

SEGRO

2025

HALF YEAR
PROPERTY ANALYSIS
REPORT



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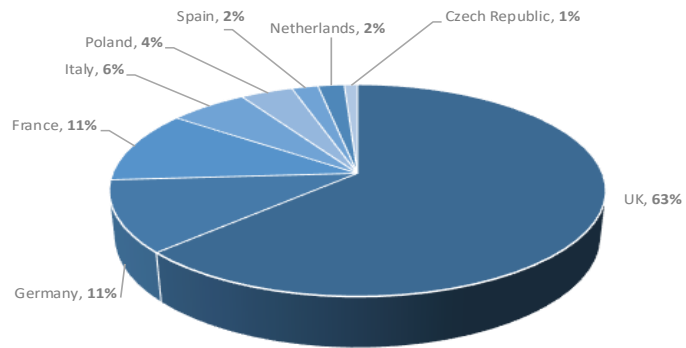
ABOUT SEGRO

SEGRO is a UK Real Estate Investment Trust (REIT), listed on the London Stock Exchange and Euronext Paris, and is a leading owner, manager and developer of modern warehouses, industrial property and data centres. It owns or manages 10.8 million square metres of space (116 million square feet) valued at £21.4 billion serving customers from a wide range of industry sectors. Its properties are located in and around major cities and at key transportation hubs in the UK and in seven other European countries.

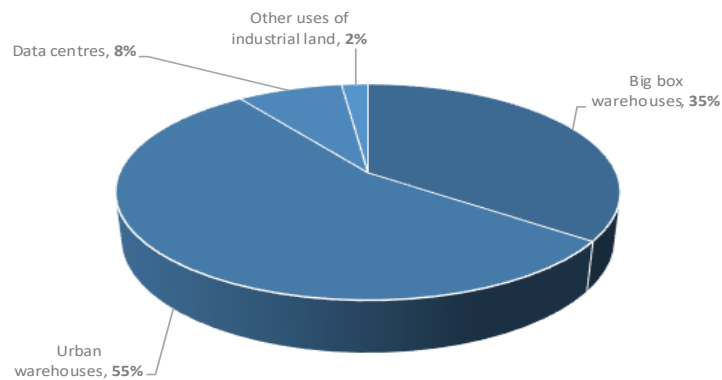
For over 100 years SEGRO has been creating the space that enables extraordinary things to happen. From modern big box warehouses, used primarily for regional, national and international distribution hubs, to urban warehousing located close to major population centres and business districts, it provides high-quality assets that allow its customers to thrive.

OVERVIEW

Geographical split by value (SEGRO share)



Asset type by value (excluding land) (SEGRO share)



THE BUILDINGS WE PROVIDE



URBAN WAREHOUSES

Urban warehouses are located in, or close to, population centres and business districts and provide flexible space suitable for a wide range of activities. They are used by businesses which need rapid access to end customers, as well as labour and are therefore generally situated close to main roads and public transport.



BIG BOX WAREHOUSES

Big box warehouses are typically used for storage and processing of goods for regional, national and international distribution and are much larger than urban warehouses. They are often located far from the end customer but are situated in key logistics hubs or along major transport routes (mainly motorways, ports, rail freight terminals and airports) to allow rapid transit.



DATA CENTRES

Data centres house IT infrastructure for building, running and delivering applications and services, including the Cloud and Artificial Intelligence. They are often located close to densely populated areas and major financial centres and create clusters known as Availability Zones. SEGRO's data centres are all powered shells which means the fitout and operation is managed by the customer which leases the space.



OTHER USES OF INDUSTRIAL LAND

Industrial land used for non-warehouse purposes. Car showrooms, self-storage facilities, hotels and offices require similar location characteristics to urban warehouses (close to major roads, public transport and a population centre) and the frontage of urban estates is often best used by such occupiers which benefit from a location with high visibility to passing trade.

COMBINED PROPERTY PORTFOLIO AND YIELD RECONCILIATION AS AT 30 JUNE 2025

	UK £m	Continental Europe £m	Total £m	
Combined property portfolio (including share of joint ventures)				
COMBINED PROPERTY PORTFOLIO PER FINANCIAL STATEMENTS	11,629	6,945	18,574	
Add valuation surplus not recognised on trading properties and other items	-	-	-	
Less capitalisation of leasehold obligations under IFRS 16	-	(79)	(79)	
COMBINED PROPERTY PORTFOLIO PER EXTERNAL VALUERS' REPORTS	11,629	6,866	18,495	
Less land and development properties (investment, trading and joint ventures)	(1,350)	(887)	(2,237)	
NET VALUATION OF COMPLETED PROPERTIES	10,279	5,979	16,258	
Add notional purchasers' costs	698	335	1,033	
GROSS VALUE OF COMPLETED PROPERTIES INCLUDING NOTIONAL PURCHASERS' COSTS	A	10,977	6,314	17,291

Rental income		£m	£m	£m
Gross passing rent ¹		420	302	722
Less irrecoverable property costs		(4)	(11)	(15)
NET PASSING RENT	B	416	291	707
Adjustment for notional rent in respect of rent free periods		56	27	83
TOPPED UP NET RENT	C	472	318	790
Including future fixed/minimum uplifts ³		9	1	10
TOTAL TOPPED UP NET RENT		481	319	800

Yields		%	%	%
EPRA net initial yield ²	B/A	3.8	4.6	4.1
EPRA topped up net initial yield ²	C/A	4.3	5.0	4.6
Net true equivalent yield		5.3	5.6	5.4

Exchange Rate £1:€1.17

¹ Gross passing rent excludes short term lettings and licences.

² In accordance with the Best Practices Recommendations of EPRA.

³ Certain leases contain clauses which guarantee future rental increases, whereas most leases contain five yearly, upwards only rent review clauses (UK) or indexation clauses (Continental Europe). Further detail on page 12.

COMBINED PROPERTY PORTFOLIO AS AT 30 JUNE 2025

	Value at 30 June 2025 £m					
	UK	Valuation movement ¹ %	Continental Europe	Valuation movement ¹ %	Group	Valuation movement ¹ %
Analysis of unrealised valuation movements						
Properties held throughout the year	10,054	0.9	5,640	0.6	15,694	0.8
Properties acquired during the year	-	-	228	(1.9)	228	(1.9)
Development completed during the year	225	3.4	111	10.0	336	5.5
COMPLETED PROPERTIES	10,279	1.0	5,979	0.7	16,258	0.9
Buildings under construction	122	2.6	317	5.4	439	4.6
Land ²	1,228	(4.4)	570	(2.4)	1,798	(3.8)
WHOLE PORTFOLIO	11,629	0.4	6,866	0.6	18,495	0.5

¹ The valuation movement percentage is based on the difference between the opening and closing valuations for properties, allowing for capital expenditure, acquisitions and disposals.

² For land and properties acquired during the year, opening valuation is acquisition cost including notional purchasers' costs which are not recognised under IFRS accounting standards.

Asset values by type and country, £m	UK	France	Italy	Spain	Poland	Czech Republic	Germany	Netherlands	Total
Big box warehouses	1,886	635	835	235	539	117	900	489	5,636
Urban warehouses	6,786	1,002	108	74	164	4	794	46	8,978
Data centres	1,286	-	-	-	-	-	-	-	1,286
Other uses of industrial land ²	321	2	12	17	3	-	1	2	358
COMPLETED SEGRO PROPERTIES (SEGRO SHARE)	10,279	1,639	955	326	706	121	1,695	537	16,258
COMPLETED PROPERTIES (AUM)	10,306	2,093	1,301	538	1,248	242	2,530	819	19,077

¹ Includes offices and retail uses such as trade counters, car showrooms and self storage facilities.

² "Other uses" include offices and retail uses such as trade counters, car showrooms and self storage facilities.

TOP 10 ASSETS

TOP 10 ESTATES (BY VALUE, SEGRO SHARE)	Ownership %	Location	Lettable area (100%) sq m	Asset type
Slough Trading Estate	100	Slough	616,597	Multi-let urban warehouse estate, including data centres
SEGRO Logistics Park East Midlands Gateway	100	Midlands	456,684	Big box warehouse park
SEGRO Park Premier Road	100	Park Royal	62,832	Multi-let urban warehouse estate
SEGRO Park Heathrow, Shoreham Road	100	Heathrow	93,704	Multi-let cargo facility
SEGRO Park Greenford Ockham Drive and Auriol Drive	100	Park Royal	79,615	Multi-let urban warehouse estate
SEGRO Airport Park Berlin	50 / 100	Germany	154,545	Multi-let urban warehouse and Big box estate
SEGRO Logistics Park Northampton	100	Midlands	110,346	Big box warehouse park
SEGRO Park Coventry	100	Midlands	117,418	Big box warehouse park
SEGRO Parc des Petits Carreaux	100	France	132,167	Multi-let urban warehouse estate
SEGRO Park North Feltham	100	Heathrow	57,946	Multi-let urban warehouse estate

ANALYSIS OF PORTFOLIO BY ASSET TYPE AS AT 30 JUNE 2025

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation (SEGRO share)				Assets under management ³ £m	Valuation Movement ¹
			Investment & trading properties £m	Joint ventures £m	Land & development ² £m	Total £m		Held throughout %
UK								
Big box warehouses	1,052,744	1,052,744	1,886	-		1,886	1,886	0.2
Urban warehouses	1,507,889	1,502,611	6,759	27		6,786	6,813	1.3
Data centres	229,587	229,587	1,286	-		1,286	1,286	0.1
Other uses of industrial land ⁴	85,771	85,771	321	-		321	321	(0.3)
	2,875,991	2,870,713	10,252	27	1,350	11,629	11,729	0.9
CONTINENTAL EUROPE								
Big box warehouses	6,575,458	3,774,654	1,021	2,729		3,750	6,479	0.7
Urban warehouses	1,379,714	1,339,401	2,131	61		2,192	2,253	0.4
Data centres	-	-	-	-		-	-	-
Other uses of industrial land ⁴	5,091	5,091	35	2		37	39	2.8
	7,960,263	5,119,146	3,187	2,792	887	6,866	9,713	0.6
GROUP								
Big box warehouses	7,628,202	4,827,398	2,907	2,729		5,636	8,365	0.6
Urban warehouses	2,887,603	2,842,012	8,890	88		8,978	9,066	1.1
Data centres	229,587	229,587	1,286	-		1,286	1,286	0.1
Other uses of industrial land ⁴	90,862	90,862	356	2		358	360	0.0
	10,836,254	7,989,859	13,439	2,819	2,237	18,495	21,442	0.8

¹ The valuation movement percentage is based on the difference between the opening and closing valuations for SEGRO's share of properties, allowing for capital expenditure, acquisitions and disposals.

² Land and development valuations (including joint ventures at share) by asset type are not available as land sites are not categorised by asset type.

³ AUM totals include land & developments at 100%.

⁴ "Other uses" include offices and retail uses such as trade counters, car showrooms and self storage facilities.

ANALYSIS OF PORTFOLIO BY ASSET TYPE AS AT 30 JUNE 2025

	Lettable area (100%) sq m	Lettable area (share) sq m	Passing rent ¹ £m	Headline rent ¹ £m	Headline rent ¹ £ per sq m	ERV ² £m	Occupancy by ERV %	Topped-up net initial yield ³ %	Net true equivalent yield %
UK									
Big box warehouses	1,052,744	1,052,744	62	91	90	110	96.0	5.0	5.5
Urban warehouses	1,507,889	1,502,611	256	281	207	373	90.3	4.0	5.1
Data centres	229,587	229,587	55	56	243	76	100.0	4.3	5.4
Other uses of industrial land ⁴	85,771	85,771	20	21	277	25	92.2	6.5	7.5
	2,875,991	2,870,713	393	449	168	584	92.7	4.3	5.3
CONTINENTAL EUROPE									
Big box warehouses	6,575,458	3,774,654	190	207	56	235	97.6	5.0	5.7
Urban warehouses	1,379,714	1,339,401	110	120	95	129	95.1	5.0	5.5
Data centres	-	-	-	-	-	-	-	-	-
Other uses of industrial land ⁴	5,091	5,091	2	2	540	2	94.4	6.1	5.9
	7,960,263	5,119,146	302	329	67	366	96.7	5.0	5.6
GROUP									
Big box warehouses	7,628,202	4,827,398	252	298	64	345	97.1	5.0	5.6
Urban warehouses	2,887,603	2,842,012	366	401	153	502	91.5	4.3	5.2
Data centres	229,587	229,587	55	56	243	76	100.0	4.3	5.4
Other uses of industrial land ⁴	90,862	90,862	22	23	291	27	92.3	6.5	7.3
	10,836,254	7,989,859	695	778	102	950	94.3	4.6	5.4

¹ In respect of occupied space only; SEGRO share.

² On a fully occupied basis; SEGRO share.

³ In relation to SEGRO's share of completed properties.

⁴ "Other uses" include offices and retail uses such as trade counters, car showrooms and self storage facilities.

ANALYSIS OF PORTFOLIO BY ASSET TYPE AS AT 30 JUNE 2025

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation (SEGRO share)				Assets under management £m	Valuation Movement ¹
			Investment & trading properties £m	Joint ventures £m	Land & development ² £m	Total £m		Held throughout %
BY OWNERSHIP								
Wholly owned	5,143,464	5,143,464	13,439	-	2,109	15,548	15,548	0.8
Joint ventures	5,692,790	2,846,395	-	2,819	128	2,947	5,894	0.8
GROUP TOTAL	10,836,254	7,989,859	13,439	2,819	2,237	18,495	21,442	0.8

	Passing rent £m	Headline rent ³ £m	Headline rent ³ £ per sq m	ERV ⁴ £m	Occupancy by ERV %	Topped-up net initial yield ⁵ %	Net true equivalent yield %
BY OWNERSHIP							
Wholly owned	556	625	128	774	93.8	4.5	5.3
Joint ventures	139	153	56	176	96.5	5.0	5.7
GROUP TOTAL	695	778	102	950	94.3	4.6	5.4

¹ The valuation movement percentage is based on the difference between the opening and closing valuations for SEGRO's share of properties, allowing for capital expenditure, acquisitions and disposals.

² Land and development valuations (including joint ventures at share) by asset type are not available as land sites are not categorised by asset type.

³ In respect of occupied space only; SEGRO share.

⁴ On a fully occupied basis; SEGRO share.

⁵ In relation to SEGRO's share of completed properties.

ANALYSIS OF PORTFOLIO BY GEOGRAPHY AS AT 30 JUNE 2025

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation (SEGRO share)				Assets under management £m	Valuation Movement ¹	
			Investment & trading properties £m	Joint ventures £m	Land & development £m	Total £m		Held throughout %	Whole Portfolio %
UK	2,875,991	2,870,713	10,252	27	1,350	11,629	11,729	0.9	0.4
<i>Germany</i>	1,955,892	1,219,833	860	835	361	2,056	2,891	0.7	1.0
<i>Netherlands</i>	701,540	473,931	255	282	7	544	832	0.6	(0.3)
<i>France</i>	1,501,458	1,089,991	1,185	454	357	1,996	2,457	0.2	-
<i>Italy</i>	1,466,872	1,055,874	609	346	64	1,019	1,364	0.9	1.4
<i>Spain</i>	355,558	205,054	114	212	39	365	602	4.2	4.2
<i>Poland</i>	1,762,556	966,269	164	542	55	761	1,317	(0.2)	(0.2)
<i>Czech Republic</i>	216,387	108,194	-	121	4	125	250	(1.7)	(1.4)
Continental Europe	7,960,263	5,119,146	3,187	2,792	887	6,866	9,713	0.6	0.6
GROUP TOTAL	10,836,254	7,989,859	13,439	2,819	2,237	18,495	21,442	0.8	0.5

	Passing rent ² £m	Headline rent ² £m	Headline rent ² £ per sq m	ERV ³ £m	ERV Growth ⁴ %	Occupancy by ERV %	Topped-up net initial yield ⁵ %	Net true equivalent yield ⁵ %
UK	393	449	168	584	1.4	92.7	4.3	5.3
<i>Germany</i>	74	85	71	96	1.3	98.6	4.6	5.2
<i>Netherlands</i>	28	29	60	36	0.6	99.6	4.5	5.6
<i>France</i>	82	88	86	99	0.5	94.9	4.9	5.5
<i>Italy⁶</i>	52	56	55	60	(1.5)	97.1	5.4	5.7
<i>Spain</i>	15	17	84	17	3.1	100.0	5.1	5.3
<i>Poland</i>	44	47	52	50	0.2	93.2	6.4	6.8
<i>Czech Republic</i>	7	7	64	8	0.0	95.8	5.4	6.1
Continental Europe	302	329	67	366	0.4	96.7	5.0	5.6
GROUP TOTAL	695	778	102	950	1.0	94.3	4.6	5.4

¹ The valuation movement percentage is based on the difference between the opening and closing valuations for SEGRO's share of properties, allowing for capital expenditure, acquisitions and disposals.

² In respect of occupied space only; SEGRO share.

³ On a fully occupied basis; SEGRO share.

⁴ ERV growth in June 2025 on a 6-month basis.

⁵ In relation to SEGRO's share of completed properties.

⁶ ERV growth was negative in Italy due to an adjustment in the rents of a specific group of single-customer assets, rather than a reflection of rents in the wider portfolio and market, excluding this adjustment ERV growth for Italy would have been +0.6 per cent.

SUPPLEMENTARY DATA AS AT 30 JUNE 2025

LEASING DATA FOR YEAR TO 30 JUNE

		2025	2024
Take-up of existing space ¹ (A)	£m	11	15
Space returned ² (B)	£m	(10)	(11)
Net absorption of existing space¹ (A-B)	£m	1	4
Other rental movements (rent reviews, renewals, indexation) ¹ (C)	£m	14	15
Rent roll growth from existing space	£m	15	19
Take-up of pre-let developments completed in the year -- signed in prior years ¹ (D)	£m	15	20
Take-up of speculative developments completed in the past two years ¹ (D)	£m	3	2
Total take-up² (A+C+D)	£m	43	52
Less take-up of space signed in previous years ¹	£m	(15)	(21)
Developments signed in the year for delivery in later years ¹	£m	3	17
Rental income contracted in the year¹	£m	31	48
Take-back of space for re-development	£m	(1)	(1)
Retention rate ³	%	90	87

RECONCILIATION BETWEEN PASSING RENT AND ERV

	UK £m	Continental Europe £m	Group £m
PASSING RENT PER VALUATION	420	302	722
Valuation adjustments (incl outstanding rent reviews, rent in arrears)	(27)	-	(27)
SEGRO PASSING RENT	393	302	695
Adjustment for notional rent in respect of rent-free periods	56	27	83
SEGRO CONTRACTED HEADLINE RENT	449	329	778
ERV of vacant properties (incl short term lettings)	44	12	56
Reversion to ERV for properties occupied	91	25	116
ERV OF COMPLETED PORTFOLIO	584	366	950

All figures reflect exchange rates at 30 June and include joint ventures at share.

¹Headline rent.

²Headline rent, excluding space taken back for redevelopment.

³Headline rent retained as a percentage of total headline rent at risk from break or expiry during the year.

SUPPLEMENTARY DATA AS AT 30 JUNE 2025

PORTFOLIO RENT REVIEW CLAUSE SPLIT

Headline Rent	UK %	Continental Europe %	Group %
Market Rent Review	36	-	36
Index Linked ¹	10	41	51
Fixed Uplifts/Other	12	2	13

RENT CHANGE ON RENT REVIEW, LEASE RENEWALS AND RE-GEARS DURING THE YEAR

	UK	Continental Europe ²	Group
Headline rent of leases subject to review, renewal or re-gear £m	16.0	12.6	28.6
New headline rent agreed £m	24.7	13.4	38.1
Change ³	55%	6%	33%

¹Majority linked to CPI.

²Continental Europe leases do not have rent review clauses so this data is for lease renewals only.

³Percentage change based on actual, rather than rounded numbers.

SUPPLEMENTARY DATA AS AT 30 JUNE 2025

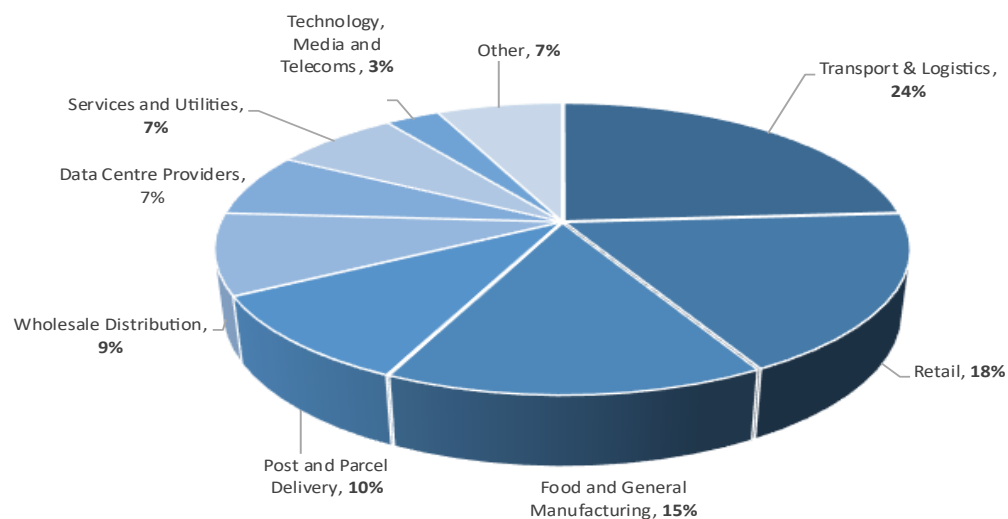
LEASE EVENT SCHEDULE AND UPLIFT OPPORTUNITY

	2025	2026	2027	2028	2029	> 5 years	Total
Headline rent (SEGRO share)	£m	£m	£m	£m	£m	£m	£m
UK rent reviews ¹	32	36	25	44	28	3	168
UK rent at risk (due to expiry/break)	33	31	31	30	39	117	281
Continental Europe rent at risk (due to expiry/break)	9	29	46	49	35	161	329
TOTAL HEADLINE RENT	74	96	102	123	102	281	778
Estimated Rental Value (ERV; SEGRO share)	£m	£m	£m	£m	£m	£m	£m
UK rent reviews ¹	49	50	29	49	29	3	209
UK rent at risk (due to expiry/break)	44	39	35	31	41	141	331
Continental Europe rent at risk (due to expiry/break)	10	32	51	53	38	170	354
TOTAL ERV	103	121	115	133	108	314	894
TOTAL POTENTIAL UPLIFT	29	25	13	10	6	33	116

¹ Rent subject to review is only applicable to the UK portfolio due to Open Market Rent Review lease structures. Rent subject to both review and expiry/break has been removed from the review section.

CUSTOMER TYPES AS AT 30 JUNE 2025

Customer type by headline rent



WEIGHTED AVERAGE LEASE LENGTH¹

By geography

	Break years	Expiry years
UK	8.6	9.7
Continental Europe	5.2	6.1
GROUP TOTAL	7.1	8.2

¹Weighted by headline rent (including SEGRO share of properties in joint ventures).

TOP 20 CUSTOMERS

CUSTOMER (BY HEADLINE RENT)

CUSTOMER TYPE

Amazon	Retail
Deutsche Post DHL	Transport & Logistics / Post & Parcel Delivery
Virtus	Data Centre Providers
Royal Mail	Post & Parcel Delivery
Federal Express	Post & Parcel Delivery
Worldwide Flight Services	Transport & Logistics
GXO	Transport & Logistics
British Airways	Other
Yusen	Transport & Logistics
GTR	Data Centre Providers
Equinix	Data Centre Providers
Maersk	Transport & Logistics
CEVA	Transport & Logistics
La Poste (DPD)	Post & Parcel Delivery
Tesco	Wholesale Distribution
Iron Mountain	Data Centre Providers
Schwartz	Retail
DSV	Transport & Logistics
Evri	Post & Parcel Delivery
DP World Logistics	Transport & Logistics

The top 20 customers represent headline rent of £251 million in aggregate, 32% of the Group's total headline rent at 30 June 2025 (SEGRO share).

DEVELOPMENT PIPELINE AS AT 30 JUNE 2025

	Hectarage (space, 100%) ha	Space to be built (100%) sq m	Current book value ¹ £m	Estimated cost to completion ² £m	ERV when completed ³ £m	Pre-let (ERV) £m	Estimated development yield ⁴ %
CURRENT DEVELOPMENT PIPELINE (A)							
UK	3	30,113	122	19	8	7	9.5%
Continental Europe — wholly-owned	44	215,661	315	90	25	4	7.0%
Continental Europe — joint ventures	6	31,082	7	12	1	-	6.7%
	53	276,856	444	121	34	11	7.4%
FUTURE DEVELOPMENT PIPELINE (B)							
UK	219	1,166,688	1,149	2,024	240	-	7.6%
Continental Europe — wholly-owned	262	982,615	445	1,009	108	-	7.4%
Continental Europe — joint ventures	185	839,026	48	262	24	-	7.7%
	666	2,988,329	1,642	3,295	372	-	7.5%
TOTAL DEVELOPMENT PIPELINE (A+B)	719	3,265,185	2,086	3,416	406	11	
Other land	64	-	151				
TOTAL DEVELOPMENT PIPELINE AND OTHER LAND	783		2,237				

¹ Includes current value of land plus all costs incurred to date.

² Estimated costs to completion include estimated finance charges during construction which are capitalised to the end of the construction period.

³ ERV based upon market rents as at 30 June 2025.

⁴ Estimated development yield is the expected gross yield based on the estimated current market rental value (ERV) of the developments when fully let, divided by the cost of the developments taking land at value at commencement of the developments plus total development costs to completion.

CURRENT DEVELOPMENT PROJECTS

	Space to be built (100%) sq m	Period of completion			Estimated costs to completion £m	Period of completion		
	Total	2025 H2	2026 H1	2026 H2	Total	2025 H2	2026 H1	2026 H2
UK	30,113	17,101	13,012	-	19	1	18	-
Continental Europe - Wholly-owned	215,661	68,677	121,598	25,386	90	14	71	5
Continental Europe – Joint Ventures	31,082	-	8,415	22,667	12	-	5	7
CURRENT DEVELOPMENT PIPELINE	276,856	85,778	143,025	48,053	121	15	94	12

	ERV when complete £m	Period of completion			Pre-let (ERV) £m	Period of completion		
	Total	2025 H2	2026 H1	2026 H2	Total	2025 H2	2026 H1	2026 H2
UK	8	6	2	-	7	6	1	-
Continental Europe - Wholly-owned	24	9	10	5	4	3	1	-
Continental Europe – Joint Ventures	2	-	1	1	-	-	-	-
CURRENT DEVELOPMENT PIPELINE	34	15	13	6	11	9	2	-

DEVELOPMENT PROJECTS COMPLETED AS AT 30 JUNE 2025

	Completed (space, 100%) sq m	Total ERV (at share) £m	ERV of let space (at share) £m	Total capital expenditure (at share) £m	Yield on cost
UK	120,534	13	12	84	8.0%
Continental Europe - Wholly Owned	25,335	3	3	39	7.0%
Continental Europe - Joint Ventures	50,921	2	2	24	7.1%
TOTAL COMPLETED PROJECTS	196,790	19	18	146	7.7%

GLOSSARY OF TERMS

Completed portfolio

The completed investment properties and the Group's share of joint ventures' completed investment properties. Includes properties held throughout the year, completed developments and properties acquired during the year.

Development pipeline

The Group's current programme of developments authorised or in the course of construction at the balance sheet date (Current Pipeline), together with potential schemes not yet commenced on land owned or controlled by the Group (Future Pipeline).

EPRA

The European Public Real Estate Association, a real estate industry body, which has issued Best Practices Recommendations in order to provide consistency and transparency in real estate reporting across Europe.

Estimated cost to completion

Costs still to be expended on a development or redevelopment to practical completion, including notional finance costs.

Estimated development yield

Estimated development yield is the expected gross yield based on the estimated current market rental value (ERV) of the developments when fully let, divided by the book value of the developments at the earlier of commencement of the development or the balance sheet date plus future development costs and estimated finance costs to completion.

Estimated rental value (ERV)

The estimated annual market rental value of lettable space as determined biannually by the Group's valuers. This will normally be different from the rent being paid.

Headline rent

The annual rental income currently receivable on a property as at the balance sheet date (which may be more or less than the ERV) ignoring any rent-free period.

Hectares (Ha)

The area of land measurement used in this analysis. The conversion factor used, where appropriate, is 1 hectare = 2.471 acres.

Investment property

Completed land and buildings held for rental income return and/or capital appreciation.

Joint venture

An entity in which the Group holds an interest and which is jointly controlled by the Group and one or more partners under a contractual arrangement whereby decisions on financial and operating policies essential to the operation, performance and financial position of the venture require each partner's consent.

Net initial yield

Passing rent less non-recoverable property expenses such as empty rates, divided by the property valuation plus notional purchasers' costs. This is in accordance with EPRA's Best Practices Recommendations.

Net rental income

Gross rental income less ground rents paid and property operating expenses.

Net true equivalent yield

The internal rate of return from an investment property, based on the value of the property assuming the current passing rent reverts to ERV and assuming the property becomes fully occupied over time. Rent is assumed to be paid quarterly in advance in line with the standard UK lease terms.

Passing rent

The annual rental income currently receivable on a property as at the balance sheet date (which may be more or less than the ERV). Excludes rental income where a rent free period is in operation. Excludes service charge income.

Pre-let

A lease signed with an occupier prior to commencing construction of a building.

REIT

A qualifying entity which has elected to be treated as a Real Estate Investment Trust for tax purposes. In the UK, such entities must be listed on a recognised stock exchange, must be predominantly engaged in property investment activities and must meet certain ongoing qualifications. SEGRO plc and its UK

Rent-free period

An incentive provided usually at commencement of a lease during which a customer pays no rent. The amount of rent free is the difference between passing rent and headline rent.

Rent roll

See Passing Rent.

GLOSSARY OF TERMS

Speculative development
Where a development has commenced prior to a lease agreement being signed in relation to that development.

Square metres (sq m)
The area of buildings measurements used in this analysis. The conversion factor used, where appropriate, is 1 square metre = 10.7639 square feet.

Take-back
Rental income lost due to lease expiry, exercise of break option, surrender or insolvency.

Topped up net initial yield
Net initial yield adjusted to include notional rent in respect of let properties which are subject to a rent free period at the valuation date. This is in accordance with EPRA's Best Practices Recommendations.

Total capital expenditure
Total capital expenditure excluding land value.

Trading property
Property being developed for sale or one which is being held for sale after development is complete.



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