

Schroders
capital

**SCHRODER EUROPEAN REAL ESTATE
INVESTMENT TRUST PLC**

Interim Report and Condensed Consolidated Financial Statements

For the period 1 October 2024 to 31 March 2025

Unique and compelling opportunity to invest in a diversified portfolio of commercial Continental European real estate

Portfolio supported by an allocation to higher growth sectors, an experienced local management team, and a peer group leading debt profile

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Overview

EPRA earnings¹ before exceptional items

€3.9m



six months to March 2024: €4.3m

Dividend cover

100%



six months to March 2024: 109%

Dividends declared

€3.9m



six months to March 2024: €3.9m

IFRS result

(€0.1m)



six months to March 2024: (€2.2m)

Net asset value ('NAV')

€158.9m



March 2024: €165.3m

Financial Highlights

[Read more | Page 4](#)

NAV total return

0.3%



six months to March 2024: (1.3%)

Loan to value ('LTV')

21%/30%



March 2024: 24% net of cash / 33% gross

¹ EPRA earnings before exceptional items were €3.9 million (2.9 cps) and €3.7 million (2.7 cps) after exceptional items for the six months to 31 March 2025. EPRA earnings (after exceptional items) are disclosed on page 34 of the financial statements.

Operational Highlights

Strategic disposals and share buyback

- Agreed the disposal of the Frankfurt grocery investment in line with the 30 September 2024 valuation. The sale completed post period end in April 2025
- Completed the sale of the Company's 50% stake in the Metromar joint venture. The disposal price was in line with the Company's previous recognition of its interest being nil value, with the outstanding debt transferring to the purchaser
- These disposals further strengthened the balance sheet, reducing the net loan-to-value ("LTV") ratio to c18% (projection post completion of the Frankfurt disposal in Q2 2025)
- Successfully launched a buyback programme utilising free cash and acquiring 1,471,700 shares at a cost of £969,301 (€1,158,675) and an average price of 66p until the end of March 2025
- Available cash balance of €25 million and no further debt expiries until June 2026 provides operational flexibility

Rental indexation, exceptional rent collection and high tenant retention continue to drive earnings and valuation resilience

- High yielding investment property portfolio² valued at an average net initial yield of 7.0% with almost all leases subject to indexation
- Maintained a high occupancy level of 95%, with an average portfolio lease term to expiry of 4.0 years and continued 100% rent collection²
- Concluded six new leases and re-gears generating €0.3 million of annual contracted rent, at a weighted lease term of six years
- Managing pending breaks and expiries over the short term including key leases to Hornbach (December 2025), Nestlé (April 2026) and KPN (December 2026)
- Post-period end executed a new 12 year re-gear with Hornbach above ERV, thereby improving the asset's unexpired lease term ("WAULT") from 0.8 years to 12.8 years and the portfolio WAULT by 1.3 years
- Underlying total property returns of 2.0% driven by a strong income return of +3.3% for six months, more than offsetting a capital return of -1.4%

Positive NAV total return and strong underlying EPRA earnings supporting covered dividend

- Underlying EPRA earnings¹ of €3.9 million is largely offset by negative capital items (valuation and capital expenditure), resulting in a marginal IFRS loss of €0.1 million
- Positive NAV total return of 0.3%, driven by highly accretive share buybacks
- Fully covered quarterly dividend of 7.3% on current share price of 67.2pps (20 June 2025) and 4.9% p.a. on current NAV is providing an attractive level of income



From left to right:

Jeff O'Dwyer – SEREIT Fund Manager, London

Rick Murphy – Head of Operations, UK and Luxembourg, London

Lucy Glover – SEREIT Finance Manager, London

² Reflects the directly held investment properties of €194.0m. The Frankfurt grocery asset held for sale at a net value of €11.6m is not included in these performance measures

Performance Summary

Property performance

	31 March 2025	31 March 2024	30 September 2024
Value of property assets ^{1,2}	€205.6m	€208.1m	€208.1m
Annualised rental income ^{1,2}	€17.1m	€16.7m	€16.9m
Estimated market rental value ^{1,2}	€16.3m	€16.1m	€16.3m
Underlying portfolio total return in the reporting period ³	2.0%	0.3%	3.1%
Underlying portfolio income return in the reporting period ³	3.3%	3.4%	6.9%

Financial summary

	31 March 2025	31 March 2024	30 September 2024
NAV ²	€158.9m	€165.3m	€164.1m
NAV per ordinary share (euro) ²	120.1c	123.6c	122.7c
NAV total return (euro)	0.3%	(1.3%)	0.4%
IFRS profit/(loss) after tax	(€0.1m)	(€2.2m)	€0.6m
EPRA earnings / EPRA earnings before exceptional items ³	€3.7m/€3.9m	€4.3m	€8.2m
Dividend cover ⁴	100%	109%	103%

Capital values⁵

	31 March 2025	31 March 2024	30 September 2024
Share price ²	66 pps/ZAR 15.28	62.0 pps/ZAR 15.5	69.4 pps/ZAR 16.89
IFRS NAV per share ²	101.0 pps/ZAR 23.7	102.0 pps/ZAR 25.2	116.2 pps/ZAR 23.60

Earnings and dividends⁶

	31 March 2025	31 March 2024	30 September 2024
IFRS earnings	(0.1cps)	(1.6cps)	0.4cps
EPRA earnings / EPRA earnings before exceptional items ³	2.7cps/2.9cps	3.2cps	6.1cps
Headline earnings ³	2.7cps	3.2cps	6.1cps
Ordinary dividends declared	3.0cps	3.0cps	5.9cps

Bank borrowings

	31 March 2025	31 March 2024	30 September 2024
External bank debt (excluding costs) ²	€70.9m	€82.5m	€82.5m
Loan to value ratio based on GAV net of cash/gross of cash ²	21%/30%	24%/33%	25%/33%

Ongoing charges⁷

	31 March 2025	31 March 2024	30 September 2024
Ongoing charges (fund operating expenses only)	2.51%	2.57%	2.59%
Ongoing charges (fund and property operating expenses)	3.61%	3.60%	3.29%

1 Includes the Frankfurt grocery asset held for sale at €11.6 million.

2 Represents period-end snapshot data whilst all other key indicators represent data over the respective reporting period.

3 These are Alternative Performance Measures ('APMs'). EPRA and Headline earnings are reconciled to IFRS earnings on pages 34 and 36. EPRA earnings before exceptional items were €3.9 million (2.9 cps) and after exceptional items €3.7 million (2.7 cps) for the six months to 31 March 2025. The exceptional items relate to the professional fees incurred from the French tax audit and historic service charge adjustments.

4 Dividend cover for the six months to 31 March 2025 was 100% based on EPRA earnings before exceptional items.

5 Pps refers to pence per share. ZAR reflects South African Rand given the Company has a secondary listing on the Johannesburg Stock Exchange.

6 Cps refers to euro cents per share.

7 Ongoing charges are Alternative Performance Measures ('APMs') calculated in accordance with the AIC recommended methodology as a percentage of the average NAV over a given period. For a definition of this Alternative Performance Measure refer to page 38.

Strategic Report

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Chairman's Statement



We are reviewing all potential options to maximise shareholder returns

Sir Julian Berney Bt.
Chairman



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 geopolitical 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 Hornbach 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 cash¹, 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 Hornbach 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")² 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-Entity-and-Product-Reports).

Investment Manager's Report



Jeff O'Dwyer
Fund Manager



Our high yielding portfolio in prominent Continental European growth centres continues to provide an attractive level of income, whilst we anticipate further recovery in investment markets



Financial results

The net asset value ('NAV') as at 31 March 2025 stood at €158.9 million (£133.0 million)¹, or 120.1 euro cents per share² (101.0 pence per share), compared with €164.1 million, or 122.7 cps², 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 ²
NAV as at 1 October 2024	164.1	122.7
Unrealised change in the valuations of the real estate portfolio ³	(2.3)	(1.7)
Capital expenditure ³	(0.3)	(0.2)
Transaction costs ³	(0.2)	(0.1)
EPRA earnings ⁴	3.7	2.8
Non-cash/capital items	(0.9)	(0.7)
Share buyback	(1.2)	0.3
Dividends paid ⁵	(4.0)	(3.0)
NAV as at 31 March 2025	158.9	120.1

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 financial statements.
- 4 EPRA earnings as reconciled on page 34 of the financial statements. 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.

Investment objective

Schroder European Real Estate Investment Trust plc (the 'Company'/'SEREIT') 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

Maximising shareholder value through active asset management

2

Exposure to higher growth Winning Cities and Regions

3

Applying a research-led approach to determine attractive sectors and locations for commercial real estate allocations

4

Managing the Company prudently and efficiently by controlling costs and maintaining a strong balance sheet

5

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

6

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

Investment Manager’s Report continued

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 Hornbach 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.

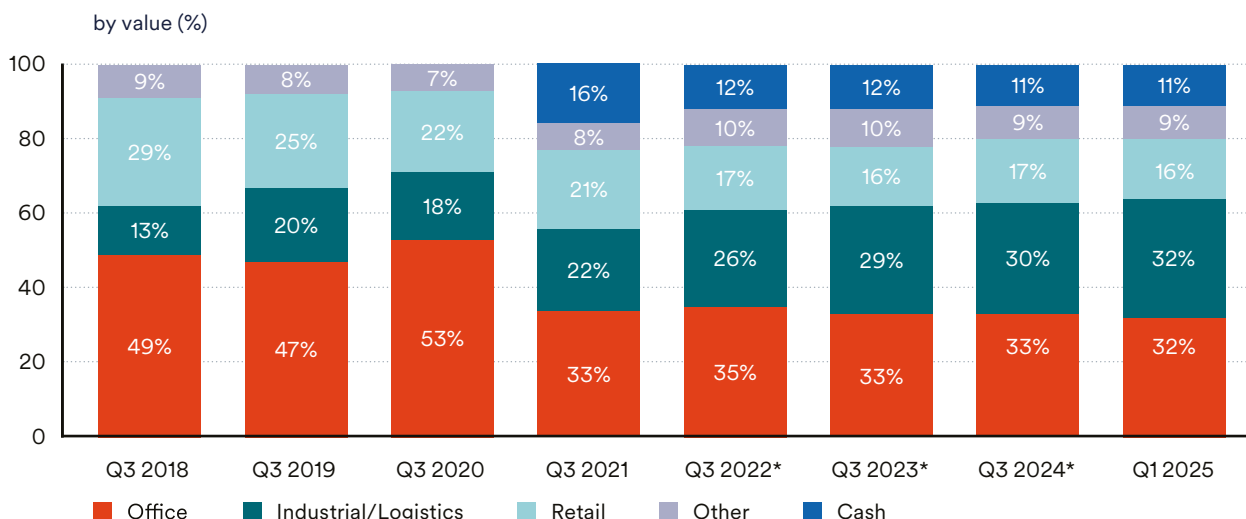
The de-risking of Apeldoorn in particular continues to be a focus. The building is leased to the Dutch telecommunications company, KPN, generating €3 million of rent p.a. with expiry in December 2026. The asset accounts for 6% of the portfolio’s total value and 18% of rent. Independent valuers have determined 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.

Evolution by sector



* Portfolio allocations exclude the Seville property for which the NAV exposure is nil.

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.

Number of properties¹

15

Portfolio value¹

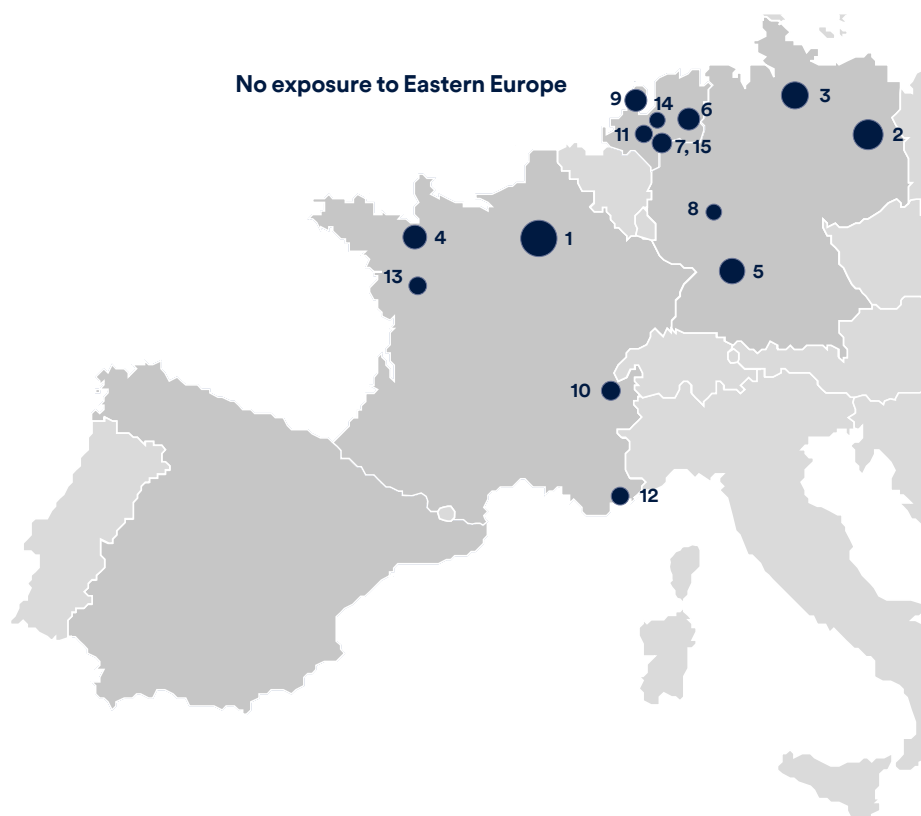
€230.2m

Number of tenants¹

50

Occupancy¹

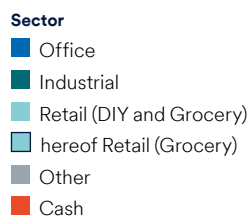
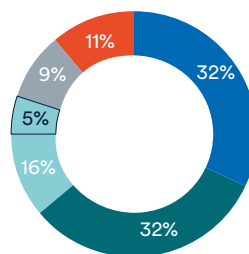
95%



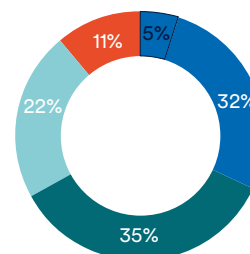
Property portfolio

Property	Sector	Value (€m/% portfolio) ¹
1 France, Paris	Office	€37.3m / 16%
2 Germany, Berlin	Retail/DIY	€26.0m / 11%
3 Germany, Hamburg	Office	€19.9m / 9%
4 France, Rennes	Industrial	€18.9m / 8%
5 Germany, Stuttgart	Office	€17.5m / 8%
6 The Netherlands, Apeldoorn	Mixed	€12.6m / 5%
7 The Netherlands, Venray	Industrial	€12.5m / 5%
8 Germany, Frankfurt	Retail/Grocery	€11.6m / 5%
9 The Netherlands, Alkmaar	Industrial	€11.1m / 5%
10 France, Rumilly	Industrial	€10.5m / 5%
11 The Netherlands, Houten	Industrial	€9.6m / 4%
12 France, Cannes	Car showroom	€7.0m / 3%
13 France, Nantes	Industrial	€6.3m / 3%
14 The Netherlands, Utrecht	Industrial	€2.8m / 1%
15 The Netherlands, Venray II	Industrial	€2.1m / 1%

Sector allocation



Country allocation



¹ Reflects the value of directly held investment properties of €194.0m, the Frankfurt grocery asset held for sale at €11.6m and available cash of €24.6m (internally calculated).

Investment Manager’s Report continued

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		WAULT break (yrs)	WAULT expiry (yrs)
				€m	% of total		
1	KPN	Telecom	Apeldoorn	3.0	18%	1.8	1.8
2	Hornbach ¹	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
Total top ten tenants				11.9	70%	3.3	4.1
Remaining tenants				5.2	30%	3.8	4.9
Total				17.1	100%	3.4	4.3

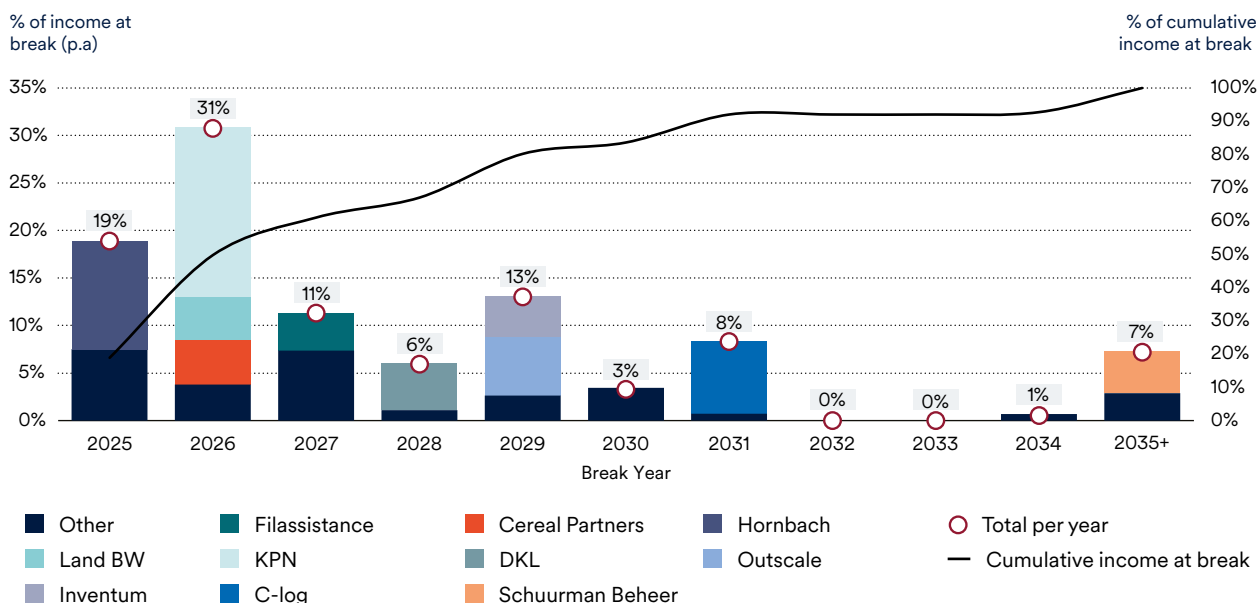
1 New 12-year lease agree with Hornbach.

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 Hornbach, 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.

Lease expiry chart



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 Hornbach 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.

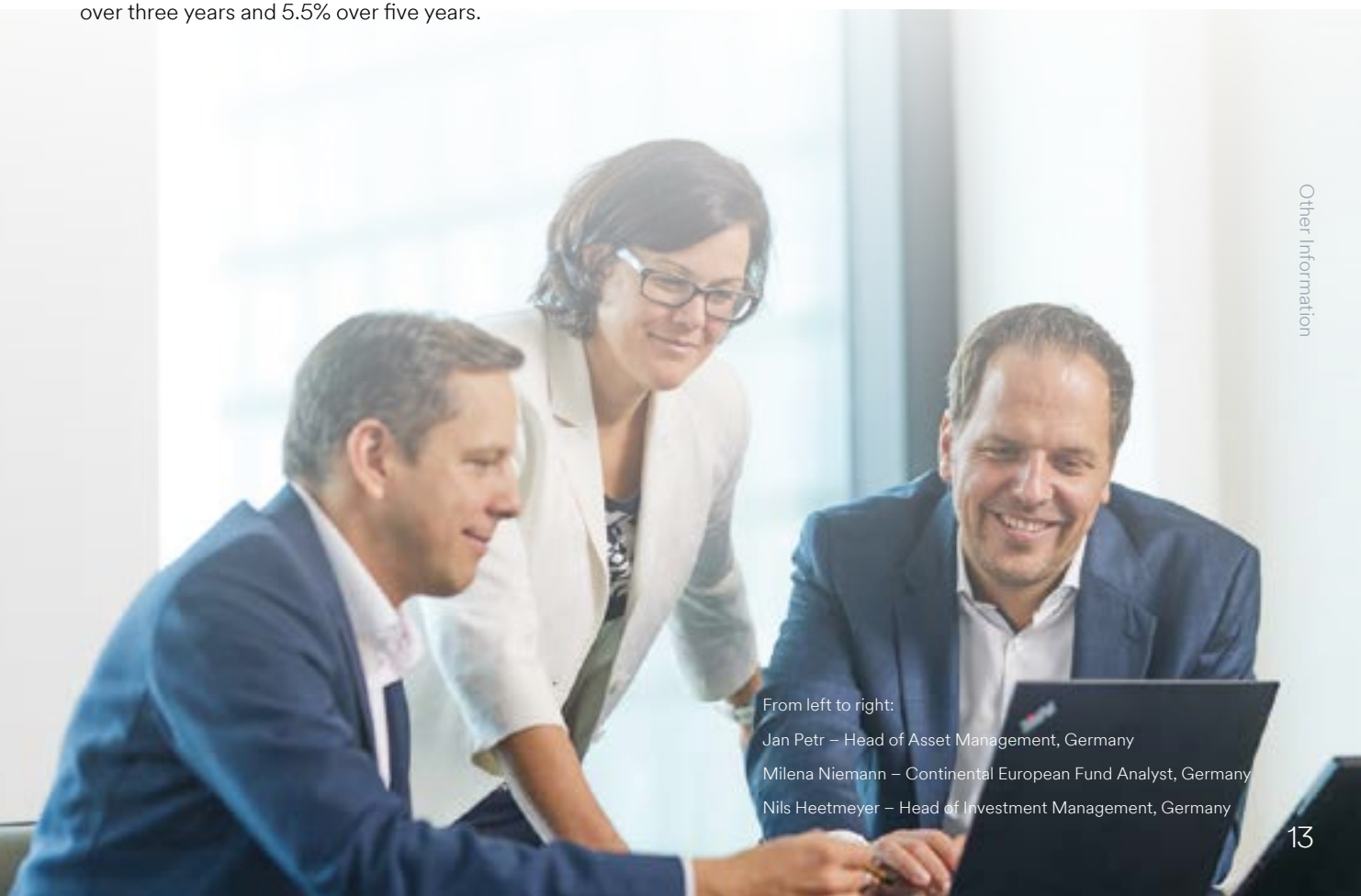
Strong performance was seen in the industrial portfolio, with Venray delivering a TPR of +14.1%, Rumilly +10.7%, Utrecht +9.9%, Houten +8.4%, Nantes +9.1%, Venray II +9.0%, Rennes +3.3% and Alkmaar +3.0%.

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.



From left to right:

Jan Petr – Head of Asset Management, Germany

Milena Niemann – Continental European Fund Analyst, Germany

Nils Heetmeyer – Head of Investment Management, Germany

Investment Manager's Report continued

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 Hornbach. 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 Hornbach, 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 Westerwald	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) ¹	15/12/2027	€14.00m	3M Eur+1.9%	17%	>50%
ABN Amro	The Netherlands industrials ²	27/09/2028	€13.76m	5.30%	39%	25%
Landesbank SAAR	Rennes	26/03/2029	€8.60m	4.3%	16%	41%
Total			€70.86m			

1 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.

2 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 Hornbach 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

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.

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

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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)
Net rental and related income		6,833	7,528	15,045
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)	(519)	(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)
Expenses				
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)
Total expenses		(2,258)	(1,982)	(4,330)
Operating profit		1,573	(1,461)	3,290
Finance income		266	290	654
Finance costs		(1,295)	(1,271)	(2,596)
Net finance costs		(1,029)	(981)	(1,942)
Share of loss of joint venture	5,6	-	-	-
Gain/(Loss) before taxation		544	(2,442)	1,348
Taxation	7	(670)	259	(773)
(Loss)/Gain for the period/year		(126)	(2,183)	575
Other comprehensive (expense)/income:				
Other comprehensive (expense)/income items that may be reclassified to profit or loss		-	-	-
Total other comprehensive (expense)/income		-	-	-
Total comprehensive (expense)/income for the period/year		(126)	(2,183)	575
Basic and diluted (loss)/earnings per share attributable to owners of the parent	8	(0.1)c	(1.6)c	0.4c

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.

Financial Statements

Condensed Consolidated Interim Statement of Financial Position

As at 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)
Assets				
Non-current assets				
Investment property	3	192,574	207,066	206,522
Investment in joint venture	6	–	–	–
Non-current assets		192,574	207,066	206,522
Current assets				
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
Current assets		35,893	37,752	37,624
Investment property held for sale	3	11,600	–	–
Total assets		240,067	244,818	244,146
Equity				
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
Total equity		158,854	165,298	164,097
Liabilities				
Non-current liabilities				
Interest-bearing loans and borrowings	9	70,528	70,409	70,471
Deferred tax liability	7	4,179	3,724	4,163
Non-current liabilities		74,707	74,133	74,634
Current liabilities				
Trade and other payables		6,363	5,387	4,955
Current tax liabilities	7	143	–	460
Current liabilities		6,506	5,387	5,415
Total liabilities		81,213	79,520	80,049
Total equity and liabilities	11	240,067	244,818	244,146
Net asset value per ordinary share		120.1	123.6	122.7

The condensed consolidated interim financial statements on pages 19 to 32 were approved at a meeting of the Board of Directors held on 25 June 2025 and signed on its behalf by:

Sir Julian Berney Bt.

Chairman

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

Company number: 09382477

Registered office: 1 London Wall Place, London EC2Y 5AU

Condensed Consolidated Interim Statement of Changes in Equity

For the period ended 31 March 2025

	Notes	Share capital €000	Share premium €000	Treasury share reserve €000	Retained earnings ¹ €000	Other reserves ¹ €000	Total equity €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)
Balance as at 31 March 2025 (unaudited)		17,966	43,005	(1,158)	99,041	–	158,854

	Notes	Share capital €000	Share premium €000	Treasury share reserve €000	Retained earnings ¹ €000	Other reserves ¹ €000	Total equity €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)
Balance as at 30 September 2024 (audited)		17,966	43,005	–	103,126	–	164,097

	Notes	Share capital €000	Share premium €000	Treasury share reserve €000	Retained earnings ¹ €000	Other reserves ¹ €000	Total equity €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)
Balance as at 31 March 2024 (unaudited)		17,966	43,005	–	104,327	–	165,298

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.

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

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.

Notes to the Financial Statements continued

1. Significant accounting policies continued

Going concern (continued)

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 €000 (unaudited)	Six months to 31 March 2024 €000 (unaudited)	Year to 30 September 2024 €000 (audited)
Rental income	8,196	8,236	16,385
Service charge income	2,067	2,059	4,262
Total	10,263	10,295	20,647

3. Investment property

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

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

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.

Notes to the Financial Statements continued

3. Investment property continued

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 € per sqm per annum	Range	34.43–122.48	114.75	122.29–164.39	34.43–164.39
	Weighted average ¹	65.15	114.75	143.62	124.28
Gross ERV € per sqm per annum	Range	45.00–115.36	96.75	79.93–233.70	45.00–233.70
	Weighted average ¹	65.73	96.75	186.74	107.07
Net initial yield ²	Range	5.28–9.55	6.66	4.64–21.60	4.64–21.60
	Weighted average ¹	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 ¹	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 ¹	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 ¹	64.78	120.03	185.21	127.71
Net initial yield ²	Range	5.43–9.61	1.99–5.94	4.39–19.94	1.99–19.94
	Weighted average ¹	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 ¹	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

Notes to the Financial Statements continued

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.

	31 March 2025 €000		
Balance as at 1 October 2024	–		
Share of loss for the period	–		
Balance as at 31 March 2025 (unaudited)	–		
	31 March 2024 €000		
Balance as at 1 October 2023	–		
Share of loss for the period	–		
Balance as at 31 March 2024 (unaudited)	–		
	31 Sept 2024 €000		
Balance as at 1 October 2023	–		
Investment in joint venture	–		
Share of loss for the year	–		
Balance as at 30 September 2024 (audited)	–		
	31 March 2025 (unaudited) €000	31 March 2024 (unaudited) €000	30 September 2024 (audited) €000
Summarised joint venture financial information:			
Total assets	65	27,542	26,548
Total liabilities	(411)	(51,606)	(51,259)
Net liabilities	(346)	(24,064)	(24,711)
Net asset value attributable to the Group	–	–	–

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

7. Taxation

	Six months to 31 March 2025 €000 (unaudited)	Six months to 31 March 2024 €000 (unaudited)	Year to 30 September 2024 €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)
Tax charge/(credit) in period/year	670	(259)	773

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

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

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

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.

Notes to the Financial Statements continued

7. Taxation continued

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
As at 1 October 2024	70,471
Repayment of loans	–
Capitalisation of finance costs	–
Amortisation of finance costs	57
As at 31 March 2025 (unaudited)	70,528
	Year to 30 September 2024 €000
As at 1 October 2023	73,623
Repayment of loans	(3,000)
Capitalisation of finance costs	(322)
Amortisation of finance costs	170
As at 30 September 2024 (audited)	70,471
	Six months to 31 March 2024 €000
As at 1 October 2023	73,623
Repayment of loans	(3,000)
Capitalisation of finance costs	(322)
Amortisation of finance costs	108
As at 31 March 2024 (unaudited)	70,409

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) ¹	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
Total interim dividends paid	133,734,686	2.96	3,959

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
Total interim dividends paid	133,734,686	2.96	3,958

Year ended 30 September 2024 (audited)	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
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
Total interim dividends paid			7,917

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.

Notes to the Financial Statements continued

14. Capital commitments

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

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.

Other information (unaudited)

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Other Information

EPRA and Headline Performance Measures (unaudited)

As recommended by the European Public Real Estate Association ("EPRA"), performance measures are disclosed in the section below.

a. EPRA earnings and earnings per share

Represents the total IFRS comprehensive income excluding realised and unrealised gains/losses on investment property and changes in the fair value of financial instruments, divided by the weighted average number of shares.

	Six months to 31 March 2025 €000 (unaudited)	Six months to 31 March 2024 €000 (unaudited)	Year to 30 September 2024 €000 (unaudited)
Total IFRS comprehensive (expense)/income	(126)	(2,183)	575
Adjustments to calculate EPRA earnings:			
Net loss from fair value adjustment on investment property	2,806	6,617	7,740
Net development revenue	–	–	(805)
Share of joint venture loss on investment property	–	–	–
Deferred tax	17	(501)	(62)
Tax on development profit and intercompany interest	566	–	236
Adjustments related to non-operating items	180	–	–
Net change in fair value of financial instruments	211	388	494
EPRA earnings	3,654	4,321	8,178
Weighted average number of ordinary shares	133,343,374	133,734,686	133,734,686
IFRS earnings and diluted earnings (cents per share)	(0.1)	(1.6)	0.4
EPRA earnings per share (cents per share)	2.7	3.2	6.1

b. EPRA Net Reinstatement Value

	Six months to 31 March 2025 €000 (unaudited)	Six months to 31 March 2024 €000 (unaudited)	Year to 30 September 2024 €000 (unaudited)
IFRS equity attributable to shareholders	158,854	165,298	164,097
Deferred tax and tax on development and trading properties	4,179	3,724	4,163
Adjustment for fair value of financial instruments	(24)	(342)	(236)
Adjustment in respect of real estate transfer taxes	16,870	18,658	18,615
EPRA Net Reinstatement Value	179,879	187,338	186,639
Shares in issue at end of period/year	132,262,986	133,734,686	133,734,686
IFRS Group NAV per share (cents per share)	120.1	123.6	122.7
EPRA NRV per share (cents per share)	136.0	140.1	139.6

c. EPRA Net Tangible Assets

	Six months to 31 March 2025 €000 (unaudited)	Six months to 31 March 2024 €000 (unaudited)	Year to 30 September 2024 €000 (unaudited)
IFRS equity attributable to shareholders	158,854	165,298	164,097
Deferred tax	4,179	3,724	4,163
Adjustment for fair value of financial instruments	(24)	(342)	(236)
EPRA Net Tangible Assets	163,009	168,680	168,024
Shares in issue at end of period/year	132,262,986	133,734,686	133,734,686
IFRS Group NAV per share (cents per share)	120.1	123.6	122.7
EPRA NTA per share (cents per share)	123.2	126.1	125.6

EPRA and Headline Performance Measures (unaudited) continued

d. EPRA Net Disposal Value

	Six months to 31 March 2025 €000 (unaudited)	Six months to 31 March 2024 €000 (unaudited)	Year to 30 September 2024 €000 (unaudited)
IFRS equity attributable to shareholders	158,854	165,298	164,097
Adjustment for the fair value of fixed-interest rate debt	231	637	354
EPRA Net Disposal Value	159,085	165,935	164,451
Shares in issue at end of period/year	132,262,986	133,734,686	133,734,686
IFRS Group NAV per share (cents per share)	120.1	123.6	122.7
EPRA NDV per share (cents per share)	120.3	124.1	123.0

e. EPRA Net Initial Yield

	Six months to 31 March 2025 €000 (unaudited)	Six months to 31 March 2024 €000 (unaudited)	Year to 30 September 2024 €000 (unaudited)
Investment property – wholly-owned	194,000	208,050	208,050
Investment property – share of joint ventures and funds	–	–	–
Complete property portfolio	194,000	208,050	208,050
Allowance for estimated purchasers' costs	16,870	18,658	18,615
Gross up completed property portfolio valuation	210,870	226,708	226,665
Annualised cash passing rental income	16,311	16,686	16,844
Property outgoings	(2,226)	(1,416)	(1,340)
Annualised net rents	14,085	15,270	15,544
EPRA NIY	6.7%	6.7%	6.9%

f. EPRA summary

	EPRA NRV €000	EPRA NTA €000	EPRA NDV €000
IFRS NAV in the period	158,854	158,854	158,854
Exclude: deferred tax	4,179	4,179	–
Exclude: the fair value of financial instruments	(24)	(24)	–
Include: the fair value of fixed-rate interest rate debt	–	–	231
Include: real estate transfer tax	16,870	–	–
EPRA NAV totals	179,879	163,009	159,085

Other Information

g. Headline earnings reconciliation

Headline earnings per share reflect the underlying performance of the Company calculated in accordance with the Johannesburg Stock Exchange Listing requirements.

	Six months to 31 March 2025 €000 (unaudited)	Six months to 31 March 2024 €000 (unaudited)	Year to 30 September 2024 €000 (unaudited)
Total IFRS comprehensive income	(126)	(2,183)	575
Adjustments to calculate headline earnings exclude:			
Net valuation (profit)/loss on investment property	2,806	6,617	7,740
Net development (revenue)/expenditure	–	–	(805)
Share of joint venture loss on investment property	–	–	–
Deferred tax	17	(501)	(62)
Tax on development profit and intercompany interest	566	–	236
Adjustments related to non-operating items	180	–	–
Net change in fair value of financial instruments	211	388	494
Headline earnings	3,654	4,321	8,178
Weighted average number of ordinary shares	133,343,474	133,734,686	133,734,686
Headline and diluted headline earnings per share (cents per share)	2.7	3.2	6.1

Glossary

Admission	means the admission of the Company's ordinary shares to the premium segment of the Official List, to trading on the LSE's main market for listed securities, and to trading on the main board of the JSE on 9 December 2015.
AGM	means the Annual General Meeting of the Company.
Articles	means the Company's Articles of Association, as amended from time to time.
Companies Act	means the Companies Act 2006, as amended.
Company	is Schroder European Real Estate Investment Trust plc.
Directors	means the Directors of the Company as at the date of this document and their successors and 'Director' means any one of them.
Disclosure Guidance and Transparency Rules	means the disclosure guidance and transparency rules made by the FCA under Part VII of the UK Financial Services and Markets Act 2000, as amended.
Earnings per share ('EPS')	is the profit after taxation divided by the weighted average number of shares in issue during the period. Diluted and Adjusted EPS per share are derived as set out under NAV.
Estimated rental value ('ERV')	is the Group's external valuer's reasonable opinion as to the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property.
EPRA	is the European Public Real Estate Association.
EPRA earnings	represents the net income generated from the operational activities of the Group. It excludes all capital components not relevant to the underlying net income performance of the portfolio, such as the realised and unrealised fair value gains or losses on investment properties, and debt instruments, and unrealised gains or losses on currency translation.
ESG Scorecard	Schroders Capital ESG Scorecard is a proprietary tool developed by the real estate sustainability team and has been externally validated by a third party. It scores assets between 1 to 5 (5 being best) based on 11 key thematic weighted areas. The weightings of topics addressed in the scorecard have been determined based on a combination of the perceived materiality of the relevant ESG factors to the Investment Manager's overall real estate investment portfolio and the Investment Manager's ability to influence the relevant aspects. The latter consideration is given less prominence as the goal is to score an asset as objectively as possible to develop a comprehensive understanding of overall ESG risks and opportunities. The ESG Scorecard therefore represents the Manager's assessment of sustainability-related risk and opportunity of physical real estate assets.
FCA	is the UK Financial Conduct Authority.
Gearing	is the Group's net debt as a percentage of net assets.
GRESB	means the Global Real Estate Sustainability Benchmark. All intellectual property rights to this data belong exclusively to GRESB B.V. All rights reserved. GRESB B.V. has no liability to any person (including a natural person, corporate or unincorporated body) for any losses, damages, costs, expenses or other liabilities suffered as a result of any use of or reliance on any of the information which may be attributed to it.
Group	is the Company and its subsidiaries.
Initial yield	is the annualised net rents generated by the portfolio expressed as a percentage of the portfolio valuation.
Interest cover	is the number of times Group net interest payable is covered by Group net rental income.
IPO	is the initial placing and offer made pursuant to a prospectus dated 11 November 2015.
JSE	is JSE Limited.
Loan to value ('LTV')	is a ratio which expresses the gearing on an asset or within a company or Group by dividing the outstanding loan amount by the value of the assets on which the loan is secured.
LSE	is the London Stock Exchange.
Listing rules	means the listing rules made by the FCA under Part VII of the UK Financial Services and Markets Act 2000, as amended.
Net Asset Value ('NAV')	is the total assets' value minus total liabilities.
NAV total return	is calculated taking into account the timing of dividends, share buybacks and issuance.
Net rental income	is the rental income receivable in the period after payment of ground rents and net property outgoings.
Passing rent	is the annual rental income currently receivable on a property as at the Balance Sheet date. This excludes rental income for rent free periods currently in operation and service charge income.
SDR	means the Sustainability Disclosure Regulations.
SFDR	means the Sustainability Finance Disclosure Regulation.
WAULT	is the weighted average unexpired lease term. This is the average time remaining to the next lease break date or lease expiry date.

Alternative Performance Measures (unaudited)

The Company uses the following Alternative Performance Measures ('APMs') in its Interim Report and Condensed Consolidated Financial Statements. The Board believes that each of the APMs provides additional useful information to the shareholders in order to assess the Company's performance.

Dividend Cover – the ratio of EPRA Earnings (page 34) to dividends paid (note 12) in the period. Earnings excludes capital items such as revaluation movements on investments and gains or losses on the disposal of investment properties.

Dividend Yield – the dividends paid, expressed as a percentage, relative to the share price.

EPRA Earnings – earnings excluding all capital components not relevant to the underlying net income performance of the Company, such as the unrealised fair value gains or losses on investment properties and any gains or losses from the sales of properties. See page 34 for a reconciliation of this figure.

EPRA Net Tangible Assets – the IFRS equity attributable to shareholders adjusted to reflect a Company's tangible assets and assumes that no selling of assets takes place.

EPRA Net Disposal Value – the IFRS equity attributable to shareholders adjusted to reflect the NAV under an orderly sale of business, where any deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability.

EPRA Net Reinstatement Value – IFRS equity attributable to shareholders adjusted to represent the value required to rebuild the entity and assumes that no selling of assets takes place.

Gross LTV – the value of the external loans unadjusted for unamortised arrangement costs (page 15) expressed as a percentage of the gross assets excluding cash as at the Balance Sheet date. The gross assets are calculated on a proportional basis and includes the Group's 50% share in the Seville joint venture.

LTV Net of Cash – the value of the external loans unadjusted for unamortised arrangement costs (page 30) less cash held (page 22) expressed as a percentage of the gross assets including cash as at the Balance Sheet date. The gross assets are calculated on a proportional basis and includes the Group's 50% share in the Seville joint venture.

Ongoing Charges (including fund only expenses) – all fund expenses (per the consolidated statement of comprehensive income) excluding any capital costs including capital expenditure or acquisitions/disposal fees or one-off items expressed as a percentage of the average quarterly IFRS NAVs of the Company for the financial period.

Ongoing Charges (including fund and property expenses) – all fund and property expenses (per the consolidated statement of comprehensive income) excluding any capital costs including capital expenditure or acquisitions/disposal fees or one-off items expressed as a percentage of the average quarterly IFRS NAVs of the Company for the financial period.

Share Discount/Premium – the share price of the Company is derived from buyers and sellers trading their shares on the stock market. This price is not identical to the NAV per share of the underlying assets less liabilities of the Company. If the said to be at a premium. The discount/premium is calculated as the variance between the share price as at the Balance Sheet date and the NAV per share (page 4) expressed as a percentage.

NAV total return – on a time-weighted basis to the increase or decrease in the NAV per share (page 4).

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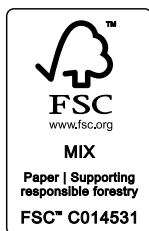
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Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment should be directed to Equiniti Limited at the address above.




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