

Schroder European Real Estate Investment Trust plc
(Incorporated in England and Wales)
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SCHRODER EUROPEAN REAL ESTATE INVESTMENT TRUST PLC
("SEREIT" / the "Company" / "Group")

ANNOUNCEMENT OF NAV AND DIVIDEND

Schroder European Real Estate Investment Trust plc, the company investing in European growth cities and regions, provides a business update and announces its unaudited net asset value ("NAV") as at 31 December 2023, together with its first interim dividend for the year ending 30 September 2024:

- Unaudited NAV as at 31 December 2023 of €166.9 million or 124.8 cps (30 September 2023: €171.4 million or 128.2 cps), driven primarily by an unrealised reduction in the valuation of the investment property portfolio
- NAV total return of -1.5% for the quarter and -3.2% for the twelve months to 31 December 2023
- Underlying adjusted quarterly earnings from operational activities ("EPRA earnings") of €2.2 million (quarter ended 30 September 2023: €2.2 million)
- A first interim dividend of 1.48 euro cents per share declared for the quarter, 110% covered by EPRA earnings for the period
- The direct property portfolio was independently valued at €210.2 million, reflecting a like-for-like decrease over the quarter of -1.8%, or -€3.9 million, primarily driven by continued outward yield movement, particularly for offices and select industrial assets
- Successfully completed the early refinancing of the St Cloud, Paris office loan, extending the term by three years based on a margin of 1.9%. The Company remains well positioned with a strong balance sheet, with an available cash balance of approximately €27 million and loan to value ratio ("LTV") of 24% net of cash and 33% gross of cash
- The Company continues to review select sustainability-led capex initiatives in the portfolio, which should optimise earnings growth and asset liquidity
- The portfolio benefits from 96% occupancy, diversified across c.50 tenants. Two office lettings concluded post period end, enhancing income security and highlighting the demand for affordable and accessible offices:
 - New 540 sqm, 6/9/12 year letting in the St Cloud, Paris office investment, in line with the 31 December 2023 ERV
 - A c.2,000 sqm six year lease renewal and floor expansion (additional 646 sqm) in the Hamburg office, in line with the 31 December 2023 ERV.

Sir Julian Berney Bt., Chairman, commented:

"The Company is very well placed, with one of the strongest balance sheets – a net LTV of 24% and €27 million in cash – and dividend covers amongst the UK-listed peer group. The Board continues to assess opportunities to grow earnings and the evolution of the strategy to maximise shareholder returns and liquidity. The current share price discount does not reflect the strength of the portfolio, growth city exposure and local expertise of the investment manager."

Net Asset Value

The table below provides a breakdown of the movement in NAV during the reporting period:

	€m ⁽¹⁾	Cps ⁽²⁾	% ⁽³⁾
Brought forward NAV as at 1 October 2023	171.4	128.2	
Unrealised loss in the valuation of the property portfolio	(3.9)	(2.9)	(2.3)
Transaction costs of investments made in the quarter	–	–	–
Capital expenditure	(0.4)	(0.3)	(0.2)
EPRA earnings	2.2	1.6	1.2
Non-cash items	(0.4)	(0.3)	(0.2)
Dividend paid	(2.0)	(1.5)	(1.2)
NAV as at 31 December 2023	166.9	124.8	(2.7)

⁽¹⁾ Management reviews the performance of the Company principally on a proportionally consolidated basis. As a result, figures quoted in this table include the Company's share of joint ventures on a line-by-line basis and exclude non-controlling interests in the Company's subsidiaries.

⁽²⁾ Based on 133,734,686 shares.

⁽³⁾ Percentage (%) change based on starting NAV as at 1 October 2023.

Interim dividend

The Company continues to pay a fully covered dividend. The first interim dividend of 1.48 euro cents per share for the year ending 30 September 2024 represents an annualised rate of circa 7.8% based on the 15 March share price (c. 65 pence sterling).

The quarterly dividend is 110% covered by EPRA earnings for the quarter. The average dividend cover for the last nine months to end of December 2023 is 109%.

The interim dividend payment will be made on Friday 10 May 2024 to shareholders on the register on the record date of Friday 12 April 2024. In South Africa, the last day to trade will be Tuesday 9 April 2024 and the ex-dividend date will be Wednesday 10 April 2024. In the UK, the last day to trade will be Wednesday 10 April 2024 and the ex-dividend date will be Thursday 11 April 2024.

The interim dividend will be paid in British pound sterling ("GBP") to shareholders on the UK register and Rand to shareholders on the South African register. The exchange rate for determining the interim dividend paid in South African Rand ("Rand") will be confirmed by way of an announcement on Monday 25 March 2024. UK shareholders are able to make an election to receive dividends in Euro rather than GBP should that be preferred. The form for applying for such election can be obtained from the Company's UK registrars (Equiniti Limited) and any such election must be received by the Company no later than Friday 12 April 2024. The exchange rate for determining the interim dividend paid in GBP will be confirmed following the election cut-off date by way of an announcement on Monday 15 April 2024.

Shares cannot be moved between the South African register and the UK register between Monday 25 March 2024 and Friday 12 April 2024, both days inclusive. Shares may not be dematerialised or rematerialised in South Africa between Wednesday 10 April 2024 and Friday 12 April 2024, both days inclusive.

The Company has a total of 133,734,686 shares in issue on the date of this announcement. The dividend will be distributed by the Company (UK tax registration number 21696 04839) and is regarded as a foreign dividend for shareholders on the South African register. In respect of South African shareholders, dividend tax will be withheld from the amount of the dividend noted above at the rate of 20% unless the shareholder qualifies for the exemption. Further dividend tax information for South African shareholders will be included in the exchange rate announcement to be made on Monday 25 March 2024.

Property portfolio

As at 31 December 2023, the direct property portfolio was independently valued at €210.2 million, reflecting a net initial yield of 6.7%. In addition, the Company also has a 50% interest in a joint venture in Seville which continues to be recognised at nil interest.

Over the quarter, the portfolio value decreased by 1.8%, or €3.9 million. This change was primarily driven by continued outward yield movement, particularly for offices and select industrial. The portfolio value (net of capex and tenant incentives) reduced by around 2.1%, or €4.4 million.

100% of the rent has been collected and full rent collection has now been maintained since Q1 2021 (excluding Seville). Portfolio occupancy remains high at 96% with an average unexpired term to break of 3.8 years.

Post period end, the portfolio income profile has been enhanced with the completion of two leases:

1. St Cloud, Paris – a new 6/9/12 year lease over 540 sqm at an ERV of €240 sqm p.a to a medical advisory company; and
2. Tritower C, Hamburg – a c. 2,000 sqm lease renewal and floor expansion for 6 years at an ERV of c.€200 sqm p.a.

The above leases will be reflected in the Q1 2024 quarterly valuations. Additionally, good progress continues to be made re-gearing the Lidl supermarket lease in Frankfurt on a long-term basis.

Enquiries:

Jeff O'Dwyer

Schroder Real Estate Investment Management Limited

Tel: 020 7658 6000

Shilla Pindoria

Schroder Investment Management Limited

Tel: 020 7658 6000

Dido Laurimore/Richard Gotla/Ollie Parsons

FTI Consulting

Tel: 020 3727 1000

The Company has a primary listing on the London Stock Exchange and a secondary listing on the JSE Limited.

London

20 March 2024

JSE Sponsor

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