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Trading Update presentation

Quarter ended
30th September 2022
Industrials REIT FY23 Q2
28th October 2022

Agenda

-  Multi-let Industrial Operational Performance
-  Asset Management Update
-  Capital Markets Review
-  Transactions
-  Closing remarks

Hosts



Paul Arenson
Chief Executive Officer



Julian Carey
Managing Director



Justin Bell
Numis, Investment Sales
Director

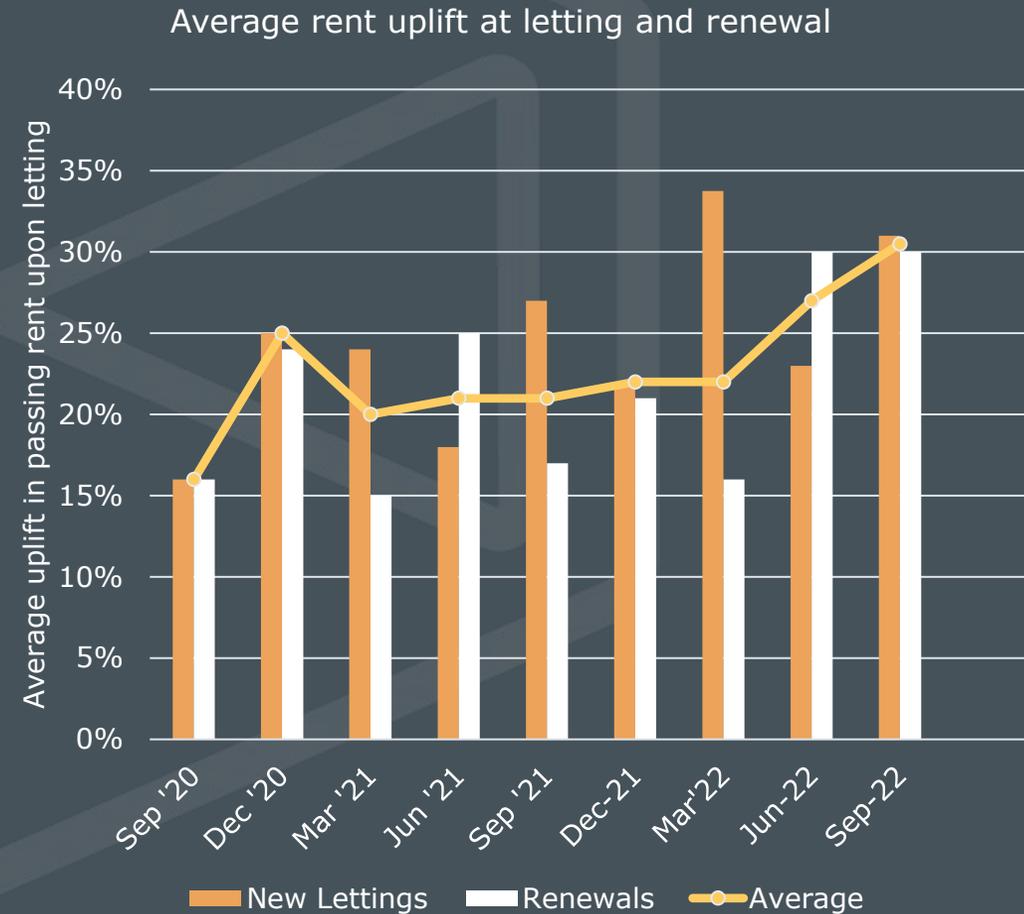
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1.0 Multi-Let Industrial Operational Performance



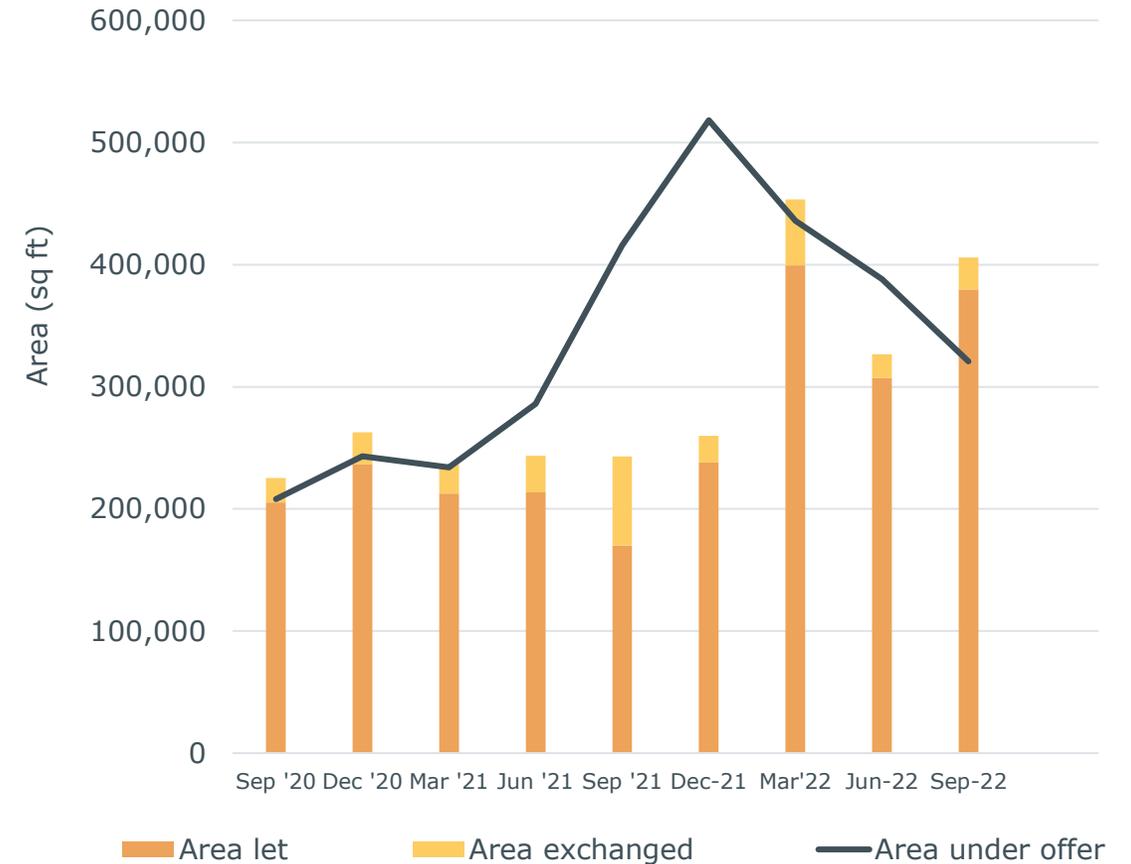
Strong leasing performance

30% average uplift in rent upon letting or renewal



Over £2.6m of new leases signed

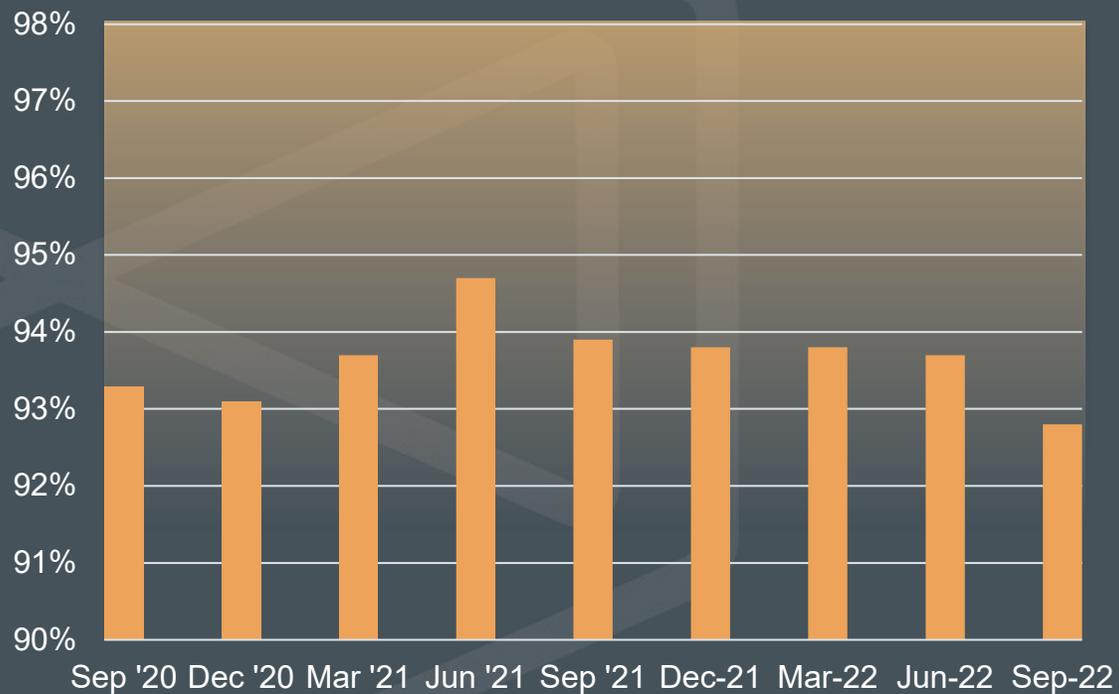
Leasing transactions (completed and exchanged) and under offer units per quarter



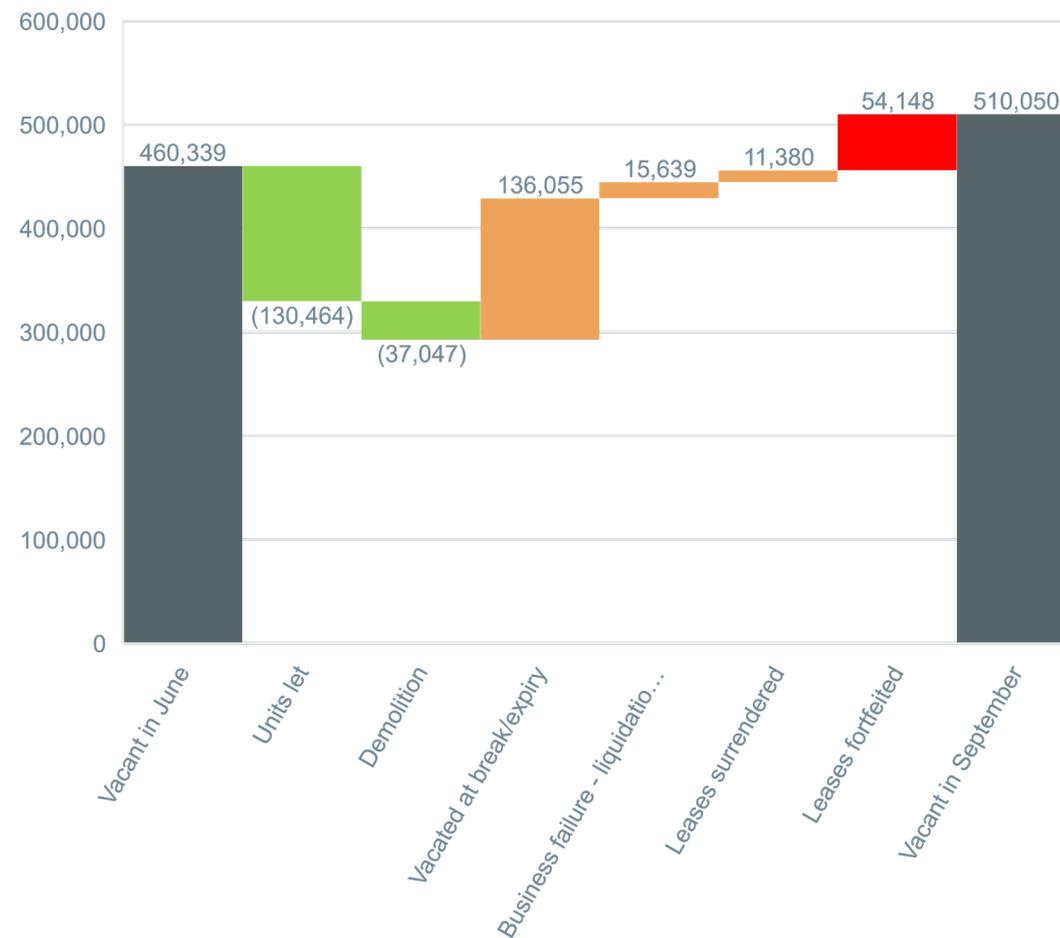
Proactive asset management

Occupancy remains in operating range (92-95%)

MLI Occupancy (%)



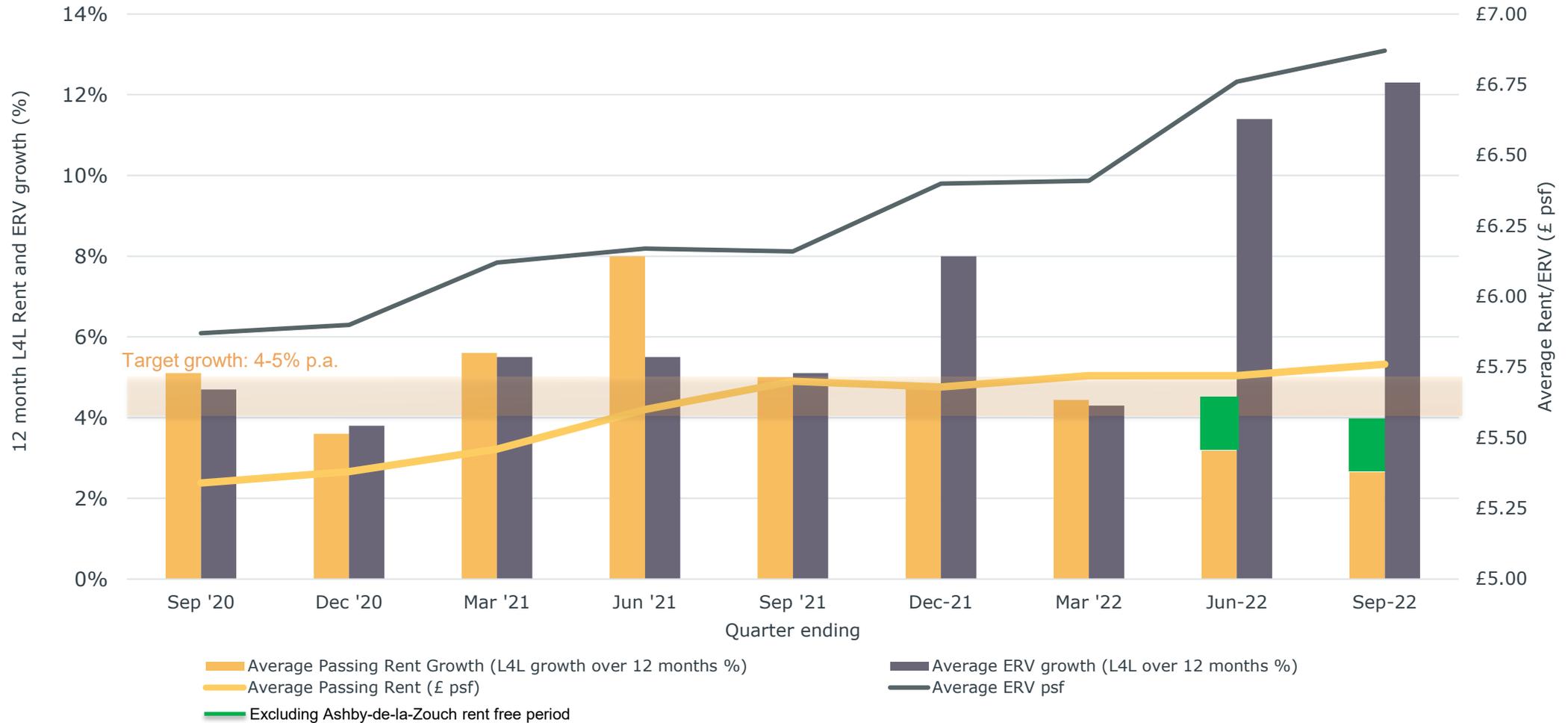
Vacancy (sq ft) change from June '22 to September '22



Strong growth in ERVs

Adding to future potential rental uplifts

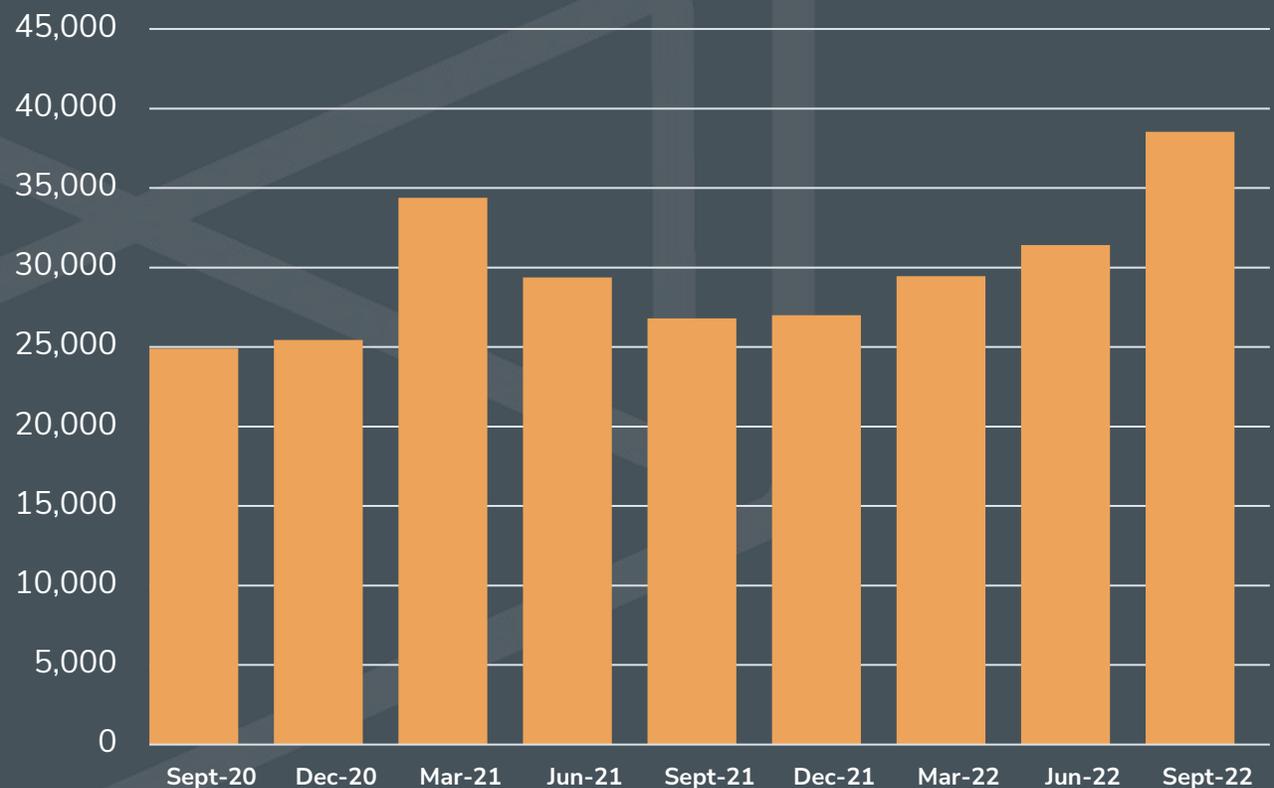
MLI Rents and ERVs



Improvements in enquiry quality and conversion rates

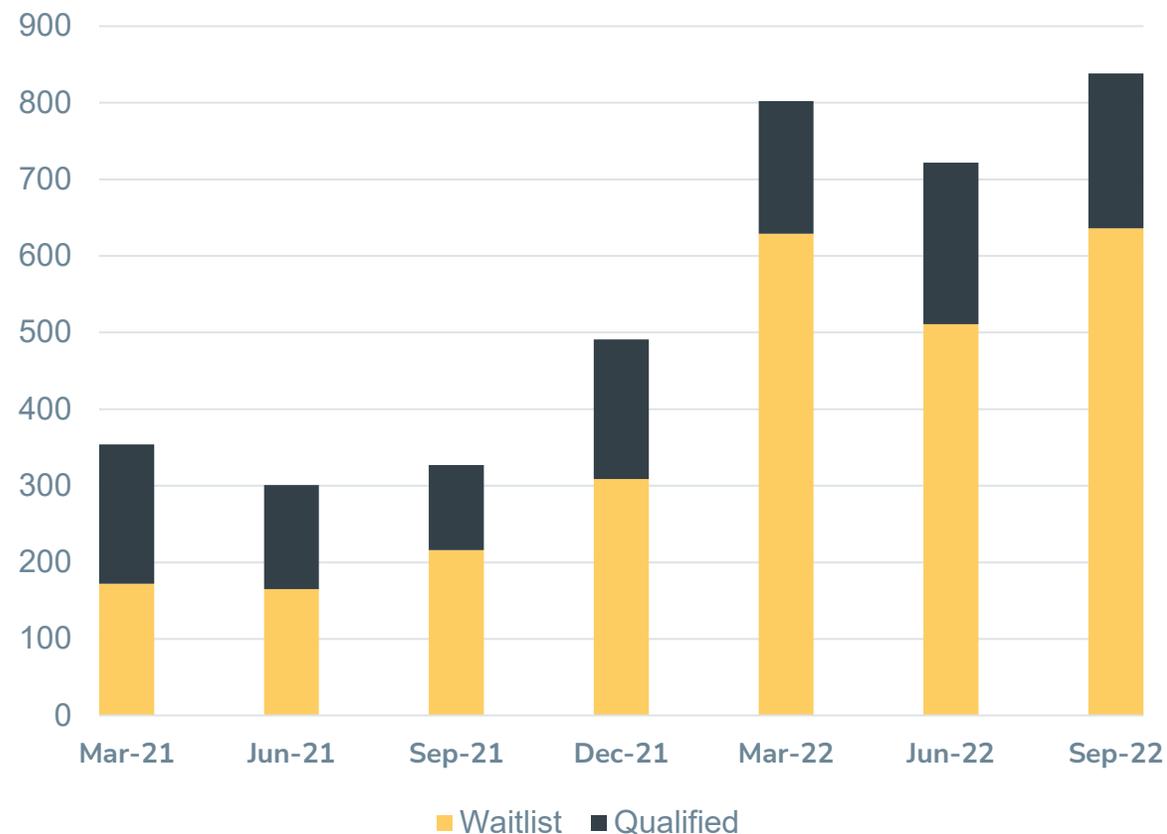
Website users are up +9% year-on-year

Industrials.co.uk website users



Whilst qualified leads and waitlist have doubled

Qualified leads and waitlist



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2.0 Transactions



Disciplined capital allocation

- Two acquisitions during the quarter of £5.2m
- 50,000 sq ft of fully occupied space
- Additional £320,000 of annual income
- Consolidation and expansion of existing holdings
- Increased operational efficiency



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**3.0 Capital Markets Day
Overview**



Industrials REIT Capital Markets Day Highlights

Industrial Market Overview (Ben Clarke, Gerald Eve)

- UK MLI market overview
- Review of UK MLI risks and opportunities

Debt Overview

- 90% of all debt is hedged
- Debt covenants: 65% headroom in ICR, 50% headroom in LTV

Investment Overview

- Why we only buy purpose built MLI in urban areas
- Acquisitions and investment pipeline overview

Asset Management Overview

- A detailed case study on an estate upgrade
- EPC action plan to upgrade the portfolio and a case study

Industrials Hive Overview

- Overview of Microsoft technology
- Built for long lasting competitive advantage
- A journey through the Hive from a customer perspective

How we unlock The Power of Space

The four pillars of Industrials REIT

- Growth sector**
 - > Focused on multi-let industrial sub-sector
 - > Purpose built, urban assets serving SME businesses
 - > Supply/demand imbalance driven by long term global trends
- Specialist Operating Platform**
 - > Industrials Hive Operating Platform
 - > Technology driven for maximum efficiency
 - > Designed for scale to facilitate growth and efficiency
- Resilient and attractive capital structure**
 - > REIT structure
 - > Internalised management
 - > 10W+ Total Accounting Return
- Space that matters**
 - > Responsible business
 - > Sustainable assets and operations
 - > Supportive and inclusive culture
 - > Working for all stakeholders

Prudent debt management

Interest rates are rising from historically low levels

- > Creating strong lending partnerships
- > Focus on building strong relationships
- > Limited appetite for new debt currently
- > Managing our debt expiry profile
- > Increased focus on sustainability linked lending
- > Introducing new lenders to support future business growth

Source: Bloomberg



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Closing remarks



Summary

Areas of focus

01

Driving rental growth

02

Improving operational efficiency

03

Growing the business to generate economies of scale

Conclusion

Occupational market remains strong



30% average uplift at reletting



4.0% rental growth p.a.
(like-for-like, excl. Ashby-de-la-Zouch)



12.2% ERV growth p.a. (like-for-like)



92.8% occupancy

Q&A

Interim Results webinar

Date: 2nd December 2022

Time: 9:00am – 10:00am

Join us by registering via our website calendar:

<https://www.industrialsreit.com/investor-information/financial-calendar/>

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