

AEW UK REIT plc (AEWU)

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AEW UK REIT plc
(the "Company")

24 August 2018

Publication of Circular

AEW UK REIT plc has today posted a circular to Shareholders (the "**Circular**") convening a General Meeting to be held at The Cavendish Hotel, 81 Jermyn Street, St. James', London SW1Y 6JF at 12.15 p.m. on 12 September 2018 at which resolutions will be put to Shareholders to approve: (i) the adoption of New Articles to permit the issuance of C Shares; and (ii) the issue of up to 250 million Ordinary Shares and/or 250 million C Shares and the disapplication of associated pre-emption rights in connection with a potential new twelve month share issuance programme (together the "**Proposals**"). Full details of the Proposals are set out in the Circular, a copy of which will shortly be available on the Company's website at www.aewukreit.com.

Background

The Company was launched in May 2015, raising gross proceeds of £100.5 million on IPO. Since then, a further 51,058,251 Ordinary Shares have been issued at a premium to the NAV per Ordinary Share. As at 30 June 2018, the fair value independent valuation of the Company's portfolio was £191.95 million, following the part sale of Pearl Assurance House, Nottingham. The NAV was £149.14 million or 98.40 pence per Ordinary Share and EPRA earnings per Ordinary Share for the quarter to 30 June 2018 was 2.04 pence per Ordinary Share, in line with the Company's target annual dividend of 8.00 pence per Ordinary Share.

At 30 June 2018, the Company held £6.72 million cash for investment and has declared dividends of 22.83 pence per Ordinary Share since launch.

AEW UK Investment Management LLP, the Company's investment manager, continues to see a strong pipeline of potential opportunities generated by its network of contacts across the UK commercial property market.

Accordingly, the Directors believe it is now appropriate to seek Shareholder approval such that on the occurrence of suitable market conditions the Company will be in a position to raise capital. Any such fundraising will only be carried out when the Directors consider that it is in the best interests of Shareholders and the Company as a whole. Relevant factors in making such a determination will include net asset performance, share price rating, investment pipeline and perceived investor demand.

Adoption of New Articles, Disapplication of Pre-emption Rights and Approval of the Issue of Shares

In order to mitigate the risk of any cash drag to existing Shareholders, and to ensure that the NAV attributable to the existing Ordinary Shares is not diluted by the expenses associated with any new Share Issuance Programme, the Directors believe it is prudent to have the ability to issue C Shares under any potential Share Issuance Programme. Any new Ordinary Shares will only be issued pursuant to the potential Share Issuance Programme at prices greater than the latest published NAV per Ordinary Share.

In order to issue, on a non-pre-emptive basis, C Shares pursuant to the potential Share Issuance Programme, the new articles are required to be adopted (incorporating the rights of the new C Shares) and the Directors also require specific authority from Shareholders. Therefore, the Company is seeking Shareholder authority to: (i) adopt the new articles; and (ii) issue and disapply associated statutory pre-emption rights for 250 million Ordinary Shares and/or 250 million C Shares in connection with any new Share Issuance Programme until the earlier of the close of such new Share Issuance Programme and 30 June 2020.

Any issue of Shares using the above authorities will be subject to the Company having a live Share Issuance Programme and, accordingly, the Directors currently intend to publish a new prospectus in due course.

Expected Timetable of Principal Events

Latest time and date for the return of the Form of Proxy	12.15 p.m. on 10 September 2018
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General Meeting	12.15 p.m. on 12 September 2018 (or as soon thereafter as the annual general meeting of the Company convened for the same date has concluded)
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All references to times in this announcement are to London time unless otherwise stated. Any changes to the expected timetable will be notified by the Company through a Regulatory Information Service.

Terms used and not defined in this announcement shall have the meaning given in the Circular. A copy of the Circular has also been submitted to the National Storage Mechanism and will shortly be available for inspection at www.morningstar.co.uk/uk/nsm.

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