

20th November 2023

Correction of press release: Urb-it AB announces strategic refocusing and capital requirements to ensure success in a challenging market.

The press release that was sent [2023-11-17 16:25] [contained a false description of the company cash balance. In the original press release, it was stated that Urb-it AB had cash and cash equivalents on September 30, 2023, of SEK 32,114. The correct value of the cash and cash equivalents on September 30, 2023, was KSEK 32,114]. The following press release is the correct version.

Urb-it AB ("Urb-it" or "the Company") today announced that the board of directors has resolved on a new strategy for the Company going forward and its ongoing work to secure funding for the Company going forward.

New Strategic Focus

Due to the current economic conditions including high inflation rates, the European e-commerce sector has experienced a slowdown since late 2022. This has had a significant impact on the logistics industry in terms of reduced delivery volumes and increasing costs. In the first quarter of 2023, Urb-it initiated a comprehensive reorganization that affected all markets and the head office in Stockholm. During the third quarter, the effects of the measures taken began to show results, with a 23 percent reduction in operating costs compared to the previous quarter, amounting to SEK 5 million for the first three quarters. At the same time, Urb-it has improved the productivity of its micro-hubs (distribution centers) and last-mile deliveries. This has resulted in a significant improvement in the gross margin after direct delivery costs by SEK 14 million for the period from the first to the third quarter. Furthermore, Urb-it has improved its EBIT by SEK 9.5 million from the first to the third quarter compared to the same period in 2022. Despite the prevailing economic conditions, Urb-it has established itself among leading e-commerce players such as Amazon and Inditex and has partnered with prominent transport companies such as DHL, Maersk, FedEx, EVRI, and WANB Express achieving a 3 percent growth compared to the same period in 2022. However, these measures have not been sufficient to close the gap to the previously communicated financial targets.

In light of the above and the increasing demand for cost-effective and sustainable deliveries in Europe's largest cities, Urb-it plans a strategic restructuring and focus that is being initiated and will be executed during the fourth quarter. In essence, this means that the Company will scale down its operations from the current 13 cities and instead focus on four of its existing key cities in the markets where it operates namely London, Paris, Madrid, and Barcelona. This change will let the Company focus on the cities where demand for its services is the highest while at the same time securing an efficient operation reducing indirect delivery cost and operating expenses by over 30 percent in 2024, equivalent to approximately SEK 35 million, while at the same time retaining over 80 percent of the current volume while.

London, Paris, Madrid, and Barcelona all share the attributes of a very high demand and need, among existing and potential customers, for the type of services that Urb-it provides. Additionally,

the conditions for conducting Urb-Its operations are best in these types of cities with a high population density and delivery volume. By focusing its geographical coverage and operations, Urb-it will significantly reduce its capital requirements while minimizing overall business risk and at the same time build a foundation for future growth.

Financing going forward

The board continuously conducts assessments of the company's liquidity and financial outlook, and the viability of ongoing operations, considering the company's cash position, anticipated revenues, and costs. According to the quarterly report for the third quarter, the company's cash, and cash equivalents as of September 30, 2023, amounted to KSEK 32,114. As a consequence, hereof the board of directors and the Company have taken measures and are working to secure sufficient funding to secure the Company's capital needs through a capital raise or otherwise. This is to secure enough funds to ensure that the Company has sufficient resources to meet its future obligations and successfully continue its operations and execute the updated strategy.

Urb-it will communicate further details regarding the capital raise and its scope at a later date. The Company appreciates the support from its investors and looks forward to working on further strengthening its position in the market in the coming year.

For further information please contact:

Urb-it Press Office: press@urbit.com

About Urb-it AB (publ) | B Corp certified

Urb-it is a rapidly growing sustainable logistics platform with a vision to transform urban logistics, one delivery at a time. We deliver urban logistics services that create a positive impact on society and the environment. We partner with brands to deliver the last mile sustainably and efficiently in urban areas across Europe.

Our customer-centric last mile delivery services are conducted by our employed couriers on our 100% e-cargo bike fleet. This reduces emissions, congestion, and noise pollution - creating healthier cities.

We are a B Corp certified business, meaning we meet and have committed to the highest verified standards of social and environmental performance. We are currently operating in urban areas in Europe's largest e-commerce markets – France, the UK, and Spain. Our ambition is to expand into other major e-commerce markets across Europe in the coming years.

In 2022, Urb-it won Best Supply Chain Solution Award at The Retail Supply Chain & Logistics Expo.

Founded in 2014, Urb-it is a Swedish entrepreneurial company headquartered in Stockholm and listed on Nasdaq First North Growth Market. Find out more at www.urb-it.com/about/investors#reports.

The Company's Certified Adviser is Redeye Aktiebolag.

This information is such information that Urb-it AB (publ) is required to disclose in accordance with the EU Market Abuse Regulation (MAR). The information was submitted, via the above-mentioned contact person, for publication at 10.10 CET on November 20, 2023.