NEWS RELEASE

Portfolio valuation and condominium sales update

2026-02-06

RNS Number : 9502R

Phoenix Spree Deutschland Limited

06 February 2026

6 February 2026

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(the "Company" or "PSD")

Portfolio valuation and condominium sales update

Phoenix Spree Deutschland (LSE: PSDL.LN), the UK-listed investment company specialising in Berlin residential real estate, announces the valuation of the portfolio of investment properties held by the Company and its subsidiaries (the "Portfolio") as at 31 December 2025, together with an update on its condominium sales strategy.

Highlights:

Positive Portfolio valuation momentum

- **Second consecutive valuation increase:** Versus the prior year, the overall Portfolio value rose by 1.5% on a like-for-like per sqm basis.
- **PRS Portfolio:** Like-for-like value per sqm increased by 0.8%, the first annual valuation increase since 2022.
- **Condominium Sales Pool:** Like-for-like value per sqm increased by 3.1%.

Record condominium sales

- **Condominium sales outperformed target in 2025:** 122 units sold for €36.0m (2024: €9.4m), representing a 20% outperformance versus the 2025 target of €30m.
- **Resilient pricing:** The average notarised price during 2025 was €4,135 per sqm, representing an average 3.9% premium to latest balance sheet carrying values.
- **Vacant units sold at significant premium to occupied:** Vacant units achieved €4,585 per sqm (+19.2% vs carrying values), while occupied units achieved €3,913 per sqm (-3.2% vs carrying values).
- **Positive start to 2026:** 14 units notarised for €4.1m, with a further 26 units (€7.0m) reserved and pending notarisation.
- **New additions to Condominium Sales Pool:** A further 11 properties (340 units) expected to be added to the Condominium Sales Pool during H1 2026, further supporting sales momentum.

Capital return and outlook

- **Capital return:** Following the full debt refinancing in December 2025, the Company intends to return capital to shareholders in 2026 via compulsory pro rata redemptions of Ordinary Shares.
- **Pricing environment:** Condominium prices are expected to remain robust relative to PRS, underpinned by strong demand and limited new supply, due to regulatory constraints.
- **Inventory increase:** Addition of 11 further properties to the Condominium Sales Pool from the PRS Pool expected to further support transaction volumes in 2026.
- **Sales outlook:** The Company remains confident of achieving at least €55m of notarisations in 2026.

Robert Hingley, Chair of Phoenix Spree Deutschland, commented:

"Our strategy of accelerating condominium sales and reducing leverage continues to deliver tangible results. I am pleased that we have materially exceeded our 2025 condominium sales target and the addition of new properties into the Condominium Sales Pool will lend further support to sales momentum in the year ahead.

The Board and Property Advisor remain fully focussed on executing our Portfolio realisation plan and Shareholders can expect to see their first distributions in 2026, funded by proceeds from these condominium sales."

Portfolio valuation

The Berlin residential market demonstrated positive valuation momentum during 2025, suggestive of a recovery trend as we move into 2026. Condominium values continue to command a significant premium over PRS values, underscoring the relative strength of this segment. Although investor interest in the PRS segment remains subdued, PRS valuations have now stabilised. These broader market trends have been reflected in the year-end valuation of the Portfolio of properties held by the Company.

Total Portfolio: Like-for-like increase of 1.5%

As at 31 December 2025, the total Portfolio value was €540.1m, with an average value of €3,686 per sqm and a gross yield of 3.6%. On a like-for-like basis (adjusted for disposals), the Portfolio value increased by 1.5% during the year.

Condominium Sales Portfolio: Like-for-like increase of 3.1%

As of 31 December 2025, the Condominium Sales Portfolio (40 properties, 891 units) was valued at €271.0m (€4,191 per sqm). On a like-for-like basis, the value per sqm of these properties increased by 3.1% during the year.

PRS Portfolio: Like-for-like increase of 0.8%

As at 31 December 2025, the PRS Portfolio (33 properties, 1,190 units) was valued at €269.1m, with an average value of €3,288 per sqm. On a like-for-like basis, the value per sqm of these properties increased by 0.8% during the year, marking the first annual valuation increase recorded since the market downturn began in 2022.

Table: JLL Valuation summary

Total Portfolio	31 December 2025	30 June 2025	31 December 2024	30 June 2024
Number of properties	73	74	74	93
Residential units	1,974	2,028	2,053	2,472
Commercial units	107	108	108	138
Total units	2,081	2,136	2,161	2,610
Total sqm ('000)	146.5	150.2	152.2	186.0
Valuation (€m)	540.1	548.7	552.8	646.4

Value per sqm (€)	3,686	3,654	3,633	3,480
LFL growth per sqm v prior 6M	0.9%	0.6%	3.8%	-3.3%
LFL growth per sqm v prior year	1.5%	4.4%	0.8%	-8.3%

Condominium Sales Pool	**31 December 2025**	**30 June 2025**	**31 December 2024**	**30 June 2024**
Number of properties	40	28	16	6
Residential units	829	575	341	75
Commercial units	62	47	25	8
Total units	891	622	366	83
Total sqm ('000)	64.7	46.6	29.0	7.6
Valuation (€m)	271.0	180.9	110.8	29.6
Value per sqm (€)	4,191	3,884	3,820	3,914
LFL growth per sqm v prior 6M	2.3%	0.3%	12.6%	-0.1%
LFL growth per sqm v prior year	3.1%	11.6%	10.6%	-2.2%

PRS Properties	**31 December 2025**	**30 June 2025**	**31 December 2024**	**30 June 2024**
Number of properties	33	46	58	87
Residential units	1,145	1,453	1,712	2,397
Commercial units	45	61	83	130
Total units	1,190	1,514	1,795	2,527
Total sqm ('000)	81.9	103.6	123.2	178.4
Valuation (€m)	269.1	367.8	442.0	616.9
Value per sqm (€)	3,288	3,550	3,589	3,461
LFL growth per sqm v prior 6M	0.0%	0.8%	1.8%	-3.5%
LFL growth per sqm v prior year	0.8%	1.1%	-1.4%	-8.6%

All 40 properties included in Condominium Sales Pool now available for sale

The 40 properties initially approved for inclusion as condominium sales projects were grouped into tranches, based on the degree of capital expenditure and time required to prepare them for sale. By the end of Q4 2025, all 40 properties (942 units) that had been designated for inclusion into the Condominium Sales Pool at the beginning of 2025 had been made available for sale, with 861 units remaining as at 31 December 2025.

Further expansion of the condominium sales pipeline in 2026

Following the Company's full debt refinancing, announced on 28 November 2025, the Company expects to add a further 11 properties (340 units) into the Condominium Sales Pool, bringing the total number of properties in the Condominium Sales Pool to 50. After completing the required capital expenditure to optimise sales proceeds, this additional tranche is expected to be added in Q2 2026, with capacity to add further properties thereafter.

To support the enlarged pipeline, the Company has broadened its market coverage by expanding its brokerage panel to five brokers. This wider distribution capability, together with units added in H2 2025 and further additions planned in 2026, is expected to underpin continued sales velocity in the current year.

Table: Condominium preparation[1]

Property Group	**Added to Sales Pool**	**As at 31 December 2025**			**As at 31 December 2024**		
		Units	**Sqm**	**Properties[2]**	**Units**	**Sqm**	**Properties**

Tranche 1	On market 2024	84	7,571	5	108	9,291	6
Tranche 2	December 2024	213	16,563	10	258	19,711	10
Tranche 3	June 2025	270	18,771	12	282	19,549	12
Tranche 4	Q4 2025	294	19,760	12	294	19,760	12
Total Tranches 1-4	**2024 - 2025**	**861**	**62,665**	**39**	**942**	**68,311**	**40**
Tranche 5	Commencing H1 26	340	21,859	11	340	21,859	11
Total Tranches 1-5	**2024 - H1 2026**	**1,201**	**84,524**	**50**	**1,282**	**90,170**	**51**

1. The unit count, sqm and number of properties shown at 31 December 2024 and 2025 are based on the legal completion date (transfer of title), not the notarisation date.
2. The number of properties in Tranche 1 decreased from 6 to 5 during the year after all units in one property were sold.

2025 Condominium notarisations ahead of target

Condominium sales outperformed expectations in 2025, with the Company exceeding its €30m sales target. The Company notarised 122 units for €36.0m (2024: €9.4m), representing a 20% outperformance versus target.

Sales pricing remained resilient and continues to validate the latest balance sheet valuations prepared by JLL, the Company's independent valuer. The average notarised price at €4,135 per sqm, equates to a 3.9% premium to the latest balance sheet carrying values. Vacant units achieved €4,585 per sqm, a 19.2% premium to carrying values, while occupied units achieved €3,913 per sqm, representing a 3.2% discount to carrying values.

A positive start to 2026

Since the financial year end, a further 14 units have been notarised with a combined sales price of €4.1m. A further 26 units (€7.0m) have been reserved and are pending notarisation. With further units from Tranche 5 expected to be added to the market during H1 2026, the Company expects sales momentum to remain strong in 2026.

Table: 2025 condominium notarisations and reservations

Notarisation period / status	**Units**	**Sales Value (€m)**	**Price per sqm (€)**	**Premium / discount to Portfolio carry value[1,2]**	**Premium / discount to asset carry value[1,3]**
Vacant notarisations					
Notarised January	0	0	0	0	-
Notarised February	4	1.45	5,293	45.8%	23.2%
Notarised March	2	0.72	5,987	64.9%	32.1%
Notarised April	4	1.06	4,402	21.3%	20.6%
Notarised May	1	0.35	4,031	11.1%	25.1%
Notarised June	5	1.40	5,253	44.7%	20.9%
Notarised July	2	0.59	4,885	33.8%	8.3%
Notarised August	1	0.30	4,076	11.7%	25.0%
Notarised September	7	2.00	3,827	4.9%	12.9%
Notarised October	4	1.53	4,920	34.8%	29.8%

Notarised November	3	0.76	4,460	22.2%	19.5%
Notarised December	8	3.03	4,387	17.1%	11.6%
Notarised January 2026	4	1.46	4,350	17.9%	8.6%
Notarised up to 2nd February 2026	0	0	-	-	-
Total vacant notarisations	**45**	**14.66**	**4,560**	**25.0%**	**18.0%**
Occupied notarisations					
Notarised January	4	0.82	2,987	-17.7%	-24.5%
Notarised February	4	1.08	4,055	11.7%	0.5%
Notarised March	9	2.36	3,476	-4.2%	-4.4%
Notarised April	7	1.81	3,840	5.8%	-11.7%
Notarised May	3	1.05	4,323	19.1%	-0.3%
Notarised June	8	2.48	3,626	-0.1%	-8.4%
Notarised July	6	1.84	3,772	3.4%	-1.4%
Notarised August	14	3.29	3,960	6.3%	1.3%
Notarised September	7	1.89	4,163	14.1%	2.6%
Notarised October	9	2.51	4,181	14.5%	0.1%
Notarised November	5	1.26	4,185	14.7%	2.7%
Notarised December	5	2.38	4,470	27.1%	1.0%
Notarised January	9	2.31	4,071	9.9%	-4.7%
Notarised up to 2nd February 2026	1	0.34	5,268	42.8%	6.5%
Total occupied notarisations	**91**	**25.44**	**3,941**	**7.5%**	**-3.2%**
Total notarisations (vacant and occupied)	**136**	**40.09**	**4,147**	**13.3%**	**3.6%**
Total outstanding reservations	**26**	**6.98**	**4,227**	**15.3%**	**6.2%**
Total reservations and notarisations	**162**	**47.07**	**4,158**	**14.3%**	**4.5%**

Ratio of vacant to occupied sales

As previously announced, the Company expects to sell a broadly equal mix of occupied and vacant units throughout the duration of condominium sell-down process. In 2025, the ratio of vacant to occupied unit sales was historically low at 33.6%. This reflects the Company's strategy of initially offering units for sale to existing tenants. Tenant demand for newly marketed units was strong during 2025 and is expected to moderate in 2026. This is expected to be partially offset by new tenant demand from Tranche 5 as these units become available for sale.

As at 31 December 2025, there were 114 vacant units available for sale, representing 13.2% of total stock.

Return optimisation and target vacant / occupied split

Since PSD's condominium sales are projected to stay below 4% of overall Berlin market sales in any given year, market absorption is unlikely to constrain sales velocity.

The primary driver of investor returns is pricing: vacant units command a significant per sqm valuation premium over occupied units. Maximising time-valued returns from sales proceeds therefore requires a deliberate balance between selling vacant and occupied units. Accelerating sales of occupied units can increase near-term volumes, but materially reduces overall investor returns from the sales process by depleting the higher-value vacant inventory which could be made available for sale over time.

Vacant units depend on a natural tenant turnover of roughly 8-10% annually. Therefore, to achieve the target mix effectively, a four-to-five-year sales window per property is predicted to deliver the highest returns, with natural turnover driving vacant units to an expected 40-50% of total sales. This is slightly more conservative than the 58% average of vacant units sold achieved in condominium sales projects completed between 2016 and 2024.

Condominium sales velocity

The Average Annualised Sales Rate (AASR) measures the pace at which inventory is sold. The sell-down period is important because it affects both the timing and amount of sales proceeds.

Although the Company has sold condominiums since 2015 (albeit on a significantly smaller scale), the commencement of the accelerated condominium sales strategy in 2025 marked the first year where tenants were offered the first right of refusal to buy their apartment.

Reflecting early, tenant-led purchases, the 2025 year-end AASR was 30.2%, implying a sell-down period of around three years. As tenant offerings are time-limited, sales velocity in properties released for sale in 2025 is expected to moderate in 2026. Consistent with this, the Company expects a higher proportion of vacant, higher value, unit sales in 2026, and an AASR trending towards 20-25% over time.

Table: Average annualised sales rate (AASR)

Period	Opening units	Notarisations in month	Made available	Closing units	Average annualised sales rate[1]
January 25	104	4	258	358	45.3%
February 25	358	8	-	350	37.2%
March 25	350	11	-	339	37.1%
April 25	339	11	-	328	37.7%

May 25	328	4	-	324	33.1%
June 25	324	13	-	311	35.7%
July 25	311	8	282	585	34.9%
August 25	585	15	-	570	34.3%
September 25	570	14	-	556	33.8%
October 25	556	13	294	837	33.2%
November 25	837	8	-	829	31.2%
December 25	829	13	-	816	30.2%
January 26	816	13	-	803	29.3%

Return of capital through share redemption programme

In line with the managed realisation strategy approved by shareholders on 12 March 2025, and supported by the enhanced flexibility provided by the debt refinancing, the Company plans to return capital to shareholders through a programme of compulsory pro rata redemptions of Ordinary Shares.

The Company expects that the proceeds from condominium sales will be returned to shareholders twice yearly, subject to available cash, market conditions and covenant headroom.

The Company intends that returns to shareholders will be made on a net proceeds basis (rather than gross). Net proceeds reflect the cash available for distribution after deductions associated with executing sales and managing the wind-down, including:

1. Broker sales fees and other disposal-related costs
2. Repayment of debt
3. Any crystallised tax charges arising from disposals

Accordingly, the cash returned to shareholders is expected to align more closely with an IFRS-based measure of equity (which reflects realised cash movements and liabilities as they arise) than with EPRA measures, which align with a long-term hold scenario and may exclude certain items that are not expected to crystallise if assets are retained indefinitely.

The Company will provide further information on the first redemption alongside its full year Results on 23 April 2026.

Outlook

Lower mortgage rates - driven by interest-rate cuts - have eased debt-servicing costs for buyers, reinforcing already solid demand and helping keep condominium prices high relative to private-rented stock. The planned addition of further properties to the Condominium Sales Pool is expected to further bolster transaction volumes and the Company remains confident in its ability to achieve at least €55 million in notarisations for 2026.

Annual Results

The Company expects to announce its annual results for the financial year ended 31 December 2025 on 23 April 2026.

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