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UTILICO EMERGING MARKETS TRUST PLC

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Announcement of shareholder-friendly initiatives

Comprehensive suite of key initiatives to enhance value for shareholders, and underpin an attractive vehicle with a differentiated emerging markets strategy delivering long-term performance and total returns

The Board of Utilico Emerging Markets Trust plc ("UEM" or the "Company") is pleased to provide the following update. As set out in the annual report for the year ended 31 March 2025, the Board has been reviewing the effectiveness of the Company's discretionary tender facility, as well as other potential options for more proactive discount management. As a result of that review, the Board announces a comprehensive suite of initiatives to be adopted by UEM which seeks to increase demand for its shares and enhance the rating of the Company's shares over time.

The proposed initiatives are:

- **New conditional tender offer structure:** a new performance-related tender offer benchmarked against the MSCI Emerging Markets Total Return Index ("Benchmark") and measured over a five-year period, for up to 25% of the Company's issued share capital, equivalent to £126 million of the Company's net asset value ("NAV") at 31 July 2025;
- **Share buyback commitment:** the Board intends to continue using its buyback programme to seek to address the discount to NAV at which the Company's shares may trade from time to time, with the ambition of maintaining a single digit discount in normal market conditions on a sustainable basis. In the three financial years ended 31 March 2025 the Company has repurchased 28.2 million shares for £62.2 million;
- **Progressive dividend policy:** a continuation of the commitment to increase the total annual dividend, paid quarterly. Having increased the dividend year on year since 2016, the Company paid an annual dividend of 9.125 pence per share for the year ended 31 March 2025, equating to a distribution of £17.0 million. The Company is targeting future annual rises; and
- **Advancement of the 2026 continuation vote:** it is proposed that the planned 2026 continuation vote be brought forward to be held on or around the date of the 2025 Annual General Meeting ("AGM") and at subsequent five-yearly intervals thereafter, subject to shareholder approval of the necessary resolutions.

Mark Bridgeman, Chairman of UEM, commented: *"While UEM's long-term performance has been impressive and the share price discount at which the Company's shares have been trading has narrowed significantly over recent months, UEM's 20th anniversary is an opportune time to review certain features of the Company's structure and distribution policy, to ensure alignment with the current environment and to help drive increased value for shareholders from their investment in UEM."*

"The package of measures we are introducing is intended to enhance shareholder value and provide greater transparency, whilst also enabling the Investment Managers and the Board to focus on delivering a strong long-term performance through our differentiated emerging markets strategy. We thank our investors for their continued support of the Company and look forward to continuing our long-term track record of outstanding returns."

Charles Jillings & Jacqueline Broers, Joint Portfolio Managers of UEM added: *"For 20 years, UEM has focused on carefully researched, strategically targeted, bottom-up investing in emerging market infrastructure and utilities companies which are well placed to benefit from the global infrastructure megatrends. We continue to remain highly confident of the investment strategy's potential to continue its 20-year track record of long-term outperformance."*

New performance-related tender structure

Whilst the Company has had the authority, since its initial public offering in 2005, to operate a potential tender facility for up to 12.5% of the issued share capital, having reviewed the appropriateness of the facility in light of the evolution of market practice over the 20-year period, the Board has determined that a new five-yearly performance-related tender structure be adopted. This structure, subject to shareholder approval at the relevant time, would implement an enhanced tender offer for up to 25% of the Company's issued share capital in the event that the Company underperforms the Benchmark over the relevant five-year period (the "Tender Offer").

Over the five years to 31 March 2025, UEM's NAV total return was 67.2%, significantly in excess of the Benchmark which was up by 40.8%. The Board has confidence that NAV returns in excess of the Benchmark will continue. However if, over the five-year period to 31 March 2030, the Company's NAV total return fails to exceed the Benchmark, the Board will put forward proposals to shareholders to implement the tender offer at a price equal to the then prevailing NAV less 2% and costs associated with the implementation of the tender offer.

Share buyback commitment

Since its inception 20 years ago, UEM has believed in the value of its portfolio and offering, and has bought back its ordinary shares to an aggregate value of £182.9 million. The Board intends to continue using the Company's buyback programme to seek to address the discount to NAV at which the Company's shares may trade from time to time, with the ambition to maintain a single digit discount in normal market conditions and on a sustainable basis. As well as assisting in the management of the rating at which the shares trade, share buybacks are also accretive to NAV per share. In the three financial years ended 31 March 2025 the Company has repurchased 28.2 million shares for £62.2 million.

Progressive dividend policy

The Board considers that the current dividend policy provides significant appeal to investors looking for income as well as capital growth. Since inception, the Company has paid a total of £258.6 million in dividends to shareholders.

The Board affirms its objective to increase the total annual dividend, to be paid quarterly by way of interim dividends each year in September, December, March and June. Accordingly, in the absence of unforeseen circumstances, the Board will continue its aim to declare a rising dividend each year, utilising reserves if required. For the financial year ended 31 March 2025, the Company paid an annual dividend of 9.125 pence per share, equating to a distribution of £17.0 million.

UEM is the only emerging markets trust to have increased annual dividends in each of the last ten years.

Advancement of the 2026 continuation vote

In order to align with the proposed five-yearly performance-related tender structure, the Board proposes that, subject to shareholder approval, the continuation vote which is due to take place in 2026 be brought forward to 2025, and that further continuation votes be proposed at the AGM held every five years thereafter.

The Board believes that aligning the five-yearly continuation vote with the five-yearly performance-related tender offer provides the most appropriate basis to manage the portfolio to deliver best performance for the Company's shareholders, whilst also providing an opportunity for shareholders to tender shares should the Company underperform the Benchmark.

This proposal, which requires an amendment to the Company's Articles, will be subject to the approval of shareholders by special resolution at a General Meeting ("GM") to be convened around the time of the 2025 AGM.

Portfolio disclosure

In alignment with the shareholder-friendly initiatives outlined above, the Board recently decided to further enhance the Company's transparency in accordance with best practice by disclosing all of the Company's portfolio holdings in its report and accounts.

Alongside this, the Board and the Investment Managers have agreed that the Company will not make any new investments which are unlisted (Level 3 investments) except in exceptional circumstances. Whilst the value of these investments represents a small proportion of the total portfolio (2.7% as at 31 March 2025), given UEM's primary focus has been on listed investments, this commitment is made in light of certain market sentiment towards funds containing substantial amounts of unlisted holdings.

Attractive long-term track record and outlook

UEM recently celebrated its 20th anniversary as a public company, following its admission to trading on the London Stock Exchange on 20 July 2005. Since inception to 31 July 2025, UEM has achieved a NAV total return of 9.1% per annum or 470.6% in aggregate, significantly outperforming the MSCI Emerging Markets Index which was up by 349.7% over that period. UEM's focus on infrastructure and utilities in emerging markets is highly differentiated from the MSCI Emerging Markets Index and is expertly managed by a disciplined, bottom-up approach from the Investment Managers. The defensive nature of UEM's infrastructure and utilities portfolio, supported by global infrastructure megatrends and the Investment Managers' disciplined stock selection, positions UEM to sustain its success over the long term.

General Meeting

The detailed proposals and resolutions relating to the new initiatives outlined above and the notice convening the GM will be set out in a shareholder circular to be published in due course.

This announcement contains information that is inside information for the purposes of the Market Abuse Regulation (EU) No 596/2014 as implemented in the UK. The person responsible for arranging for the release of this announcement on behalf of the Company is ICM Investment Management Limited.

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