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7 March 2025

URBAN LOGISTICS REIT PLC

("Urban Logistics" or the "Company")

Proposed Internalisation

Introduction

The Board of Urban Logistics today announces that it has agreed an internalisation proposal with the principals of Logistics Asset Management LLP ("LAM"), its investment adviser, to be effected via the acquisition by the Company of the management vehicle (the "Proposed Internalisation").

In December 2024 the Company commenced detailed discussions with LAM regarding a potential internalisation of the Company's management arrangements. The Company has maintained an open and constructive dialogue with shareholders on the respective merits of an internal versus an external management structure for Urban Logistics, including as part of its FY25 Interim Results investor relations programme in the fourth quarter of 2024 and again in January 2025 when further dialogue with shareholders took place. This shareholder dialogue, in tandem with discussions with LAM, has led to the development of the internalisation proposal set out below and the formal consultation process which the Board will now commence.

Proposed Internalisation

The key terms of the Proposed Internalisation are:

- Richard Moffitt will become Chief Executive Officer and Justin Upton and Jamie Waldegrave will join the board of the Company as Chief Investment Officer and Chief Financial Officer respectively;
- Initial consideration of £6.8 million ("Initial Consideration") payable on completion of the Proposed Internalisation ("Completion") to be satisfied in shares in Urban Logistics;⁽¹⁾
- Contingent consideration of up to £5.6 million ("Contingent Consideration") which vests depending on the average closing share price of Urban Logistics over the 3 months prior to the first anniversary of Completion (the "Anniversary Share Price"):
 - Contingent Consideration shall vest 20% at an Anniversary Share Price of 130 pence;
 - Contingent Consideration vesting shall rise on a straight-line basis from 20% at an Anniversary Share Price of 130 pence to 100% at an Anniversary Share Price of 158 pence;
 - If the Anniversary Share Price is less than 130 pence, the Contingent Consideration shall be £nil;
- In each case the number of Urban Logistics shares to be issued pursuant to the Initial Consideration and the Contingent Consideration shall be based on an issue price of 114.3 pence per Urban Logistics share⁽²⁾;
- All shares to be issued as consideration shall be subject to a 2-year minimum hold period from the date of their issuance.

Benefits of the Proposed Internalisation

The Proposed Internalisation is expected to accrue the following benefits to the Company:

- Reduction in the ongoing annual operating costs of the Company by an estimated c. £1.4 million⁽³⁾ per annum;
- Enhancement in EPRA earnings⁽⁴⁾;
- Urban Logistics' shareholders will continue to benefit from LAM's strong track record and expertise in the logistics sub-sector;
- It is intended that upon the Proposed Internalisation, the Company will transfer its listing to the "equity shares (commercial company)" listing category, potentially opening the Company up to a wider pool of investors;
- Strengthens the alignment of interests between the Company's management and its shareholders, including through the Contingent Consideration being linked to the Company's share price.

Shareholder Consultation and Further Information

The Company will now engage in a consultation period with shareholders. The Directors believe that the terms of the Proposed Internalisation set out above would create a strong alignment of interests between the Company and its management team, secure the medium to longer term future of the Company and provide the opportunity for shareholders to benefit from the attractive investment opportunity presented by the Company's portfolio and prospects.

As part of this process a specialist, independent remuneration advisor was engaged by the Board to carry out an independent remuneration benchmarking review to appraise the proposed remuneration packages of the key individuals in LAM who would take up executive positions in the Company going forward.

A circular setting out the full details of the Proposed Internalisation, along with a notice convening a General Meeting, is expected to be published in due course. If approved, the Proposed Internalisation is expected to become effective in the second calendar quarter of 2025.

Nigel Rich, Chair of Urban Logistics, commented:

"The Board strongly believes that the Company is exceptionally well positioned in what is a highly attractive segment of the UK real estate market. The Proposed Internalisation will strengthen the alignment of interests between the management and shareholders as we look to deliver on the strong potential returns available to the Company in both the short and long term."

Notes to Editors: About Urban Logistics REIT plc

Urban Logistics REIT plc (LON: SHED) has built a high quality, last mile/last touch logistics real estate portfolio with a gross asset value as at 30 September 2024 of £1.1 billion and with significant reversionary potential. Recent portfolio activity by the Company points to the ability of the asset management team to continue to achieve significant rental increases, recycle capital and acquire new assets at attractive prices which fit with Urban Logistics' investment objectives.

The Company is the only London-listed REIT to focus on specialist last mile / last touch logistics assets, with a tenant base which delivers essential goods within the UK. The Company's strategy is to invest in mid-sized logistics properties with the objective of generating attractive dividends and capital returns through active asset management.

Urban Logistics' investment adviser team, led by Richard Moffitt, has significant experience in investing in the logistics market within the broader real estate market. The team's ability to source strategically located mid-sized single let properties, with high-quality tenants, off-market at favourable terms, creates considerable value for shareholders. Tenants include Amazon, XPO, DHL, Hermes, DPD, Boots, Unipart (for NHS), Royal Mail and J Sainsbury Plc.

Buying well and pursuing additional value enhancing asset management initiatives has driven the Company's growth, enabling Urban Logistics to grow from a £10m market cap company at IPO in April 2016 to a FTSE 250 constituent.

Footnotes

- (1) Subject to customary transaction adjustments to reflect the acquisition of the business on a debt free/cash free basis.
- (2) Being the average closing share price on the trading days within the 30 calendar days prior to the date of this announcement.
- (3) Annual cost savings are based on, inter alia, the annual management fee applied on the 30 September 2024 EPRA NTA adjusted for subsequent share buybacks, bonuses at target levels and before any accounting charges in relation to long term incentive plans.
- (4) Based on estimated operating cost savings.

- Ends -

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This announcement contains inside information for the purposes of Article 7 of the UK version of EU Regulation 596/2014, which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"). Upon publication of this announcement, the inside information is now considered to be in the public domain for the purposes of MAR. The person responsible for arranging the release of this announcement on behalf of the Company is Logistics Asset Management LLP. Logistics Asset Management LLP (FRN: 992061) is an appointed representative of G10 Capital Limited (FRN48953) which is authorised and regulated by the Financial Conduct Authority.

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This announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's plans and/or the plans of one or more of its investee companies or projects and their respective current goals and expectations relating to their respective future financial condition and performance and which involve a number of risks and uncertainties. The Company cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements.

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