

21 February 2019

UK Commercial Property REIT Limited (“UKCM” or “the Group”)

Debt Refinancing at low rates and £50 million extension

LEI: 213800JN4FQ1A9G8EU25

UK Commercial Property REIT Limited (FTSE 250, LSE: UKCM), which owns a diversified portfolio of high quality income producing UK commercial property and is advised by Aberdeen Standard Investments (“ASI”) today announces it has refinanced its debt facilities.

The refinancing increases UKCM’s total debt by up to £50 million and means the Group now has £95 million available to take advantage of future investment opportunities that may arise. In addition, the refinancing provides the Group with:

- an increase in the weighted maturity profile of its fixed term debt from 4 years to 10 years;
- additional flexibility with £150 million (43%) of available debt now in the form of a Revolving Credit Facility (“RCF”) available until 2024;
- Based on the current cost of the drawn RCF, a reduction in the Group’s current blended cost of debt from 2.89% per annum to 2.79%; and
- a maintained low net gearing of 14.7% and gross gearing of 17.4% that is one of the lowest in the Company’s peer group and the quoted REIT sector (31 December 2018: 14.6% and 17.1% respectively).

The details of the debt refinancing are as follows:

Barclays Facility

- The £150 million Barclays term loan facility due to expire in April 2020 has been repaid along with the associated interest rate swap. The cost of closing out the swap was £703,000 (which was accounted for in the Q4 2018 NAV). There were no repayment fees on the term loan facility.
- The current £50 million Barclays RCF has been increased to £150 million and extended to February 2024. £55 million of this RCF has been utilised to repay the term loan.

Barings Real Estate (“Barings”) Facility

- A new £100 million 2.72% fixed rate facility has been taken out with Barings Real Estate, part of Barings LLC, one of the world’s largest diversified real estate investment managers, maturing in February 2031, which has been used to repay the balance of the Barclays term loan facility. The Group now has £200 million of debt in two equal tranches with Barings with £100 million expiring in April 2027 and £100 million in February 2031.

In total the Group now has £350 million of debt available, of which £255 million has been utilised, with £95 million of the Barclays RCF remaining unutilised. There are no plans to draw down additional amounts from the Barclays RCF at the current time. The portfolio value as at 31 December 2018 was £1.45 billion.

Andrew Wilson, Chairman of UKCM, commented: “This new debt refinancing has a number of clear benefits to the Group by extending our weighted maturity profile, improving flexibility and reducing our cost of debt. It also provides additional capital that can be drawn down to allow us to take advantage of future investment opportunities. At the same time it allows UKCM to maintain a prudent gearing level, which remains one of the lowest in the REIT sector.”

Details of the Company may also be found on the Company's website which can be found at:
www.ukcpreit.com

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The above information is unaudited and has been calculated by Aberdeen Standard Investments.

^Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments. The Company is managed and advised by Aberdeen Standard Fund Managers Limited (the Company's appointed AIFM).