

26 June 2025

**SCHRODER EUROPEAN REAL ESTATE INVESTMENT TRUST PLC**

**("SEREIT"/ the "Company" / "Group")**

**HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2025**

**Positive NAV total return, robust balance sheet and fully covered dividend**

Schroder European Real Estate Investment Trust plc, the company investing in European growth cities and regions, announces its half year results for the six months ended 31 March 2025.

**Positive NAV total return; strategic disposals supporting robust balance sheet**

- Underlying EPRA earnings of €3.9 million<sup>1</sup> is largely offset by negative capital items (valuation and capital expenditure), resulting in a marginal IFRS loss of €0.1 million
- Total dividends declared for the six months totalled 2.96 cps, 100% covered by EPRA earnings<sup>1</sup>, offering an attractive dividend yield of c7.3% based on the closing share price of 67.2 pps as at 20 June 2025
- Net Asset Value ("NAV") of €158.9 million, or 120.1 cps, (30 September 2024: €164.1 million or 122.7 cps), with a reduction in capital values particularly for European offices
- Positive NAV total return of 0.3% driven by the commencement of a share buyback programme, despite a marginal IFRS loss (31 March 2024: -1.3% total return)
- Post period end, completed the strategic disposal of the Frankfurt grocery asset for €11.8 million, in line with the 30 September 2024 valuation
- Net loan-to-value ("LTV") ratio reduces to c.18%<sup>2</sup>, with an available cash balance of approximately €25 million and no further debt expiries until June 2026
- Tax disclosure update: As previously announced, the Group received a notice of adjustment from the French Tax Authority amounting to c. €14.4 million including interest and penalties. The Group remains in correspondence with the French Tax Authority and is seeking a formal review of the notice. Having taken professional advice, the Board remains of the opinion that an outflow is not probable; consequently, no provision has been recognised.

1 EPRA earnings were €3.9 million before exceptional items and €3.7 million after exceptional items for the six months to 31 March 2025

2 Net LTV on completion of the Frankfurt sale which occurred in April 2025

**Asset management initiatives and exposure to winning sectors continue to support earnings and valuation resilience**

- Direct property portfolio independent valuation declined marginally by 1.3% to €205.6 million (net of capex), with a 4% increase in industrial portfolio valuations continuing to offset declines in other sectors, primarily driven by shortening lease terms
- Concluded six new leases and re-gears generating €0.3 million of annual contracted rent, at a weighted lease term of six years
- Post-period end, agreed a 12 year lease re-gear with DIY specialist Hombach in Berlin above ERV, representing the second largest tenant in the Company's portfolio by income (11%)
- Portfolio benefits from a high occupancy level of 95%, with an average portfolio lease term of c.4 years
- 100% of rent due collected

**Sir Julian Berney Bt., Chairman, commented:**

"Despite the Company's fundamentals being solid, supported by strong asset management that has consistently enabled the provision of high stable income for shareholders, the Company's shares are continuing to trade at a persistent discount to NAV, as equity markets continue to disadvantage smaller listed vehicles, regardless of management quality or the suitability of strategies.

We continue to review all potential options to address the discount and maximise shareholder returns. Whilst considering the right strategy to maximise value for shareholders, the Investment Manager will remain highly focused on delivering a pipeline of ongoing asset management initiatives to optimise occupancy, income, value and liquidity."

**Jeff O'Dwyer, Fund Manager for Schroder Real Estate Investment Management Limited, added:**

"The focus over the past six months has been on implementing factors within our control. This included asset management initiatives that significantly enhanced the portfolio's income security, along with the completion of strategic disposals that allowed the Company to further reduce gearing. In addition, the proceeds have allowed for the commencement of a value accretive share buyback programme. Our main priority remains progressing key tenant discussions and we expect to make formal announcements regarding further re-gearing initiatives in due course.

From a market perspective, we foresee positive developments for the European commercial real estate sector as interest rates and inflation continue to decline. While improvements may be gradual for the rest of 2025, we anticipate that strengthening conditions will become more pronounced throughout 2026."

A presentation for analysts and investors will be held at 9.00am BST / 10.00am SAST today, registration for which can be accessed via:

<https://www.schroders.events/SEREHY25>

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HALF YEAR REPORT AND CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2025

Chairman's Statement

**Overview**

The period began with a sense of optimism as, underpinned by the outlook for lower interest rates, sentiment improved. This translated into a more optimistic outlook amongst occupiers and in the investment markets, following a prolonged period of caution. Unfortunately, this momentum was short-lived, impacted by a US trade stance that has impeded global growth and investment confidence. The environment is being further challenged by recent geo-political tensions.

Against this backdrop, and despite the ongoing support of shareholders, the Board and Manager are acutely aware of the persistent discount (c.35%) to NAV that the Company's shares are trading at. The equity markets continue to disadvantage smaller listed vehicles, especially those with a market capitalisation of below £150 million, regardless of management quality or the suitability of strategies, with growing evidence that institutional investors want exposure to larger vehicles that offer enhanced liquidity, diversification and cost efficiencies.

The Board continues to believe in the fundamentals of the strategy which offers shareholders unique access to Continental European commercial real estate. However despite delivering strong underlying property performance including over £70 million of dividend payments since IPO, as well as maintaining a robust balance sheet, the Company's size and low levels of liquidity have adversely affected the share price performance for a prolonged period of time.

The Board has therefore been actively exploring and implementing various strategies to address the above, including share buybacks and a transition towards thematic or sector-specific investments. It is also aware of the heightened corporate activity that has been seen in the wider REIT market in recent months. The Board's priority in the coming months is therefore to identify the strategy which best positions it to maximise value for shareholders, and a further announcement will be made in due course.

In the meantime, our Investment Manager's proactive asset management approach, delivered via local expertise and operational excellence, has delivered robust results and ensured stable income returns for our stakeholders. The disposal of Frankfurt and the more recent regear with Hombach in Berlin are examples of implementing factors within our control to improve Company performance. Whilst considering the right strategy to maximise value for shareholders, the Investment Manager will remain highly focused on delivering a pipeline of ongoing asset management initiatives to optimise occupancy, income, value and liquidity.

**Results**

We are pleased to announce our unaudited results for the half-year ended 31 March 2025.

**Underlying EPRA Earnings:** Underlying EPRA earnings were flat, at €3.9 million before exceptional items compared to the previous six months to Sept 2024 (six months to March 2024: €4.3 million), driven by high occupancy, a diversified tenant base and high rent collection.

Collectively, these factors have helped mitigate the impact of rising interest costs.

**Fully Covered Dividends:** The Board has maintained the quarterly dividend of 1.48 euro cents per share for the most recent quarter.

The total dividends declared for the current six months amounted to €3.9 million, equating to 2.96 euro cents per share, which offers an attractive dividend yield of approximately 7.3% per annum based on the share price of 67.2 pence sterling as of 20 June 2025. This dividend is fully covered by EPRA earnings before exceptional items.

The key binary risk to long-term dividends remains the lease with KPN in Apeldoorn, expiring in December 2026. If KPN were to vacate, it is likely to affect the Company's capacity to sustain its current dividend. However, the manager is pursuing various initiatives to mitigate this impact, including sourcing a replacement tenant and/or selling the asset to redeploy capital elsewhere.

**Robust Balance Sheet:** Having successfully completed all near-term refinancings on favourable terms, the Company is in a robust financial position. €25 million of available cash, modest LTV of 18% net of cash, and no debt maturities until June 2026, provides significant operational flexibility.

**Portfolio Value:** The underlying portfolio valuation decreased slightly by €2.6 million (net of capex), or -1.3%, to €205.6 million, with a 4% increase in the industrial portfolio, which witnessed a slight tightening of yields, offset by declines in other sectors.

**Emphasis on Asset Management:** We executed several major asset management initiatives during the period, including, post

period end, a 12 year lease re-gear with our second largest tenant Hombach at our Berlin DIY asset, which accounts for 11% of the portfolio income. In addition another six leases and re-gears completed, generating €0.3 million in annual rent, with a weighted lease term of six years.

**Energy and Carbon:** Completion of third-party sustainability and Net Zero Carbon ('NZC') audits across 12 assets in the portfolio, further contributing to our understanding of the quality of our portfolio and future potential asset management initiatives. Additionally, the Manager has published a mandatory product-level disclosure consistent with the Task Force on Climate-Related Financial Disclosures ("TCFD")<sup>2</sup> and maintained the Company's 4-star status in the 2024 Global Real Estate Sustainability Benchmark (GRESB).

**Tax disclosure:** The French tax authorities have issued a notice of adjustment in respect of the tax years 2021 to 2023. Discussions with the tax authority are ongoing. The range of potential outcomes indicates a possible outflow (assuming equivalent adjustments are made in 2024 and 2025) of between €nil and €14.4 million, including interest and penalties.

Based on professional advice, the Board has decided not to make a provision, as they do not believe that an outflow is probable. The Group will continue monitoring the situation and will provide further updates as necessary.

## Outlook

The Company's fundamentals remain solid, supported by a strong balance sheet and ongoing asset management activity focused on optimising occupancy, income, and asset value.

From a market perspective, whilst global geopolitical risks persist, the sector is structurally supported by low supply and falling interest rates. Assuming these trends continue, they should foster greater confidence among both consumers and investors, which should ultimately enhance the attractiveness and liquidity of the real estate market into the next market cycle.

**Sir Julian Berney Bt.**

Chairman

25 June 2025

- 1 Post sale of Frankfurt that occurred in April 2025
- 2 The relevant climate related financial disclosures are published at [TCFD Entity and Product Reports - Institutional Clients \(schroders.com\)](https://www.schroders.com/tcfd).

## Strategic Report

### Investment Manager's Report

#### Financial results

The net asset value ('NAV') as at 31 March 2025 stood at €158.9 million (£133.0 million)<sup>1</sup>, or 120.1 euro cents per share<sup>2</sup> (101.0 pence per share), compared with €164.1 million, or 122.7 cps<sup>2</sup>, as at 30 September 2024. During the period, dividends totalling €4.0 million were paid and 1,471,700 shares were bought back at costs of €1.2 million, which resulted in a NAV total return of +0.3%.

The table below provides an analysis of the movement in NAV during the reporting period as well as a corresponding reconciliation in the movement in the NAV euro cents per share.

	€m	cps <sup>2</sup>
<b>NAV as at 1 October 2024</b>	<b>164.1</b>	<b>122.7</b>
Unrealised change in the valuations of the		
real estate portfolio <sup>3</sup>	(2.3)	(1.7)
Capital expenditure <sup>3</sup>	(0.3)	(0.2)
Transaction costs <sup>3</sup>	(0.2)	(0.1)
EPRA earnings <sup>4</sup>	3.7	2.8
Non-cash/capital items	(0.9)	(0.7)
Share buyback	(1.2)	0.3
Dividends paid <sup>5</sup>	(4.0)	(3.0)
<b>NAV as at 31 March 2025</b>	<b>158.9</b>	<b>120.1</b>

The direct portfolio, after accounting for capital expenditure, declined in value by €2.6 million.

Accrued transaction costs for the sale of the Frankfurt asset (€0.2 million) and other non-cash/capital items (€0.9 million) also contributed to the NAV decline.

EPRA earnings of €3.7 million largely offset the impact from these capital items and resulted in a very small overall IFRS loss of €0.1 million. Including the impact of the share buyback, the NAV total return is positive at +0.3% for the six months.

- 1 Exchange rate as at 31 March 2025 GBP:EUR 1.19.
- 2 133,734,686 shares in issue as at 1 October 2024, reducing to 132,262,986 shares in issue as at 31 March 2025 post the share buyback over period.
- 3 The unrealised loss in the valuation of the real estate of the portfolio (€2.6m), net of capital expenditure (€0.3m) and net of transaction costs (€0.2m), reconciles to the 'net gain/(loss) from fair value adjustment on investment property' of (€2.8m) on page 19 of the full Half Year Report.
- 4 EPRA earnings as reconciled on page 34 of the full Half Year Report. EPRA earnings were €3.9 million (2.9 cps) before exceptional items and €3.7 million (2.7 cps) after exceptional items for the six months to 31 March 2025.
- 5 Dividends of 2.96cps were paid during the financial period.

## Our strategy

### Investment objective

Schroder European Real Estate Investment Trust plc (the 'Company'/'SREIT') aims to provide shareholders with a regular and attractive level of income together with the potential for income and capital growth through investing in commercial real estate in Continental Europe.

### Investment strategy

Our focus remains on actively managing the portfolio to maximise income, value and liquidity, leveraging the expertise of our local sector specialists. The strategy to achieve this is outlined below.

1	2
Maximising shareholder value through active asset management	Exposure to higher growth Winning Cities and Regions
3	4
Applying a research-led approach to determine attractive sectors and locations for commercial real estate allocations	Managing the Company prudently and efficiently by controlling costs and maintaining a strong balance sheet
5	6
Actively managing the Company and its assets, drawing on the expertise of our sector specialists to maximise shareholder returns and evolve the Company's asset management approach that is focused on operational excellence	Managing assets as individual businesses, ensuring the services and contract terms meet changing tenant demands and that assets are operated efficiently to minimise the use of scarce resources

### Transactions

Following the successful completion of various asset management initiatives in the Frankfurt grocery asset, including securing longer-term leases with anchor tenants Lidl and Fressnapf, a disposal of the asset was agreed, with the sale concluding post period end (April 2025).

In addition, the Company completed the sale of its 50% stake in the Metromar joint venture. The disposal price is in line with the Company's previous recognition of its interest being nil value, with the outstanding debt transferring to the purchaser.

### Real estate portfolio

As at 31 March 2025, the investment portfolio comprised 14 institutional grade properties valued at €194.0 million. In addition, the Company held for sale in its books the Frankfurt grocery asset at a net value of €11.6 million.

The investment portfolio (excluding Frankfurt) generates rental income of €16.3 million per annum, reflecting a net initial yield of 7.0%. The independent valuers' portfolio estimated rental value ('ERV') is €15.6 million per annum.

At the period end, the investment portfolio void rate was 5%, calculated as a percentage of estimated rental value. The weighted average lease length, calculated to the earlier of lease expiry or break, is 3.0 years.

Key asset management highlights included:

- Concluded six new leases and re-gears generating €0.3 million of annual contracted rent, at a weighted lease term of six years.
- In addition, successfully executed a new 12-year re-gear with Hombach post-period end. The new lease will increase the portfolio's average unexpired lease term by over 1.3 years.
- Managing the remaining breaks and expiries with Hachette (March 2026 break, Nantes), Nestlé (April 2026 expiry, Rumilly), State of Baden Württemberg (July 2026 expiry, Stuttgart) and KPN (Dec 2026 expiry, Apeldoorn), remain a key priority. The initial discussions for the majority of these are positive.

The de-risking of Apeldoorn in particular continues to be a focus. The building is leased to the Dutch telecommunications company, KPN, generating €3 million of rent p.a. with expiry in December 2026. The asset accounts for 6% of the portfolio's total value and 18% of rent. Independent valuers have determined the market value based on the present value of the remaining income and land value. Despite no formal notice to terminate the lease, we believe KPN may vacate the premises at lease expiry. We are exploring options that include reletting to a replacement tenant and/or obtaining planning approval for alternative uses, however, should KPN vacate, and considering potential implications of alternative options and broader portfolio activity, the Company's ability to maintain its current dividend may be affected.

The diversified nature and strength of underlying tenants, and the assets generally being leased off affordable and sustainable rents, is expected to sustain relatively resilient portfolio income in a weaker economic climate.

Approximately 32% of the portfolio by value is offices, all of which are in supply-constrained locations and leased off affordable rents. Our industrial exposure of 32% is a mixture of distribution warehouses and light industrial accommodation in growth cities within France and The Netherlands. Our retail exposure of 16% comprises DIY (11%) and the Frankfurt grocery asset held for sale (5%). Another 9% of the portfolio is allocated to the alternatives sector, comprising a mixed-use data centre and a car showroom, with the remaining 11% in cash.

1 Represents the annualised contracted rents as at 31 March 2025 of the direct portfolio.

### At a glance

#### Portfolio Overview

The Company owns a diversified portfolio of commercial real estate in Continental Europe with favourable property fundamentals. The Company has targeted assets located in Winning Cities and Regions and in high-growth sectors. Winning Cities and Regions are those that are expected to generate higher and more sustainable levels of economic growth, underpinned by themes such as urbanisation, demographics, technology and infrastructure improvements.

The table below sets out the portfolio's top ten tenants by contracted rent, representing a diverse range of industry segments and reflecting 70% of the portfolio.

#### Top ten tenants

Rank	Tenant	Industry	Property	Contracted rent		WAVLT break	WAVLT expiry
				€m	% of total	(yrs)	(yrs)

Rank	Tenant	Industry	Property	2024	2023	2024	2023
1	KPN	Telecom	Apeldoorn	3.0	18%	1.8	1.8
2	Hombach1	DIY	Berlin	1.9	11%	0.8	0.8
3	C-log	Logistics	Rennes	1.3	8%	5.9	5.9
4	Outscale	IT	Paris	1.1	6%	4.2	7.2
5	DKL	Logistics	Venray	0.8	5%	3.5	3.5
6	Cereal Partners	Consumer staples	Rumilly	0.8	5%	1.1	1.1
7	LandBW	Government	Stuttgart	0.8	4%	1.3	1.3
8	Schuurman Beheer	Manufacturing	Alkmaar	0.8	4%	13.0	18.0
9	Inventum	Manufacturing	Houten	0.7	4%	4.8	4.8
10	Filassistance	Insurance	Paris	0.7	4%	2.8	7.8
<b>Total top ten tenants</b>				<b>11.9</b>	<b>70%</b>	<b>3.3</b>	<b>4.1</b>
Remaining tenants				5.2	30%	3.8	4.9
<b>Total</b>				<b>17.1</b>	<b>100%</b>	<b>3.4</b>	<b>4.3</b>

1 New 12-year lease agree with Hombach.

The largest tenant is KPN, representing 18% of the portfolio's contracted rent. KPN, a leading telecommunications and IT provider and market leader in the Netherlands, occupies our mixed-use Apeldoorn asset (data centre and office).

The second largest tenant is Hombach, a leading German-based operator of do-it-yourself ('DIY') stores and home centres, which accounts for 11% of the portfolio rent and is the sole occupier of our Berlin DIY asset, comprising a four-hectare site that has the potential to benefit from alternative uses.

The remaining larger tenants, spanning a diversified range of industries, each account for between 4-8% of portfolio rents. They are C-log, Outscale, Cereal Partners (Nestlé), DKL, Land Baden-Württemberg, Schuurman Beheer, Inventum and Filassistance.

### Portfolio performance

**Valuation performance:** Over the six-month period, the underlying portfolio valuation decreased slightly by €2.6 million (net of capex), or -1.3%, to €205.6 million.

The portfolio's industrial assets all saw their values increase. Rumilly, Venray I & II, Alkmaar, Houten, Utrecht, Rennes and Rumilly values (net of capex) increased 4% on average, driven by positive investment sentiment translating into stronger investment volumes and yield compression.

In contrast, the office portfolio value (Paris, Hamburg, Stuttgart) declined by 3%, owing to continued weak market sentiment. The Berlin DIY asset value reduced 6% as valuers revised their cap rates owing to the short remaining lease term (lease negotiations completed post period end) and the mixed-use data centre in Apeldoorn value declined 8%, due to the decreasing remaining lease term. With the post period end lease re-gear with Hombach we would expect a reversal of the Berlin valuation decline to occur in June 2025.

**Total property returns:** During the period, the property portfolio total property return ('TPR') was 2.0%. With the portfolio benefitting from strong occupancy and high rent collection, property income returns were strong at +3.3% for the six months, thereby more than offsetting negative capital returns of -1.4% which was primarily a result of shortening lease lengths.

Strong performance was seen in the industrial portfolio, with Venray delivering a TPR of +14.1%, Rumilly +10.7%, Utrecht +9.9%, Houten +8.4%, Nantes +9.1%, Venray II +9.0%, Rennes +3.3% and Alkmaar +3.0%.

Following the Frankfurt sale, the Berlin DIY store is now the sole retail asset in the portfolio. Its value decreased as valuers revised their cap rates owing to the short remaining lease term. Negotiations are in progress regarding a potential lease extension. The asset returned -3.0% TPR over the period.

The office portfolio performance was more muted, with Paris Saint-Cloud delivering a TPR of 1.9%, Stuttgart -0.7% and Hamburg -6.1%.

The portfolio's mixed-use data centre in Apeldoorn delivered a total return of +2.8%, with a high income return compensating for a capital value decline as a result of outward yield movement. The Cannes car showroom remained unchanged, with the asset delivering an income return of 4.0%.

Over the longer term, the real estate portfolio has delivered ungeared property returns of 4.8% over one year, 1.7% over three years and 5.5% over five years.

### Berlin, Germany

#### ASSET MANAGEMENT

##### Asset overview

The asset is a freehold 16,800 sqm DIY retail scheme that includes a DIY unit, garden centre and trade counter fully let to Hombach. The property was acquired in March 2016 for a purchase price of €24.3 million, with the latest valuation at €26.0 million as of 31 March 2025.

Located in Mariendorf, approximately 10 km south of Berlin City Centre, the site spans four hectares in a supply-constrained location surrounded by medium-density residential.

##### Asset strategy

The strategy over the period has centred on negotiating a re-gear of the lease with the tenant in order to enhance asset liquidity and value. This was successfully concluded in May 2025, post period end.

##### Rationale

- Post-period end successfully executed a 12-year re-gear with Hombach, the second largest tenant in the Company's portfolio (11% of income) with a market cap of c.€1.7 billion
- The triple net lease is subject to indexation and has been agreed ahead of the 31 December 2024 estimated rental value (ERV)
- Improved the portfolio's income security and WAULT by 1.3 years, from 3.0 years to 4.3 years until the earlier of break and expiry
- Secured an improved BREEAM in Use certification of 'Very Good' (previously 'Good') upon renewal by collaborating with the tenant and implementing light quality and flood risk assessments

### Frankfurt, Germany

## ASSET MANAGEMENT & SALE

### Asset overview

Acquired in May 2016 for its strong income characteristics, the asset comprises a multi-let convenience retail centre spanning 4,525 sqm.

Situated in Rödelheim, a well-connected urban location 5 km north-west of Frankfurt city centre, the submarket benefits from a population density of 3,760 residents per sq km, significantly higher than the city's average of 3,100. The nearest metro station is just a five-minute walk away, providing direct access to the city centre.

### Asset strategy

Building on the successful long-term lease re-gears achieved in the prior period, the emphasis over the past six months has been on completing the sale of the asset to realise value.

### Rationale

- Strategic disposal following the successful completion of the business plan and an opportunity to use proceeds to further enhance shareholder value
- Sale price was consistent with the 30 September 2024 valuation and c.7% higher than the purchase price
- Disposal enabled the Company to significantly reduce gearing and to use elevated cash reserves to advance a value accretive share buyback programme

### Balance sheet

The Company's third-party debt totals €70.9 million across five loan facilities as at 31 March 2025. The current blended all-in interest rate is 3.7% and the average remaining loan term is 2.7 years. The loan to value (LTV) net of cash is 21% against the Company's gross asset value (gross of cash LTV is 30%).

Post period end in April 2025, the Company used the Frankfurt disposal proceeds to repay €6.6 million of the portfolio loan facility with Deutsche Pfandbriefbank. As a result, total debt reduced to €64.3 million, reflecting an expected LTV of 18% net of cash. Post the Frankfurt sale and debt repayment, average debt interest costs will increase to c.3.9% on average with a loan maturity of 2.8 years.

There is a net of cash LTV cap of 35% that restricts concluding new external loans if the Company's net LTV is above 35%. An increase in leverage above 35% as a result of valuation decline is excluded from this cap.

The individual loans are detailed in the table below. Each loan is held at the property-owning level instead of the Group level and is secured by the individual properties noted in the table. There is no cross-collateralisation between loans. Each loan has specific LTV and income default covenants. We detail the headroom against those covenants in the latter two columns of the table below.

Lender	Property	Maturity date	Outstanding principal	Interest rate	Headroom LTV default covenant (% decline)	Headroom net income default covenant (% decline)
VR Bank Westerland	Stuttgart / Hamburg	31/12/2027	€18.00m	3.80%	No covenant	No covenant
Deutsche Pfandbriefbank	Berlin / Frankfurt	30/06/2026	€16.50m	1.31%	n.a.	>50%
BRED Banque Populaire	Paris (Saint-Cloud) <sup>1</sup>	15/12/2027	€14.00m	3M Eur+1.9%17%		>50%
ABN Amro	The Netherlands industrials <sup>2</sup>	27/09/2028	€13.76m	5.30%	39%	25%
Landesbank SAAR	Rennes	26/03/2029	€8.60m	4.3%	16%	41%
<b>Total</b>			<b>€70.86m</b>			

<sup>1</sup> The Frankfurt/Berlin debt balance will reduce to €9.9m in the second quarter of 2025 as a result of the Frankfurt grocery sale. Additional monies were put on security deposit to meet bank covenants post sale.

<sup>2</sup> The ABN Amro loan is secured against five of the Netherlands industrial assets: Alkmaar, Houten, Utrecht, Venray and Venray II.

The German and Dutch loans are fixed rate for the duration of the loan term.

The Paris loan is based on a margin above three-month Euribor. The Company benefits from an interest rate hedge, capped at 3.25%, which is covering the remaining loan period to 15 December 2027. The fair value of the derivative contract is c.€24,000 as at 31 March 2025.

### Outlook

Investment sentiment and liquidity in the European commercial real estate markets have seen a degree of improvement in recent quarters, although concerns regarding economic conditions and political risks continue to be significant. Following a decline in bond yields, real estate is becoming a more appealing option in the context of modest economic growth, gradual interest rate reductions, and easing inflation.

Occupational markets in key cities have shown notable resilience, particularly in certain sub-markets relevant to our business. Our strategy centres on targeting growing cities and locations benefiting from infrastructure advancements, supply constraints, competing demand for uses and investments leased off affordable rents. These factors are expected to help sustain liquidity and enhance the value of the majority of our portfolio. We have made strides in reinforcing the portfolio's income security through lease re-gears, such as a new 12-year term with Hombach for our DIY asset in Berlin (post period end), and a 15-year extension with Lidl in Frankfurt ahead of its sale.

As we look ahead, our efforts will remain centred on negotiations with KPN, Nestlé, Hachette, and the State of Baden-Württemberg. Successfully finalising these discussions will have a positive impact on our income, value, and liquidity, thereby enhancing shareholder value.

**Jeff O'Dwyer**

Fund Manager

25 June 2025

## **Strategic Report**

### **Responsibility Statement of the Directors in respect of the Interim Report**

#### **Principal risks and uncertainties**

The principal risks and uncertainties with the Company's business relate to the following risk categories: investment and strategy; economic and property market; valuation; gearing and leverage; and regulatory and tax compliance. A detailed explanation of the risks and uncertainties in each of these categories can be found on pages 31 to 33 of the Company's published Annual Report and Consolidated Financial Statements for the year ended 30 September 2024.

The Company's portfolio remains resilient, as evidenced by rent collection levels over the half year. Covenant, interest rates, cost of debt and expiry profiles continue to be actively managed as part of cash flow forecasting and liquidity management. The Company has substantial cash available providing a robust position to manage the Company through current headwinds facing European economies.

The Apeldoorn investment is fully leased to the Dutch telecommunications company KPN. The current lease is set to expire on 31 December 2026, with the possibility of a five-year tenant extension. From a valuation standpoint, this asset accounts for approximately 6% of the portfolio's total value. Independent valuers have determined the market value based on the present value of the remaining income and the land value. In terms of income, KPN pays an annual rent of around €3 million, which constitutes about 18% of the portfolio income. We are actively communicating with the tenant; however, although there has been no formal notice to terminate the lease, since year end it appears increasingly likely that KPN will vacate the premises. Consequently, we are exploring options that include locating a replacement tenant or obtaining planning approval for alternative uses. If KPN were to vacate, it is likely to affect the Company's capacity to sustain its current dividend. However, the manager is pursuing various initiatives to mitigate this impact. The other principal risks and uncertainties have not materially changed during the six months ended 31 March 2025.

#### **Going concern**

The Board believes it is appropriate to adopt the going concern basis in preparing the financial statements. A comprehensive going concern statement setting out the reasons the Board considers this to be the case is set out in note 1 on pages 23 to 24 of the full Half Year Report.

#### **Related party transactions**

There have been no transactions with related parties that have materially affected the financial position or the performance of the Company during the six months ended 31 March 2025. Related party transactions are disclosed in note 13 of the Condensed Consolidated Interim Financial Statements.

#### **Statement of Directors' responsibilities**

The Directors confirm that to the best of their knowledge:

- The Half Year Report and Condensed Consolidated Interim Financial Statements have been prepared in accordance with the UK adopted International Accounting Standard IAS 34 Interim Financial Reporting; and
- The Interim Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

**Sir Julian Berney Bt.**

Chairman

25 June 2025

## **Independent Review Report to Schroder European Real Estate Investment Trust plc**

### **Conclusion**

We have been engaged by Schroder European Real Estate Investment Trust plc (the "Company") and its subsidiaries (together the "Group") to review the Half Year Report and Condensed Consolidated Interim Financial Statements for the six months ended 31 March 2025 ('Interim financial statements') which comprises the Condensed Consolidated Interim Statement of Comprehensive Income, Condensed Consolidated Interim Statement of Financial Position, Condensed Consolidated Interim Statement of Changes in Equity, Condensed Consolidated Interim Statement of Cash Flows, and the related Notes to the Financial Statements 1 - 16. We have read the other information contained in the Half Year Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Interim financial statements in the Half Year Report.

Based on our review, nothing has come to our attention that causes us to believe that the Interim financial statements for the six months ended 31 March 2025 are not prepared, in all material respects, in accordance with UK-adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

### **Basis for Conclusion**

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the Interim financial statements included in this Half Year Report have been prepared in accordance with UK-adopted International Accounting Standard 34, "Interim Financial Reporting".

### **Conclusions Relating to Going Concern**

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

#### Responsibilities of the directors

The directors are responsible for preparing the Half Year Report and Interim financial statements in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the Half Year Report and Interim financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities for the review of the financial information

In reviewing the Half Year Report and Interim financial statements, we are responsible for expressing to the Company a conclusion on the Interim financial statements in the Half Year Report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

#### Use of our report

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

#### Ernst & Young LLP

London

25 June 2025

#### Condensed Consolidated Interim Statement

##### of Comprehensive Income

For the period ended 31 March 2025

	Notes	Six months to 31 March 2025 €000 (unaudited)	Six months to 31 March 2024 €000 (unaudited)	Year to 30 September 2024 €000 (audited)
Rental and service charge income	2	10,263	10,295	20,647
Property operating expenses		(3,430)	(2,767)	(5,602)
<b>Net rental and related income</b>		<b>6,833</b>	<b>7,528</b>	<b>15,045</b>
Net loss from fair value adjustment on investment property	3	(2,806)	(6,617)	(7,740)
Development revenue	4	9	519	1,500
Development expense	4	(9)	( 5 1 9 )	(695)
Realised gain/(loss) on foreign exchange	15		( 2 )	4
Net change in fair value of financial instruments at fair value through profit or loss	9	(211)	(388)	(494)
<b>Expenses</b>				
Investment management fee	13	(913)	(972)	(1,899)
Valuers' and other professional fees		(443)	(285)	(719)
Administrator's and accounting fees		(231)	(328)	(586)
Auditors' remuneration		(169)	(173)	(347)
Directors' fees	13	(117)	(120)	(239)
Other expenses		(385)	(104)	(540)
<b>Total expenses</b>		<b>(2,258)</b>	<b>(1,982)</b>	<b>(4,330)</b>
<b>Operating profit</b>		<b>1,573</b>	<b>(1,461)</b>	<b>3,290</b>
Finance income		266	290	654
Finance costs		(1,295)	(1,271)	(2,596)
<b>Net finance costs</b>		<b>(1,029)</b>	<b>(981)</b>	<b>(1,942)</b>
Share of loss of joint venture	5,6	-	-	-
<b>Gain/(Loss) before taxation</b>		<b>544</b>	<b>(2,442)</b>	<b>1,348</b>
Taxation	7	(670)	259	(773)



(Loss)/Gain for the period/year	(126)	(2,183)	575
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**Other comprehensive (expense)/income:**

Other comprehensive (expense)/income items that may be reclassified to profit or loss

	-	-	-
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<b>Total other comprehensive (expense)/income</b>	<b>-</b>	<b>-</b>	<b>-</b>
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<b>Total comprehensive (expense)/income for the</b>	<b>(126)</b>	<b>(2,183)</b>	<b>575</b>
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period/year

**Basic and diluted (loss)/earnings per share attributable to owners of the parent**

8	(0.1)c	(1.6)c	0.4c
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All items in the above statement are derived from continuing operations. The accompanying notes 1 to 16 form an integral part of the condensed consolidated interim financial statements.

**Condensed Consolidated Interim Statement**

**of Financial Position**

As at 31 March 2025

	Notes	Six months to 31 March 2025	Six months to 31 March 2024	Year to 30 September
		€000	€000	2024
		(unaudited)	(unaudited)	€000
				(audited)
<b>Assets</b>				
<b>Non-current assets</b>				
Investment property	3	192,574	207,066	206,522
Investment in joint venture	6	-	-	-
<b>Non-current assets</b>		<b>192,574</b>	<b>207,066</b>	<b>206,522</b>
<b>Current assets</b>				
Trade and other receivables		8,988	9,307	10,026
Interest rate derivative contracts	9	24	342	236
Cash and cash equivalents		26,881	28,103	27,362
<b>Current assets</b>		<b>35,893</b>	<b>37,752</b>	<b>37,624</b>
Investment property held for sale	3	11,600	-	-
<b>Total assets</b>		<b>240,067</b>	<b>244,818</b>	<b>244,146</b>
<b>Equity</b>				
Share capital	10	17,966	17,966	17,966
Share premium	10	43,005	43,005	43,005
Treasury share reserve	10	(1,158)	-	-
Retained earnings		99,041	104,327	103,126
<b>Total equity</b>		<b>158,854</b>	<b>165,298</b>	<b>164,097</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	9	70,528	70,409	70,471
Deferred tax liability	7	4,179	3,724	4,163
<b>Non-current liabilities</b>		<b>74,707</b>	<b>74,133</b>	<b>74,634</b>
<b>Current liabilities</b>				
Trade and other payables		6,363	5,387	4,955
Current tax liabilities	7	143	-	460
<b>Current liabilities</b>		<b>6,506</b>	<b>5,387</b>	<b>5,415</b>
<b>Total liabilities</b>		<b>81,213</b>	<b>79,520</b>	<b>80,049</b>
<b>Total equity and liabilities</b>	11	<b>240,067</b>	<b>244,818</b>	<b>244,146</b>
<b>Net asset value per ordinary share</b>		<b>120.1</b>	<b>123.6</b>	<b>122.7</b>

**Condensed Consolidated Interim Statement**

**of Changes in Equity**

For the period ended 31 March 2025

Share	Share	Treasury	Retained	Other	Total
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		Share capital	Share premium	Treasury share reserve	Retained earnings 1	Other reserves1	Total equity
	Notes	€000	€000	€000	€000	€000	€000
Balance as at 1 October 2024		17,966	43,005	-	103,126	-	164,097
Share buyback	11	-	-	(1,158)	-	-	(1,158)
Loss for the period		-	-	-	(126)	-	(126)
Dividends paid	12	-	-	-	(3,959)	-	(3,959)
<b>Balance as at 31 March 2025 (unaudited)</b>		<b>17,966</b>	<b>43,005</b>	<b>(1,158)</b>	<b>99,041</b>	<b>-</b>	<b>158,854</b>

		Share capital	Share premium	Treasury share reserve	Retained earnings 1	Other reserves1	Total equity
	Notes	€000	€000	€000	€000	€000	€000
Balance as at 1 October 2023		17,966	43,005	-	(6,142)	116,610	171,439
Transfers		-	-	-	116,610	(116,610)	-
Profit for the year		-	-	-	575	-	575
Dividends paid	12	-	-	-	(7,917)	-	(7,917)
<b>Balance as at 30 September 2024 (audited)</b>		<b>17,966</b>	<b>43,005</b>	<b>-</b>	<b>103,126</b>	<b>-</b>	<b>164,097</b>

		Share capital	Share premium	Treasury share reserve	Retained earnings 1	Other reserves1	Total equity
	Notes	€000	€000	€000	€000	€000	€000
Balance as at 1 October 2023		17,966	43,005	-	(6,142)	116,610	171,439
Transfers		-	-	-	116,610	(116,610)	-
Profit for the period		-	-	-	(2,183)	-	(2,183)
Dividends paid	12	-	-	-	(3,958)	-	(3,958)
<b>Balance as at 31 March 2024 (unaudited)</b>		<b>17,966</b>	<b>43,005</b>	<b>-</b>	<b>104,327</b>	<b>-</b>	<b>165,298</b>

1 These reserves form the distributable reserves of the Company and include a historic share premium reduction and may be used to fund distribution of profits to investors via dividend payments.

The accompanying notes 1 to 16 form an integral part of the condensed consolidated interim financial statements.

### Condensed Consolidated Interim Statement of Cash Flows

For the period ended 31 March 2025

	Notes	Six months to 31 March 2025 €000 (unaudited)	Six months to 31 March 2024 €000 (unaudited)	Year to 30 September 2024 €000 (audited)
<b>Operating activities</b>				
Profit/(loss) before tax for the period/year		544	(2,442)	1,348
Adjustments for:				
Net loss from fair value adjustment on investment property	3	2,806	6,617	7,740
Share of loss of joint venture	6	-	-	-
Realised foreign exchange (gain)/loss		(15)	2	(4)
Finance income		(266)	(290)	(654)
Finance costs		1,295	1,271	2,596
Net change in fair value of financial instruments at fair value				

Net change in fair value of financial instruments at fair value

through profit or loss	9	211	388	494
<b>Operating cash generated before changes in working capital</b>		<b>4,575</b>	<b>5,546</b>	<b>11,520</b>
Decrease/(increase) in trade and other receivables		779	(84)	(627)
Increase/(decrease) in trade and other payables		375	313	(167)
<b>Cash generated from operations</b>		<b>5,729</b>	<b>5,775</b>	<b>10,726</b>
Finance costs paid		(1,384)	(964)	(2,145)
Finance income received		266	290	654
Tax paid	7	(971)	(1,580)	(1,345)
<b>Net cash generated from operating activities</b>		<b>3,640</b>	<b>3,521</b>	<b>7,890</b>
<b>Investing activities</b>				
Payments received in advance on sale of investment property		1,180	-	-
Additions to investment property	3	(199)	(524)	(1,682)
<b>Net cash generated from/(used in) investing activities</b>		<b>981</b>	<b>(524)</b>	<b>(1,682)</b>
<b>Financing activities</b>				
Repayment of loan facilities		-	(3,000)	(3,000)
Interest rate derivative contracts purchased		-	(57)	(56)
Refinancing costs paid		-	(322)	(322)
Share buyback		(1,158)	-	-
Dividends paid	12	(3,959)	(3,958)	(7,917)
<b>Net cash (used in)/provided by financing activities</b>		<b>(5,117)</b>	<b>(7,337)</b>	<b>(11,295)</b>
<b>Net decrease in cash and cash equivalents for the period/ year</b>		<b>(496)</b>	<b>(4,340)</b>	<b>(5,087)</b>
<b>Opening cash and cash equivalents</b>		<b>27,362</b>	<b>32,445</b>	<b>32,445</b>
Effects of exchange rate change on cash		15	(2)	4
<b>Closing cash and cash equivalents</b>		<b>26,881</b>	<b>28,103</b>	<b>27,362</b>

The accompanying notes 1 to 16 form an integral part of the condensed consolidated interim financial statements.

## Notes to the Financial Statements

### 1 Significant accounting policies

The Company is a closed-ended investment company incorporated in England and Wales. The condensed consolidated interim financial statements of the Company for the period ended 31 March 2025 comprise those of the Company and its subsidiaries (together referred to as the 'Group'). The shares of the Company are listed on the London Stock Exchange (Primary listing) and the Johannesburg Stock Exchange (Secondary listing). The registered office of the Company is 1 London Wall Place, London, EC2Y 5AU.

These condensed consolidated interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 September 2024 were approved by the Board of Directors on 5 December 2024 and were delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

These condensed consolidated interim financial statements have been reviewed and not audited.

### Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. They do not include all of the information required for the full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 September 2024. The condensed consolidated interim financial statements have been prepared on the basis of the accounting policies set out in the Group's consolidated financial statements for the year ended 30 September 2024. The consolidated financial statements for the year ended 30 September 2024 have been prepared with UK-adopted International Accounting Standards in accordance with the Companies Act 2006. The Group's annual financial statements refer to new Standards and Interpretations, none of which had a material impact on the financial statements.

### Basis of preparation

The condensed consolidated interim financial statements are presented in euros rounded to the nearest thousand. They are prepared on a going concern basis, applying the historical cost convention, except for the measurement of investment property and derivative financial instruments that have been measured at fair value. The accounting policies have been consistently applied to the results, assets, liabilities and cash flow of the entities included in the condensed consolidated interim financial statements and are consistent with those of the year-end financial report.

### Going concern

The Board and the Investment Manager exercise judgement in assessing whether it is appropriate to adopt the going concern basis in preparing the condensed consolidated interim financial statements. In making that determination for this set of financial statements, the Directors have examined significant areas of possible financial risk including: cash held and the liquidity of the Group's assets; forward-looking compliance with third-party debt covenants, in particular the loan to value ('LTV') covenant and interest cover ratios; the likelihood of any payment of contingent tax liabilities; potential falls in property valuations; the non-collection of rent and service charges; and the existing, and future, anticipated cash requirements of the Group.

Furthermore, ongoing geopolitical developments, and macroeconomic variables such as projected interest rates and inflation, have also been considered regarding the Group's property investments in France, Germany and the Netherlands.

Cash flow forecasts, based on deemed plausible downside scenarios, have led the Board to conclude that the Group will have sufficient cash reserves to continue in operation for twelve months from the date of the signing of the condensed consolidated interim financial statements.

Given the Board's priority in the coming months to identify the strategy which best positions it to maximise value for shareholders, in making its judgement regarding the going concern assumption, particular consideration has been given to the breadth of strategic options available for the future, which are under balanced consideration and at an early stage of discussion.

Following thorough evaluation, the Directors have not identified any material uncertainties that would cast significant doubt on the Group's ability to continue as a going concern for at least 12 months from the date of approval of the condensed consolidated interim financial statements.

#### **Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The use of estimates and judgements is consistent with the Group's consolidated financial statements for the year ended 30 September 2024. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The most significant estimates made in preparing these financial statements relate to the carrying value of investment properties, as disclosed in note 3 which are stated at fair value. The fair value of investment property is inherently subjective because the valuer makes assumptions which may not prove to be accurate. The Group uses an external professional valuer to determine the relevant amounts.

The following are key areas of judgement:

- Accounting for development revenue and variable consideration regarding Paris, BB: When estimating an appropriate level of development revenue to be recognised in the reporting period, the Group considered the contractual penalties of not meeting certain criteria within the agreement; the total development costs incurred; the stage of completion of the refurbishment; the milestones achieved and still to be achieved; the timing and likelihood of further future billed and unbilled cash receipts from the purchaser and therefore the appropriate recognition in the balance sheet; and the overall general development risk to form a considered judgement of revenue to be appropriately recognised in the financial statements. Further details of the estimated variable consideration are disclosed in note 4.
- Tax provisioning and disclosure: Management uses external tax advisers to monitor changes in tax laws in countries where the Group has operations. New tax laws that have been substantively enacted are recognised in the Group's financial statements. Where changes to tax laws give rise to a contingent liability, the Group discloses these appropriately within the notes to the financial statements (further details are disclosed in note 7).
- IFRS 9 expected credit losses: All receivables and joint venture loans are considered to be such financial assets and must therefore be assessed for an impairment using the forward-looking expected credit loss model. Where any impairment is required to be made, appropriate recognition is required in the consolidated statement of comprehensive income, together with appropriate disclosure and sensitivity analysis in the notes to the financial statements (further details are disclosed in note 6).

#### **Segmental reporting**

The Directors are of the opinion that the Group is engaged in a single segment of business, being property investment, and in one geographical area, Continental Europe. The chief operating decision-maker is considered to be the Board of Directors who are provided with consolidated IFRS information on a quarterly basis.

#### **Financial risk factors**

The main risks arising from the Group's financial instruments and investment properties are: market price risk, currency risk, credit risk, liquidity risk and interest rate risk. The Board regularly reviews and agrees policies for managing each of these risks.

#### **Credit risk**

Cash balances are maintained with major international financial institutions with strong credit ratings and the creditworthiness of the Group's tenants is monitored on an ongoing basis.

#### **Market risk**

The market values for properties are generally affected by overall conditions in local economies, such as changes in gross domestic product, employment trends, inflation and changes in interest rates. The Directors monitor the market value of investment properties by having independent valuations carried out quarterly by a firm of independent chartered surveyors. The sensitivity of the market value of the investment properties to changes in the equivalent yield is also disclosed in note 3 of the financial statements.

In April 2025, the United States of America (USA) initiated sweeping tariff arrangements against their global trading partners. This has heightened macroeconomic uncertainty, with potential for escalating trade policy responses from USA trade counterpart countries, and significant impact to global trade. As at the date of approval of the financial statements, the Company is closely monitoring these changes in global trade policy, however, the Group's primary exposure to the European commercial property sector means it is anticipated to have low impact to key fundamentals and valuations. The group also does not have direct exposure to other global conflicts but continues to monitor the situation closely.

The Group's rental collection has continued to remain very robust with a c.100% rent collection in the period.

#### **Environmental, Social and Governance factors**

The Group has incorporated Environmental, Social and Governance ('ESG') objectives into its core investment strategy and at every stage of the investment process. The Group continues to monitor individual assets and their conformity with sustainability requirements at every stage. The Group continues to review potential initiatives where sustainability credentials can be enhanced, ratings improved, value can be created and the liquidity of investments be improved.

## **2 Rental and service charge income**

Six months to 31 March 2025	Six months to 31 March 2024	Year to 30 September 2024
-----------------------------------	-----------------------------------	---------------------------------

	30 September 2023	30 September 2024	31 March 2025
	€000	€000	€000
	(unaudited)	(unaudited)	(audited)
Rental income	8,196	8,236	16,385
Service charge income	2,067	2,059	4,262
<b>Total</b>	<b>10,263</b>	<b>10,295</b>	<b>20,647</b>

### 3 Investment property

	Freehold
	€000
<b>Fair value at 30 September 2023 (audited)</b>	<b>213,098</b>
Acquisitions and acquisition costs	-
Additions	1,164
Net valuation gain on investment property	(7,740)
<b>Fair value as at 30 September 2024 (audited)</b>	<b>206,522</b>
Additions	199
Reclassification to held for sale	(11,342)
Net valuation loss on investment property	(2,806)
<b>Fair value as at 31 March 2025 (unaudited)</b>	<b>192,574</b>

	Freehold
	€000
<b>Fair value as at 30 September 2023 (audited)</b>	<b>213,098</b>
Acquisitions and acquisition costs	-
Additions	585
Net valuation loss on investment property	(6,617)
<b>Fair value as at 31 March 2024 (unaudited)</b>	<b>207,066</b>

The investment property in Frankfurt has been transferred to investment properties held for sale and is held within current assets at the expected sales price of €11,800,000 less expected costs to sell of €200,000. The sale completed on 30 April 2025 for the agreed sale price of €11,800,000.

The fair value of investment properties, as determined by the valuer, totals €194,000,000 (excluding the Frankfurt property which is held for sale) (30 September 2024: €208,050,000) with the valuation amount relating to a 100% ownership share for all the assets in the portfolio.

The fair value of investment properties per the condensed consolidated interim financial statements of €192,574,000 includes a tenant incentive adjustment of €1,426,000 (30 September 2024: €1,528,000).

The fair value of investment property has been determined by Knight Frank LLP, a firm of independent chartered surveyors, who are registered independent appraisers. The valuations have been undertaken in accordance with the current edition of the RICS Valuation - Global Standards, which incorporate the International Valuation Standards. References to the 'Red Book' refer to either or both of these documents, as applicable.

The properties have been valued on the basis of 'fair value' in accordance with the RICS Valuation - Professional Standards VPS4 (1.5) Fair Value and VPGA1 Valuations for inclusion in financial statements which adopt the definition of fair value used by the International Accounting Standards Board.

The valuation has been undertaken using appropriate valuation methodology and the valuer's professional judgement. The valuer's opinion of fair value was primarily derived using recent comparable market transactions on arm's length terms, where available, and appropriate valuation techniques (the 'Investment Method').

The properties have been valued individually and not as part of a portfolio.

All investment properties are categorised as Level 3 fair values as they use significant unobservable inputs. There have not been any transfers between levels during the period. Investment properties have been classed according to their real estate sector. Information on these significant unobservable inputs per class of investment property are disclosed below.

#### Quantitative information about fair value measurement using unobservable inputs (Level 3) as at 31 March 2025 (unaudited)

		Industrial	Retail (including retail warehouse)	Office	Total
Fair value (€000)		80,800	26,000	87,200	194,000
Area ('000 sqm)		95.030	16.800	54.580	166.410
Net passing rent €	Range	34.43-122.48	114.75	122.29-164.39	34.43-164.39
per sqm per annum	Weighted average <sup>1</sup>	65.15	114.75	143.62	124.28
Gross ERV €	Range	45.00-115.36	96.75	79.93-233.70	45.00-233.70

per sqm per annum

	Weighted average <sup>1</sup>	65.73	96.75	186.74	107.07
Net initial yield <sup>2</sup>	Range	5.28-9.55	6.66	4.64-21.60	4.64-21.60
	Weighted average <sup>1</sup>	6.43	6.66	7.53	6.95
Equivalent yield	Range	5.50-6.90	5.60	4.50-15.82	4.50-15.82
	Weighted average <sup>1</sup>	6.06	5.60	7.82	6.79

Notes:

1 Weighted by market value.

2 Yields based on rents receivable after deduction of head rents and non-recoverables.

**Quantitative information about fair value measurement using unobservable inputs (Level 3) as at 30 September 2024 (audited)**

		Industrial	Retail (including retail warehouse)	Office	Total
Fair value (€000)		77,950	39,500	90,600	208,050
Area ('000 sqm)		95.030	21.326	54.580	170.936
Net passing rent € per sqm per annum	Range	33.23-118.05	56.85-108.12	120.65-163.59	33.23-163.59
	Weighted average <sup>1</sup>	64.98	92.80	138.14	102.12
Gross ERV € per sqm per annum	Range	44.00-115.36	101.58-163.33	79.93-233.70	44.00-233.70
	Weighted average <sup>1</sup>	64.78	120.03	185.21	127.71
Net initial yield <sup>2</sup>	Range	5.43-9.61	1.99-5.94	4.39-19.94	1.99-19.94
	Weighted average <sup>1</sup>	6.62	6.15	7.02	6.44
Equivalent yield	Range	5.50-6.98	5.13-5.55	4.20-14.89	4.20-14.89
	Weighted average <sup>1</sup>	6.17	5.42	7.59	6.65

Notes:

1 Weighted by market value.

2 Yields based on rents receivable after deduction of head rents and non-recoverables.

**Sensitivity of measurement to variations in the significant unobservable inputs**

Given fair value measurement is an inherent judgement due to unobservable inputs, management have reviewed the ranges used in assessing the impact of changes in unobservable inputs on the fair value of the Group's property portfolio. We consider +/-10% for ERV, and +/-50bps for NIY to capture the uncertainty in these key valuation assumptions. The results of this analysis are detailed in the sensitivity table below.

The significant unobservable inputs used in the fair value measurement (categorised within Level 3 of the fair value hierarchy of the Group's property portfolio), together with the impact of significant movements in these inputs on the fair value measurement, are shown below:

Unobservable input	Impact on fair value measurement of significant increase in input	Impact on fair value measurement of significant decrease in input
Passing rent	Increase	Decrease
Gross ERV	Increase	Decrease
Net initial yield	Decrease	Increase
Equivalent yield	Decrease	Increase

There are interrelationships between the yields and rental values as they are partially determined by market rate conditions.

The sensitivity of the valuation to changes in the most significant inputs per class of investment property is shown below:

Estimated movement in fair value of investment properties at 31 March 2025 (unaudited)	Industrial €000	Retail €000	Office €000	Total €000
Increase in ERV by 10%	6,000	2,500	7,200	15,700
Decrease in ERV by 10%	(6,000)	(2,500)	(7,200)	(15,700)
Increase in net initial yield by 0.5%	(6,700)	(2,200)	(6,800)	(15,700)
Decrease in net initial yield by 0.5%	7,900	2,600	8,100	18,600

Estimated movement in fair value of investment properties at 30 September 2024 (audited)	Industrial €000	Retail €000	Office €000	Total €000
Increase in ERV by 10%	1,500	3,350	6,350	11,200
Decrease in ERV by 10%	(1,500)	(3,350)	(6,300)	(11,150)

Increase in net initial yield by 0.5%	(2,300)	(3,400)	(6,750)	(12,450)
Decrease in net initial yield by 0.5%	2,600	4,150	8,200	14,950

#### 4 Recognition of development revenue and profit

During the year ended 30 September 2021, the Group disposed of its office asset in Boulogne-Billancourt, Paris. This involved an initial transfer of the legal title to a purchaser on 16 December 2020 for €69.8m, followed by a development phase for which the Fund was able to receive a further €30.4m. The total cash proceeds to be received across the sale and development thereby totalled €100.2m.

As at 31 March 2025 a cash sum of €98.9m (30 September 2024: €98.1m) had been received by the Fund from the purchaser. Of the remaining €1.3m, no further sums have been invoiced to the purchaser as at 31 March 2025.

Furthermore, during the interim period a sum of €nil (30 September 2024: €0.7m) was invested by the Fund as development expenditure, and as at the interim period end a final €0.1m (30 September 2024: €0.1m) of development expenditure remains to be invested.

When forming a judgement as to an appropriate level of development revenue to be recognised in the reporting period, the Group primarily considered the total development costs incurred; the stage of completion of the refurbishment; the milestones achieved and still to be achieved; the timing of future cash receipts from the purchaser; the overall general development risk; and the commercial discussions ongoing with the buyer.

#### 5 Provision of internal loan made to Seville joint venture

The Seville entity, which owned a shopping centre in Seville, was sold for €1 on 30 January 2025. The Group previously owned 50% of the Metromar entity and had advanced €10.0 million as a loan and was owed interest of €2.5 million (30 September 2024: €2.4 million); (31 March 2024: €1.7 million). The loan carried a fixed interest rate of 4.37% per annum payable quarterly. The loan had previously been fully impaired and was written off on the sale of the Seville entity.

#### 6 Investment in joint ventures

As at 31 March 2025, the Group owned 50% of the Seville joint venture entity Urban SEREIT Holding. On 30 January 2025 Urban SEREIT Holding sold its interest in the underlying Seville entity, Metromar Retail, which owned a shopping centre in Seville, for €1. The principal place of business of the joint venture is Calle Velázquez 3, 4th Madrid 28001 Spain.

<b>Balance as at 1 October 2024</b>	-
Share of loss for the period	-
<b>Balance as at 31 March 2025 (unaudited)</b>	-

	<b>31 March 2024</b>
	<b>€000</b>
<b>Balance as at 1 October 2023</b>	-
Share of loss for the period	-
<b>Balance as at 31 March 2024 (unaudited)</b>	-

	<b>31 Sept 2024</b>
	<b>€000</b>
<b>Balance as at 1 October 2023</b>	-
Investment in joint venture	-
Share of loss for the year	-
<b>Balance as at 30 September 2024 (audited)</b>	-

	<b>31 March 2025</b>	<b>31 March 2024</b>	<b>30 September</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>2024</b>
<b>Summarised joint venture financial information:</b>	<b>€000</b>	<b>€000</b>	<b>(audited) €000</b>
Total assets	65	27,542	26,548
Total liabilities	(411)	(51,606)	(51,259)
<b>Net liabilities</b>	<b>(346)</b>	<b>(24,064)</b>	<b>(24,711)</b>
<b>Net asset value attributable to the Group</b>	<b>-</b>	<b>-</b>	<b>-</b>

	<b>Six months to</b>	<b>Six months to</b>	<b>Year to 30 September</b>
	<b>31 March 2025</b>	<b>31 March 2024</b>	<b>2024</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>
Revenues	937	1,395	2,756
Total comprehensive profit/(loss)	121	(2,087)	(2,734)
<b>Total comprehensive loss attributable to the Group</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 7 Taxation

	Six months to 31 March 2025	Six months to 31 March 2024	Year to 30 September 2024
	€000 (unaudited)	€000 (unaudited)	€000 (audited)
Current tax charge	480	242	1,017
Current tax adjustment in respect of prior periods	174	-	(182)
Deferred tax charge/(credit)	16	(501)	(62)
<b>Tax charge/(credit) in period/year</b>	<b>670</b>	<b>(259)</b>	<b>773</b>

	<b>Current tax liability/ (asset)</b>	<b>Deferred tax liability</b>
	<b>€000</b>	<b>€000</b>
<b>As at 1 October 2024</b>	<b>460</b>	<b>4,163</b>
Tax charge for the period	654	16
Tax paid during the period	(971)	-
<b>Balance as at 31 March 2025 (unaudited)</b>	<b>143</b>	<b>4,179</b>

	<b>Current tax liability</b>	<b>Deferred tax liability</b>
	<b>€000</b>	<b>€000</b>
<b>As at 1 October 2023</b>	<b>971</b>	<b>4,225</b>
Tax charge/(credit) for the period	242	(501)
Tax paid during the period	(1,580)	-
<b>Balance as at 31 March 2024 (unaudited)</b>	<b>(367)</b>	<b>3,724</b>

	<b>Current tax liability</b>	<b>Deferred tax liability</b>
	<b>€000</b>	<b>€000</b>
<b>As at 1 October 2023</b>	<b>971</b>	<b>4,225</b>
Tax charge/(credit) for the period	834	(62)
Tax paid during the period	(1,345)	-
<b>Balance as at 30 September 2024 (audited)</b>	<b>460</b>	<b>4,163</b>

The Company has been approved by HM Revenue and Customs as an investment trust in accordance with section 1158 of the Corporation Tax Act 2010, by way of a one-off application, and it is intended that the Company will continue to conduct its affairs in a manner which will enable it to retain this status. The Company and certain subsidiary entities have also elected to be treated as a société d'investissement immobilier cotée ('SIIC') for French tax purposes. Provided that the Group meets certain requirements, the Group's French subsidiaries should be exempt from French corporate income tax on net rental income and gains arising from interests in property. Management intends that the Group will continue to comply with the SIIC regulations for the foreseeable future.

The Group operates in a number of jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business. The tax impact can be uncertain until a conclusion is reached with the relevant tax authority. The Group addresses this uncertainty by closely monitoring tax developments, seeking independent advice and maintaining transparency with the authorities it deals with as and when any enquiries are made.

The French tax authorities have issued a notice of adjustment in respect of the tax years 2021 to 2023 and discussions with the tax authority are ongoing. The range of potential outcomes indicates a possible outflow (assuming equivalent adjustments are made in 2024 and 2025) of between €nil and €14.4 million, including interest and penalties. Based on professional advice, the Board has decided not to make a provision, as they do not believe that an outflow is probable and have therefore disclosed this as a contingent liability. The Group will continue monitoring the situation and will provide further updates as necessary.

## 8 Basic and diluted earnings per share

The basic and diluted earnings per share for the Group are based on the net (loss)/profit for the period of €(126,000) (six months to 31 March 2024: €(2,183,000); for the year ended 30 September 2024: €575,000 and the weighted average number of ordinary shares in issue during the period of 133,343,474 (six months to 31 March 2024: 133,734,686; for the year ended 30 September 2024: 133,734,686).

## 9 Interest-bearing loans and borrowings



	Six months to 31 March 2025 €000
<b>As at 1 October 2024</b>	<b>70,471</b>
Repayment of loans	-
Capitalisation of finance costs	-
Amortisation of finance costs	57
<b>As at 31 March 2025 (unaudited)</b>	<b>70,528</b>

	Year to 30 September 2024 €000
<b>As at 1 October 2023</b>	<b>73,623</b>
Repayment of loans	(3,000)
Capitalisation of finance costs	(322)
Amortisation of finance costs	170
<b>As at 30 September 2024 (audited)</b>	<b>70,471</b>

	Six months to 31 March 2024 €000
<b>As at 1 October 2023</b>	<b>73,623</b>
Repayment of loans	(3,000)
Capitalisation of finance costs	(322)
Amortisation of finance costs	108
<b>As at 31 March 2024 (unaudited)</b>	<b>70,409</b>

As at 31 March 2025 the Group held interest rate caps as follows:

- Saint-Cloud loan with BRED Banque Populaire: a cap totalling the full €14.0m of the loan, and which expires on 15 December 2027, with a strike rate of 3.25%

#### 10 Issued capital and reserves

As at 31 March 2025, the Company has 133,734,686 (30 September 2024: 133,734,686) ordinary shares in issue with a par value of 10.00p, of which 1,471,700 ordinary shares are held in Treasury (30 September 2024: nil). The total number of voting rights in the Company is 132,262,986 (September 2024: 133,734,686).

#### 11 NAV per ordinary share and share buyback

Between the 20 January 2025 to 31 March 2025 the Company purchased 1,471,700 shares for a sum of £0.97 (€1.16) million at an average price of 66 pence per share. As a consequence of the buyback, the number of ordinary shares in issue fell from 133,734,686 to 132,262,986 during the reporting period.

The NAV per ordinary share is based on the net assets at 31 March 2025 of €158,854,000 (30 September 2024: €164,097,000; 31 March 2024: €165,298,000) and 132,262,986 ordinary shares in issue at 31 March 2025 (30 September 2024: 133,734,686; 31 March 2024: 133,734,686).

#### 12 Dividends paid

Six months ended 31 March 2025 (unaudited) <sup>1</sup>	Number of ordinary shares	Rate (cents)	€000
Interim dividend paid on 1 November 2024	133,734,686	1.48	1,980
Interim dividend paid on 31 January 2025	133,734,686	1.48	1,979
<b>Total interim dividends paid</b>	<b>133,734,686</b>	<b>2.96</b>	<b>3,959</b>

1 A dividend for the quarter ended 31 December 2024 of 1.48 Euro cents per share was approved and was paid on 15 May 2025. Total dividends declared relating to the six months' ended 31 March 2025 were 2.96 Euro cents per share.

Six months ended 31 March 2024 (unaudited)	Number of ordinary shares	Rate (cents)	€000
Interim dividend paid on 17 November 2023	133,734,686	1.48	1,979
Interim dividend paid on 25 January 2024	133,734,686	1.48	1,979
<b>Total interim dividends paid</b>	<b>133,734,686</b>	<b>2.96</b>	<b>3,958</b>

<b>Year ended 30 September 2024 (audited)</b>	<b>Number of ordinary shares</b>	<b>Rate (cents)</b>	<b>€000</b>
Interim dividend paid on 17 November 2023	133,734,686	1.48	1,979
Interim dividend paid on 25 January 2024	133,734,686	1.48	1,979
Interim dividend paid on 10 May 2024	133,734,686	1.48	1,979
Interim dividend paid on 12 August 2024	133,734,686	1.48	1,979
<b>Total interim dividends paid</b>			<b>7,917</b>

### 13 Related party transactions

Schroder Real Estate Investment Management Limited is the Group's Investment Manager.

The Investment Manager is entitled to a fee, together with reasonable expenses, incurred in the performance of its duties. The fee is payable monthly in arrears and shall be an amount equal to one-twelfth of the aggregate of 1.1% of the EPRA NAV of the Company. The Investment Management Agreement can be terminated by either party on not less than 12 months' written notice, such notice not to expire earlier than the third anniversary of admission, or on immediate notice in the event of certain breaches of its terms or the insolvency of either party. The total charge to profit and loss during the period was €913,000 (year ended 30 September 2024: €1,899,000; six months ended 31 March 2024: €972,000). At 31 March 2025, €625,000 was outstanding (year ended 30 September 2024: €140,000; six months ended 31 March 2024: €599,000).

The Directors are the only officers of the Company and there are no other key personnel. The Directors' remuneration for services to the Group for the six months ended 31 March 2025 was €103,000 (year ended 30 September 2024: €215,000; six months ended 31 March 2024: €120,000), equivalent to £86,000. The total charge for Directors' fees for the six months ended 31 March 2025 was €117,000 (year ended 30 September 2024: €239,000; six months ended 31 March 2024: €120,000), which included employer's National Insurance contributions. All of the Directors hold shares in the Company and have not purchased or sold any shares in the financial period. Details of their holdings can be found on page 52 of the September 2024 Annual Report and Consolidated Financial Statements

### 14 Capital commitments

At 31 March 2025, the Group had capital commitments of €605,000 (30 September 2024: €131,000; 31 March 2024: Enil).

The Group is expected to incur a further €100,000 (30 September 2024: €100,000) of development expenditure with regards to the comprehensive refurbishment of the Paris, BB asset.

### 15 Contingent liabilities

There are no contingent liabilities other than those disclosed in note 7.

### 16 Post balance sheet events

On 30 April 2025 the Group sold the property in Frankfurt for a gross sales price of €11,800,000.

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