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THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY FIRM OFFER MIGHT BE MADE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

15 April 2024

For Immediate Release

Balanced Commercial Property Trust Limited

("BCPT" or the "Company")

Strategic Review and Commencement of Formal Sale Process and Offer Period

The Board announces that it is undertaking a strategic review to consider the future of the Company and will further explore all of the various strategic options available to enhance value for shareholders. This includes a sale but the Company is not in discussions with any potential offeror at the time of this announcement.

Background

Since its launch, BCPT has pursued its investment objective of providing shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified UK commercial property portfolio.

BCPT's portfolio has outperformed its benchmark index, the MSCI UK Quarterly Property index, on a total return basis over the one and three year periods and since the portfolio's inception to 31 December 2023. The Company has a progressive dividend policy and raised its monthly dividend by 10 per cent. in October 2023 to its current level, 0.44 pence per share. On an annual basis, this represented a dividend yield of 6.7 per cent. as at 12 April 2024. The dividends paid by the Company during the financial year ended 31 December 2023 were fully covered. The share price discount to net asset value has narrowed from 42 per cent. to 28 per cent. over the six months to 12 April 2024.

The Company's investment manager (the "**Manager**"), with the support of the Company's independent board of directors (the "**Board**"), has been rebalancing the Company's portfolio through its successful and ongoing strategic disposal programme. This has reduced the portfolio's exposure to the underperforming office sector and has resulted in the Company's industrial portfolio, which has significant rental reversion, becoming the Company's largest sector weighting. The Company will soon publish its annual report and audited financial statements for the year ended 31 December 2023 which

will provide further details of the Manager's asset management activity and the Company's ESG initiatives.

As announced in September 2023, following a review of the Company's financing options the Company entered into a new, initially two-year debt facility comprising a £260 million term loan, which can only be drawn to refinance the Company's existing £260 million term loan which is due to mature in December 2024 (the "**L&G Loan**"), and a £60 million revolving credit facility (together, the "**New Debt Facility**"). The New Debt Facility enables the Company to retain the competitively priced L&G Loan up to its maturity date, whilst providing the Company with flexibility and optionality.

The Board believes that BCPT offers an attractive investment proposition: a diversified portfolio of high-quality assets, with an income-focussed, total return strategy supported by active and opportunistic management initiatives. The Company also offers the scale that is lacking in its smaller peers. However, the Board also recognises that the Company currently faces significant challenges with a difficult near-term economic and property market backdrop in a higher interest rate environment and the current dislocation in capital markets. Despite the Manager delivering steady portfolio performance over recent years, and the share price discount having narrowed, the Company's shares continue to trade at a material discount to their net asset value, which the Board does not believe reflects the current value of the underlying property assets, nor the longer-term prospects of the portfolio.

Strategic Review

The Company's articles of incorporation require that the Company hold a continuation vote in 2024 (the "**Continuation Vote**"). The Board has been carefully considering for some time, with its advisers, its strategic options to enhance value for its shareholders. As a result of these deliberations, the Board has determined that it would be in the best interests of shareholders as a whole that it formalise these deliberations into a strategic review process (the "**Strategic Review**"), which will take into account the views of all shareholders. The outcome of the Strategic Review is expected to be announced in Q3 2024, and thereafter the Continuation Vote would also be held.

As part of the Strategic Review, the Board will consider all options including, but not limited to, continuing the Company with further actions to narrow the discount; selling the Company's portfolio or subsidiaries (or portion thereof); returning capital to shareholders; changing the Company's investment strategy and/or management arrangements; commencing a managed wind down; selling the entire issued share capital of the Company (which would be conducted under the framework of a "formal sale process" in accordance with the City Code on Takeovers and Mergers (the "**Code**")) or undertaking some other form of consolidation, combination, merger or comparable corporate action.

Further details relating to the formal sale process are set out in the section titled "Formal Sale Process and Code considerations" below.

Next Steps

The Board will undertake an open consultation process with shareholders and welcomes shareholders to send comments to the Chairman (chairmanBCPT@georgeson.com), in particular on their priorities for their investment in the Company and the options described above.

The Board looks forward to updating shareholders on the progress of the Strategic Review and will make further announcements in due course, noting that there is currently no certainty as to the outcome of the Strategic Review.

Paul Marcuse, Chairman of BCPT, said:

"Following a very challenging period for REITs during the Covid-19 pandemic and subsequent economic and geopolitical events, BCPT has been repositioning the portfolio away from less attractive sectors and realising cash to facilitate strategic options for the Company. We believe our monthly dividend offers an attractive level of regular income to shareholders.

We recognise, however, despite recent improvements in the Company's share rating, the share price remains at a material discount to the Company's net asset value. In line with our commitment to do the right thing for our shareholders as a whole, we have commenced this Strategic Review to determine the best way to enhance value for shareholders, after which the independent Board will determine the best way forward.

We welcome the views of all of our shareholders during this consultation period and will carefully take those opinions into consideration before announcing our next steps. The Company will continue to explore all options available to enhance value for its shareholders."

For further information, please contact:

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via Buchanan

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Formal Sale Process and Code considerations

The Takeover Panel has agreed that any discussions in relation to an offer for the Company may be conducted within the context of a formal sale process under the Code (as referred to in Note 2 on Rule

2.6 of the Code), which will enable conversations with parties interested in making a proposal to take place on a confidential basis.

Accordingly, the Takeover Panel has granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Code such that any interested party participating in the formal sale process will not be required to be publicly identified as a result of this announcement and will not be subject to the 28 day deadline referred to in Rule 2.6(a) of the Code for so long as it is participating in the formal sale process. Following this announcement, the Company is now considered to be in an "offer period" as defined in the Code, and the dealing disclosure requirements of Rule 8 of the Code as summarised below will apply.

The Company is not in discussions with, nor in receipt of any approach from, any potential offeror at the time of this announcement.

Parties interested in submitting an expression of interest or any other proposal relating to any strategic option for the Company should contact the Company's joint financial adviser, Barclays Bank PLC, acting through its Investment Bank ("**Barclays**"), using the contact details above. It is currently expected that any party interested in submitting a form of proposal for consideration in connection with the Strategic Review (including within the formal sale process) may, depending on the nature of the proposal, at the appropriate time, enter into a non-disclosure agreement and standstill arrangement with the Company on terms satisfactory to the Board and on the same terms, in all material respects, as other interested parties before being permitted to participate in the process. The Company then intends to provide such interested parties with certain information on its business, following which interested parties shall be invited to submit their proposals to Barclays. The Company will update the market regarding timings for the Strategic Review, including the formal sale process, in due course.

The BCPT Board reserves the right to alter any aspect of the process as outlined above or to terminate the process at any time and, in such cases, will make an announcement as appropriate. The BCPT Board also reserves the right to reject any approach or terminate discussions with any interested party at any time.

Shareholders are advised that this announcement does not represent a firm intention by any party to make an offer under Rule 2.7 of the Code and there can be no certainty that any offers will be made as a result of the formal sale process, that any sale or other transaction will be concluded, nor as to the terms on which any offer or other transaction may be made.

Other Notices

Dickson Minto Advisers LLP ("**Dickson Minto Advisers**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and for no one else in connection with the Strategic Review and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Dickson Minto Advisers nor for providing advice in connection with the Strategic Review referred to in this announcement. Neither Dickson Minto Advisers nor any of its affiliates (nor any of its or their respective directors, officers, employees, representatives or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person

who is not a client of Dickson Minto Advisers in connection with the Strategic Review, this announcement, any statement contained herein or otherwise.

Barclays, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for the Company and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Barclays nor for providing advice in relation to any matter referred to in this announcement.

In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the Exchange Act, Barclays and its affiliates will continue to act as exempt principal trader in the Company's securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise.

The release, publication or distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by laws of the relevant jurisdictions and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

Disclosure Requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the

persons interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on a website

In accordance with Rule 26.1 of the Code, a copy of this announcement will, subject to certain restrictions relating to persons resident in restricted jurisdictions, be available on the Company's website at <https://www.balancedcommercialproperty.co.uk> no later than 12 noon (London time) on the business day following the date of this announcement. Neither the content of any website referred to in this announcement nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this announcement.

Rule 2.9 of the Code

In accordance with Rule 2.9 of the Code, the Company confirms that as at the close of business on 12 April 2024 it has in issue 701,550,187 ordinary shares (excluding ordinary shares held in treasury) of one penny each in the capital of the Company. The International Securities Identification Number for the Company's ordinary shares is GG00B4ZPCJ00.

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This announcement is released by the Company and the information contained within this announcement is deemed by the Company to constitute inside information for the purposes of Article 7 of the UK version of the EU Market Abuse Regulation (Regulation (EU) No.596/2014) which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended. Upon the publication of this announcement via a Regulatory Information Service, such information is now considered to be in the public domain.

LEI Number

The Company's LEI Number is 213800A2B1H4ULF3K397.