

PRESS RELEASE

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URB-IT INTENDS TO CARRY OUT A RIGHTS ISSUE OF UP TO SEK 196 MILLION AND RECEIVES A BRIDGE CREDIT FACILITY FROM A SHAREHOLDER

The board of directors of Urb-it AB (publ) ("Urb-it" or the "Company") has today, on 19 October 2022, resolved to propose an extraordinary general meeting of the Company to resolve on a new issue of shares with preferential rights for the Company's existing shareholders (the "Rights Issue"). The extraordinary general meeting is scheduled to be held on 21 November 2022 and a notice to the extraordinary general meeting will be published separately.

The Rights Issue will consist of up to 1,958,000,840 new shares. The subscription price will be SEK 0.1 per share. The Rights Issue, which is fully covered by subscription commitments, communicated subscription intentions and guarantee undertakings, will, upon full subscription, provide Urb-it with approximately SEK 196 million before transaction costs related to the Rights Issue. In order to ensure the estimated financing needs until the Rights Issue is completed, the Company has today entered into an uncommitted bridge credit facility agreement with the shareholder Ingka Investments Ventures Europe B.V.

Kevin Kviblad, CEO of the Company, comments:

"We are delighted for the support from existing shareholders and new investors in strengthening Urb-it's financial position. The completion of the rights issue puts Urb-it in an attractive position, and we have the infrastructure in place to continue to rapidly scale. We have now secured the financing necessary to continue to execute on our strategy and reach profitability. Urb-it is operating in a market with significant tailwinds, and we have showed the strength in our business as evidenced by strengthened unit economics and margins.

In short, the rights issue will enable us to strengthen our infrastructure, scale our operations across current and new markets and support growth as we execute on our mission to change urban logistics – one delivery at a time."

Summary

- The Rights Issue comprises shares and will provide Urb-it with proceeds of SEK 196 million before transaction costs upon full subscription.
- Existing shareholders in Urb-it as of the record date, 28 November 2022, will receive one (1) subscription right for each existing share. One (1) subscription right entitles to subscription of eight (8) shares in the Rights Issue. In total, a maximum of 1,958,000,840 shares will be issued.
- The subscription price has been set to SEK 0.1 per share.
- The record date for the Rights Issue is 28 November 2022 and the subscription period will run from 30 November 2022 up to and including 14 December 2022.
- The last day of trading including the right to participate in the Rights Issue is 24 November 2022.
- The Rights Issue is covered to approximately 48.1 percent by subscription commitments and communicated subscription intentions and to approximately 51.9 percent by guarantee undertakings. Accordingly, the Rights Issue is fully secured.
- Subscription commitments have been undertaken by, among others, the Company's major shareholders Ingka Investments Ventures Europe B.V. and Adrigo Asset Management as well as other institutional shareholders and part of the Company's board of directors and management. Ingka Investments Ventures Europe B.V. has undertaken to subscribe up to approximately SEK 52.9

million. Subscription intentions have been received by Skandia and Fiducian Group Ltd. Guarantee undertakings have been undertaken by certain existing shareholders, including Adrigo Asset Management, as well as external guarantors.

- The extraordinary general meeting resolution on the Rights Issue is conducted, inter alia, subject to and conditional upon the limits of the share capital and the number of shares in the articles of association being changed and that the share capital is decreased in accordance with the board of directors' proposal to the extraordinary general meeting.

Background and motives

Urb-it is a Swedish B-Corp certified logistics company that provides services for package deliveries. Urb-it offers a customer-centric end-to-end service for e-commerce, retail as well as the on-demand market. The Company works with leading European brands and has operational activities in the UK, France and Spain.

Retail and e-commerce are undergoing a digital transformation and are growing rapidly. In the last decade, the market has seen an increase of approximately 300 percent between 2014 and 2019. The driving forces behind this growth are, among other things, increased urbanization, increased purchasing power of the middle class and an increased range of goods that can be purchased online. At the same time, the demands for convenience, flexibility, environmental friendliness and options from the urban consumer are increasing, which in turn generates increased demand for deliveries, and innovative solutions within last-mile services, which is now a service that the modern consumer expects in ever higher extent.

Urb-it entered 2022 with a clear focus on the implementation of the Company's laid out strategy with continued growth and an increased focus on profitability. After a record high volume period during the fourth quarter of 2021 and continued investments in infrastructure during the period and during the subsequent quarter of 2022 to accelerate Urb-it's market and urban expansion, the Company is now well positioned to grow with the increasing demand, primarily from the e-commerce segment. During the second quarter of 2022, profitability was prioritized over volume growth, which enabled enhanced operational efficiency. At the same time, this has resulted in reduced costs for the entire operation. Previous investments and the strategic decision to focus on efficiency and increased profitability have affected the number of delivered packages per hour, which demonstrates the scalability and strong unit economics found in the Company's offering. During the second quarter of 2022, the Company demonstrated strong growth figures and increased turnover, approximately 13.9 percent compared to the previous quarter and approximately 109.9 percent compared to the same quarter the year before. This growth is associated with the larger customers the Company has agreements with, including Amazon, Alibaba and Yodel.

Urb-it's goal is to offer sustainable last-mile services in large cities with high population density and an extensive e-commerce market and environmental legislation in place. The Company applies an expansive growth strategy where Urb-it's operations have gone from local markets to operations in most major European cities. In 2020, the Company was active in three of the largest cities in France and England and expanded to 9 major cities in 2021. During the first half of 2022, Urb-it's services reached over 4 million residents in the Paris city center and the Company expanded its operations in England by launching in the British metropolis of Liverpool.

In 2022, the Company expanded further and took the step to expand into Spain, one of the leading countries in e-commerce with one of the fastest growing e-commerce markets in Europe. In addition, Spain plans to introduce environmental zones in the 180 largest cities by 2023. Urb-it expanded into the Spanish market in July 2022 by launching last-mile services in Barcelona and Madrid, providing direct access to a customer base of 3.5 million inhabitant. The Company is now active in 13 major European cities in three different countries and Urb-it is investigating expansion into more markets where the Company's business model has the potential to succeed. In particular in large cities with high population density, developed e-commerce market and extensive environmental legislation where the Company has identified opportunities in Germany, Italy and Portugal.

The board of directors has proposed to carry out a Rights Issue to ensure a successful development in accordance with the Company's business plan and strategy. The purpose of the Rights Issue is to finance the Company's ongoing operations and necessary investments for continued growth until the Company reaches a cash-flow break-even.

Terms and conditions for the Rights Issue

Shareholders who on the record date, 28 November 2022, are registered shareholders in Urb-it in the share register kept by Euroclear Sweden AB have preferential rights to subscribe for shares in relation to the number of shares held on the record date. The shareholders will receive one (1) subscription right for each share held on the record date. One (1) subscription right entitles to subscription of eight (8) shares. In total, a maximum of 1,958,000,840 shares will be issued.

The subscription price has been set to SEK 0.1 per share and the issue proceeds are expected to amount to SEK 196 million before deduction of transaction costs relating to the Rights Issue.

In the events that all shares are not subscribed for with preferential rights (i.e. with the support of subscription rights), the board of directors shall, within the maximum limit of the Rights Issue, decide on allotment of shares to the persons that have subscribed for shares without subscription rights, where allotment of shares shall firstly be made to the persons that have also subscribed for shares by exercising subscription rights, and, for the cases where those cannot earn full allotment, allotment will be carried out in relationship to their subscription with the support of subscription rights and, if this is not possible, through drawing lots, and allotment in the second degree to be carried out to others who have subscribed for shares in the Rights Issue without the support of subscription rights and, in the cases they those are unable to earn full allotment, allotment is carried out in relationship to the number of shares each and every one has subscribed for and, if not possible, through drawing lots, and allotment in the last degree to the parties that have undertaken to guarantee the Rights Issue in accordance with their respective guarantee commitment agreements.

The record date to determine which shareholders that are entitled to receive subscription rights is 28 November 2022. The last day of trading in the shares including the rights to participate in the Rights Issue is 24 November 2022. Subscription shall be made during the subscription period, 30 November 2022 up to and including 14 December 2022. Trading in subscription rights is expected to take place from 30 November 2022 up to and including 9 December 2022 at Nasdaq First North Growth Market. Trading in paid subscribed shares (BTA) is expected to take place from 30 November 2022 until the shares in the Rights Issue has been registered with the Swedish Companies Registration Office. BTAs are expected to be converted to shares in connection with the shares being registered with the Swedish Companies Registration Office.

Shareholders that do not participate in the Rights Issue will be subject to a dilution effect of not more than approximately 88.9 percent at full subscription in the Rights Issue. However, shareholders have the possibility to be financially compensated for this dilution by selling their subscription rights.

Preliminary timetable

21 November 2022	Extraordinary general meeting
24 November 2022	Last day of trading in the Urb-it share including the right to subscribe for shares with subscription rights
25 November 2022	First day of trading in the Urb-it share excluding the right to subscribe for shares with subscription rights
28 November 2022	Record date for the right to subscribe for Shares by exercising subscription rights
30 November – 9 December 2022	Trading in subscription rights
30 November – 14 December 2022	Subscription period
16 December 2022	Announcement of the outcome of the Rights Issue

Complete terms and conditions as well as instructions for the Rights Issue as well as other information on the Company will be provided in the prospectus released before the commencement of the subscription period.

Subscription commitments and issue guarantees

The Rights Issue is covered to approximately 48.1 percent by subscription commitments and communicated subscription intentions and to approximately 51.9 percent by guarantee undertakings. Accordingly, the Rights Issue is fully secured.

Subscription commitments have been undertaken by, among others, the Company's major shareholders Ingka Investments Ventures Europe B.V. and Adrigo Asset Management as well as other institutional shareholders and part of the Company's board of directors and management. Ingka Investments Ventures Europe B.V. has undertaken to subscribe up to approximately SEK 52.9 million. Subscription intentions have been received by Skandia and Fiducian Group Ltd. Guarantee undertakings have been issued by certain existing shareholders, including Adrigo Asset Management, as well as external guarantors.

A guarantee commission, based on current market conditions, of twelve (12) percent of the guaranteed amount will be paid for the guarantee undertakings in cash consideration. No consideration is to be paid for the subscription commitments that have been entered into.

These subscription commitments and guarantee undertakings are not secured through bank guarantees, restricted funds, pledged assets or similar arrangements. Further information on the parties who have entered into subscription commitments and guarantee undertakings will be presented in the prospectus made public before the commencement of the subscription period.

Lock up undertakings

Prior to the execution of the Rights Issue, all shareholding members of the board of directors and senior executive management members of the Company have entered into lock up undertakings, which, among other things and with customary exceptions, mean that they have undertaken not to sell financial instruments in the Company for a period of 180 days from the expiration of the subscription period in the Rights Issue.

Bridge loan

In order to ensure the estimated financing needs until the Rights Issue is completed, the Company has entered into an uncommitted bridge credit facility agreement with the shareholder Ingka Investments Ventures Europe B.V. Loans drawn under the bridge credit facility carries an interest rate of 1 percent per month and shall be repaid with the issue proceeds from the Rights Issue or set-off against subscription for new shares in the Rights Issue. Any provisions of credit under the bridge credit facility are at Ingka Investments Ventures Europe B.V.'s sole discretion.

Prospectus and application form

A prospectus and notification form will be made available before the commencement of the subscription period on Urb-it' website, www.urb-it.com.

Extraordinary general meeting

The board of directors' proposal on the Rights Issue is subject to a resolution by the extraordinary general meeting intended to be held on 21 November 2022. The resolution on the Rights Issue is, inter alia, subject to and conditional upon the limits of the share capital and the number of shares in the articles of association being changed as well as a reduction of the share capital being resolved in accordance with the board of directors' proposal to the extraordinary general meeting. Notice to the extraordinary general meeting will be published through a separate press release and through Postal services and Domestic Newspapers. Announcement of a published notice to the extraordinary general meeting will be published in Svenska Dagbladet.

Advisors

Vator Securities AB is the financial advisor and issuer agent and Advokatfirman Lindahl KB is the legal advisor to the Company in connection with the Rights Issue.

For more information, please contact:

Kevin Kviblad, CEO, kevin@urbit.com

About this information

This information is information that Urb-it AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 00:45 CEST on 19 October 2022.

About Urb-it AB (publ)

Urb-it AB operates in the logistics sector and provides parcel delivery services. Customers can be found in a number of sectors, with a main focus on the e-commerce market. The business is operated through several subsidiaries in France and Great Britain. Since October 2020, the company has been a certified B-Corp.

The company's Certified Adviser is Mangold Fondkommission AB, which can be reached by phone number +46 8 503 015 50 and at the e-mail address CA@mangold.se.

Important information

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This press release does not constitute an investment recommendation. The price and value of securities and any income from them can go down as well as up and you could lose your entire investment. Past performance is not a guide to future performance. Information in this announcement cannot be relied upon as a guide to future performance.

This press release contains forward-looking statements that reflect Urb-it AB (publ)'s current view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "estimate" and other expressions involving indications or predictions regarding future development or trends, not based on historical facts, identify forward-looking statements and reflect Urb-it AB (publ)'s beliefs and expectations and involve a number of risks, uncertainties and assumptions which could cause actual events and performance to differ materially from any expected future events or performance expressed or implied by the forward-looking statement. The information contained in this press release is subject to change without notice and, except as required by applicable law, Urb-it AB (publ) does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor does it intend to. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual future events or otherwise.