

**To:** Company Announcements  
**Date:** 29 April 2022  
**Company:** BMO Commercial Property Trust Limited  
**LEI:** 213800A2B1H4ULF3K397

**Subject:** Trading update and NAV release for BMO Commercial Property Trust Ltd (the "Company" or "BCPT")

## Headlines

- Net Asset Value total return of 7.4 per cent for the quarter ended 31 March 2022
- Share Price total return of 11.0 per cent for the quarter ended 31 March 2022
- A 6.7 per cent increase in the monthly dividend to 0.40 pence per share with effect from May 2022

## Net Asset Value

The unaudited net asset value ('NAV') per share of the Company as at 31 March 2022 was 144.0 pence. This represents an increase of 6.6 per cent from the audited NAV per share as at 31 December 2021 of 135.1 pence and a NAV total return for the quarter of 7.4 per cent.

The NAV has been calculated under International Financial Reporting Standards ('IFRS'). It is based on the external valuation of the Company's property portfolio which has been prepared by CBRE Limited.

The NAV includes all income to 31 March 2022 and is calculated after deduction of all dividends paid prior to that date. The EPRA Net Tangible Assets (NTA) per share as at 31 March 2022, which is adjusted to remove the fair value of the interest rate swap, was 143.9 pence.

## Analysis of Movement in NAV

The following table provides an analysis of the movement in the unaudited NAV per share for the period from 31 December 2021 to 31 March 2022 (including the effect of gearing):

	£m	Pence per share	% of opening NAV per share
<b>NAV as at 31 December 2021</b>	<b>1,017.5</b>	<b>135.1</b>	
Unrealised increase in valuation of property portfolio	60.5	8.0	5.9
Movement in fair value of interest rate swap	0.5	0.1	0.1
Share buy-backs	(19.7)	0.8	0.6
Other net revenue	8.3	1.1	0.8
Dividends paid	(8.4)	(1.1)	(0.8)
<b>NAV as at 31 March 2022</b>	<b>1,058.7</b>	<b>144.0</b>	<b>6.6</b>

## Valuation

The capital value of the Company's portfolio increased by 5.4 per cent over the quarter. The valuation continued to reflect a similar pattern to recent quarters with industrial, logistics and retail warehouses driving performance. There has been both rental growth and further yield compression as many investors seek to acquire in these sectors.

Retail warehouses delivered the strongest gains in the portfolio this quarter with values increasing by 16.7 per cent. This is the sixth consecutive quarter of capital appreciation in the sector, demonstrating the resilience of the format and sustainability of the rents for good retail parks.

Industrial and logistics continued their strong run with a valuation increase of 12.1 per cent. Supply and demand dynamics remain tight with occupational take up at record levels in 2021. Industrial rents continue a process of rebasing at higher levels, which continues to drive sector performance. The portfolio's exposure to the industrial and logistics sector now stands at 32.6 per cent (30.6 per cent at 31 December 2021).

St Christopher's Place increased in value by 0.1 per cent as it starts its recovery from the many challenges it faced over the last two years. This represents the first quarter the estate has increased in value since the outset of the pandemic. Activity has rebounded well with many of the food and beverage occupiers reporting ongoing improving trade. We are hopeful that this trend will continue throughout the year, supported by the much-anticipated opening of the Elizabeth Line.

The valuation of the office portfolio fell by 0.8 per cent, reflecting a muted quarter for the sector. We are seeing a healthy level of occupational activity for prime offices, illustrating the continued "flight to quality" from occupiers in terms of accommodation quality, amenity and sound ESG credentials, all characteristics that have been central to our long-term strategy.

### **Share Price**

As at 31 March 2022, the share price was 115.4 pence per share, which represented a discount of 19.9 per cent to the NAV per share. The share price total return for the quarter to 31 March 2022 was 11.0 per cent.

### **Cash and Borrowings**

The Company had £113.0 million of available cash as at 31 March 2022 and has committed approximately £23.6 million of this to development opportunities. This is primarily at Burton-Upon-Trent and there is also a development at Estuary Business Park, Speke, Liverpool where construction cost is expected to be in the region of £4.8 million and a redevelopment of an obsolete warehouse unit at the Cowdray Centre, Colchester with costs estimated to be in the region of £5.7million. There is a £260 million term loan in place with L&G which matures in December 2024. The Company also has a £50 million term loan with Barclays, along with an additional undrawn £50 million revolving credit facility. The Barclays facility expires on 31 July 2023, with the option of a one-year extension. As at 31 March 2022, the Company's loan to value, net of cash ('LTV') was 15.7 per cent.

### **Dividend**

The Company paid three monthly property income distributions during the quarter at a rate of 0.375 pence per share. A further monthly distribution is scheduled to be paid at this rate on 29 April 2022.

As announced on 19 April 2022, the monthly distribution rate will be increased to 0.4 pence per share from May 2022 and the first distribution to be paid at this rate will be payable on 31 May 2022.

### **Share Buybacks**

The Company has continued a share buyback programme during the quarter. 17,733,360 ordinary shares were purchased over the period and the programme is ongoing. As at 31 March 2022 the Company had 63,993,638 shares held in treasury (8.0 per cent of ordinary shares in issue), acquired at an average discount to NAV of 21.0 per cent.

### Portfolio Analysis – Sector Breakdown

	Portfolio Value £m	% of portfolio as at 31 March 2022	% capital value shift (including purchases and CAPEX)
<b>Offices</b>	<b>384.6</b>	<b>30.4</b>	<b>-0.8</b>
West End	88.0	7.0	-0.1
South East	68.7	5.4	-2.0
South West	30.8	2.4	2.8
Rest of UK	177.7	14.1	-1.3
City	19.4	1.5	0.0
<b>Retail</b>	<b>188.5</b>	<b>14.9</b>	<b>0.6</b>
West End	159.7	12.6	0.7
South East	28.8	2.3	0.1
<b>Industrial</b>	<b>412.4</b>	<b>32.6</b>	<b>12.1</b>
South East	61.6	4.9	6.6
Rest of UK	350.8	27.7	13.1
<b>Retail Warehouse</b>	<b>152.5</b>	<b>12.0</b>	<b>16.7</b>
<b>Alternatives</b>	<b>127.8</b>	<b>10.1</b>	<b>0.4</b>
<b>Total Property Portfolio</b>	<b>1,265.8</b>	<b>100.0</b>	<b>5.4</b>

### Portfolio Analysis – Geographic Breakdown

	Market Value £m	% of portfolio as at 31 March 2022
West End	306.1	24.3
South East	301.5	23.8
Midlands	299.1	23.6
North West	171.0	13.5
Scotland	137.9	10.9
South West	30.8	2.4
Rest of London	19.4	1.5
<b>Total Property Portfolio</b>	<b>1,265.8</b>	<b>100.0</b>

## Top Ten Investments

	Sector
<b>Properties valued in excess of £200 million</b>	
London W1, St Christopher's Place Estate *	Mixed
<b>Properties valued between £70 million and £100 million</b>	
Newbury, Newbury Retail Park	Retail Warehouse
Solihull, Sears Retail Park	Retail Warehouse
<b>Properties valued between £50 million and £70 million</b>	
Chorley, Unit 6 and 8 Revolution Park	Industrial
<b>Properties valued between £40 million and £50 million</b>	
Winchester, Burma Road	Alternative
Liverpool, Unit 1, G.Park	Industrial
London SW19, Wimbledon Broadway **	Mixed
Birmingham, Unit 8 Hams Hall	Industrial
Daventry, Site E4, DIRFT	Industrial
Markham Value, Orion 1 & 2	Industrial

\* Mixed use property of retail, office, food/beverage and residential space.

\*\* Mixed use property of retail, food/beverage and leisure space.

## Summary Balance Sheet

	£m	Pence per share	% of Net Assets
Property Portfolio	1,265.8	172.2	119.5
Adjustment for lease incentives	(20.5)	(2.8)	(1.9)
<b>Fair Value of Property Portfolio</b>	<b>1,245.3</b>	<b>169.4</b>	<b>117.6</b>
Trade and other receivables	28.9	3.9	2.8
Cash and cash equivalents	113.0	15.4	10.7
Current Liabilities	(17.5)	(2.4)	(1.7)
<b>Total Assets (less current liabilities)</b>	<b>1,369.7</b>	<b>186.3</b>	<b>129.4</b>
Non-Current liabilities	(2.2)	(0.3)	(0.2)
Interest-bearing loans	(308.8)	(42.0)	(29.2)
<b>Net Assets at 31 March 2022</b>	<b>1,058.7</b>	<b>144.0</b>	<b>100.0</b>

The next quarterly valuation of the property portfolio will be conducted by CBRE Limited during June 2022 and it is expected that the unaudited NAV per share as at 30 June 2022 will be announced in July 2022.

## Important information

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via Regulatory Information Service this inside information is now considered to be in the public domain.

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