

21 April 2022



Warehouse REIT plc
(the 'Company' or 'Warehouse REIT')

WAREHOUSE REIT ACQUIRES MILTON KEYNES MULTI LET-INDUSTRIAL ASSET MANAGEMENT OPPORTUNITY FOR £62M

-Provides 69 last mile units across 335,000 sq ft of space, in a core Oxford-Cambridge Arc location-

Warehouse REIT, the AIM-listed company that invests in e-commerce urban and last-mile industrial warehouse assets in the UK, announces that it has exchanged contracts to acquire Bradwell Abbey Industrial Estate, for £62 million excluding acquisition costs. The purchase price reflects a net initial yield of c. 4% based on day one passing / guaranteed income and continues Warehouse REIT's stated aim of acquiring assets in the Oxford-Cambridge Arc (the "Arc").

The multi-let industrial estate totals 69 units across c. 335,000 sq ft, ranging from c. 1,000 to 15,000 sq ft in size. It is located just off the A5, providing fast access to the surrounding population of Milton Keynes and the wider motorway network, with the M1 being six miles to the East. The estate is currently 96% leased to a range of occupiers including Argos, F&F Stores and Taylor Kerr Engineering Ltd and produces a total annual income (including some rental guarantees) of over £2.6 million. The low average rent of c. £7.80 psf offers good reversionary potential, considering that prime rents in the area range from £10 to £14 per psf.

Milton Keynes is a highly sought-after industrial location, with vacancy sitting at c. 4%. Significant residential growth is putting further pressure on demand and underpinning land values, providing further rental growth potential.

Andrew Bird, Managing Director of the Investment Advisor, Tilstone Partners Limited, commented: *"This acquisition, provides Warehouse REIT with clear opportunities to generate upside through strategic capital expenditure and working with the existing occupiers. We intend to refurbish units as they become available, improving the estate's sustainability credentials, enabling us to capture new rental levels which will help drive future rents across the estate and strengthen the covenant profile."*

"Located in one of Warehouse REIT's favoured locations, the Oxford-Cambridge Arc's industrial markets are characterised by an acute supply demand imbalance, driven by the growing dual demand from both industrial and science and technology occupiers. With supply failing to keep up with record levels of take up, land values have increased rapidly and strong rental growth is forecast."

The transaction continues Warehouse REIT's stated aim of increasing its holding in the Arc, with Milton Keynes central to this strategy, as a result of it being one of the premier distribution and industrial locations in the UK. Following this acquisition, over 20% of Warehouse REIT's portfolio is in the Arc, which will increase further upon completion of two ongoing development projects in the Oxford and Cambridge areas.

The Company is attracted to the highly favourable supply and demand dynamics of this globally significant area between Oxford and Cambridge, which is home to a booming and varied economy, with a key focus on the knowledge sector. Over the last 20 years, it has grown faster than any region outside London, and employment and wages are above the national average, with measured productivity within the Arc being 2.6% higher than the UK average. Milton Keynes is the fastest growing city in the country, recording GVA growth of 51% between 2009-18, with productivity almost 45% higher than the national average outside London.



Sources: HM Gov Creating a Vision for the Oxford Cambridge Arc July 2021; Savills 2019, The Oxford-Cambridge Innovation Arc; Carter Jonas, Refloating the Arc

-ENDS-

Enquiries: Warehouse REIT plc	via FTI Consulting
Tilstone Partners Limited Andrew Bird, Paul Makin, Peter Greenslade	+44 (0) 1244 470 090
FTI Consulting (Financial PR & IR Adviser to the Company) Dido Laurimore, Richard Gotla, Ellie Perham-Marchant	+44 (0) 20 3727 1000
G10 Capital Limited (part of the IQEQ Group), AIFM Maria Glew	+44 (0) 207 397 5450
Peel Hunt Capel Irwin, Carl Gough, Henry Nicholls	+44 (0)20 7418 8900
Jefferies Tom Yeadon, Gaudi Le Roux, Harry Randall	+44(0) 20 7029 8000

Further information on Warehouse REIT is available on its website:

<http://www.warehousereit.co.uk>

Notes to editors:

Warehouse REIT is an AIM listed UK Real Estate Investment Trust that invests in and manages e-commerce urban and 'last-mile' industrial warehouse assets in strategic locations in the UK.

Occupier demand for urban warehouse space is increasing as the structural growth in e-commerce has driven the rise in internet shopping and investment by retailers in the "last mile" delivery sector, yet supply remains constrained giving rise to rental growth.

Warehouse REIT's stated aim of increasing its holding in the Oxford-Cambridge Arc is derived from a firm belief that the Arc is now at the point where the confluence of the triple helix effect of the private sector, public sector and academic sectors working together, plus the area's track record in attracting the necessary investment capital into its innovations, means that the clustering effect seen across the world in other successful economies is starting to supercharge the prospects for the area. The Arc has now established critical mass in world leading industries in the core science, technology and engineering locations of Oxford, Cambridge and Milton Keynes. As the Arc is already home to innovative sectors and world leading companies, it is believed that with the right intervention, the Arc's GVA could double by 2030 to £235 billion.

The Company is an alternative investment fund ("AIF") for the purposes of the AIFM Directive and as such is required to have an investment manager who is duly authorised to undertake the role of an alternative



investment fund manager. The Investment Manager is currently G10 Capital Limited and Tilstone Partners Limited are the Investment Advisor.

The Company's purpose is to own and manage warehouses in economically vibrant urban areas across the UK, providing the space its occupiers need for their businesses to thrive.

As the Company grows, its vision is to become the UK's warehouse provider of choice.

The Company's shares were admitted to trading on AIM in 2017.

Sources: Bidwells Oxford-Cambridge Arc Beyond the Covid-19 Crisis, Bidwells Blackstock Radical Capital March 2022; HM Gov Creating a Vision for the Oxford Cambridge Arc July 2021; ONS, Bidwells Research