

12 September 2024

**SCHRODER EUROPEAN REAL ESTATE INVESTMENT TRUST PLC**  
**("SREIT"/ the "Company" / "Group")**

**ANNOUNCEMENT OF NAV AND QUARTERLY DIVIDEND**

**Portfolio valuation increase and asset management initiatives underpin positive total return and fully covered dividend**

Schroder European Real Estate Investment Trust plc, the company investing in European growth cities and regions, provides a business update and announces its unaudited quarterly dividend and net asset value ("NAV") as at 30 June 2024.

- Third quarterly interim dividend of 1.48 euro cps declared, fully covered by EPRA earnings, reflecting an annualised dividend yield of c.7.6% based on the current share price<sup>1</sup>;
- Underlying adjusted quarterly earnings from operational activities ("EPRA earnings") of €2.0m (quarter ended 30 June 2023: €2.1 million)
- Total interim dividends declared relating to the nine months of the current financial year of 4.44 euro cps, 106% covered by EPRA earnings;
- The direct property portfolio was independently valued at €208.3 million<sup>2</sup>, reflecting a marginal like-for-like increase over the quarter of 0.1% (31 March 2024: -1.0%), or €0.2 million, demonstrating valuation resilience and signalling improving sentiment as a result of falling interest rates;
- Unaudited NAV of €164.0 million, or 122.6 euro cents per share ("cps") as at 30 June 2024 (31 March 2024: €165.3 million, or 123.6 euro cps), driven primarily by a small property valuation increase, offset by capital expenditure and deferred taxes;
- NAV total return of 0.4% for the quarter and -0.9% over the nine months of the current financial year;
- The Company remains well positioned with a strong balance sheet, an available cash balance of approximately €26 million, and a loan to value ratio ("LTV") of 25% net of cash and 33% gross of cash;
- Two lease re-gears, totalling 2,242 sqm, completed at the Frankfurt grocery investment, securing long-term income from high profile tenants and increasing the unexpired lease term to break by over eight years:
  - o a 1,641 sqm 15-year lease extension (from 2027 to 2042) with anchor tenant Lidl; and
  - o an 8-year lease extension (from 2029 to 2037) with pet specialist, Fressnapf, for 601 sqm

**Tax disclosure update**

The Group today provides an update further to the inclusion in the 2024 interim report (page 31) that "the Group has identified a potential tax exposure attributable to the ongoing applicability of tax treatments adopted in respect of the Group's tax structures. The range of potential outcomes is a possible outflow of minimum £nil and maximum £9.8 million (excluding possible interest and penalties). The Directors have not provided for this amount because they do not believe an outflow is probable". The French tax authorities have recently commenced a tax audit requesting further disclosure on tax filings made in the past related to the structure. Having taken professional advice, the Board has resolved at this stage not to alter its position as outlined above, other than to update the maximum outflow range, which has increased to €12 million. The Group will continue to monitor the situation and provide further updates as required.

**Interim dividend**

Announcement of a third quarterly interim dividend of 1.48 euro cps, which is fully covered by EPRA earnings. Annualising the dividend provides investors with a dividend yield of c.7.6%, based on the share price as at 30 August 2024<sup>1</sup>.

Total dividends declared relating to the nine months of the current financial year are 4.44 euro cps, 106% covered by EPRA earnings.

The interim dividend payment will be made on Friday 1 November 2024 to shareholders on the register on the record date of Friday 4 October 2024. In South Africa, the last day to trade will be Tuesday 1 October 2024 and the ex-dividend date will be Wednesday 2 October 2024. In the UK, the last day to trade will be Wednesday 2 October 2024 and the ex-dividend date will be Thursday 3 October 2024.

The interim dividend will be paid in British pound sterling ("GBP") to shareholders on the UK register and Rand to shareholders on the South African register. The exchange rate for determining the interim dividend paid in South African Rand ("Rand") will be confirmed by way of an announcement on Tuesday 17 September 2024. UK shareholders are able to make an election to receive dividends in Euro rather than GBP should that be preferred. The form for applying for such election can be obtained from the Company's UK registrars (Equiniti Limited) and any such election must be received by the Company no later than Friday 4 October 2024. The exchange rate for determining the interim dividend paid in GBP will be confirmed following the election cut-off date by way of an announcement on Monday 7 October 2024.

Shares cannot be moved between the South African register and the UK register between Tuesday 17 September 2024 and Friday 4 October 2024, both days inclusive.

Shares may not be dematerialised or rematerialised in South Africa between Wednesday 2 October 2024 and Friday 4 October 2024, both days inclusive.

The Company has a total of 133,734,686 shares in issue on the date of this announcement. The dividend will be distributed by the Company (UK tax registration number 21696 04839) and is regarded as a foreign dividend for shareholders on the South African register. In respect of South African shareholders, dividend tax will be withheld from the amount of the dividend noted above at the rate of 20% unless the shareholder qualifies for the exemption. Further dividend tax information for South African shareholders will be included in the exchange rate announcement to be made on Tuesday 17 September 2024.

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#### Net Asset Value

The table below provides a breakdown of the movement in NAV during the quarter ended 30 June 2024:

	€m <sup>(3)</sup>	Cps <sup>(4)</sup>
Brought forward NAV as at 1 April 2024	165.3	123.6
Unrealised movement in the valuation of the property portfolio	0.2	0.1
Capital expenditure	(0.9)	(0.7)
EPRA earnings	2.0	1.5
Non-cash items	(0.6)	(0.4)
Dividend paid	(2.0)	(1.5)
NAV as at 30 June 2024	164.0	122.6

(3) Management reviews the performance of the Company principally on a proportionally consolidated basis. As a result, figures quoted in this table include the Company's share of joint ventures on a line-by-line basis and exclude non-controlling interests in the Company's subsidiaries.

(4) Based on 133,734,686 shares.

#### Property portfolio

The direct property portfolio was independently valued at €208.3 million, reflecting a marginal increase of 0.1% (31 March 2024 -1.0%), or €0.2 million, over the quarter<sup>2</sup>. This signals a stabilisation in values, particularly for the industrial and retail portfolio, which offset the continued outward yield movement for offices.

Active asset management initiatives and diversification continue to support portfolio occupancy and valuation resilience. During the quarter, two lease re-gears were completed at the Frankfurt grocery asset, increasing the average unexpired lease term to break by over eight years:

- a 1,641 sqm 15-year lease extension (from 2027 to 2042) with anchor tenant Lidl; and
- an 8-year lease extension (from 2029 to 2037) with pet specialist, Fressnapf, for 601 sqm.

The portfolio's income profile remains robust, benefitting from rental growth, indexation and high occupancy (96%), which is diversified across c.50 tenants.

#### Balance sheet

The Company remains well positioned with cash reserves of approximately €26 million. Based on 30 June 2024 values, the portfolio LTV is approximately 33% based on gross asset value and 25% net of cash.

Footnote 1: Based on a share price of c.65.4p as at 30 August 2024

Footnote 2: In addition, the Company has a 50% interest in a joint venture in Seville which continues to be recognised at nil value.

-Ends-

#### Enquiries:

Jeff O'Dwyer  
Schroder Real Estate Investment Management Limited  
Natalia de Sousa  
Schroder Investment Management Limited  
Dido Laurimore/Richard Gotla/Ollie Parsons  
FTI Consulting

Tel: 020 7658 6000

Tel: 020 7658 6000

Tel: 020 3727 1000

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