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20 March 2025

URBAN LOGISTICS REIT PLC

("Urban Logistics" or the "Company")

Shareholder Update

Urban Logistics, the only London-listed REIT specialising in the fast growth 'last touch' logistics sub-sector, presents an update:

- Comprehensive Shareholder consultation exercise well underway in relation to proposed internalisation; meetings with Urban Logistics' Chairman offered to Shareholders representing over 50 per cent of the Company's share capital; Shareholder update to follow completion of the consultation exercise.
- Since IPO in 2016 the Company has significantly outperformed the UK REIT sector in terms of average annual total accounting return and has also significantly outperformed the FTSE 250 and FTSE EPRA NAREIT UK indices in terms of total shareholder return; Internalisation secures a leading logistics real estate management team and enhances alignment with Shareholders.
- Day to day proactive asset management activity continues; Urban Logistics today announces the disposal of three assets for a combined consideration of £26.3 million; blended NIY of 4.93 per cent; premium of 3.1 per cent to September 2024 book value; attractive recycling opportunities available.
- 122 potential asset management opportunities identified and targeted across the portfolio; targeted to deliver 3.1p of EPS growth (FY24 Adjusted EPS: 6.89p) with potential capital value uplift of £223 million (48 pence per share).
- Portfolio very well positioned: sector tailwinds remain strong, with low availability of space to let, rising tenant demand, increased rents, an improved capital markets environment for disposal of longer income profile assets.
- Richard Moffitt exiting M1 Agency.

Shareholder consultation exercise

On behalf of the Board, Urban Logistics' Chairman, Nigel Rich, is well advanced in the process of conducting meetings with a significant number of the Company's larger Shareholders. Dialogue is being carried out on the internalisation proposal across Shareholders collectively representing c.50 per cent of the issued share capital.

The Board notes the statement from Achilles Investment Company Limited ("Achilles") on 17 March 2025. In its statement, Achilles referred to its intention to write to shareholders regarding its views on the Urban Logistics internalisation proposal. The Board encourages Achilles to publish this as soon as possible so that its views are clearly in the public domain and can be part of the consultation process.

A Shareholder update will follow completion of the consultation exercise.

Recent portfolio activity

The Company is pleased to announce the disposal of three assets in Exeter, Plymouth and Bedford, in line with a stated strategy of maximising value in Core assets and recycling capital into higher yielding assets.

The properties were sold for a combined consideration of £26.3 million, at a blended NIY of 4.93 per cent and at a price which represented a 3.1 per cent premium to book value as at 30 September 2024.

Urban Logistics is in advanced negotiations to deploy the sale proceeds to acquire higher yielding assets which the Board believe offer strong asset management potential to enhance income and provide capital value uplifts.

In the period since 1 January 2025, the Company has completed 4 new leases and 4 rent reviews, with rental income of £5.2 million. The like for like rental uplifts on these transactions was 32 per cent, and they were settled 23 per cent ahead of external valuer ERV. This activity has generated £1.9 million of additional rental income on an annualised basis, which represents 0.42 pence per share.

Full year results for 31 March 2025 year-end are expected to be in line with market expectations.

Clear strategy for growth

As at 30 September 2024, the Urban Logistics portfolio comprised 131 highly attractive assets in strategically positioned logistics locations principally across two key asset categories:

- Active Asset Management assets (30 September 2024: 51 per cent of portfolio): typically higher yielding assets which provide opportunities for the Company's management team to apply its significant expertise to improve leases and/or buildings and therefore deliver significant income and capital uplifts.
- Core assets (30 September 2024: 48 per cent of portfolio): typically longer leased assets which provide long term secure income which underpins the Company's dividend and supports the Company's debt facilities. Core assets may be either purchased for their attractive income producing characteristics or were previously Active Asset Management assets where management initiatives have been completed.

The focus of the Company's strategy in the medium term continues to be as follows:

- Having built a substantial portfolio of assets with a pipeline of income and capital value accretion opportunities, the Company will focus on maximising this potential by delivering the 122 identified asset management plans across the portfolio.
- Recycling capital by disposing of relatively mature assets with long dated income at attractive yields, reinvesting proceeds into assets at higher yields with income and capital appreciation potential through active asset management.
- Maintaining a strong balance sheet with gearing broadly remaining at current levels.

Asset management portfolio value creation opportunities

At 30 September 2024 the Asset Management portfolio comprised 51 per cent of the total with an average lease length of 4.7 years and an aggregate value of £584 million reflecting an equivalent yield of 6.6 per cent. The Asset Management portfolio comprises assets specifically identified by the management team for their potential to grow income and capital values:

- The Asset Management portfolio has 73 targeted lease events in the coming years, with the potential to add further reversionary income of c.£11.0 million, or c.2.36 pence per share.
- The Asset Management portfolio at 30 September 2024 had an equivalent yield valuation of 6.6 per cent. Assuming the potential reversionary income were capitalised at this equivalent yield, this would imply potential reversionary capital value of c.£167 million (equivalent to 36 pence per share).

Core portfolio value creation opportunities

At 30 September 2024 the Core portfolio comprised 48 per cent of the total with an average lease length of 10.3 years and an aggregate value of £549 million reflecting an equivalent yield of 6.1 per cent. The Core portfolio represents assets where the significant asset management activity has been completed.

- The Core portfolio has 49 targeted lease events in the coming years, with the potential to add further reversionary income of c.£3.4 million, or c.0.74 pence per share.
- The Core portfolio, at 30 September 2024, had an equivalent yield valuation of 6.1 per cent. Assuming the potential reversionary income were capitalised at this equivalent yield, this would imply potential reversionary capital value of c.£55 million (equivalent to 12 pence per share).

Strong track record

Urban Logistics has a strong track record since IPO driven by its active asset management approach:

- In terms of average annual total accounting return since its IPO in 2016, the Company has been one of the strongest performers amongst London listed REITs which have been listed continuously throughout that period.
- As at 19 March 2025 the total shareholder return ("TSR") from owning a share in Urban Logistics since its IPO is 105.2%⁽¹⁾, approximately twice the TSR on the FTSE 250 Index of 52.8%⁽¹⁾, and significantly outperforming the TSR of the wider FTSE EPRA NAREIT UK Index of -8.9%⁽¹⁾.

Platform for growth

Internalisation would ensure that Shareholders continue to benefit from a sector-leading logistics real estate management team, embedding talent within the Company to secure the medium to longer term potential in the business. The management and the development of the Company would be the focus of the Logistics Asset Management team, which has successfully built the Company into a market leading REIT since the Company's IPO in 2016. The Board considers the Urban Logistics asset management platform to be highly scalable and capable of supporting attractive growth in the number of assets in the portfolio as well as executing the capital and income accretion events referred to above and more beyond.

Attractive sector dynamics

The Directors consider that the underlying market conditions in the Company's focus area of activity are attractive:

- Tenant demand for space outstrips space available to let in the geographies and building sizes focused on by Urban Logistics.
- Relatively constrained levels of new build activity mean that the Directors believe there is limited new space becoming available for occupation.
- Strong rental growth is clearly evidenced by recent sector activity and market commentary.
- Historically high land values and construction costs favour landlords with strong existing portfolios.

M1 Agency relationship

Richard Moffitt agreed in September 2024 with the other members of M1 Agency LLP ("M1") that he would retire from M1 as he no longer has any role in the business and that he would not receive any share of M1 profits generated after 30 September 2024. The Board of Urban Logistics has confirmed that position with M1. A fee of £248k is payable to M1 in connection with the sale of the Exeter asset set out in this announcement but, as noted herein, Richard Moffitt will receive no benefit from this fee. Of the other two transactions one was advised by JLL and, on the other, no agent was used.

Urban Logistics does not intend to comment on every piece of press speculation or Achilles commentary during the Shareholder consultation period. However, Urban Logistics believes that a statement made in the Achilles announcement of 17 March 2025 should be corrected.

Achilles' stated M1 fees payable by Urban Logistics: "may not be appropriate". All fees paid to M1 have been in line with those paid to other property agents, the Company has always complied with Related Party transaction rules whilst on AIM and the Main Market (including having received independent fair and reasonable opinions from its nominated advisers whilst on AIM), details of the M1 relationship and transactions were fully disclosed in the Company's Main Market prospectus and included in each of its annual report and accounts since IPO.

M1 is a successful business serving a range of blue-chip customers (including Aviva, Brookfield, Panattoni and Legal & General) in the logistics real estate sector, particularly in the lot size targeted by the Company's investment focus. The Directors believe that the M1 Agency has been an important part of building the Company's portfolio, assisting in the execution of asset management initiatives, the sourcing of off-market acquisitions and other valuable portfolio activity such as recycling of capital.

The Board will continue to seek professional advice and receive investment opportunities from a number of professional agents who specialise in the logistics market, including M1, where the Board believes the Company's best interests are served by so doing, and on the basis of standard commercial terms.

Nigel Rich, Chairman of Urban Logistics, said:

"We are pursuing an attractive income and capital growth total return strategy for Shareholders, and our concerted focus is on increasing earnings and asset value to deliver attractive Shareholder returns. Our subsector shows compelling near-term growth dynamics which will enable us to continue our asset recycling strategy and to enhance the value of the portfolio. Our pipeline of asset management opportunities is strong, and we have every confidence in the ability of management to drive capital uplifts and significant income growth. That is the task on which management are focussed, and we see internalisation as an important part of their retention as well as a method of providing enhanced alignment with Shareholders.

"I am encouraged by the level of detailed dialogue we are having and the response from our Shareholders. The Board will communicate the outcome of the consultation process shortly."

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, Evri, DPD, 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) Source: Bloomberg

- 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 (FRN: 648953) which is authorised and regulated by the Financial Conduct Authority.

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