

INDUSTRIALS REIT LIMITED
 (Registered in Guernsey with registration number 64865)
 LSE share code: MLI JSE share code: MLI
 ISIN: GG00BFWMR296
 (“**Industrials REIT**” or the “**Company**”)

10 January 2023

FINALISATION ANNOUNCEMENT IN RESPECT OF AN ELECTION TO RECEIVE EITHER A CASH DIVIDEND OR A SCRIP DIVIDEND

Industrials REIT shareholders are referred to the circular (the “**circular**”) and the announcement issued on Thursday, 15 December 2022 in respect of an election to receive the interim dividend of 3.50 pence per share (the “**dividend**”) for the six months ended 30 September 2022, either as a cash dividend (the “**cash dividend**”) or as a scrip dividend (the “**scrip dividend**”). Shareholders are now advised that the dividend will be paid entirely as a property income distribution (“**PID**”). The PID will be subject to a deduction of a 20% United Kingdom (“**UK**”) withholding tax unless exemptions apply.

(i) Shareholders receiving the dividend in cash:

South African (“**SA**”) shareholders are advised that the exchange rate for the dividend will be 20.70000 ZAR to 1.00 GBP (the “**exchange rate**”), as obtained by the Company on Monday, 9 January 2023, resulting in a gross local dividend amount of 72.45000 ZAR cents per share. Accordingly, shareholders who do not elect to receive new ordinary shares pursuant to the scrip dividend will be paid a cash dividend per share as follows:

PID	UK Shareholders (GBP pence)	SA Shareholders (ZAR cents)
Gross amount of PID	3.50000	72.45000
Less 20% UK withholding tax*	0.70000	14.49000
Net PID dividend payable**	2.80000	57.96000
Less effective 5% SA dividends tax for SA Shareholders***	n/a	3.62250
Net PID dividend payable***	n/a	54.33750

* Certain categories of UK shareholders may apply for exemption, in which case the PID element will be paid gross of UK withholding tax.

** Net position after deducting UK withholding tax for both UK and SA Shareholders, but before SA shareholders have claimed back 5% from HMRC under the double tax agreement between the United Kingdom and South Africa in respect of the UK withholding tax.

*** SA dividends tax applies to SA Shareholders who do not qualify for an exemption from SA dividends tax (SA tax resident companies and certain exempt institutions are, amongst others, exempt from SA dividends tax) at the rate of 20%, reduced by the UK withholding taxes suffered, which cannot be recovered from the UK (which is effectively 15%, after taking into account the 5% refund which may be obtained from the UK).

(ii) Shareholders who elect to take shares:

The scrip dividend reference price for UK shareholders is 125.80000 pence (“**scrip dividend reference price**”), being the average closing price of Industrials REIT shares traded on the London Stock Exchange

("LSE") over a period of five days as at Friday, 6 January 2023, less the dividend. The scrip dividend reference price for SA shareholders is 26.04060 ZAR, being the scrip dividend reference price for UK shareholders, converted to Rand at the exchange rate.

The number of new ordinary shares to be allocated to shareholders electing to participate in the scrip dividend will be calculated by dividing the net value of the dividend otherwise receivable by a shareholder by the scrip dividend reference price and rounding down to the nearest whole number. As no fraction of a new share will be issued, any entitlement which results in a fractional share will be rounded down to the nearest whole number, with a cash payment to be made to the relevant shareholder in respect of the fraction ("cash payment").

In the case of shareholders on the SA register, such fractions of shares will be sold in the market on behalf of the shareholders entitled to the fractions of shares and the cash payment in respect of the fractions will be paid to those shareholders. The cash payment is calculated by multiplying the fractional entitlement by the scrip dividend reference price. Shareholders are only entitled to the proceeds for their fractional entitlements, which are sold on their behalf, equal to the amount of the cash payment.

The cash payment will be made on the payment date, being Friday, 10 February 2023.

By way of illustration, a shareholder who holds 1,000 shares, and who elects to receive new ordinary shares pursuant to the scrip dividend, will receive a number of new ordinary shares calculated as follows:

In respect of the PID	UK Shareholders	SA Shareholders
PID dividend net of UK withholding tax entitled to receive* <i>(As per (i) above x 1,000):</i>	£28.00000	579.60000 ZAR
Scrip dividend reference price	£1.25800	26.04060 ZAR
Calculated number of new shares to which shareholder is entitled	22.25755	22.25755
Actual number of new shares received	22	22
Gross Cash Balance <i>(multiply fractional entitlement by scrip dividend reference price)</i>	£0.32400	6.70676 ZAR

* A scrip dividend is not subject to SA dividends tax, therefore no SA dividends tax is deducted for SA Shareholders in this instance, only UK withholding tax. SA shareholders may claim back 5% from HMRC under the double tax agreement between the United Kingdom and South Africa in respect of the UK withholding tax

TIMETABLE

The salient dates and times announced on Thursday, 15 December 2022 remain unchanged.

TAX IMPLICATIONS

The receipt of the cash dividend or electing to receive the scrip dividend may have tax implications for shareholders.

With regards to shareholders on the SA register, the scrip dividend (including the cash payment relating to fractions of shares) does not constitute a “foreign dividend” as defined in section 1(1) of the South African Income Tax Act 58 of 1962 (“ITA”) and accordingly does not give rise to any dividends tax. However, the shares issued in terms of the scrip dividend are deemed to be acquired at a base cost or tax cost of nil in terms of section 40C of the ITA. As the cash payment relating to fractions of shares arises pursuant to the disposal of shares on behalf of shareholders, such cash payment must be disclosed by South African shareholders in their tax returns as proceeds for capital gains tax purposes, or gross income, (depending on whether the shareholder holds his/her shares on income or capital account) in relation to the disposal of shares which have no base cost or tax cost.

Shareholders are also referred to the general summary of certain limited aspects of the taxation treatment of distributions paid by the Company for SA resident shareholders and UK resident shareholders included in section 6 of the circular. Shareholders are advised to obtain appropriate advice from their professional advisors regarding the tax consequences of the cash dividend, scrip dividend and cash payment.

For further information:

Industrials REIT Limited +44(0)20 3918 6600
Paul Arenson (paul.arenson@industrials.co.uk)
Julian Carey (julian.carey@industrials.co.uk)
James Beaumont (james.beaumont@industrials.co.uk)

Numis Securities Limited (Financial Adviser) +44(0)20 7260 1000
Hugh Jonathan
Vicki Paine

FTI Consulting (PR Adviser) +44(0)20 3727 1000
Richard Sunderland
Richard Gotla
Neel Bose
industrialsreit@fticonsulting.com

Java Capital +27 (0)11 722 3050
(JSE Sponsor)

About Industrials REIT:

Industrials REIT is a UK REIT with a primary listing on the London Stock Exchange and a secondary listing on the Johannesburg Stock Exchange. The objective of the Company is to deliver a combination of sustainable growing income and growth in value to its investors. Industrials REIT focuses on owning and operating a diversified portfolio of UK purpose built multi-let industrial (MLI) estates across the UK. The Company aspires to be the leading MLI business in the UK. For further information, go to www.industrialsreit.com.