

UK Commercial Property REIT Limited

UKCM acquires pre-let multi let industrial warehouse development for £25 million

1 December 2021: UK Commercial Property REIT Limited (“UKCM” or the “Company”) (FTSE 250, LSE: UKCM), announces that it has further strengthened its significant industrial and logistics portfolio with the acquisition, via a circa £25 million forward funding of three new warehouse units, known as Sussex Junction, which are currently under construction near Gatwick airport. The asset is expected to show an attractive development yield of 5.8% pa.

- This asset complements the existing portfolio and adds to recent momentum in the Company’s acquisition programme created by the purchases of the retail warehouse park in Manchester and the income-accretive long term industrial development site in West London, which totalled almost £70 million.
- UKCM’s existing industrial and logistics portfolio, which represents 63% of the Company’s portfolio, delivered a total return of 28.3% for the 12 months to 30 September 2021
- The Company is confident of investing its remaining cash resources into further acquisitions in the foreseeable future, at which point the Board is expected to confirm an increase in the Company’s dividend for Q4 2021
- A dividend increase would be in line with the statement made at UKCM’s half year results in July that the potential for a progressive dividend will be considered based on rent collection and the deployment of the Company’ financial resources.

The development is due to complete in early summer 2022 when it will deliver approximately 107,000 sq ft of new multi let industrial space across three units. Two of the units, covering 56% of the total, are already pre let on a 15 year lease to CGG Services, a global leader in geoscience technology, at an average rent of £13 per sq ft .

The development is being delivered to an institutional standard, with strong ESG credentials, and is expected to achieve a BREEAM 'Very Good' rating for its shell and core, as well as targeting an EPC A rating. During the construction process, there is an opportunity to improve these credentials further, with the addition of solar photovoltaic panels.

Once constructed, the asset will comprise three single storey warehouse buildings, with unit one detached and units two and three forming an adjacent terrace. All units have planning for Storage and Distribution.

Well-located on the A23 and A272 Junction, the units are 15 minutes south of Gatwick and north of Brighton, with close proximity to Burgess Hill and Haywards Heath. The area has access to almost five million people within an hour’s drive time, and over 85,000 people who live within five miles.

UKCM is managed and advised by abrdn* and owns a diversified portfolio of high quality income-producing UK commercial property.

Kerri Hunter, Interim Lead Manager at UKCM, commented: “Due to the development nature of this deal, we are accessing industrial stock in an incredibly competitive market at a significant discount to an up and let investment. At an expected development yield of 5.8%, the creation of a high quality multi let industrial asset in a strong location with limited available stock, will help deliver enhanced returns to shareholders. Once complete, this asset will increase UKCM’s strong weighting to the industrial and logistics sector, which is forecast to continue to perform very well as a result of robust underlying fundamentals and societal changes. We have a strong pipeline of further interesting

acquisitions and are confident of deploying the Company's remaining cash resources in the foreseeable future."

Lewis Ellis acted for UKCM.

ENDS

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Notes to Editors - UK Commercial Property REIT

UK Commercial Property REIT is a FTSE 250 Real Estate Investment Trust listed on the London Stock Exchange. It aims to provide shareholders with an attractive level of income together with the potential for capital and income growth from investing in and managing a £1.3 billion (as at 30 September 2021) diversified portfolio. The portfolio has a strong bias towards prime, institutional quality properties and is diversified by location and sector across the UK.

**The Company is managed and advised by Aberdeen Standard Fund Managers Limited (the Company's appointed AIFM).*

Further information on the Company's investment policies, the types of assets in which the Company may invest, the markets in which it invests, borrowing limits as well as details of its management, administration and depositary arrangements can be found in the Company's Annual Report and Investor Disclosure Document. The above documents are available on the Company's website www.UKCPREIT.com. Paper copies of these documents are available on request, free of charge, via the contact details outlined on the website.

Property is a relatively illiquid asset class, the valuation of which is a matter of opinion. There is no recognised market for property and there can be delays in realising the value of property assets. Investors should be aware that past performance is not a guide to future results. The value of investments, and the income from them, can go down as well as up, and an investor may get back less than the amount invested.

For further information on UK Commercial Property REIT, please visit www.UKCPREIT.com.