Boots, Sports Direct and H&M. Contracted rent across the scheme is £3.1 million and the WAULT is 6.1 years.

Ventura is part of a larger retail warehouse cluster covering over 700,000 sq ft of prime space, with occupiers including Next, Primark and M&S and ranks in the top three centres for comparison goods spend in the UK. It is adjacent to the A5 and 30 minutes' drive time from Birmingham in the West Midlands, which is one of our highest conviction regions.

At the time of its acquisition, the Board and Investment Advisor expected that this may form the basis of a broader joint venture arrangement. The retail warehousing market has moved quickly and as a result, both the Board and the Investment Advisor have decided not to pursue a joint venture as envisaged.

Radway Green

Radway Green is the Group's key logistics development opportunity, in a premier location just 1.5 miles from Junction 16 of the M6 near Crewe. This is a highly attractive scheme, with the potential to deliver at least 1.8 million sq ft of space, across two phases of 0.8 million sq ft and 1.0 million sq ft. At its HY24 results in November 2023, the Group announced that it was evaluating options for the scheme, including a full or partial sale, and that it would not progress the development alone. Following a thorough process, terms have been agreed and solicitors instructed on the sale of Phase 1 of this asset. Delivering reserved matters consent on Phase 1 and securing the power has been key to achieving value and liquidity and the Investment Advisor is now focused on doing the same for Phase 2, which represents the majority of the scheme's value.

VALUATION

At the end of the period, the investment portfolio comprised 651 units across 7.2 million sq ft of space (31 March 2024: 642 units across 7.8 million sq ft). The table below analyses the portfolio as at 30 September 2024:

	Value (£m)	LFL movement (%)	ERV growth (%)	NIY (%)	NEY (%)	Capital value (£ per sq ft)
Multi-let more than 100k sq ft	436.7	5.9	2.5	5.3	6.3	103.30
Multi-let less than 100k sq ft	150.9	3.3	3.3	5.9	6.7	103.77
Single-let regional distribution	83.7	0.3	1.4	5.3	6.2	95.18
Single-let last mile	71.2	2.2	2.8	5.9	6.4	109.40
Total	**742.5**	**4.1**	**2.6**	**5.5**	**6.4**	**102.96**
Development land	68.8	(13.4)				
Total portfolio	**811.3**	**2.3**				

The portfolio was independently valued by CBRE as at 30 September 2024, 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 2021 – UK national supplement.

The portfolio valuation was £811.3 million (31 March 2024: £810.2 million), representing a 2.3% like-for-like valuation increase. The value of the investment portfolio was up 4.1% on a like-for-like basis, driven by a strong performance from multi-let assets which were up 5.0%, reflecting stronger ERV growth and supported by yield compression. Single-let assets were up 1.2%. Across the portfolio, equivalent yields contracted by an average of 9 bps, but weighted towards multi-let industrials where yields contracted by 12 bps. Single-let last mile assets also saw yield compression, while single-let regional distribution assets saw some mild yield expansion. The value of Ventura Retail Park, Tamworth was up 9.6% since acquisition and is now valued on a yield of 6.8% compared to 7.4% on acquisition. Development land was down 13.4%, reflecting recent offers for the Group's development site at Radway Green, Crewe.

The EPRA NIY at 30 September was 5.2% (31 March 2024: 5.4%) and the EPRA topped-up NIY was 5.3% (31 March 2024: 5.6%).

The NIY of the investment portfolio was 5.5% at 30 September 2024, with a reversionary yield of 6.7% (31 March 2024: 5.7% and 6.8% respectively). The average capital value across the portfolio was £102.96 per sq ft, some way ahead of the FY24 position of £93.52 per sq ft, partly driven by the addition of Ventura Retail Park. The average capital value for the multi-let assets (excluding this acquisition) was £98.04 per sq ft, which remains well below the reinstatement value for this type of asset, which is £123.25 per sq ft.

LEASING AND ASSET MANAGEMENT

	% of Investment portfolio	Occupancy by ERV (%)	Contracted rent (£per sq ft)	ERV (£ per sq ft)
Multi-let more than 100k sq ft	58.8	93.4	6.46	7.52
Multi-let less than 100k sq ft	20.3	93.4	7.02	7.81
Single-let regional distribution	11.3	100.0	5.43	6.81
Single-let last mile	9.6	100.0	7.28	8.40
Total		94.8	6.52	7.57

At the period end, the contracted rent roll for the investment portfolio (excluding developments) was £43.6 million, compared to an ERV of £53.4 million. The difference reflects £7.1 million (or 16.3%) of portfolio reversion and £2.8 million of potential rent on vacant space.

The structure of the Group’s leases supports capturing this reversion, with less than 5% of contracted rent being subject to an index or a cap arrangement. This flexibility is an important advantage in a more inflationary environment.

Occupier demand remained robust in the period, with good interest from wholesale, trade and manufacturing as well as professional services including media and technology with demand for smaller units particularly resilient. Against this backdrop, the Group made good progress capturing reversion, with a total of 46 lease events completed, covering 0.8 million sq ft. As a result, the Group was able to capture £1.4 million of new contracted rent for the year, with £0.8 million of contracted rent coming from the letting vacant space.

Total contracted rents for the investment property portfolio stood at £43.6 million at period-end, an increase of 0.1% on a like-for-like basis, with new rent and reversion captured being largely offset by vacancy in units with latent reversion post refurbishment.

Occupancy across the investment portfolio remained high at 94.8% as at 31 September 2024 (31 March 2024: 96.4%). The slight decrease reflected three notable vacancies at Meridian Business Park, Leicester, Groundwell Industrial Estate, Swindon and Maxwell Road, Peterborough, where we have a tailored refurbishment programme planned to capture the embedded reversion and interest has been encouraging. Effective occupancy, which excludes units under offer to let or undergoing refurbishment, was 95.9% (31 March 2024: 97.6%), with 0.3% of the investment portfolio under offer to let and a further 0.8% undergoing refurbishment at that date.

The weighted average unexpired lease term for the investment portfolio stood at 4.7 years (31 March 2024: 5.0 years) with the fall driven by the sale of Barlborough Links, Chesterfield which had a long, index-linked, lease.

New leases

The Group completed 20 new leases on 0.1 million sq ft of space during the period, which will generate annual rent of £0.9 million, 22.3% ahead of the previous contracted rent and 2.0% ahead of the 31 March 2024 ERV. The level of incentives has increased slightly ahead of the previous year end but remains below the market convention of one month for every year on the lease.

Highlights are shown in the table below:

			Increase over	
Estate	Lease length (years)	Annual rent (£)	Previous rent	ERV at 31/3/24
Stadium Industrial Estate, Luton	10	86,700	+37.9%	In-line
Gateway Park, Birmingham	10	85,900	+17.5%	+6.8%
Bradwell Abbey, Milton Keynes	10	82,700	+30.0%	+8.3%

Lease renewals

The Group continues to retain the majority of its occupiers, with 73.0% remaining in occupation at lease expiry and 60.0% with a break arising in the year.

There were 16 lease renewals on 0.2 million sq ft of space during the period, with an average uplift of 24.5% above the previous passing rent and 3.7% above the ERV.

Highlights are shown in the table below:

Estate	Lease length (years)	Annual rent (£)	Increase over Previous rent	ERV at 31/3/24
Murcar Industrial Estate, Aberdeen	3	300,000	+11.7%	In-line
Air Cargo Centre, Glasgow	5	106,000	+21.9%	+0.1%
Gawsworth Court, Warrington	5	90,900	+56.0%	+22.9%

Rent reviews

During the year, the Group completed 10 rent reviews, generating an £3.3 million per annum, 11.3% ahead of previous rent. Excluding two capped rent reviews, the rent reviews were settled broadly in-line with 31 March 2024 ERVs.

Highlights are shown in the table below:

Estate	Annual rent (£)	Increase over Previous rent	ERV at 31/3/24
Brackmills Industrial Estate, Northampton (capped rent review)	1,996,000	+4.2%	-19.3%
South Gyle Industrial Estate, Edinburgh	453,600	+35.7%	In-line
Shaw Lane Industrial Estate, Doncaster	121,500	+36.4%	In-line

Capturing reversion

The following table demonstrates the potential for continuing to capture reversion in the years ahead. These represent good opportunities for further rental growth and reflects the position before any further ERV growth or outperformance.

Rent subject to review or lease expiry	Contracted rent (£m)	ERV (£m)
FY25	9.7	12.9
FY26	8.4	9.8
FY27	6.2	7.0
FY28	6.0	6.4
FY28+	13.2	14.6

Occupier resilience

The Group has a diverse occupier base of 447 businesses, with 73.3% generating revenues of more than £10 million and 89.0% exceeding £1 million of revenues.

We monitor the strength of the occupiers' covenants by using credit software such as Dun & Bradstreet, anti-money laundering software such as Dow Jones, monitoring news flow and analysing company reports. This keeps us informed of how evolving macroeconomic conditions are affecting their businesses. For smaller occupiers, the Group also often has the benefit of rent deposits, giving it additional protection from bad debts.

Overall, the Group's occupiers appear well placed in the current environment, which is reflected in our rent collection and the continued low level of bad debts (see the Financial Review). As at 13 November 2024, the Group had collected c.99% of the rent due in respect of the year and we expect this to increase further as we work with occupiers to collect the outstanding amount.

CAPITAL EXPENDITURE

On average, the Group budgets to invest around 0.75% of its gross asset value ("GAV") in capital expenditure each year. This excludes development projects and is therefore based on GAV excluding developments. The Group's priorities when investing in the estate are to drive rental growth, improve EPC ratings and secure other ESG improvements. Approximately 20% of capex is typically directed to EPC-related improvements and all capex must generate a minimum return of 10% on the capital deployed. Our capital expenditure plans also take account of local demand and supply, the requirements of individual units versus the overall estate and the Group's longer-term aspirations to hold or sell the asset.

Total capital expenditure in the period was £2.1 million, equivalent to 0.3% of GAV excluding developments. As at 30 September 2024, approximately 0.8% of the portfolio's ERV was under refurbishment (31 March 2024: 0.8%).

ESG PERFORMANCE

At the period end, 63.7% of the portfolio was rated EPC A+ to C. This is down slightly from the year end, reflecting capital activity on the portfolio, notably the sale of Barlborough Links, Chesterfield which was EPC B rated and covered 500,000 sq ft. Fifteen units achieved a minimum of an EPC B rating following assessments in the half year. In England and Wales, which are subject to MEES requirements, 68.7% of space is rated EPC A+ to C.

In line with our long term target of increasing the Group's on site renewable energy capacity, the Group is pleased that solar PV panels have been fitted to Walton Road Industrial Estate in Stone, across units covering 40,000 sq ft and the Group is progressing plans to add PV on two larger estates.

We were delighted for the Group to have again been awarded Gold for compliance with both the EPRA Best Practice Reporting and the EPRA Sustainability Best Practice Recommendations. Building on good progress made last year, when the Group reported some scope 3 emissions for the first time, the Group is now working with advisors to set a target for scope 3 emission reduction.

FINANCIAL REVIEW

Performance

Rental income and premiums received for the six months was £21.6 million (30 September 2023: £22.2 million), with the reduction reflecting the impact of asset disposals, partially offset by the Group's leasing activity; EPRA like-for-like rental growth was up 1.0%. Gross property income was up 7.6% to £25.1 million (30 September 2023: £23.3 million), driven by larger dilapidation receipts received in the period.

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 six months were £8.0 million (30 September 2023: £7.7 million), with the increase driven by non-recoverable costs as a result of higher vacancy rates.

The net increase in the expected credit loss allowance remained low at (£0.0) million (30 September 2023: £0.2 million). This reflects the diversity and quality of the Group's occupiers and our close relationships with them.

The total cost ratio, which is the adjusted cost ratio including direct vacancy costs, was 26.3% (30 September 2023: 23.2%), reflecting higher vacancy costs. Excluding vacancy costs the ratio fell to 21.6% (30 September 2023: 22.2%). The ongoing charges ratio, representing the costs of running the REIT as a percentage of NAV, was constant at 1.4% (30 September 2023: 1.4%).

The Group disposed of assets totalling £61.6 million in the year, resulting in a net profit on disposal of £0.1 million.

At 30 September 2024, the Group recognised a gain of £17.2 million on the revaluation of its portfolio (30 September 2023: gain of £6.8 million). See the Net Asset Value section below for more information.

Financing income in the period was £4.2 million (30 September 2023: £5.5 million), including £4.1 million (30 September 2023: £3.7 million) of interest receipts from interest rate derivatives.

Financing costs include the interest and fees on the Group's revolving credit facility ("RCF") and term loan (see Debt Financing and Hedging). The finance expenses were £15.0 million (30 September 2023: £13.0 million). While the impact of SONIA remaining elevated has been partly mitigated by the Group's interest rate caps (see below), the all-in cost of debt for the year reduced to 4.2% (30 September 2023: 4.7%). The Group also had a £4.4 million change in fair value of derivatives (30 September 2023: £1.6 million gain).

The statutory profit before tax was £25.1 million (30 September 2023: £22.0 million gain).

The Group has continued to comply with its obligations as a REIT and the profits and capital gains from its property investment business are therefore exempt from corporation tax. The corporation tax charge for the year was therefore £nil (30 September 2023: £nil).

Earnings per share under IFRS was 5.9p (30 September 2023: 5.2p per share). EPRA EPS was 2.8p (30 September 2023: 1.9p).

Adjusted earnings per share was 2.9p for the period (30 September 2023: 2.3p), representing cover of 90.6% of the total dividend for the period of 3.2p. The table below reconciles the movement in adjusted EPS between the two years:

Adjusted earnings per share	**p**
For the period ended 30 September 2023	2.3
Rental income and dilapidations	0.4
Increased non-recoverable property expenses	(0.1)
Net finance costs	0.3
For the period ended 30 September 2024	**2.9**

Dividends

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

Quarter to	**Declared**	**Paid/to be paid**	**Amount (p)**
30 June 2024	31 August 2024	6 October 2024	1.6
30 September 2024	22 November 2024	27 December 2024	1.6
Total			**3.2**

The total dividend was therefore in line with the Group's target for the year of 3.2p. 1.6 dividends were property income distributions and 1.6 was a non-property income distribution. The cash cost of the total dividend for the year will be £13.6 million (30 September 2023: £13.6 million).

Net asset value

EPRA Net Tangible Assets ("NTA") per share was 127.5p at 31 March 2024 (31 March 2024: 124.4p.) The table below reconciles the movement in the EPRA NTA in FY24:

EPRA NTA per share	**p**
As at 31 March 2023	124.4
Adjusted earnings	2.9
Dividends	(3.2)
Valuation movement	4.0
Cost of interest rate caps	(0.6)
As at 30 September 2024	**127.5**

Debt financing and hedging

The Group's £320.0 million facility comprises a £220.0 million term loan and a £100.0 million RCF. The facility is provided by a club of four lenders: HSBC, Bank of Ireland, NatWest and Santander. The minimum interest cover is 1.5 times, and the maximum LTV of 60%. Both the term loan and the RCF attract a margin of 2.2% plus SONIA for an LTV below 40% or 2.5% if the LTV is above 40%.

At 30 September 2024, £63.0 million was drawn against the RCF and £220.0 million against the term loan. This gave total debt of £283.0 million (31 March 2023: £284.0 million), with the Group also holding cash balances of £6.7 million (31 March 2024: £16.0 million), giving a net debt position of £276.3 million (31 March 2024: £268.0

million). The LTV ratio at 31 March 2024 was therefore 34.1% (31 March 2024: 33.1%). Interest cover for the period was over three times, meaning the Group was substantially within the covenants in the debt facility.

At the period end, the Group has £250.0 million of interest rate caps in place, £50.0 million has a termination date of 20 November 2026 and caps SONIA at 20%; £100.0 million has a termination date of 20 July 2025 and £100.0 million has a termination date of 20 July 2027 both of which cap SONIA at 1.5%. The Group is actively managing the hedging moving forward and will review the Group's hedging requirements closer to expiry.

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.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Group are documented on pages 51 to 60 of the Annual Report for the year ended 31 March 2024. Since then, the Board has continued its regular review of risks and emerging risks, including detailed consideration of those risks that are most material to the Group and are recorded as its principal risks.

During the period there have been no changes to the list of risks that the Board considers to be the Group's principal risks. The evaluation of those risks continues to be reviewed, along with the controls and mitigation strategies.

Financial risks

- Changes in interest rates could directly impact the Group's cost of capital, and indirectly may impact market stability.
- It may become more difficult to raise funding through equity, debt or asset disposals, which may impact the Group's ability to finance its activities and deliver growth.

Business risks

- Returns may not be in line with our plans and forecasts, for example because of an inappropriate investment strategy, poor delivery of the strategy, or reduced capital valuations or rental income.
- The Group depends on the performance of its third-party service providers, including the Investment Advisor and Property Managers, and poor delivery by these providers could impact on the REIT's performance.
- A general economic downturn may have an impact on the warehouse market, as current occupiers may struggle to cover property costs, and potential occupiers may be less likely to move or seek additional space or higher-quality buildings.

Operational risks

- A substantial increase in bad debts, arrears or slow payment could have a direct impact on cash flow and profitability. It could also negatively impact average lease lengths, void levels and costs, resulting in reducing portfolio returns.
- Inappropriate acquisitions could also increase risk in relation to portfolio returns, as properties may be harder to let, may not generate appropriate revenues, or may require additional costs to support.

Compliance risks

- Loss of REIT status, through failing to meet regulatory requirements or the Listing Rules, could have a significant impact on the Group's reputation and the financial returns for investors.
- Breaching the conditions of the Group's loan funding could result in restrictions to funding and activities going forward. In addition, the Board has approved and communicated the Group's borrowing policy and breaching it may risk financial and reputation damage.

Climate-related risks

- Climate change may have an increasing impact across the business, including adverse weather events, increasing utility costs, and the potential for property values to be impacted.

GOING CONCERN

In preparing the financial statements, we and the Company's Board are required to assess whether the Group remains a going concern. During the year, the Group generated total property income of £26.6 million and operating profits of £18.7 million, showing that rents would have to fall by approximately 30% before the business became loss-making. This is considered highly unlikely given the high occupational demand for warehouse assets, our strong relationships with the broad range of occupiers across the portfolio, the level of rent collection and the fact that the portfolio ERV exceeds the year-end contracted rent roll by 16.3%.

At the same time, the Group has a strong balance sheet, with substantial cash and headroom within its facilities at the period end of £43.7 million. The Group's current facility expires in June 2028, and at the date of this report has interest rate caps on £250.0 million of debt.

We and the Company's Board have also carefully reviewed the risk landscape 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 and is authorised and regulated by the Financial Conduct Authority.

INVESTMENT ADVISOR
Tilstone Partners Limited is Investment Advisor to the Company.

Simon Hope
Tilstone Partners Limited
20 November 2024

DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors confirm to the best of our knowledge:

- the condensed set of financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting', and give a true and fair view of the assets, liabilities, financial position and profit of the Group, as required by DTR 4.2.4R;
- the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the financial year); and
- the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

The Directors of Warehouse REIT plc are listed on the Company website warehousereit.co.uk

By order of the Board.

Neil Kirton
Chairman

20 November 2024

SUPPLEMENTARY TABLES

Occupier base by sector at 30 September 2024	Contracted rent %
Wholesale and trade distribution	41.2
Food and general manufacturing	28.0
Services and utilities	12.5
Transport and logistics	11.0
Construction	3.1
Technology, media and telecoms	3.0
Other	1.2
	100

The Group's rent roll is also well diversified. The top 15 occupiers account for 31.0% of the contracted rents from the investment portfolio, with the top 100 generating 74.4%.

Top 15 occupiers at 30 September 2024	Rent £m	% of total rent	D&B score
John Lewis plc	2.0	4.6	5A2
Wincanton Holdings Limited	1.9	4.3	5A2
DFS Trading Limited	1.5	3.3	5A1
Direct Wines Limited	1.2	2.6	N2
Alliance Healthcare (Distribution) Limited	0.9	2.2	5A2
Argos Limited	0.8	1.9	5A2
Magna Exteriors (Liverpool) Limited	0.8	1.9	N-
International Automotive Components Group Limited	0.8	1.9	4A4
Evtec Aluminium Limited	0.6	1.4	N4
Howden Joinery Properties Limited	0.5	1.2	N3
A. Schulman Thermoplastic Compounds Limited	0.5	1.1	4A2
Colormatrix Europe Limited	0.5	1.1	5A2
Smyths Toys UK Limited	0.5	1.1	4A2
Magna Exteriors (Banbury) Limited	0.5	1.1	C3
Selco Trade Centres Limited	0.5	1.1	5A2
Total	13.5	31.0	

This spread of occupiers across industries and business sizes means the Group is not reliant on any one occupier or industry. This increases the Group's resilience and helps to mitigate both financial and leasing risks.

Contracted rent by occupier size	%
Top 15 occupiers	31.0
Occupiers 16 – 25	8.7
Occupiers 26 – 50	16.3
Occupiers 51 – 100	18.4
Others	25.6
	100.0

EPC ratings, % Investment portfolio	30 September 2024	31 March 2024
A+	0.2	0.0
A	1.8	1.5
B	20.9	25.0
C	40.8	40.2
D	26.6	24.6
E and below	9.7	8.7
	100.0	100.0

Results for the six months ended 30 September 2024

Condensed consolidated statement of comprehensive income (unaudited)
For the six months ended 30 September 2024

Continuing operations	Notes	**Six months ended 30 September 2024 £'000**	Six months ended 30 September 2023 (Restated) £'000
Gross property income	3	**25,063**	23,291
Service charge income	3	**1,579**	1,728
Service charge expense	4	**(1,856)**	(1,844)
Net property income		**24,786**	23,175
Property operating expenses	4	**(2,213)**	(2,031)
Gross profit		**22,573**	21,144
Administration expenses	4	**(3,888)**	(3,857)
Operating profit before gains on investment properties		**18,685**	17,287
Profit on disposal of investment properties	11	**83**	5,419
Fair value gain on revaluation of investment properties	11	**17,161**	6,778
Operating profit		**35,929**	29,484
Finance income	5	**4,197**	5,471
Finance expenses	6	**(15,019)**	(12,986)
Profit before tax		**25,107**	21,969
Taxation	7	**-**	-
Total comprehensive income for the period		**25,107**	21,969
EPS (basic and diluted) (pence)	10	**5.9**	5.2

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

Condensed consolidated statement of financial position (unaudited)
As at 30 September 2024

	Notes	**30 September 2024 £'000**	31 March 2024 £'000
Assets			
Non-current assets			
Investment property	11	**761,624**	695,345
Trade and other receivables	14	**6,000**	-
Interest rate derivatives	15	**4,466**	5,485
		766,090	700,830
Current assets			
Investment property held for sale	12	**62,995**	129,060
Cash and cash equivalents	13	**6,698**	15,968
Trade and other receivables	14	**16,182**	11,519
Interest rate derivatives	15	**1,084**	1,756
		86,959	158,303
Total assets		**859,049**	859,133
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	16	**(279,748)**	(280,413)
Head lease liability	17	**(13,425)**	(14,235)
		(293,173)	(294,648)
Current liabilities			
Other payables and accrued expenses	18	**(9,849)**	(20,658)
Deferred income	18	**(7,996)**	(7,251)
Head lease liability	17	**(931)**	(987)
		(18,776)	(28,896)
Total liabilities		**(311,949)**	(323,544)
Net assets		**547,100**	535,589
Equity			
Share capital	19	**4,249**	4,249
Share premium		**275,648**	275,648
Retained earnings		**267,203**	255,692
Total equity		**547,100**	535,589
Number of shares in issue (thousands)		**424,862**	424,862
NAV per share (basic and diluted) (pence)	20	**128.8**	126.1

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 2024

	Notes	**Share capital £'000**	**Share premium £'000**	**Retained earnings £'000**	**Total £'000**
Balance at 1 April 2023		4,249	275,648	248,578	528,475
Total comprehensive income		-	-	21,969	21,969
Dividends paid	9	-	-	(13,596)	(13,596)
Balance at 30 September 2023		4,249	275,648	256,951	536,848
Balance at 1 April 2024		**4,249**	**275,648**	**255,692**	**535,589**
Total comprehensive income		**-**	**-**	**25,107**	**25,107**
Dividends paid	**9**	**-**	**-**	**(13,596)**	**(13,596)**
Balance at 30 September 2024		**4,249**	**275,648**	**267,203**	**547,100**

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 2024

	Notes	**Six months ended 30 September 2024 £'000**	Six months ended 30 September 2023 £'000
Cash flows from operating activities			
Operating profit		**35,929**	29,484
Adjustments to reconcile profit for the period to net cash flows:			
Profit from change in fair value of investment properties		**(17,161)**	(6,778)
Realised profit on disposal of investment properties		**(83)**	(5,419)
Head lease asset depreciation		**884**	217
Operating cash flows before movements in working capital		**19,569**	17,504
Increase in other receivables and prepayments		**(4,263)**	(6,155)
Decrease in other payables and accrued expenses		**(661)**	(2,596)
Net cash flows generated from operating activities		**14,645**	8,753
Cash flows from investing activities			
Acquisition of investment and development properties		**(52,370)**	(5,560)
Capital expenditure		**(2,031)**	(3,710)
Development expenditure		**(448)**	(5,012)
Purchase of interest rate caps		**(2,752)**	(2,181)
Interest received		**4,231**	3,188
Disposal of investment properties		**55,237**	38,458
Net cash generated from investing activities		**1,867**	25,183
Cash flows from financing activities			
Bank loans drawn down		**51,000**	306,000
Bank loans repaid		**(52,000)**	(327,000)
Loan interest and other finance expenses paid		**(10,564)**	(10,000)
Other finance expenses paid		**(4)**	(99)
Loan issuance fees		**(103)**	(4,223)
Head lease payments		**(515)**	(529)
Dividends paid in the period		**(13,596)**	(13,596)
Net cash flows used in financing activities		**(25,782)**	(49,447)
Net decrease in cash and cash equivalents		**(9,270)**	(15,511)
Cash and cash equivalents at the start of the period		**15,968**	25,053
Cash and cash equivalents at the end of the period	**13**	**6,698**	9,542

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 2024

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 65 Gresham Street, London EC2V 7NQ. The Company is admitted to trading on the Premium Listing Segment of the Main Market, 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 2024. 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 2024 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 2024 have not been either audited or reviewed by the Company's Auditor. The information for the year ended 31 March 2024 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
Other standards, interpretations and amendments effective in the current financial year have not had a material impact on the consolidated Group financial statements.

The Group has not applied any standards, interpretations or amendments that have been issued but are not yet effective. The impact of the following is under assessment:

- IFRS 18 'Primary financial statements', which will become effective in the consolidated Group financial statements for the financial year ending 26 February 2028, subject to UK endorsement.

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 risk of material change to the carrying value of assets 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 – Professional Standards 2020 (incorporating the International Valuation Standards), in accordance with IFRS 13. The key estimates made by the valuer are the ERV and equivalent yields of each investment property and the land values per acre for development properties. The valuers have considered the impact of climate change and that this has not had a material impact on the valuation at the current time. See notes 11 and 21 for further details.

2.3 Restatement of financial statements
Following a review of the gross service charge income recognised for the six months ended 30 September, it was noted that there was an inconsistency in the methodology prescribed in the previous year's annual financial statements. The comparative service charge income and expenditure have been updated to reflect this, with no change to net property income previously recognised.

In September 2024, the European Public Real Estate Association's guidelines for the calculation of EPRA earnings were updated to include the interest from financial derivatives, effective from 1 October 2024 onwards. The Group has early adopted the guidance to bring the calculation of EPRA earnings in-line with the treatment of interest in the calculation of adjusted earnings. The comparative has been restated to reflect the change in guidance.

2.4 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 2024.

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 2024. 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 Pounds 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.

Derivative financial instruments
Derivative financial instruments, comprising interest rate derivatives for mitigating interest rate risks, are initially recognised at fair value, and are subsequently measured at fair value, being the estimated amount that the Group would receive or pay to terminate the agreement at the period-end date, taking into account current interest rate expectations and the current credit rating of the Group and its counterparties. Premiums payable under such arrangements are initially capitalised into the statement of financial position.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole. Changes in fair value of interest rate derivatives are recognised within finance expenses in profit or loss in the period in which they occur.

3. Property income

	Six months ended 30 September 2024 £'000	Six months ended 30 September 2023 (Restated) £'000
Rental income	**21,200**	22,245
Surrender premium	**380**	-
Insurance recharged	**766**	854
Dilapidation income	**2,717**	192
Gross property income	**25,063**	23,291
Service charge income	**1,579**	1,728
Total property income	**26,642**	25,019

4. Property operating and administration expenses

	Six months ended 30 September 2024 £'000	Six months ended 30 September 2023 (Restated) £'000
Service charge expenses	**1,856**	1,844
Premises expenses	**910**	922
Insurance	**830**	829
Rates	**364**	70
Utilities	**151**	35
Loss allowance on trade receivables	**(42)**	175
Property operating expenses	**2,213**	2,031
Investment Advisor's fees	**2,836**	2,820
Head lease asset depreciation	**80**	120
Directors' remuneration (including social security costs)	**87**	86
Other administration expenses	**885**	831
Administration expenses	**3,888**	3,857
Total	**7,957**	7,732

5. Finance income

	Six months ended 30 September 2024 £'000	Six months ended 30 September 2023 £'000
Interest receivable on derivatives	**4,066**	3,697
Change in fair value of interest rate derivatives	**-**	1,646
Income from cash and short-term deposits	**131**	128
Total	**4,197**	5,471

6. Finance expenses

	Six months ended 30 September 2024 £'000	Six months ended 30 September 2023 £'000
Loan interest	**10,213**	10,857
Accelerated loan arrangement fees	**-**	1,688
Change in fair value of interest rate derivatives	**4,443**	-
Head lease interest	**513**	473
Loan arrangement fees amortised	**438**	457
Other finance costs	**-**	99
Bank charges	**10**	3
	15,617	13,577
Less: amounts capitalised on the development of properties	**(598)**	(591)

Total	**15,019**	12,986

The interest capitalisation rate for the six months ended 30 September 2024 was 4.0%.

7. Taxation

Corporation tax has arisen as follows:

	Six months ended 30 September 2024 £'000	Six months ended 30 September 2023 £'000
Corporation tax on residual income for current period	**-**	-
Total	**-**	-

Reconciliation of tax charge to profit before tax:

	Six months ended 30 September 2024 £'000	Six months ended 30 September 2023 £'000
Profit before tax	**25,107**	21,969
Corporation tax at 25.0% (2023: 25.0%)	**6,277**	5,492
Change in value of investment properties (including gain on disposal)	**(4,311)**	(3,049)
Change in value of interest rate derivatives	**1,111**	(412)
Tax-exempt property rental business	**(3,077)**	(2,031)
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 15 years.

Future minimum rentals receivable under non-cancellable operating leases as at 30 September 2024 are as follows:

	30 September 2024 £'000	31 March 2024 £'000
Within one year	**38,927**	40,436
Between one and two years	**31,748**	33,894
Between two and three years	**25,093**	27,053
Between three and four years	**20,009**	22,170
Between four and five years	**13,981**	18,597
Between five and ten years	**18,562**	35,956
More than ten years	**8,903**	7,925
Total	**157,223**	186,031

9. Dividends

Six months ended 30 September 2024	**Pence per share**	**£'000**
Third interim dividend for year ended 31 March 2024 paid on 2 April 2024	**1.6**	**6,798**
Fourth interim dividend for year ended 31 March 2024 paid on 26 July 2024	**1.6**	**6,798**
Total dividends paid during the period	**3.2**	**13,596**

Paid as:

Property income distributions	**1.6**	**6,798**
Non property income distributions	**1.6**	**6,798**
Total	**3.2**	**13,596**

Six months ended 30 September 2023	Pence per share	£'000
Third interim dividend for year ended 31 March 2023 paid on 3 April 2023	1.60	6,798
Fourth interim dividend for year ended 31 March 2023 paid on 7 July 2023	1.60	6,798
Total dividends paid during the period	3.20	13,596
Paid as:		
Property income distributions	3.20	13,596
Total	3.20	13,596

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 2025 of 1.60 pence per share on 29 August 2024, which was paid on 4 October 2024. 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 2024 £'000	Six months ended 30 September 2023 (Restated) £'000
IFRS earnings/(loss)	**25,107**	21,969
EPRA earnings adjustments:		
Gain on disposal of investment properties	**(83)**	(5,419)
Fair value gains on investment properties	**(17,161)**	(6,778)
Surrender premium	**(380)**	-
Changes in fair value of interest rate derivatives	**4,443**	(1,646)
EPRA earnings	**11,926**	8,126
Surrender premium	**380**	-
Accelerated amortisation of loan issue costs	**-**	1,688
Adjusted earnings	**12,306**	9,814

The adjusted earnings per share reflects our ability to generate earnings from our portfolio.

The Company has also included an additional earnings measure called 'Adjusted Earnings' and 'Adjusted EPS'. Adjusted Earnings and Adjusted EPS is based on EPRA's Best Practices Recommendations and includes premiums received during the period in compensation for rental income foregone for surrendering a lease early.

The Board deems this a more relevant indicator of core earnings as it reflects our ability to generate earnings from our portfolio.

	Six months ended 30 September 2024 Pence	Six months ended 30 September 2023 Pence
Basic IFRS EPS	**5.9**	**5.2**
Diluted IFRS EPS	**5.9**	**5.2**
EPRA EPS	**2.8**	**1.9**

Adjusted EPS	**2.9**	2.3

	30 September 2024 Number of shares	30 September 2023 Number of shares
Weighted average number of shares in issue (thousands)	**424,862**	424,862

Please see table 2 of the supplementary notes for details on the calculation of adjusted earnings.

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 2024	**675,497**	**5,663**	**681,160**
Acquisition of properties	**41,099**	**-**	**41,099**
Capital expenditure	**2,057**	**1,046**	**3,103**
Disposal of properties	**(4,924)**	**-**	**(4,924)**
Movement in rent incentives	**(25)**	**1**	**(24)**
Fair value gains/(loss) on revaluation of investment property	**28,801**	**(1,805)**	**27,891**
Total portfolio valuation per valuer's report	**742,505**	**5,800**	**748,305**
Adjustment for head lease obligations	**13,319**	**-**	**13,319**
Carrying value at 30 September 2024	**755,824**	**5,800**	**761,624**

	Completed investment property £'000	Development property and land £'000	Total investment property £'000
Investment property valuation brought forward as at 1 April 2023	752,485	75,660	828,145
Acquisition of properties	-	-	-
Capital expenditure	3,327	8,191	11,518
Disposal of properties	(42,462)	(3,125)	(45,587)
Movement in rent incentives	1,065	(3)	1,062
Fair value gains/(loss) on revaluation of investment property	17,312	(2,230)	15,082
Total portfolio valuation per valuer's report	731,727	78,493	810,220
Assets transferred to held for sale	(56,230)	(72,830)	(129,060)
Adjustment for head lease obligations	14,185	-	14,185
Carrying value at 31 March 2024	689,682	5,663	695,345

Realised loss on disposal of investment property

	30 September 2024 £'000	30 September 2023 £'000
Net proceeds from disposals of investment property during the period	**61,237**	38,458
Carrying value of disposals	**(61,154)**	(33,039)
Realised gain on disposal of investment property	**83**	5,419

Fair value gain on revaluation of investment property

	30 September 2024 £'000
UK investment property	**27,891**
Investment properties held for sale	**(10,730)**
Realised gain on disposal of investment property	**17,161**

12. Investment properties held for sale

	Completed Investment property £'000	Development property and land £'000	Total Investment property £'000
Investment property held for sale			
Carrying value at 31 March 2024	56,230	72,830	129,060
Additions	-	895	895
Disposal of properties	(56,230)	-	(56,230)
Movement on assets held for sale	-	(10,730)	(10,730)
Carrying value at 30 September 2024	**-**	**62,995**	**62,995**

13. Cash and cash equivalents

	30 September 2024 £'000	31 March 2024 £'000
Cash and cash equivalents	**6,698**	9,905
Cash in transit	**-**	6,063
Total	**6,698**	15,968

14. Trade and other receivables

	30 September 2024 £'000	31 March 2024 £'000
Rent and insurance receivables	**5,789**	4,425
Deferred consideration due	**6,000**	-
Payments in advance of property completion	**2,445**	2,217
Interest receivable on derivatives	**1,738**	1,770
Prepayments	**1,216**	266
Occupier deposits	**457**	643
Other receivables	**4,537**	2,198
Total	**22,182**	11,519
Current assets	**16,182**	11,519
Non-current assets	**6,000**	-
Balance at the end of the period	**22,182**	11,519

The rent and insurance receivables balance represent gross receivables of £6.0 million (31 March 2024: £4.7 million), net of a provision for doubtful debts of £0.2 million (31 March 2024: £0.3 million).

Deferred consideration due includes consideration of £6,000,000 in relation to a property disposal sold during the year ended 31 March 2025. The deferred consideration is due in December 2026 and accrues interest from December 2024 at an interest rate of 5.0% per annum. The consideration is secured on a second ranking charge over the asset.

15. Interest rate derivatives

	30 September 2024 £'000	31 March 2024 £'000
At the start of the period	**7,241**	7,387
Additional premiums paid and accrued	**-**	3,849
Changes in fair value of interest rate derivatives	**(4,443)**	(5,214)
Movement in interest rate derivative premium payable	**2,752**	1,219
Balance at the end of the period	**5,550**	7,241

Current assets	**1,084**	1,756
Non-current assets	**4,466**	5,485
Balance at the end of the period	**5,550**	7,241

To mitigate the interest rate risk that arises as a result of entering into variable rate linked loans, the Group entered into interest rate derivatives ("caps") against movements in SONIA. The caps have a combined notional value of £250.0 million with £200.0 million at a strike rate of 1.50% and the remaining £50 million at a strike rate of 2.00%. The £50.0 million cap has a termination date of 20 November 2026, £100.0 million has a termination date of 20 July 2025 and £100.0 million has a termination date of 20 July 2027.

16. Interest-bearing loans and borrowings

	30 September 2024 £'000	31 March 2024 £'000
At the beginning of the period	**284,000**	306,000
Drawn in the period	**51,000**	323,000
Repaid in the period	**(52,000)**	(345,000)
Interest-bearing loans and borrowings	**283,000**	284,000
Unamortised fees at the beginning of the period	**(3,587)**	(1,907)
Loan arrangement fees paid in the period	**(103)**	(4,251)
Unamortised fees written off on the year	**-**	1,688
Amortisation charge for the period	**438**	883
Unamortised loan arrangement fees	**(3,252)**	(3,587)
Loan balance less unamortised loan arrangement fees	**279,748**	280,413

On 2 June 2023, the Group entered into a new £320.0 million facility, replacing the Group's previous £320.0 million debt facility and extending the tenure from January 2025 to June 2028. It comprises a £220.0 million term loan (2023: £182.0 million) and a £100.0 million RCF (2023: £138.0 million) with a club of four lenders; HSBC, Bank of Ireland, NatWest and Santander. The minimum interest cover is 1.5 times compared to 2.0 times under the previous facility and the maximum LTV has been extended to 60% from 55%. Both the term loan and the RCF attract a margin of 2.2% plus SONIA for an LTV below 40% or 2.5% if above. The Group has £250.0 million of interest rate caps in place, £50.0 million has a termination date of 20 November 2026, £100.0 million has a termination date of 20 July 2025 and £100.0 million has a termination date of 20 July 2027 (see note 18). The facilities are secured on all completed investment properties within the portfolio.

As at 30 September 2024, there is £37.0 million (31 March 2024: £36.0 million) available to draw.

The debt facility includes interest cover and market value covenants that are measured at a Group level. The Group has complied with all covenants throughout the financial period.

17. 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 2024 £'000	31 March 2024 £'000
Current liabilities		
Within one year	**931**	987
Non-current liabilities		
After one year but not more than two years	**871**	903
After two years but not more than five years	**2,289**	2,374
After five years but not more than ten years	**2,930**	3,035
Later than ten years	**7,335**	7,923
Non-current head lease obligations	**13,425**	14,235
Total	**14,356**	15,222

18. Other liabilities – other payables and accrued expenses, provisions and deferred income

	30 September 2024	31 March 2024

	£'000	£'000
Loan interest payable	**3,811**	4,161
Administration expenses payable	**1,801**	1,763
Capital expenses payable	**2,120**	1,743
Other expenses payable	**508**	1,958
Property operating expenses payable	**1,609**	733
Deferred consideration payable	**-**	10,300
Other payables and accrued expenses – current	**9,849**	20,658

	30 September 2024 £'000	31 March 2024 £'000
Deferred income	**7,996**	7,251
Deferred income	**7,996**	7,251

Deferred income is rental income received in advance during the accounting period. The income is deferred and is unwound to revenue on a straight-line basis over the period in which it is earned.

19. Share capital

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

Ordinary shares of £0.01 each	**Number**	**30 September 2024 £'000**	Number	31 March 2024 £'000
Authorised, issued, and fully paid:				
At the start of the period	**424,861,650**	**4,249**	424,861,650	4,249
Balance at the end of the period	**424,861,250**	**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 2024 £'000	31 March 2024 £'000
IFRS net assets attributable to ordinary shareholders	**547,100**	535,589
IFRS net assets for calculation of NAV	**547,100**	535,589
Adjustment to net assets:		
Fair value of interest rate derivatives (see note 15)	**(5,550)**	(7,241)
EPRA NTA	**541,550**	528,348

	30 September 2024 £'000	31 March 2024 £'000
IFRS basic and diluted NAV per share (pence)	**128.8**	126.1
EPRA NTA per share (pence)	**127.5**	124.4

	30 September	31 March

	2024 Number of shares	2024 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 variable interest rates of between 2.2% and 2.5% above SONIA.

Interest rate derivatives

The fair value of the interest rate cap contracts is recorded in the statement of financial position and is revalued quarterly by an independent valuations specialist, Chatham Financial. The fair value is determined by forming an expectation that interest rates will exceed strike rates and discounting these future cash flows at the prevailing market rates as at the year-end.

Investment properties

Six-monthly valuations of the investment properties are performed by CBRE, an accredited independent 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, 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 – Professional Standards January 2020 (incorporating the International Valuation Standards).

Completed investment properties are valued by adopting the ‘income capitalisation’ method of valuation. This approach involves applying capitalisation yields to current and future rental streams, net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and future rental values are based on comparable property and leasing transactions in the market using the valuer’s professional judgement and market observations. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions.

Development property and land has been valued by adopting the ‘comparable method’ of valuation and, where appropriate, supported by a ‘residual development appraisal’. The comparable method involves applying a sales rate per acre to relevant sites supported by comparable land sales. Residual development appraisals have been completed where there is sufficient clarity regarding planning and an identified or indicative scheme. In a similar manner to ‘income capitalisation’, development inputs include the capitalisation of future rental streams with an appropriate yield to ascertain a gross development value. The costs associated with bringing a scheme to the market are then deducted, including construction costs, professional fees, finance and developer’s profit, to provide a residual site value.

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:

	30 September 2024			
Assets and liabilities measured at fair value	**Level 1 £’000**	**Level 2 £’000**	**Level 3 £’000**	**Total £’000**
Investment properties and assets held for sale	**-**	**-**	**811,300**	**811,300**
Interest rate derivatives		**5,550**	**-**	**5,550**
Total	**-**	**5,550**	**811,290**	**816,850**

	31 March 2024			
Assets and liabilities measured at fair value	Level 1 £’000	Level 2 £’000	Level 3 £’000	Total £’000
Investment properties and assets held for sale	–	–	810,220	810,220

Interest rate derivatives	–	7,241	–	7,241
Total	–	7,241	810,220	817,461

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.

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 2024

	Fair value £'000	**Valuation technique**	**Key unobservable inputs**	**Range**
Completed investment property	**748,305**	**Income capitalisation**	**ERV**	**£2.62 per sq ft - £25.45 per sq ft**
			Equivalent yield	**5.0% to 13.1%**
Development property and land	**62,995**	**Comparable method/ residual method**	**Sales rate per acre**	**£195,000 -£734,000**
	811,300			

31 March 2024

	Fair value £'000	Valuation technique	Key unobservable inputs	Range
Completed investment property	731,840	Income capitalisation	ERV	£2.62 per sq ft–£12.71 per sq ft
			Equivalent yield	5.2%–13.1%
Development property and land	78,380	Comparable method/ residual method	Sales rate per acre	£195,000–£860,000
	810,220			

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 a gain of £17,161,000 (six months to 30 September 2023: gain of £6,778,000) 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 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 £87,000 (six months to 30 September 2023: £86,000) and as at 30 September 2024, a balance of £nil (31 March 2024: £nil) was outstanding. The Directors who served during the period received £0.8 million in dividend payments (30 September 2023: £0.8 million).

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 Company up to £500 million, then at a lower rate of 0.9% thereafter.

During the period, the Group incurred £2,836,000 (30 September 2023: £2,820,000) in respect of the Investment Advisor's fees. £1,415,000 (31 March 2024: £1,429,000) was outstanding as at the period-end date.

Subsidiaries

As at 30 September 2024, the Company owned directly or indirectly 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, Tilstone Liverpool Limited, Warehouse 1234 Limited, Tilstone Oxford Limited and Tilstone Tamworth Limited.

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 1.6 pence per share in respect of the year ended 31 March 2025 will be paid full PID on 27 December 2024 to shareholders on the register on 29 November 2024.

Post period end, the Group agreed on the sale of £12.8 million of four properties, comprising of Falcon Business Park, Burton on Trent, Crown Street, Carlise, Festival Drive, Ebbw Value and Swift Valley Industrial Estate, Rugby. The combined sales were agree 7.6% ahead of March and 3.8% ahead of September valuations.

Supplementary notes

For the six months ended 30 September 2024

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 that 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 2024**	Six months ended 30 September (Restated) 2023
EPRA EPS (pence)	Table 2	**2.8**	1.9
EPRA cost ratio (including direct vacancy cost)	Table 6	**26.7%**	23.2%
EPRA cost ratio (excluding direct vacancy cost)	Table 6	**22.0%**	22.2%

	Notes	30 September 2024	31 March 2024
EPRA NDV per share (pence)	Table 3	**128.8**	126.1
EPRA NRV per share (pence)	Table 3	**140.5**	137.3
EPRA NTA per share (pence)	Table 3	**127.5**	124.4
EPRA NIY	Table 4	**5.2%**	5.4%
EPRA 'topped-up' net initial yield	Table 4	**5.3%**	5.6%
EPRA vacancy rate	Table 5	**5.2%**	3.6%
EPRA LTV	Table 10	**31.8%**	34.2%

Table 2: EPRA income statement and earnings performance measures

	Six months ended 30 September 2024 £'000	Six months ended 30 September 2023 (Restated) £'000
Total property income	**26,642**	25,019
Less: service charge income	**(1,579)**	(1,728)
Less: dilapidation income	**(2,717)**	(192)
Less: insurance recharged	**(766)**	(854)
Rental income	**21,580**	22,245
Property operating expenses	**(2,213)**	(2,031)
Service charge expenses	**(1,856)**	(1,844)
Add back: service charge income	**1,579**	1,728
Add back: dilapidation income	**2,717**	192
Add back: insurance recharged	**766**	854
Adjusted gross profit	**22,573**	21,144
Administration expenses	**(3,888)**	(3,857)
Adjusted operating profit before interest and tax	**18,685**	17,287
Finance income	**4,197**	5,471
Finance expenses	**(15,019)**	(12,986)
Add back: accelerated amortisation of loan issue costs	**-**	1,688
Less change in fair value of interest rate derivatives	**4,443**	(1,646)
Adjusted profit before tax	**12,306**	9,814
Tax on adjusted profit	**-**	-
Adjusted earnings	**12,306**	9,814
Less: surrender premium received	**(380)**	-
Less: accelerated amortisation of loan issue costs	**-**	(1,688)
EPRA earnings	**11,926**	8,126
Weighted average number of shares in issue (thousands)	**424,862**	424,862
Adjusted EPS (pence)	**2.9**	2.3
Weighted average number of shares in issue (thousands)	**424,862**	424,862
EPRA EPS (pence)	**2.8**	1.9

The adjusted earnings per share reflects our ability to generate earnings from our portfolio.

In September 2024, the European Public Real Estate Association's guidelines for the calculation of EPRA earnings were updated to include the interest from financial derivatives, effective from 1 October 2024 onwards, the comparative has been restated to reflect the change in guidance in-line with the calculation of adjusted earnings.

The Group has also included additional earnings measures called 'Adjusted Earnings' and 'Adjusted EPS' and includes premiums received during the period in compensation for rental income foregone for surrendering a lease early.

The Board deems this a more relevant indicator of core earnings as it reflects our ability to generate earnings from our portfolio.

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 2024	EPRA NDV £'000	EPRA NRV £'000	EPRA NTA £'000
Total properties[1]	**811,300**	**811,300**	**811,300**
Net borrowings[2]	**(276,302)**	**(276,302)**	**(276,302)**
Other net liabilities	**12,102**	**12,102**	**12,102**
IFRS NAV	**547,100**	**547,100**	**547,100**
Exclude: fair value of interest rate derivatives	**-**	**(5,550)**	**(5,550)**
Include: real estate transfer tax[3]	**-**	**55,168**	**-**
NAV used in per share calculations	**547,100**	**556,718**	**541,550**
Number of shares in issue (thousands)	**424,862**	**424,862**	**424,862**
NAV per share (pence)	**128.8**	**140.5**	**127.5**

As at 31 March 2024	EPRA NDV £'000	EPRA NRV £'000	EPRA NTA £'000
Total properties[1]	810,220	810,220	810,220
Net borrowings[2]	(268,032)	(268,032)	(268,032)
Other net liabilities	(6,599)	(6,599)	(6,599)
IFRS NAV	535,589	535,589	535,589
Exclude: fair value of interest rate derivatives	–	(7,241)	(7,241)
Include: real estate transfer tax[3]	–	55,095	–
NAV used in per share calculations	535,589	583,443	528,348
Number of shares in issue (thousands)	424,862	424,862	424,862
NAV per share (pence)	126.1	137.3	124.4

1. Professional valuation of investment property.
2. Comprising interest-bearing loans and borrowings (excluding unamortised loan arrangement fees) of £283,000,000 (31 March 2024: £284,000,000) net of cash of £6,698,000 (31 March 2024: £15,968,000).
3. EPRA NTA and EPRA NDV reflect IFRS values that are net of real estate transfer tax. Real estate transfer tax is added back when calculating EPRA NRV.

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 2024 £'000	31 March 2024 £'000
Total properties per external valuer's report	**811,300**	810,220
Less development property and land	**(68,795)**	(78,493)
Net valuation of completed properties	**742,505**	731,727
Add estimated purchasers' costs[1]	**50,490**	49,757
Gross valuation of completed properties including estimated purchasers' costs (A)	**792,995**	781,484

Gross passing rents[2] (annualised)	**42,064**	42,920
Less irrecoverable property costs[2]	**(1,132)**	(613)
Net annualised rents (B)	**40,932**	42,307
Add notional rent on expiry of rent-free periods or other lease incentives[3]	**1,491**	1,654
'Topped-up' net annualised rents (C)	**42,423**	43,961
EPRA NIY (B/A)	**5.2%**	5.4%
EPRA 'topped-up' net initial yield (C/A)	**5.3%**	5.6%

1. Estimated purchasers' costs at 6.8%.
2. Gross passing rents and irrecoverable property costs assessed as at the balance sheet date for completed investment properties excluding development property and land.
3. 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 three 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 2024 £'000	31 March 2024 £'000
Annualised ERV of vacant premises (D)	**2,791**	1,907
Annualised ERV for the investment portfolio (E)	**53,442**	53,488
EPRA vacancy rate (D/E)	**5.2%**	3.6%

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 2024 £'000	Six months ended 30 September 2023 (Restated) £'000
Property operating expenses	**2,213**	2,031
Service charge expenses	**1,856**	1,844
Add back: service charge income	**(1,579)**	(1,728)
Add back insurance recharged	**(766)**	(854)
Net property operating expenses	**1,724**	1,293
Administration expenses	**3,888**	3,857
Less ground rents[1]	**(80)**	(120)
Total cost including direct vacancy cost (F)	**5,532**	5,030
Direct vacancy cost	**(974)**	(219)
Total cost excluding direct vacancy cost (G)	**4,558**	4,811
Rental income	**21,200**	22,245
Surrender premium	**380**	-
Less ground rents paid	**(515)**	(529)
Gross rental income (H)	**21,065**	21,716

Less direct vacancy cost	**(974)**	(219)
Net rental income	**20,091**	21,497

Total cost ratio including direct vacancy cost (F/H)	**26.3%**	23.2%
Total cost ratio excluding direct vacancy cost (G/H)	**21.6%**	22.2%

	Six months ended 30 September 2024 £'000	Six months ended 30 September 2023 £'000
Rental income	**21,200**	22,245
Less ground rents paid	**(515)**	(529)
Gross rental income (I)	**20,685**	21,716

EPRA cost ratio including direct vacancy cost (F/I)	**26.7%**	23.2%
EPRA cost ratio excluding direct vacancy cost (G/I)	**22.0%**	22.2%

1. Ground rent expenses included within administration expenses such as depreciation of head lease assets.

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 2024 or six months to 30 September 2023.

Table 7: Lease data

As at 30 September 2024	**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:	**7,241**	**5,375**	**28,633**	**2,118**	**(1,141)**	**42,226**
ERV of leases expiring in:	**12,126**	**6,601**	**33,561**	**2,509**	**(1,141)**	**53,656**
Passing rent subject to review in:	**14,042**	**7,631**	**21,149**	**545**	**(1,141)**	**42,226**
ERV subject to review in:	**20,635**	**9,039**	**24,437**	**686**	**(1,141)**	**53,656**

WAULT to expiry is 4.7 years and to break is 3.6 years.

As at 31 March 2024	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:	7,583	5,642	28,759	2,282	(1,209)	43,057
ERV of leases expiring in:	11,525	6,712	34,103	2,571	(1,209)	53,702
Passing rent subject to review in:	16,208	8,313	19,744	1	(1,209)	43,057
ERV subject to review in:	22,714	9,583	22,613	1	(1,209)	53,702

WAULT to expiry is 5.0 years and to break is 4.1 years.

Table 8: Capital expenditure

	Six months ended 30 September 2024 £'000	Year ended 31 March 2024 £'000
Acquisitions[1]	**41,994**	-

Development spend[2]	**1,046**	8,191
Completed investment properties:[3]	**-**	-
No incremental lettable space – like-for-like portfolio	**2,057**	3,327
No incremental lettable space – other	**-**	-
Occupier incentives	**-**	-
Total capital expenditure	**45,097**	11,518
Conversion from accruals to cash basis	**9,752**	653
Total capital expenditure on a cash basis	**54,849**	12,171

1. Acquisitions include £nil completed investment property and £nil development property and land (31 March 2024: £nil and £nil respectively).
2. Expenditure on development property and land.
3. Expenditure on completed investment properties.

Table 9: Like-for-like rental income

	Fair value as at 30 September 2024 £'000	Six months ended 30 September 2024 £'000	Six months ended 30 September 2023 £'000	£ Change £'000	% Change
Like-for-like rental income	**700,205**	**19,267**	19,074	193	**1.0%**
Other adjustments	**-**	**882**	247	635	
Adjusted like-for-like rental income	**700,205**	**20,149**	19,321	828	**4.3%**
Development lettings	**68,795**	**79**	112	(33)	
Properties acquired	**42,300**	**537**	-	537	
Properties sold	**-**	**815**	2,812	(1,997)	
Rental income	**811,300**	**21,580**	22,245	(665)	
Dilapidation income	**-**	**2,717**	192	2,525	
Insurance recharge	**-**	**766**	854	(88)	
Service charge income	**-**	**1,579**	1,728	(149)	
Total property income	**811,300**	**26,642**	25,019	1,623	

Table 10: Loan to value ("LTV") ratio and EPRA LTV

Gross debt less cash, short-term deposits and liquid investments, divided by the aggregate value of properties and investments. The Group has also opted to present the EPRA loan to value, which is defined as net debt divided by total property market value.

	As at 30 September 2024 £'000	As at 31 March 2024 £'000
Interest-bearing loans and borrowings	**283,000**	284,000
Cash	**(6,698)**	(15,968)
Net borrowings (A)	**276,302**	268,032
Total portfolio valuation per valuer's report (B)	**811,300**	810,220
LTV ratio (A/B)	**34.1%**	33.1%

EPRA LTV

	As at 30 September 2024 £'000	As at 31 March 2024 £'000

Interest-bearing loans and borrowings	**283,000**	284,000
Net payables	**(12,333)**	16,646
Cash	**(6,698)**	(15,968)
Net borrowings (A)	**263,969**	284,678
Investment properties at fair value	**811,300**	810,220
Interest rate derivatives	**5,550**	7,241
Head lease obligation	**13,319**	14,185
Total property value (B)	**830,169**	831,646
EPRA LTV (A/B)	**31.8%**	34.2%

Table 11: 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.

	Six months ended 30 September 2024 Pence per share	Year ended 31 March 2024 Pence per share
Opening EPRA NTA (A)	**124.4**	122.6
Movement (B)	**3.1**	1.8
Closing EPRA NTA	**127.5**	124.4
Dividends per share (C)	**3.2**	6.4
Total accounting return (B+C)/A	**5.1%**	6.7%

Table 12: Ongoing charges ratio

Ongoing charges ratio represents the costs of running the REIT as a percentage of NAV as prescribed by the Association of Investment Companies.

	Six months ended 30 September 2024 £'000	Six months ended 30 September 2023 £'000
Administration expenses	**3,888**	3,856
Less: head lease asset depreciation	**(80)**	(120)
Ongoing charges	**3,808**	3,736
Annualised ongoing charges (A)	**7,616**	7,472
Opening NAV as at 1 April	**535,589**	528,475
NAV as at 30 September	**547,100**	536,848
Average undiluted NAV during the period (B)	**541,345**	532,662
Ongoing charges ratio (A/B)	**1.4%**	1.4%

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 year, which ultimately underpins our dividend payments

Admission

The admission of Warehouse REIT plc onto the premium segment of the London Stock Exchange on 12 July 2022

AGM

Annual General Meeting

AIC

The Association of Investment Companies

AIFM

Alternative Investment Fund Manager

AIFMD

The Alternative Investment Fund Managers Regulations 2013 (as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019) and the Investment Funds

Sourcebook forming part of the FCA Handbook

AIM

A market operated by the London Stock Exchange

APM

An Alternative Performance Measure is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework. In selecting these APMs, the Directors considered the key objectives and expectations of typical investors

BREEAM

BREEAM (Building Research Establishment Environmental Assessment Method) is a certification which assesses the sustainability credentials of buildings against a range of social and environmental criteria

Company

Warehouse REIT plc

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

EPC

Energy Performance Certificates provide information about a property's energy use including an energy efficiency rating from A (most efficient) to G (lease efficient) and is valid for ten years.

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 less ground rents, 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

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 NDV / 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 real estate transfer taxes 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

IFRS earnings per share ("EPS")

IFRS earnings after tax for the year divided by the weighted average number of shares in issue during the year

IFRS NAV per share

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

Interest cover

Adjusted operating profit before gains on investment properties, interest (net of interest received) and tax, divided by the underlying net interest expense

Investment portfolio

Completed buildings and excluding development property and land

IPO

Initial public offering

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

Main Market

The Premium Segment of the London Stock Exchange's Main Market

MEES

The Minimum Energy Efficiency Standards are regulations requiring a minimum energy efficiency standard to be met (or have valid exemptions registered) before properties in England and Wales can be let. Currently the minimum is an EPC E rating.

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

Ongoing charges ratio

Ongoing charges ratio represents the costs of running the REIT as a percentage of NAV as prescribed by the Association of Investment Companies

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 that 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

Reversion

Estimated rental uplift to market levels on contracted rent.

RCF

Revolving credit facility

Real Estate Investment Trust ("REIT")

A listed property company that qualifies for, and has elected into, a tax regime that 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 gross contracted rent (excluding ground rents payable under head leases) across the portfolio, excluding development property and land

The full Half-yearly Report can be accessed via the Company's website at warehousereit.co.uk.