

# GOLDEN SECTION CAPITAL



Independent Research | Listed Property

## NET ASSET VALUE IN EUROPEAN RETAIL FOCUSED LISTED PROPERTY



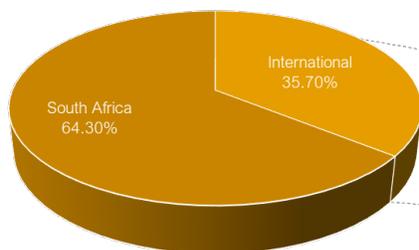
### Valuation Anchors and Premium/Discount Dynamics

28 February 2026 | Garreth Elston

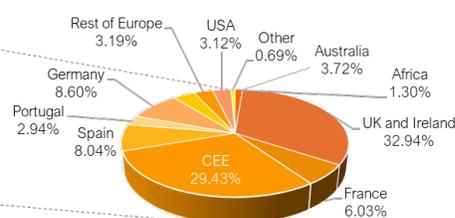
#### Net Asset Value: The Essential Listed Property Valuation Anchor

The steady recovery in European retail-focused listed property has translated into stronger share prices, improved distributions, and rising Net Asset Values. After several years in which European retail property NAV was largely a discussion about value erosion and widening discounts, it is again becoming a constructive part of the investment debate. In our view, this shift warrants a look at how European retail listed property stocks are trading relative to their NAVs (those at premiums and those at discounts), and what it generally means for investors, especially South African based investors with almost 21% of the total SA listed property sector’s exposure being located in Europe (and the majority of that exposure being to retail assets).

SA Listed Property Geographic Exposure (GLA)



International Exposure Detail



Source: Golden Section Capital Analysis, Company Reports

Net Asset Value sits at the heart of listed property analysis in a way that has no real equivalent in most other equity sectors. This is because real estate assets are independently valued by professional appraisers, and thus investors in listed property companies have a transparent benchmark against which to measure the market price of a share. This creates a unique analytical dynamic: unlike a technology or consumer company where intrinsic value is primarily a

matter of discounting uncertain future cash flows, or in the case of certain tech offerings “vibes,” a listed REIT or property company carries an independently assessed balance sheet value that provides a robust reference point. The relationship between market price and NAV, whether a company trades at a premium or a discount, is consequently one of the most closely watched and debated metrics in the sector.

Basic NAV is calculated as the fair value of a property company's real estate portfolio, plus other assets, less all liabilities and debt. The result, divided by shares in issue, gives NAV per share, the key metric used for price-to-NAV comparisons. In most jurisdictions, listed property companies are required or expected to report portfolio valuations at least semi-annually, carried out by independent valuers using internationally recognised methodologies such as discounted cash flow analysis or the capitalisation of net operating income. The resulting figure is not a historical cost but a mark-to-market estimate of what the underlying portfolio would fetch in an orderly transaction, making it qualitatively more informative than book value in most other industries.

## European Retail REIT Universe: Key Metrics (as at 28 February 2026)

### Premium to Net Tangible Assets

● 0% to +15%

Justifiable. Within the range supported by liquidity, management quality, and platform value.

● +15% to +20%

Caution warranted. At the boundary of what research considers defensible. Requires concrete evidence of above-average NAV growth to justify.

● Above +20%

Elevated risk. Sentiment and momentum have likely taken over from fundamentals; returns at this level are effectively borrowed from the future.

### Discount to Net Tangible Assets

● 0% to -10%

Potentially attractive entry territory.

● -10% to -30%

Significant discount. Historically followed by strong recoveries, but requires interrogation of leverage, valuation recency, and whether structural impairment is driving the gap.

● Below -30%

Distress territory. Cost of equity becomes prohibitive, capital raising is severely dilutive, and the discount may reflect a plausible impairment scenario rather than sentiment.

Company	Ticker	Mkt Cap (€m)	Share Price (€)	EPRA NTA	Disc/Pre to NTA (%)	LTV (%)	ICR	Div Yield (%)
Unibail-Rodamco-Westfield	URW	15 194	106.15	112.80	-5.90	42.00	4.4x	4.33
Klépierre	LI	10 204	35.62	35.90	-0.78	34.70	7.2x	5.47
NEPI Rockcastle *	NRP	5 604	7.96	7.64	4.19	34.00	4.9x	6.79
Carmila	CARM	2 582	18.52	26.52	-30.17	38.80	4.6x	7.01
Deutsche EuroShop	DEQ	1 581	20.90	27.43	-23.81	42.00	4.3x	12.80
Eurocommercial Properties	ECMPA	1 567	28.45	41.46	-31.38	40.50	3.5x	6.55
Castellana Properties	YCPS	1 186	9.30	7.08	31.36	34.70	3.2x	1.21
Mercialys	MERY	1 150	12.26	16.96	-27.71	43.30	4.9x	8.21
Wereldhave	WHA	1 080	23.30	23.53	-0.98	42.50	4.1x	5.69
Lighthouse Properties	LTE	970	0.46	0.43	8.95	36.00	-	6.28
MAS plc **	MSP	822	1.15	1.86	-38.23	23.20	3.6x	N/A
Citycon	CTY1S	696	3.79	7.39	-48.66	44.90	2.4x	7.91 ***
Vastned	VASTB	607	31.20	38.85	-19.69	39.10	3.3x	5.91

\* NRP's AMS listing \*\* MAS plc Uses IFRS TNAV \*\*\* Forward yield off dividend announced 2026-02-27

#: European Assets

Source: Golden Section Capital, company reports.

In looking at European listed property companies, we utilise the EPRA Net Tangible Assets measure. This was adopted by the European Public Real Estate Association (EPRA) in 2019 to replace the old EPRA NAV metric. It is designed to reflect the fair value of a real estate company's tangible assets on a long-term basis, assuming the company buys and sells assets, which results in the partial crystallisation of deferred tax liabilities. To arrive at EPRA NTA, companies take their IFRS equity and apply the following adjustments:

- Exclude the carrying value of intangibles (goodwill, etc.).
- Exclude the mark-to-market of derivatives and related debt.
- Exclude deferred tax on property/derivative valuations (typically 50% is excluded, according to the standard).
- Include the fair value of trading properties (if they are carried at cost in IFRS).

EPRA NTA provides a "mid-way" valuation between a "never-sell" scenario of EPRA Net Reinstatement Value (NRV) and the "liquidation" scenario of EPRA Net Disposal Value (NDV).

### European Retail REIT Universe: Key Portfolio Metrics (as at 28 February 2026)

Company	Main Holders (Country)	Countries Operating In	Occupancy (%)	Portfolio (EUR m)	Number of Centres	GLA (m <sup>2</sup> )
Unibail-Rodamco-Westfield SE	 France	11	96.70 <sup>1</sup>	48 923	66	5 936 016
Klepierre SA	 USA	10	97.10	21 192	74	4 000 000
NEPI Rockcastle NV	 South Africa	8	98.80	8 233	60	2 404 255
Carmila SA	 France	3	96.50	6 700	250	1 733 116
Deutsche EuroShop	 Germany	5	94.50	4 147	21	978 300
Eurocommercial Properties NV	 Netherlands	4	98.80	3 781	24	952 706
Castellana Properties SOCIMI SA **	 South Africa	2	98.70 *	1 673 *	14 **	522 845 **
Mercialys SA	 France	1	98.00	3 041	34	647 174
Wereldhave NV	 Netherlands	2	98.00	2 439	21 <sup>2</sup>	676 200
Lighthouse Properties PLC	 South Africa	3	97.70	1 404	12	505 964
MAS plc	 Romania	4	97.90	919	14	604 800
Citycon Oyj	 Israel	5	95.50	3 710	28	988 211
Vastned NV	 Netherlands	4	98.60	1 262	~268 #	203 084

<sup>1</sup> URW's European Assets (URW European GLA = 3 904 826 m<sup>2</sup> excl. USA and UK)

<sup>2</sup> Only WHA's Retail Assets (=~96% of Portfolio)

\* Investment Property as at 2025-09-30 \*\* Includes Berceo and Islazul, excludes Retail Parks sale announced in 2026-02.

# Includes residential

Source: Golden Section Capital, company reports.

## European Retail REIT Universe: Portfolio Geography (as at 28 February 2026)

	FRA	ESP PRT	POL	ROU	ITA	CZE	DEU AUT	NLD BEL	CEE 1	SWE DNK NOR	LTU EST FIN	UK	USA
Unibail	30.6%	6.7%	5.4%				13.4%	2.7%		4.2%		11.1%	22.4%
Klepierre SA	39.7%	11.4%	1.8%				6.2%	7.5%		8.8%			
NEPI Rockcastle			35.0%	35.0%		2.0%			26.0%		2.0%		
Carmila	75.0%	20.0%											
Deutsche EuroShop			5.0%			8.7%	84.5%		1.8%				
Euro- commercial	21.0%				44.0 %			14.0%		21.0%			
Castellana		100.0%											
Mercialys	100.0%												
Wereldhave	7.6%							92.4%					
Lighthouse	14.4%	85.6%											
MAS			8.6%	69.2%			6.1%		16.1%				
Citycon										61.1%	38.9%		
Vastned	29.5%	7.3%						63.2%					

1= Slovakia, Hungary, Croatia, Bulgaria.

Source: Golden Section Capital, company reports.

## Where Companies Typically Trade: The Historical Norm

In efficient markets under stable conditions, financial theory suggests that listed property should trade close to NAV. Investors in the direct property market and investors in the listed market are ultimately buying exposure to the same underlying assets, and sustained arbitrage opportunities should not persist indefinitely. In practice, however, listed property rarely trades precisely at NAV, and the premium or discount at any given time is highly informative about market sentiment, liquidity conditions, and the cost of capital.

Over long periods, large, high-quality listed property companies in deep markets such as the United States, Singapore, and the United Kingdom have tended to trade at modest premiums to NAV, typically in a range of zero to fifteen percent in benign conditions. This premium reflects the value of liquidity, management quality, the optionality of an active capital recycling strategy, and the platform value of large, well-governed vehicles that can grow their portfolios accretively. Singapore REITs commanded premiums for these reasons, with many blue-chip S-REITs trading at ten to twenty percent above NAV during the lower interest rate era of 2016 to early 2022, and in 2017 certain South African REITs traded at premiums as high as 50%+.

Discounts to NAV tend to emerge and widen during periods of rising interest rates, sector-specific stress, or broader market dislocation. European retail REITs and listed property companies provide a compelling contemporary example: companies such as Unibail-Rodamco-Westfield, Klépierre, and Deutsche EuroShop have traded at discounts ranging from twenty to fifty percent of NAV in recent years, reflecting persistent structural concerns about retail property, rising capitalisation rates, and debt concerns. Our current data confirm this pattern. The table above shows that of the thirteen

companies in our European retail REIT universe, ten trade at discounts to EPRA NTA, with the discounts ranging from a modest 0.98% for Wereldhave to 48.66% for Citycon. Only NEPI Rockcastle (+4.19%), Castellana Properties (+31.36%), and Lighthouse Properties (+8.95%) trade at premiums, each reflecting specific circumstances explored below.

## What a Premium Signals (and Its Risks)

---

When a property company trades at a significant premium to NAV, the market is effectively saying that it values the listed vehicle above and beyond the sum of its parts. This can be justified by genuine platform value, a track record of accretive acquisitions, exceptional management, or a structural shortage of quality listed property exposure in a given market. For investors, a premium environment is supportive: the company can raise equity above NAV, deploy that capital into new acquisitions at yields that are accretive to distributable earnings, and grow both the portfolio and the dividend per share without diluting existing holders.

Within our universe, the most striking premium is Castellana Properties SOCIMI<sup>1</sup> at +31.36% to NTA. Castellana is South African-owned, and the premier retail property SOCIMI in Spain, controlling prime shopping centres in an Iberian market that has seen robust consumer spending recovery. Its shareholder base is made up almost exclusively of its owner, Vukile Property Fund (at ~99.6%), the listing on the BME Growth is maintained primarily for tax efficiency, and the stock benefits from extreme liquidity scarcity. The ~31% level above NTA is notable, considering there is almost no trading (the last two years have seen only 31 034 shares traded), with only 7 down days out of a total of 63 traded days. Considering Vukile's holding of above 99% it should be expected that value could be quite volatile (as such small blocks of shares trade) but it is surprising that the magnitude of the premium is difficult to reconcile with liquidity dynamics. It is difficult to envisage the Castellana price being pushed lower, and thus its share price, trading, and NTA premium should be viewed as a rather unique anomaly (it must be noted that Castellana's share price does not flow into Vukile, which is anchored to independently appraised property fair values under IAS 40, but any loss of SOCIMI tax status would directly and materially impact the economics of Vukile's Spanish strategy). Castellana is a very active SOCIMI, in the first two months of 2026 the company has: sold its portfolio of nine retail parks for €279m; acquired the Berceo shopping centre for €108m; and purchased the Islazul centre in Madrid for €318m.

It must be noted that at least Castellana has some trading activity, Helios RE SOCIMI (where Lar España Real Estate SOCIMI's assets ended), listed on the BME Scaleup, has not traded a single share since January 2025. A regulatory risk worth monitoring for investors with exposure to tightly held SOCIMIs such as Castellana is the possibility that Spain moves to tighten listing requirements to exclude vehicles that carry a nominal BME Growth or Scaleup listing but generate no meaningful public market participation. This risk is not purely theoretical: in 2024 the ruling PSOE-Sumar coalition proposed eliminating the 0% corporate income tax rate for SOCIMIs entirely, prompting warnings from Spain's securities regulator (the CNMV) that such a change could jeopardise an estimated €15 billion+ of real estate investment made since 2014. While that broader reform has not been legislated, a more targeted intervention, requiring minimum free float thresholds or demonstrable trading activity as conditions for tax regime eligibility, would be a considerably easier legislative step and difficult to argue against on policy grounds. For Vukile, loss of SOCIMI status would be a material adverse event: the difference between a SOCIMI's favourable tax regime and the standard 25% Spanish

---

<sup>1</sup> A SOCIMI (Sociedades Anónimas Cotizadas de Inversión Inmobiliaria) is the Spanish equivalent of a REIT.

corporate tax rate translates directly into a significant reduction in distributable earnings flowing back to shareholders and would fundamentally alter the economics of its Spanish strategy.

Thus, it should though be borne in mind that the risks of a sustained large premium are real. First, it creates valuation vulnerability: a re-rating toward NAV or below can produce sharp share price declines entirely independent of any deterioration in the underlying portfolio. Second, management teams may be tempted to grow aggressively when their equity currency is expensive, acquiring assets at compressed yields justified only by the assumption that the premium will persist. Third, the premium itself can signal crowding, when a stock trades well above NAV for an extended period, it is often a sign that the market has become complacent about embedded risks.

## What a Discount Signals, and Its Risks

---

A discount to NAV is, in one sense, an invitation: the market is offering investors exposure to a portfolio of real assets at less than their independently assessed fair value. This can represent genuine value, particularly when the discount is driven by temporary sentiment rather than any fundamental impairment of the underlying property. In markets where independent valuations are credible and leverage is manageable, deep discounts have historically been followed by strong recoveries as the gap between price and intrinsic value eventually closes.

However, discounts also carry important warnings. A persistent or widening discount is frequently the market's way of expressing doubts that the balance sheet valuation will be realised. In sectors facing structural headwinds, as retail property has globally faced recently, the market may be correct to price assets below their book carrying values in anticipation of future write-downs.

The most instructive case in our current universe is Citycon, trading at a 48.66% discount to NTA with an ICR of only 2.4x and LTV of 44.90%. Citycon's ongoing depressed value made it a tempting takeover target, and G City Ltd (an Israel-listed real estate investor) built its shareholding to above 50%, which under Finnish law triggers a mandatory public tender offer. That offer was launched in late 2025, with an offer price of €4.00 (€3.80 per share after a 20 euro cent dividend adjustment). Citycon's board has reportedly reviewed the offer and considers the proposed terms fair to shareholders. We would disagree that a sale at almost a 50% discount to NTA is fair to any shareholders other than G City, but that being said the company has made the investment, and taken the risk, while other investors shied away.

By contrast, MAS plc's 38.23% discount with an LTV of only 23.2% presents a very different analytical picture, and the discount appears more sentiment-driven around alignment questions around minority shareholders, management, and Prime Kapital that constrain the investment case of an arguably strong CEE portfolio.

Extreme discounts, those in excess of thirty to forty percent, introduce a different category of risk. At these levels, the company's cost of equity becomes very expensive, making it impossible to raise new equity capital without severe dilution. Growth effectively ceases, and the company is trapped: it cannot easily sell assets (crystallising the NAV impairment), it cannot issue equity cheaply, and yet it must continue to service debt and maintain its portfolio.

### Total Returns by Company as at 28 February 2026 (Rolling 5 Years)

Company	Ticker	Feb 2026	YTD	1 Year	3 Years	5 Years
Unibail-Rodamco-	URW	14.14%	14.44%	36.47%	91.52%	88.75%
Klepierre SA	LI	9.80%	5.57%	23.00%	86.30%	155.10%
NEPI Rockcastle NV	NRP	2.05%	7.57%	22.22%	61.08%	103.92%
Carmila SA	CARM	13.20%	8.94%	14.11%	63.73%	112.87%
Deutsche EuroShop AG	DEQ	8.52%	10.93%	30.87%	49.51%	90.94%
Eurocommercial	ECMPA	14.49%	12.24%	24.78%	52.13%	142.76%
Castellana Properties	YCPS	20.00%	26.53%	51.17%	75.83%	105.61%
Mercialys SA	MERY	15.66%	11.05%	25.37%	56.46%	111.31%
Wereldhave NV	WHA	11.75%	20.98%	60.34%	97.83%	137.50%
Lighthouse Properties plc	LTE	2.10%	3.43%	18.70%	58.78%	83.06%
MAS plc	MSP	-0.14%	-4.38%	-3.27%	5.62%	80.53%
Citycon Oyj	CTY1S	-0.21%	-4.91%	35.70%	-28.57%	-23.45%
Vastned NV	VASTB	4.00%	0.32%	10.25%	24.55%	78.03%

Source: Golden Section Capital, Bloomberg. Total returns in local currency terms.

## Research Into “Acceptable” NAV Premiums

The question of what constitutes a justifiable premium or discount to NAV has attracted deep research attention, and the findings are illuminating, both in confirming that some deviation from NAV is rational, and in demonstrating that markets frequently overshoot what fundamentals can support.

One of the most influential works in this area is Gentry, Jones and Mayer's 2004 NBER working paper, "Do Stock Prices Really Reflect Fundamental Values? The Case of REITs" (NBER Working Paper No. 10850), which examined US REIT pricing from 1990 onward using NAV estimates provided by Green Street Advisors. Their central finding was that buying REITs at a discount to NAV and shorting those at a premium generated monthly alpha of between 0.9% and 1.8% with limited incremental risk, surviving after controlling for trading costs, liquidity, and institutional ownership. The conclusion was not that NAV is irrelevant, but that markets generate far more volatility in price-to-NAV ratios than fundamentals alone can justify, with prices gravitating back toward intrinsic value over time. Investors paying a substantial premium are effectively borrowing returns from the future, and those buying at a substantial discount stand to benefit from mean reversion.

Gentry, Jones and Mayer did acknowledge that some premium is theoretically defensible. A company with superior management, a lower cost of capital in public markets, or a credible pipeline of accretive growth can rationally attract a price above current asset value, and the authors found that premiums correlated positively with future NAV growth. The difficulty arises when the premium outruns the growth that can plausibly be delivered, at which point sentiment and momentum take over from fundamentals.

This distinction is sharpened by subsequent research. Letdin, Sirmans and Sirmans, writing in the Journal of Real Estate Finance and Economics in their 2022 paper "Betting Against the Sentiment in REIT NAV Premiums", decomposed NAV premiums into a characteristics-driven component, explained by observable attributes such as size, market share, profitability, and leverage, and a residual sentiment-driven component that fundamentals cannot explain. Some 58% of cross-sectional variation in premiums was found to be attributable to legitimate company characteristics, suggesting that a meaningful premium for a large, profitable, low-leverage company with significant market share is to some degree justified. However, the sentiment-driven component was strongly and negatively related to future returns, while the characteristics-driven element was a statistically significant positive predictor. A long-short strategy exploiting this decomposition generated nearly 14% per year in excess returns, outperforming a simple price-to-NAV strategy by 4.4% per year, evidence that markets persistently misprice the sentiment component.

On long-run levels, Green Street Advisors' data covering more than three decades of US REIT history shows that on a 20-year basis, REITs have traded an average 2.3% premium to NAV, while on a more near-term 5-year basis, REITs have traded at an average 1.7% discount to NAV (DWS "P-NAV Discount Analysis," June 2018). Suggesting the long-run equilibrium sits very close to fair value rather than at any sustained premium.

Kim and Wiley's detailed analysis in 2019's "NAV Premiums & REIT Property Transactions" (Real Estate Economics, Volume 47, Issue 1) shows that when the sector has traded at discounts of between 4% and 10%, five-year forward total returns have averaged close to 14.8% per year; at discounts exceeding ten percent, subsequent five-year returns have averaged above 15%, a robust empirical signal that deep discounts, where asset values are not themselves impaired, are systematically followed by strong recoveries.

Taken together, the academic literature points toward a practical framework. A premium in the range of 0% to 10% can be justified for companies with genuine platform advantages, strong growth pipelines, and the structural benefits of liquidity and governance that the listed market provides. Premiums persistently above 15% to 20%, unless anchored in concrete evidence of above-average NAV growth, should be treated with scepticism. Discounts exceeding 10% to 15%, absent identifiable structural impairment, have historically represented attractive entry points, though the timing of reversion is inherently uncertain and leverage remains the critical variable in determining whether a discount represents opportunity or the early stages of a solvency concern (i.e. be very wary).

## Interpreting the Premium/Discount in Practice

---

For the sophisticated investor, the premium or discount to NAV should never be read in isolation. The quality and recency of independent valuations matter enormously, and a NAV figure based on six-month-old valuations in a rapidly moving market carries far less information than one based on recent transactions. The level of leverage is equally critical: a company trading at a thirty percent discount with an LTV of twenty-five percent is a fundamentally different proposition to the same discount with a sixty percent LTV. The nature of the underlying portfolio: its geographic diversification, lease expiry profile, tenant quality, and sector exposure, determines how likely the stated NAV is to hold up under stress.

Finally, it is worth noting that the premium or discount itself can be self-fulfilling. When a company trades at a meaningful premium, it attracts capital, grows its portfolio, and typically improves its index weight, drawing in more buyers in a virtuous cycle. When it trades at a severe discount, the reverse dynamic can take hold, with forced selling, index exclusion, and reduced analyst coverage accelerating the decline. This feedback loop (both positive and negative) is

amplified by home bias, a well-documented tendency for domestic institutional investors to concentrate their listed property allocations in the same familiar large-cap names (this is particularly an issue in South Africa). As inflows arrive into property-focused funds, managers deploy that capital into the most liquid and widely held counters, reinforcing existing positions rather than diversifying into less familiar or out-of-favour names. The result can be a hothouse effect, where a handful of premium-rated companies absorb a disproportionate share of available investment capital, pushing valuations progressively further from any fundamental anchor while genuine value elsewhere in the sector goes unrecognised.

This dynamic creates a particular temptation for company management. When a share price trading at a substantial premium to NAV becomes the primary signal of corporate success that is reported to boards, cited in fund manager presentations, and rewarded through performance incentives, this can result in pressure to protect and sustain that premium subtly migrating toward the valuation process itself. Independent valuers, though professionally obligated to objectivity, operate in a commercial environment where mandates are renewed and relationships matter. Management teams with a vested interest in elevated NAV figures are not always passive recipients of valuation outcomes; assumptions around capitalisation rates, vacancy allowances, and comparable transactions can be contested, and valuers may face implicit or explicit pressure to adopt the more optimistic end of a defensible range. Over time, this can produce valuations that lag market reality, flattering reported NAV and the premium built upon it, until an external shock (a forced sale, a refinancing event, or a change in auditor) brings the underlying deterioration abruptly to the surface. It is a risk that is rarely discussed openly but sits quietly at the heart of the listed property sector's most damaging blow-ups, and it is one reason why investors who look only at the headline premium or discount figure, without interrogating the assumptions beneath it, may find themselves badly exposed.

## Current Sector Observations: European Retail REITs 2026

---

Applying this framework to our current European retail REIT universe, several observations stand out. The sector as a whole continues to trade at a discount to independently assessed NAV, a pattern consistent with the structural overhang that has defined European retail property since 2018. Of our thirteen names, the weighted average discount sits at around 7%, which suggests that sector is in a healthy space, not as attractively priced as it appeared at this point in 2025, but not currently risky either (though as always, averages obscure meaningful dispersion within the range).

The South African-connected names, NEPI Rockcastle, Castellana Properties, and Lighthouse Properties, are the notable outliers trading at or above NTA (MAS is the notable exception). This reflects a different investor base, a different analytical tradition, and the generally stronger operational metrics these companies deliver: NEPI's strong growth, development pipeline, 98.8% occupancy and 2026 DEPS growth guidance of approximately 3%; Castellana's premium is on the high side, but its high occupancy, premier portfolio positioning, and VKE-backed strategic alignment are genuinely superior drivers that justify some premium. Lighthouse, at a reasonable 8.95% premium, sits within the range that we would consider defensible for a well-run, low-leverage vehicle in strong operating markets. MAS remains a wait-and-see situation.

At the other end of the spectrum, Citycon's 48.66% discount and Carmila's 30.17% discount sit in territory where the evidence on mean reversion is less straightforwardly applicable. Investors should interrogate the valuation assumptions underlying that NTA figure carefully before concluding that the discount represents value.

The strong total return data of Wereldhave at 97.83% and URW at 91.52% over three years, are instructive reminders that discounted NAV re-ratings can be powerful return drivers when the underlying business recovers. Both companies have executed material strategic pivots, and the market has rewarded them accordingly. The question for each of the deeply discounted names in the current universe is whether such a similar catalyst exists, balance sheet repair, portfolio repositioning, or a change in the macro interest rate backdrop that restores confidence in the underlying NAV.

The positive for the bulk of the sector is that European Retail has clawed its way back from the dark days of 2020, and has emerged leaner, healthier, and more fit for purpose. NTAs are steadily improving, SA-connected European Retail is leading the way, and presently there are no flashing red lights on overexuberance yet (but Castellana is getting closer).

For those interested in the situation with South African listed property, we will be addressing it in our upcoming Monthly Review for February 2026.



URW's Westfield Černý Most, Prague, Czechia, 117,500m<sup>2</sup>



NRP's Forum Gdansk Shopping Centre, Poland, 63,500m<sup>2</sup>



LI's Hoog Catharijne Shopping Centre, Utrecht, the Netherlands, 107,000m<sup>2</sup>

## Disclaimer and Copyright

---

The information contained in this document is being provided to you for informational purposes only and is not, and may not, be relied on in any manner as legal, tax, or investment advice. A Recommendation (Buy/Sell/Hold) is not provided. Forecasts and any valuation are the independent view of Golden Section Capital. Company management, or representatives, have no editorial input. The views expressed in this report represent those of Golden Section Capital at the time of publication and may be subject to change without notice.

Except where otherwise indicated herein, information provided herein is current as of 28 February 2026, and there is no obligation to update or otherwise revise such information after such date. Certain assumptions have been made in calculating the return information and preparing the other information set forth in this document. While made in good faith, there can be no assurance that such assumptions will prove correct. Any prices or quotations provided are for informational purposes only and should not be used for valuation or any other purpose. Golden Section Capital has not independently verified all information used in the preparation of this report. You should be aware that there may be errors or omissions in the information presented. This report uses information sources believed to be reliable, but their accuracy cannot be guaranteed.

This report is not a solicitation to buy or sell any product. The companies mentioned in this report may not be suitable for all investors, and certain legal jurisdictions may have restrictions on their sale. You are solely responsible for determining whether any particular security is appropriate for you in light of your investment goals, financial situation, and risk tolerance.

Certain information contained herein may constitute forward-looking statements, including, but not limited to, the key themes, outlooks and key strategic priorities and statements regarding potential liquidity events. Forward-looking statements may be identified by the use of terms such as “may,” “will,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue,” or “believe,” (or the negatives thereof) or any other variations thereof.

Due to various risks and uncertainties, actual events or results or actual performance may differ materially from those reflected or contemplated in such forward-looking statements, and there can be no assurance that unrealised investments used to calculate the return information set forth herein will be realised for their assumed values. As a result, investors should not rely on such forward-looking statements. Any projection of the performance of a fund or an individual investment or targets provided by Golden Section Capital herein, or in any related discussion is highly speculative, and represents Golden Section Capital’s opinion, which may change. Any modelling, scenario analysis, or past performance included in this report is not indicative of future results.

To the fullest extent permitted by law, neither Golden Section Capital, nor the author(s) accept responsibility or liability for any loss or damage arising from the use of or reliance on any information contained in this report, even if due to negligence or errors in the information provided. The information is presented in good faith and is based on sources believed to be dependable, but independent verification may not have been conducted on all aspects of information, and/or data.

Golden Section Capital does not conduct any investment business and does not hold positions in the companies mentioned in this report.

This report is intended for institutional and professional investors who meet the experience requirements defined by applicable national laws and regulations. It is not intended for retail or non-qualified investors and may not be distributed in any jurisdiction where the information is prohibited.

This communication is for the intended recipient only. If you have received this report in error, please destroy it immediately and notify Golden Section Capital.

These disclaimers and exclusions shall be governed by and construed in accordance with South African law. If any provision of these disclaimers is deemed unlawful, void, or unenforceable, such provision shall be struck, and the remaining provisions shall remain valid and enforceable.

All rights reserved.