



Annual Report 2025

Building the future of investment

Your trusted investment partner, **LOTTE REIT**

**Building the future
of investment**

Your trusted investment partner,
LOTTEREIT

Annual Report 2025



Building the future of investment

Korea's Leading Publicly-Listed REIT

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Listed on the Korea Exchange in October 2019, LOTTE REIT has established itself as Korea's leading publicly-listed REIT. As of the end of 2025, LOTTE REIT has an AUM of KRW 2.6 trillion, consisting of 16 key investment assets – one hotel&office(mixed), six department stores, five hypermarkets, three outlets, and one logistics center. Upon inclusion of LOTTE HOTEL L7 Hongdae, scheduled for acquisition in January 2026, AUM is expected to increase to KRW 2.9 trillion and total number of investment assets will rise to 17.

LOTTE REIT is dedicated to delivering strong growth, underpinned by long-term lease agreements signed with LOTTE Group, including its major shareholder, LOTTE Shopping. LOTTE REIT will strive to boost its competitiveness and is committed to maximizing shareholder value as Korea's leading publicly-listed REIT.

Key Highlights 01

Korea's Leading Mega REIT



The REIT with mega-scale AUM and market cap in Korea

01



Strong pipeline of blue-chip assets within LOTTE Group, including major shareholder of LOTTE REIT, LOTTE Shopping and LOTTE P&D, and other LOTTE Group affiliates including HOTEL LOTTE

02



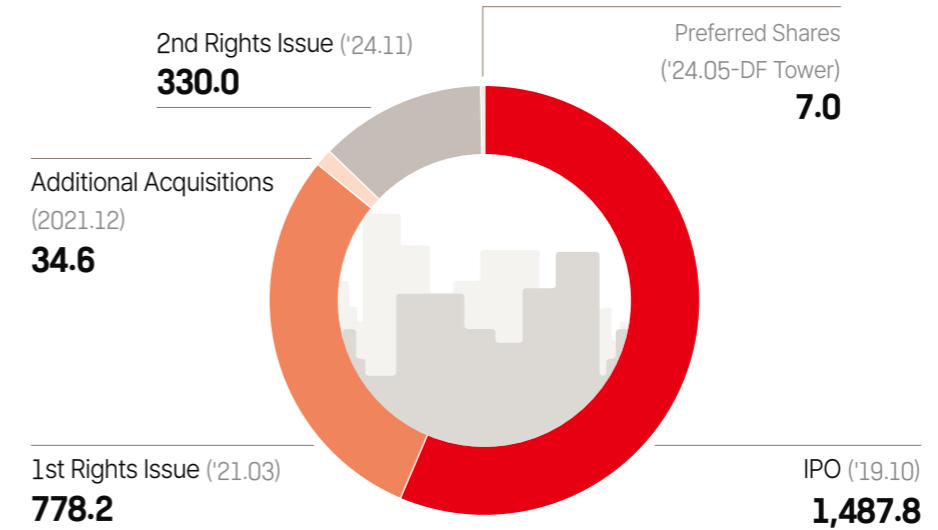
Steady flow of supply and demand owing to an inflow of passive funds since its inclusion in global indices

03



AUM (in billion of KRW)

KRW 2,637.6 billion



Portfolio
16 properties

Department Stores
6

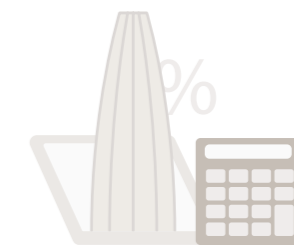
Hypermarket Branches
5

Outlet Branches
3

Logistics Center
1

Hotel/Office
1

Market Cap
KRW 1,144.3 billion



Global Index

FTSE Russell **EPRA Nareit**
Global, Developed Asia, etc.

FTSE Russell
All Cap

MSCI
EM MARKETS, etc.

* As of the end of Dec. 2025

Key Highlights 02 Solid Profit Structure



Strong profit-generating structure built on high-quality tenants and long-term lease agreements

01



Leveraging a high credit rating to employ diverse financing strategies and take advantage of favorable borrowing terms for new investments

02



Remaining Lease Period (WALE)

4.1 years on average

Credit Rating

AA- Stable

(based on secured bonds)

Average Interest Rate on Financing

3.52%

LTV¹

41.0%

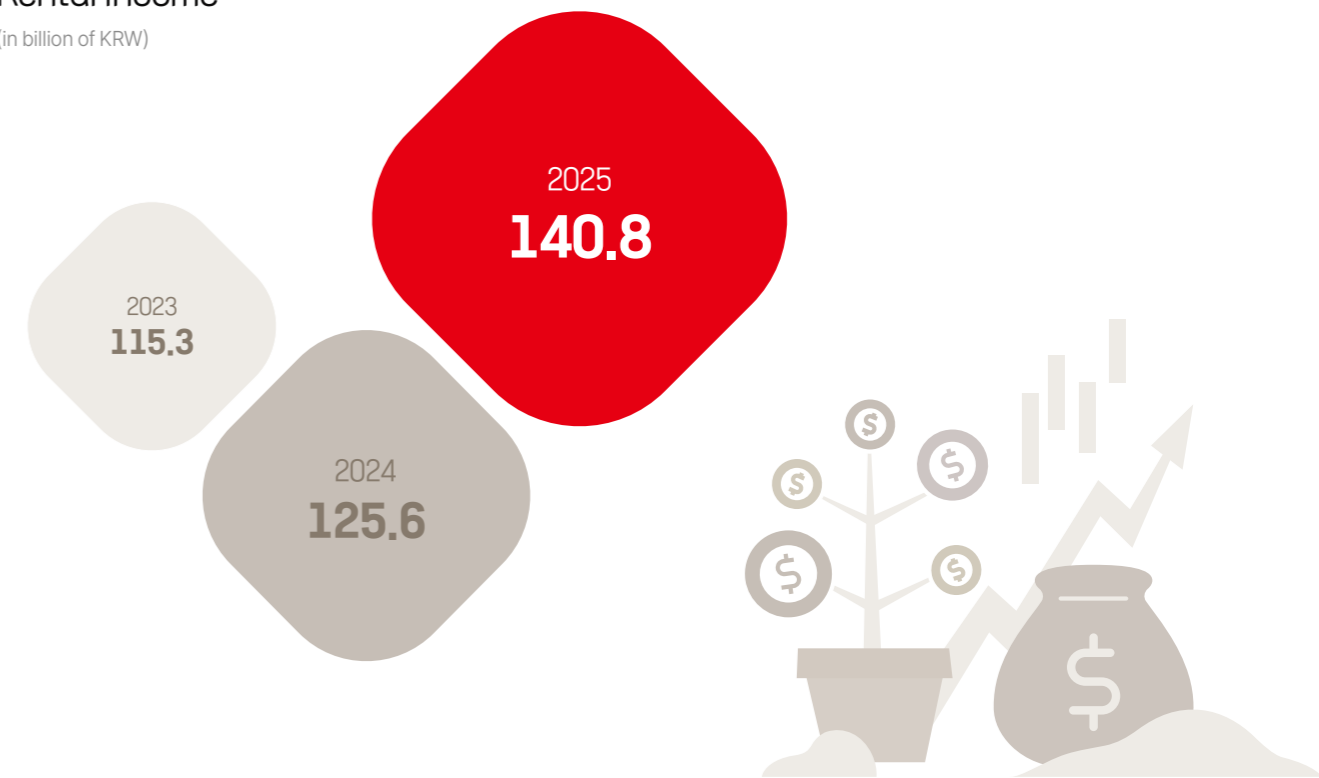
(Total borrowings/
Collateral appraised value)

49.9%

(Total borrowings/
Asset acquisition value)

Rental Income

(in billion of KRW)



1) LTV: Loan to Value Ratio
* As of the end of Dec. 2025

Key Highlights 03

Growth Momentum via High-quality LOTTE Group Assets



Strengthened the sponsor deal pipeline through the planned acquisition of LOTTE HOTEL L7 Hongdae, scheduled for January 2026

01



Continued portfolio diversification by acquiring high-quality non-retail assets from LOTTE Group

02



Acquisition of LOTTE HOTEL L7 Hongdae

(Scheduled for January 2026)

Secured an additional KRW 265 billion in assets (financed through debt). Diversifying the portfolio by integrating non-retail assets, thereby mitigating market volatility risks.



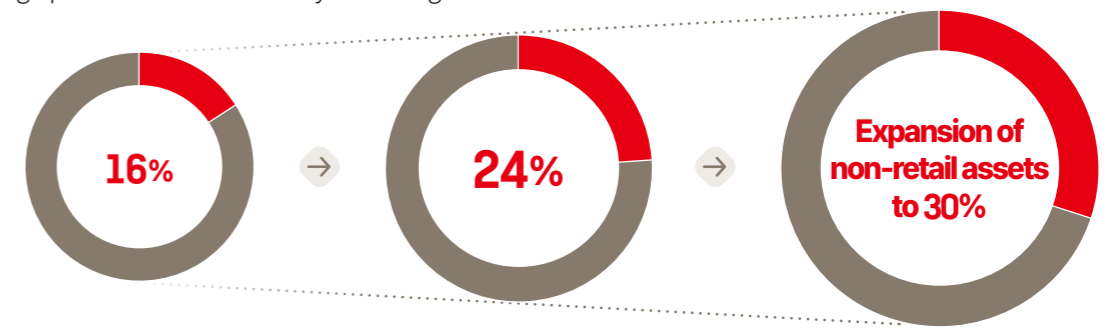
Strengthening the Group's Asset Pipeline for High-Quality Acquisitions

Expanded asset acquisition pipeline by deepening collaborations with key LOTTE Group affiliates, including LOTTE Shopping, LOTTE Global Logistics, HOTEL LOTTE and LOTTE Property&Development.



Growth Roadmap

Advancing as a Group Sponsor REIT through portfolio diversification by increasing the share of non-retail assets



AUM KRW 2.6 trillion

Acquisition of L7 Gangnam 2024

AUM KRW 2.9 trillion

Acquisition of L7 Hongdae Scheduled for January 2026

AUM KRW 4.5 trillion

Mid-to-Long-Term Target

Target Assets for Additional Acquisition

| Hotels | Logistics Centers | Development Projects | Other Asset Classes |
|--|--|--|--|
| Market-preferred assets supported by the continued strength of the domestic hospitality sector | Expected stable operations with minimal vacancy risk | Pursuing development opportunities through project REIT structures (including sub-REIT vehicles) | Selective review of prime, market-preferred assets, including residences, senior housing, and data centers |

Key Highlights 04

A Virtuous Cycle of "Asset Value Enhancement → Scaled Reinvestment"

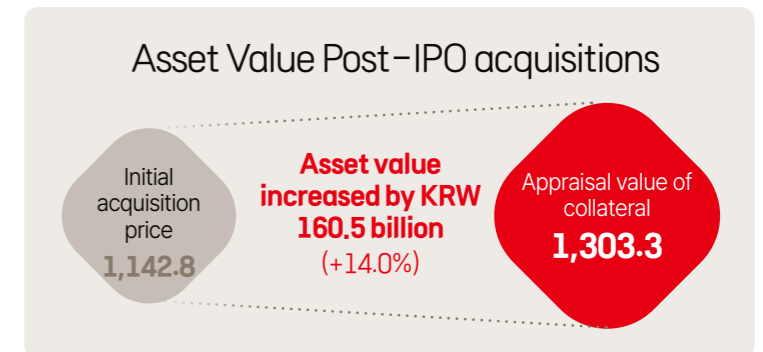
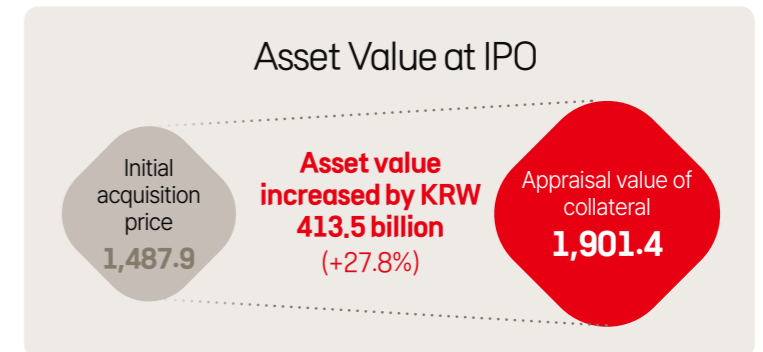
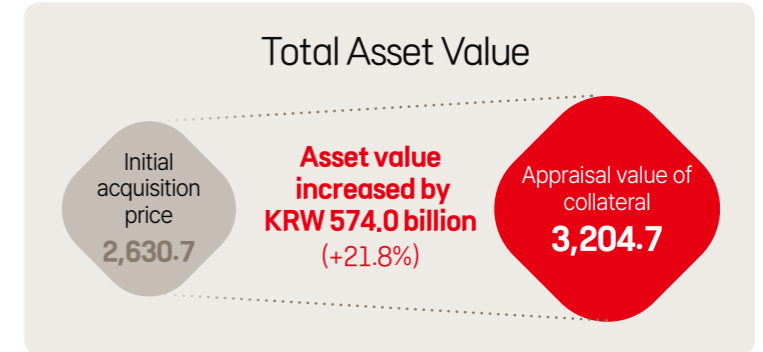
01 **Enhanced borrowing capacity** by leveraging the increased valuation of existing assets

02 **Sustained appreciation in asset value** through portfolio-wide value-add strategies

Assets acquired increased by **21.8% in value**

Asset value rose by 27.8% at the time of IPO and by 14.0% for post-IPO acquisitions.
(Based on collateral appraisal value)

(in billion of KRW)



Additional borrowing capacity secured through asset valuation growth

By leveraging appraisal-based valuations of its premium assets, LOTTE REIT has secured additional borrowing capacity. This will support the acquisition of new assets and drive further portfolio expansion.

Improved profitability backed by value-add strategies

Improved lease terms to drive higher rental income through proactive value-add initiatives, such as property upgrades and enhancements.
Reviewed mid-to-long-term redevelopment potential of assets and explored change-of-use opportunities to facilitate asset value appreciation and disposals.

* The recently acquired L7 Hotel Gangnam Tower has been reflected with an acquisition price of KRW 330 billion, aligning with its asset value.
* LOTTE HOTEL L7 Hongdae's asset value is not yet reflected, as its inclusion is scheduled for January 2026

Key Highlights 05

Enhancing Shareholder Value and Responsible Management



Commitment to responsible management
based on a transparent governance structure

01



Maintained a high dividend yield
through stable asset management
and a strong rental income base

02



Reinforced shareholder-friendly policies
and adhered to the previously communicated distribution
guidance to further build investor confidence

03



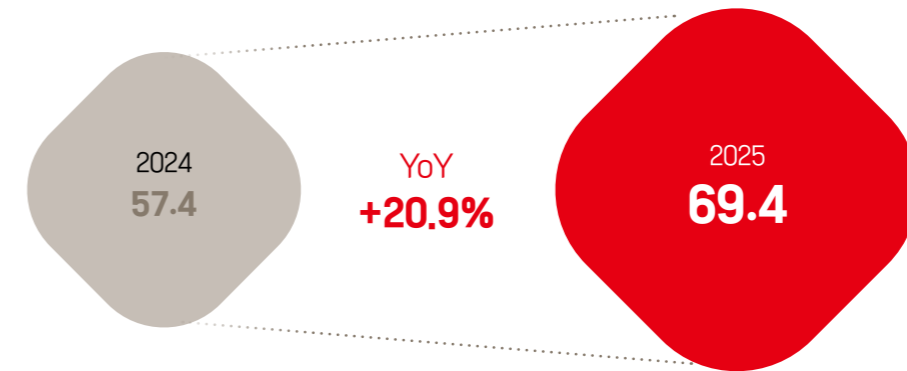
Dividend Yield
6.06%¹

Adopted a shareholder-friendly distribution policy

Implemented a shareholder-friendly distribution policy that separates the dividend record date from the fiscal year-end, enabling investors to make investment decisions based on confirmed distribution amounts, and thereby strengthening the investor base.

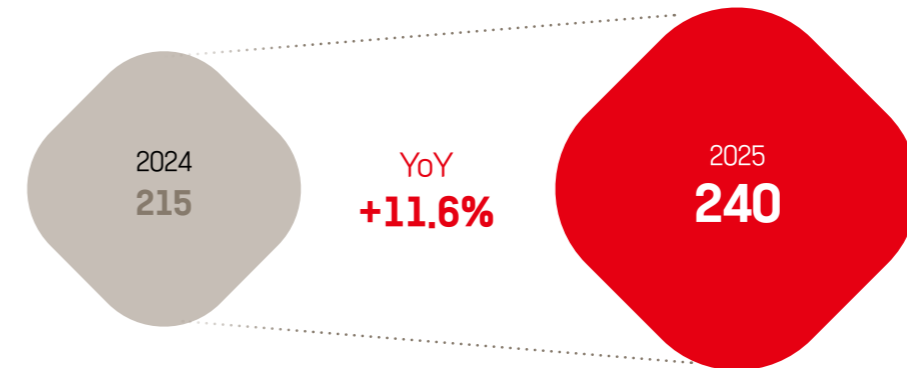
Amount of total dividend

(in billion of KRW)



Annual Dividend Per Share

(in KRW)



1) 2025 Dividend Per Share 240 KRW ÷ Year-end Share Price 3,960 KRW
* As of the end of Dec. 2025

OVERVIEW

Building the future
of investment

LOTTE REIT continues to generate stable returns through efficient asset management, even in a rapidly changing market environment. Additionally, by leveraging LOTTE Group's diverse asset pipeline, LOTTE REIT maintains sustained growth momentum.



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2025 At a Glance

01



Continued portfolio diversification by acquiring LOTTE HOTEL L7 Hongdae

- Plans to acquire LOTTE HOTEL L7 Hongdae in January 2026, a property that has been rapidly absorbing demand in the tourism hospitality sector driven by the growing global popularity of K-content
- Ongoing portfolio diversification and expansion into new investment sectors to increase the proportion of non-retail assets to over 30% over the mid to long term

02



Successful low-cost refinancing supported by strong credit ratings

- Refinanced a total of KRW 580 billion, including the early refinancing of two existing borrowings and the refinancing of three borrowings upon maturity
- Secured funding at favorable rates, stabilizing the Company's weighted average borrowing cost at 3.52% (2024 Y/E: 4.14% → 2025 Y/E: 3.52%)

03



Driving asset value enhancement through value-add strategies

- Following the acquisition of L7 Hotel Gangnam Tower in 2024, the Company implemented proactive value-add initiatives, including property upgrades and enhancements, to improve lease terms and drive higher rental income.
- Reviewed mid-to-long-term redevelopment potential of assets and explored change-of-use opportunities to facilitate asset value appreciation and disposals, leading to increased shareholder value

04



Enhancing shareholder value through a strengthened shareholder return policy

- Implemented a shareholder-friendly distribution policy - the first among domestic REITs - that separates the dividend record date from the fiscal year-end, enabling investors to make investment decisions based on confirmed distribution amounts, and thereby strengthening the investor base
- Communicated and adhered to distribution guidance to mitigate market volatility risk → Predictable distribution payments set forth as the priority



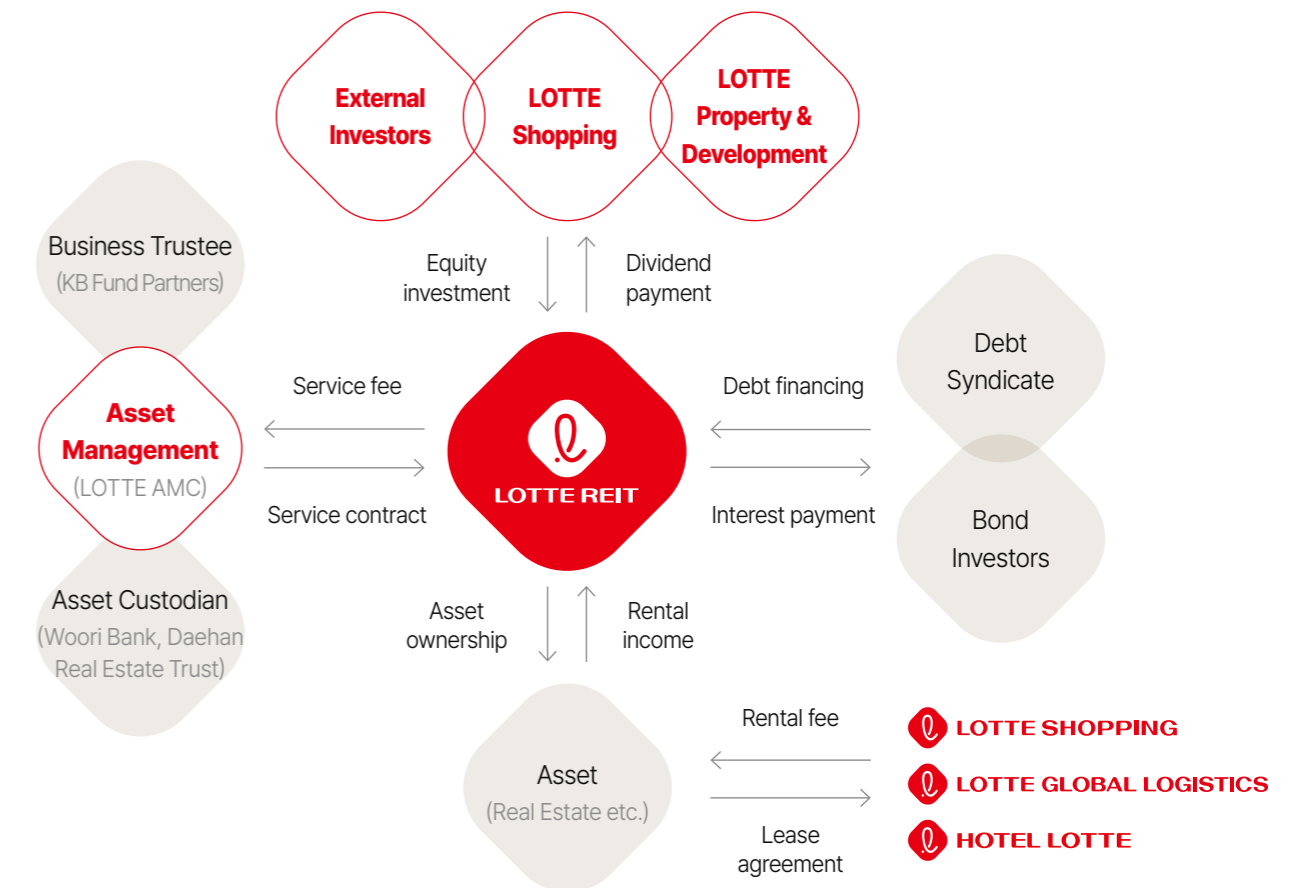
About LOTTE AMC



LOTTE AMC was established in March 2019 as an asset manager wholly owned by LOTTE Corporation in conformity with the Real Estate Investment Company Act, and engages in investment and operation of the real estate properties consigned by REITs.

| | | |
|---|--|---|
| <p>Selective investments made by professionals</p> <p>Take the most efficient and optimal approach to each phase of REIT business from development to operation and management</p> | <p>Leveraging LOTTE Group as the anchor investor</p> <p>Continuously acquire high-quality real estate assets of LOTTE Group as a wholly-owned subsidiary of LOTTE Corporation</p> | <p>Optimal risk management</p> <p>Improve investor trust through transparent internal investment decision-making and optimal risk management</p> |
|---|--|---|

Structure of LOTTE REIT



History

2019

- **2019.03.29**
Establishment of the Company
- **2019.05.14**
Obtained business license approval from the Ministry of Land, Infrastructure and Transport
- **2019.05.30**
Acquired LOTTE Department Store Gangnam Branch (in-kind investment from LOTTE Shopping Co., Ltd.);
Signed a lease agreement on LOTTE Department Store Gangnam Branch (master lease tenant: LOTTE Shopping Co., Ltd.)
- **2019.07.05**
Secured bonds rated AA- Stable by Korea Investors Service
- **2019.07.10**
Secured bonds rated AA- Stable by NICE Investors Service
- **2019.07.26**
Book building on secured bonds: order book result 4.4:1
- **2019.07.31**
Issued secured bonds worth KRW 170 billion
- **2019.10.11**
IPO (Period: October 8-11 / oversubscribed by 63.28 times)

- **2019.10.16**
Acquired LOTTE Department Store (Guri Branch, Gwangju Branch, Changwon Branch), LOTTE Mart (Uiwang Branch, Jangyu Branch) LOTTE Mart/Outlet (Yulha Branch, Cheongju Branch) and entered into master lease agreements
- **2019.10.30**
Listed on the securities market
- **2020.12.14**
Obtained approval for change of business plans from the Ministry of Land, Infrastructure and Transport
- **2021.03.11**
Subscription to rights issue by existing shareholders (period: March 8-9 / subscription rate: 100.37%)
- **2021.03.17**
Acquired LOTTE Department Store (Ansan Branch, Jungdong Branch), LOTTE Mart (Gyeyang Branch, Chuncheon Branch), LOTTE Premium Outlet (Icheon Branch), LOTTE Mart Mall Gimpo Logistics Center and entered into master lease agreements
- **2021.03.26**
Rights issue (71 million common shares)

- **2021.11.19**
Unsecured bonds rated A+ Stable by NICE Investors Service
- **2021.11.22**
Unsecured bonds rated A+ Stable by Korea Investors Service
- **2021.12.15**
Acquired LOTTE Mart Gyeonggi Yangpyeong Branch and entered into a master lease agreement
Issued unsecured bonds worth KRW 31 billion
- **2022.06.20**
Incorporated into FTSE EPRA Nareit Index
- **2022.07.08**
Secured bonds rated AA- Stable by NICE Investors Service and Korea Investors Service
- **2022.07.29**
Issued secured bonds worth KRW 170 billion
- **2022.10.06**
Short-term bonds rated A2+ by NICE Investors Service and Korea Investors Service
- **2022.10.17**
Issued short-term bonds worth KRW 200 billion

2022

2023

- **2023.01.16**
Issued secured bonds worth KRW 70 billion
- **2023.03.17**
Issued secured bonds worth KRW 200 billion
- **2023.07.28**
Issued secured bonds worth KRW 80 billion
- **2023.07.29**
Issued secured bonds worth KRW 90 billion
- **2024.05.13**
Inclusion of Koramco The One Gangnam 1 REIT (Preferred Shares) (KRW 7 billion)
- **2024.08.06**
Issued secured bonds worth KRW 240 billion
- **2024.09.30**
Acquisition of L7 Hotel Gangnam Tower (Acquisition Price: KRW 330 billion - KRW 162 billion in short-term bonds - KRW 165 billion in secured loans)
- **2024.10.07**
Issued secured bonds worth KRW 125 billion

2024

- **2024.11.04**
Rights issue subscription for existing shareholders (Subscription period: November 4-5 / Subscription rate: 101.16%)
- **2024.11.12**
Partial repayment of short-term bonds (KRW 147.2 billion) through rights issue
- **2024.11.14**
Issued electronic short-term bonds worth KRW 10 billion
Announced the Company's corporate value-up plan for enhancing shareholder value
- **2024.11.22**
Rights issue (46 million common shares)

2025

- **2025.04.17**
Issued secured bonds worth KRW 160 billion
- **2025.08.06**
Issued secured bonds worth KRW 80 billion
- **2025.10.02**
Issued secured bonds worth KRW 50 billion
- **2025.11.26**
Announced implementation status of the Company's corporate value-up plan with the goal of enhancing shareholder value



CEO's Message

Through sustained growth, LOTTE REIT will take the next step forward **as a global REIT leading the K-REIT market.**



CEO
Lee, Sang Hak



Dear Valued Stakeholders,
On behalf of our management and employees, I would like to express my sincere appreciation for the trust and steadfast support you have extended to LOTTE REIT throughout 2025.

The year 2025 marked a period of renewed momentum across the financial markets, including the domestic REIT sector. The interest rate easing cycle that began in the second half of 2024 continued into early 2025, reducing market uncertainty. At the same time, regulatory and institutional improvements under the government's REIT revitalization initiatives contributed to a gradual recovery in investor sentiment.

In particular, LOTTE REIT further strengthened dividend stability and reinforced shareholder confidence by

leveraging its robust credit rating and diversified funding channels, including corporate bond issuances. As a result, our share price increased by approximately 27% during 2025, significantly outperforming the KRX REIT Top 10 Index, which rose by roughly 9% over the same period.

I am deeply grateful to our shareholders for their continued confidence and support. With that said, allow me to highlight our key achievements in 2025 and outline our strategic priorities for the year ahead.

01

We are diversifying our portfolio and generating more stable returns through non-retail asset expansion.

LOTTE REIT has continued to strategically expand its portfolio to include non-retail assets, reducing its structural reliance on retail assets to strengthen portfolio resilience. In January 2026, we will complete the acquisition of LOTTE HOTEL L7 Hongdae, increasing the proportion of non-retail assets to 24% and further strengthening our ability to respond to evolving market conditions. In 2025, rental income from L7 Hotel Gangnam Tower, acquired in September 2024, was fully reflected for the first time, contributing meaningfully to revenue growth. As hotel operating performance

continues to improve, we anticipate further upside in variable rental income in 2026.

Looking ahead, we will continue to evaluate high-quality domestic assets owned or leased by LOTTE Group, including logistics centers, data centers, and senior residential properties. By selectively incorporating high-quality assets aligned with prevailing market trends, we aim to secure stable rental income streams and further enhance shareholder value.

02

We continue to reduce our weighted average borrowing cost through strategic refinancing initiatives aligned with prevailing market interest rate environment.

LOTTE REIT will continue to pursue financing strategies aligned with market rate conditions, leveraging its strong credit rating to secure favorable funding terms in loans and bond issuances. These efforts have culminated in renewed focus on reducing average borrowing cost, curbing interest expenses, and strengthening dividend stability.

In 2025, we successfully completed five refinancing transactions totaling KRW 580 billion, representing approximately 44% of total borrowings. As a result, our weighted average borrowing rate declined by

approximately 0.62 percentage points, down from 4.14% at year-end 2024 to reach 3.52% at year-end 2025. Most notably, KRW 440 billion of these refinancings were executed ahead of maturity at favorable rates, allowing us to realize interest savings up to six months earlier while proactively mitigating exposure to market volatility. In 2026, approximately KRW 605 billion, equivalent to 46% of total borrowings, is set to mature. We will continue to pursue diversified funding channels and extend maturities where appropriate to secure competitive funding conditions while maintaining a sound capital structure.

Dear Valued Shareholders,

While 2025 benefited from improving sentiment in the REIT market, 2026 is expected to present a more cautious environment amid continued uncertainty surrounding interest rate policies. Nevertheless, LOTTE REIT remains steadfast in its commitment to three core principles.

☞

First,
we will continue to strengthen our in-group deal pipeline, expand assets under management, and further diversify our portfolio to enhance resilience against market volatility.

☞



☞

Second,
we will actively evaluate redevelopment and value-enhancement opportunities across our portfolio to unlock asset appreciation and maximize shareholder value.

☞

☞

Third,
we will prioritize financial stability, secure stable rental income, enhance funding competitiveness, and strive to maintain predictable dividends per share.

☞



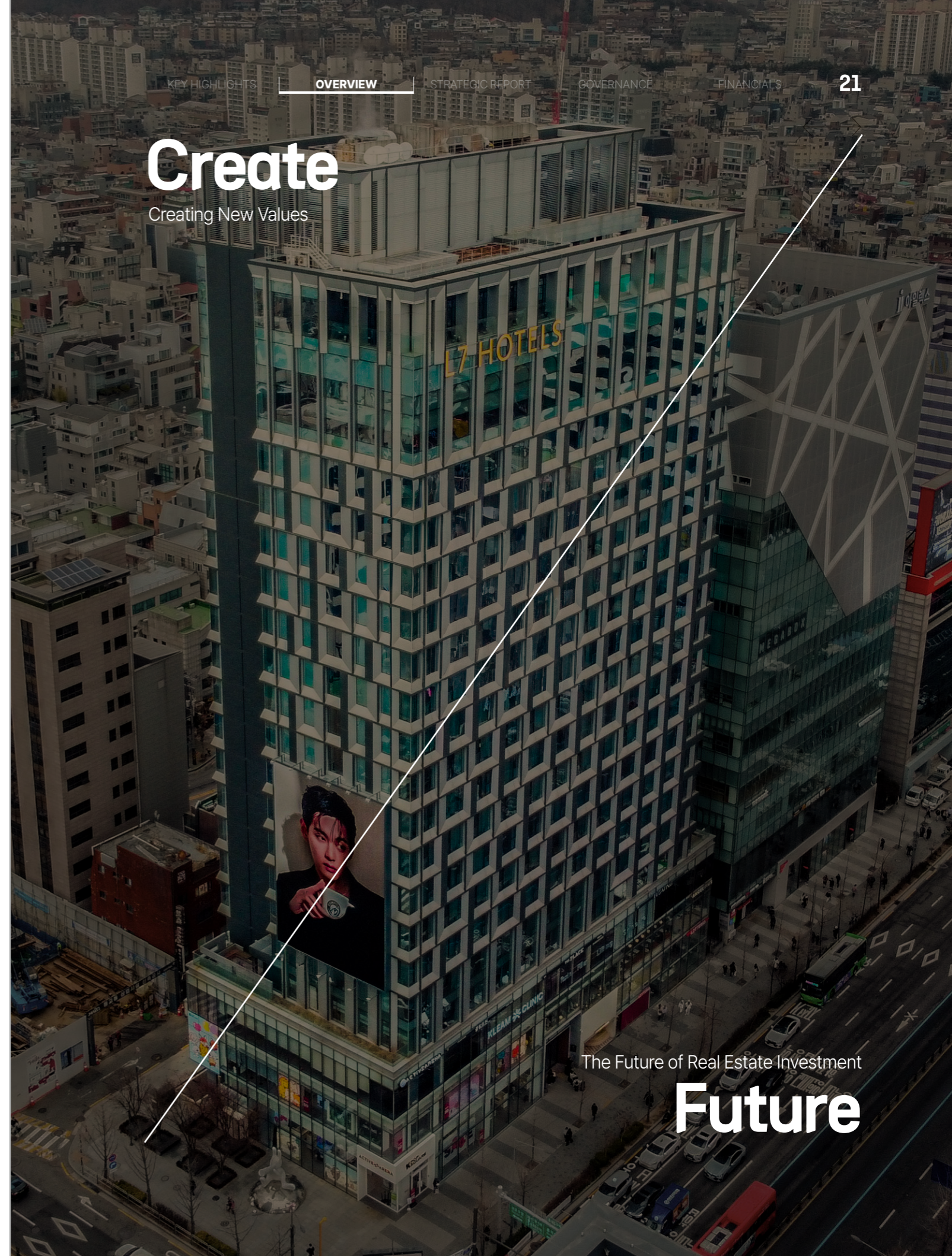
As Korea's leading listed REIT, LOTTE REIT is committed not only to scaling our platform but also to enhancing the quality and discipline of our asset management, continuing to lead the industry. We sincerely appreciate your continued confidence and support as we move forward together.

Thank you.

LOTTE AMC
CEO **Lee, Sang Hak**

Create

Creating New Values



The Future of Real Estate Investment

Future

About LOTTE Group



As Korea's fifth largest business group in terms of assets, LOTTE continues to build on its success of sustained growth backed by a strong financial structure.

LOTTE Group was founded as LOTTE Confectionery back in 1967 and has since expanded its business territory into wide-ranging sectors, including food, retail, chemical and construction, and tourism and service, establishing a successful business portfolio along the way. LOTTE prides itself on being a company that opens horizons to new lifestyles for customers while generating steady corporate value and building a strong foundation for sustainable growth.

expanding mainly into the Americas and emerging markets to achieve more robust and stable growth, delivering top-notch products and services across its global network. For over half a century, LOTTE has relentlessly pushed boundaries and pursued transformation to provide products and services that customers love and trust, staying true to its commitment to enrich people's lives.

LOTTE Group, Korea's fifth largest business as of 2025, is gearing up for yet another chapter of growth in its journey to become a centennial company.

With its vibrant business presence established in more than 30 countries across Asia and Europe, LOTTE Group is now

Business Ranking in Korea

5th

Debt-to-Equity Ratio

113.7%

No. of Subsidiaries

92

Source: LOTTE Group, Fair Trade Commission (released in May 2025)



Assets

KRW 151 trillion

Sales

KRW 68 trillion

**New Today,
Better Tomorrow**



Business Portfolio

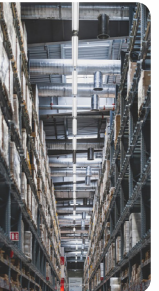
F&B

- LOTTE Wellfood
- LOTTE Chilsung Beverage
- LOTTE GRS
- LOTTE R&D Center
- LOTTE Asahi Liquor
- LOTTE-Nestlé Korea
- LOTTE People Networks



Retail

- LOTTE Department Store
- LOTTE Mart
- LOTTE Super
- LOTTE e-commerce
- LOTTE Home Shopping
- Korea Seven
- LOTTE Hi-Mart
- LOTTE GFR
- FRL Korea
- STL Korea
- LOTTE Members
- LOTTE Cultureworks



Chemical · Construction · Manufacturing

- LOTTE MCC
- LOTTE E&C
- LOTTE E&C CM Division
- LOTTE Aluminum
- LOTTE Chemical
- LOTTE Fine Chemical
- LOTTE INEOS Chemical
- Canon Korea
- KP Camtech
- Fujifilm Korea
- LOTTE BIOLOGICS
- LOTTE Energy Materials



Tourism · Services · Finance

- LOTTE Global Logistics
- LOTTE Rental
- LOTTE Resorts
- LOTTE Duty Free
- LOTTE Foundation for Arts
- LOTTE Property & Development
- LOTTE Institute of Economy & Business Strategy
- LOTTE Welfare Foundation
- LOTTE Samdong Welfare Foundation
- LOTTE Skyhill CC
- LOTTE World
- LOTTE Academy
- LOTTE Asset Development
- LOTTE Giants
- LOTTE Scholarship Foundation
- LOTTE Innovate
- LOTTE JTB
- LOTTE Capital
- LOTTE HOTEL
- Daehong Communications
- Busan LOTTE HOTEL
- LOTTE International



About Our Sponsor

LOTTE Department Store Gangnam (The Conran Shop)

LOTTE Shopping



Korea's leading global retailer shaping the future of retail

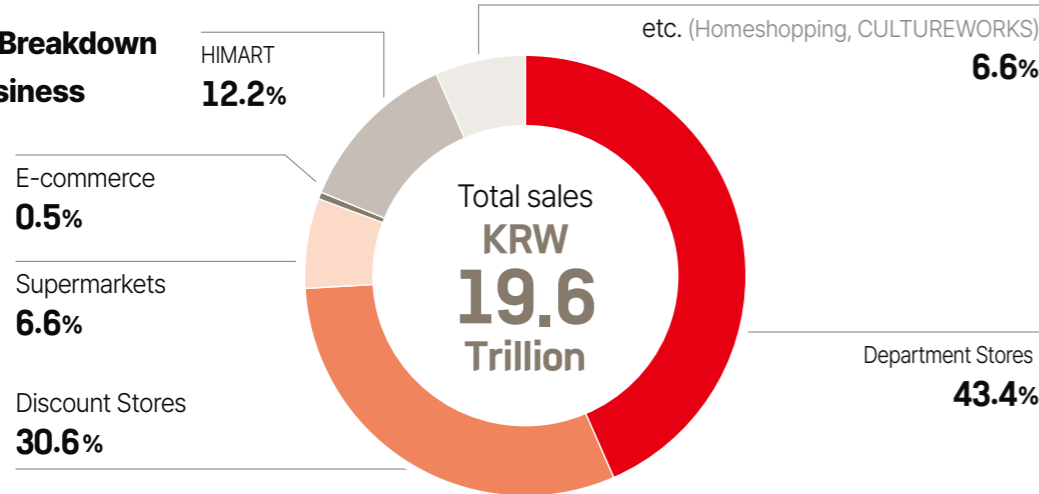
Over the past five decades since its foundation in 1970, LOTTE Shopping has been a trailblazer in the retail industry, delivering new value to customers through its advanced infrastructure and systems. LOTTE Shopping has expanded its footprint ranging from department stores to discount stores, consumer electronics stores, supermarkets, home shopping, culture works, H&B stores and e-commerce to become Korea's No. 1 retailer.

and Indonesia to strengthen its global competitiveness. Based on the capabilities accumulated thus far, LOTTE Department Store aims to establish itself as the top department store in Asia, offering customers joyful experiences and abundant lifestyles.

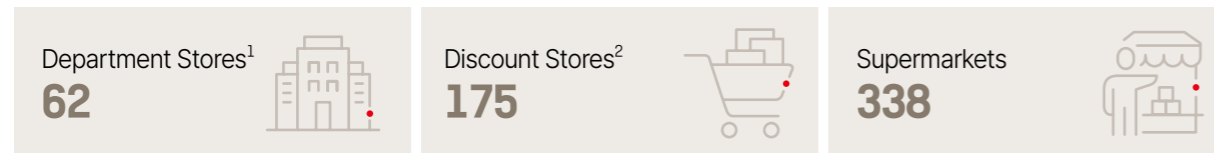
Since its first store opened in 1998, LOTTE Mart has been providing differentiated products and customer experiences. Currently, it is a global discount store with a total of 175 stores both domestically and internationally. LOTTE Mart aims to continue leading as pioneers of future-oriented marts, injecting fresher and newer values into offline stores, and actively expanding them to enhance competitiveness.

Since its establishment in 1979, LOTTE Department Store has been the undisputed No. 1 department store in Korea, pioneering Korea's retail industry and shopping culture. LOTTE Department Store is actively expanding not only domestically but also overseas, operating stores in Vietnam

Sales Breakdown by Business



Business Portfolio



1) 58 locations in Korea (including 21 outlets and 6 shopping malls), 4 locations overseas

2) 112 locations in Korea (marts), 63 locations overseas

* As of the end of Dec. 2025



LOTTE Property&Development

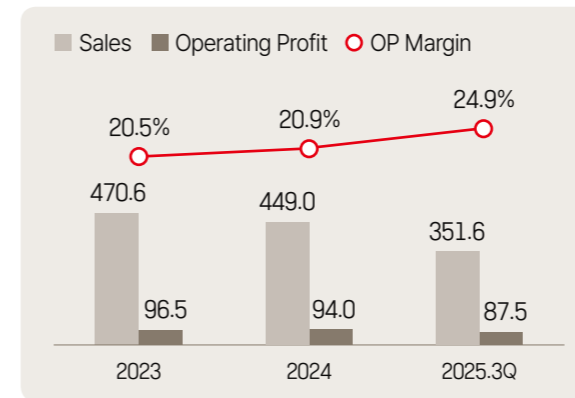


A global real estate company specializing in high-rise buildings and large-scale mixed-use developments

Established in 1982, LOTTE Property&Development has been a key player in urban development. After acquiring land in 1987, the company focused on the Jamsil Complex Development Project, successfully opening LOTTE World Mall in 2014 and LOTTE World Tower in 2017. Today, LOTTE World Tower and LOTTE World Mall welcome over 50 million visitors annually, solidifying their status as major landmarks. The company continues to diversify its real estate portfolio through asset management and development projects.

Building on a strong foundation of stable operations, LOTTE Property&Development is actively expanding its business domains and enhancing its specialized capabilities to establish itself as a leading global real estate company. Moving forward, the company remains committed to maximizing asset efficiency and pursuing strategic business expansion.

Sales and Operating Profit (in billion of KRW)



Financial Performance

| | | | |
|------------------|----------------------|-------------|---------------------|
| Assets | KRW 10,724.2 billion | Liabilities | KRW 4,663.7 billion |
| Capital | KRW 6,060.4 billion | Sales | KRW 351.6 billion |
| Operating Profit | KRW 87.5 billion | | |

Source: LOTTE Property&Development – Financial results for full-year 2025 not disclosed as the company is privately held at the time of preparation of this report

* As of Q3.2025

Business Operations

High-rise building and mixed-use shopping mall development & operations

- Development and operation of LOTTE World Tower and LOTTE World Mall
- Development and operation of Workflex, a shared office space, and SKY31 Convention, a multi-purpose cultural venue

Real Estate Asset Management

- Leasing, financial administration, and consulting for 12 commercial properties, including Eujiro Signature Tower, Gangnam N Tower, Gwanghwamun Centerpoint, Pangyo H Square, and Gangdong ECT

Real Estate Investment & Development

- Ongoing logistics center development projects in Icheon and Anseong, Gyeonggi Province
- Equity investments in prime assets (REITs, funds) across key metropolitan areas to generate capital gains, dividends, and provide asset management services

Global Business (Vietnam)

- Entered the Vietnamese market in 2022 by acquiring a 77.5% stake in LOTTE Center Hanoi and establishing LOTTE P&D Vietnam
- Comprehensive facility management (FM) and property management (PM/FM) for LOTTE Center Hanoi, LOTTE Mall West Lake, LOTTE Mall Aquarium, and Daewoo Starlake Villa Complex

2025 Summary

Financial Highlights

As of the end of 2025, LOTTE REIT has an AUM of KRW 2.6 trillion. LOTTE REIT posted KRW 140.8 billion in operating revenue, up 12.1% (net increase of approximately KRW 15.2 billion) from 2024. Operating Profit for 2025 increased 14.9% (net increase of approximately KRW 11.9 billion) from 2024 to reach KRW 91.5 billion. This was primarily attributable to increased rental income following the acquisition of L7 Gangnam by LOTTE Hotel and cost savings resulting from a decline in borrowing rates.

Net income for 2025 increased 119.8% YoY to reach approximately KRW 36.2 billion. However, because of the share price appreciation (2024 Y/E: KRW 3,050 → 2025 Y/E: KRW 3,960), the dividend yield based on market price year-end 2025 declined by 1.0%p YoY to 6.06%.

(in billion of KRW)

| | FY2023 | FY2024 | FY2025 ¹ |
|-----------------------------|--------------------|--------------------|---------------------|
| Total assets | 2,313.7 | 2,623.6 | 2,594.4 |
| Liabilities | 1,258.2 | 1,454.2 | 1,454.9 |
| Capital | 1,055.4 | 1,169.5 | 1,139.5 |
| Operating revenue | 118.1 | 125.6 | 140.8 |
| Operating expenses | 47.2 | 46.0 | 49.4 |
| Operating Profit | 70.9 | 79.6 | 91.5 |
| Non-operating income | 1.3 | 1.0 | 2.0 |
| Non-operating expenses | 63.1 | 64.2 | 57.3 |
| Net income | 9.0 | 16.5 | 36.2 |
| Yield | KRW 205 | KRW 215 | KRW 240 |
| Dividend yield ¹ | 6.49% ² | 7.06% ³ | 6.06% ⁴ |

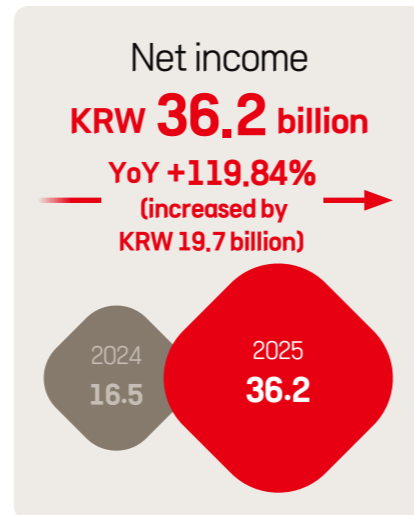
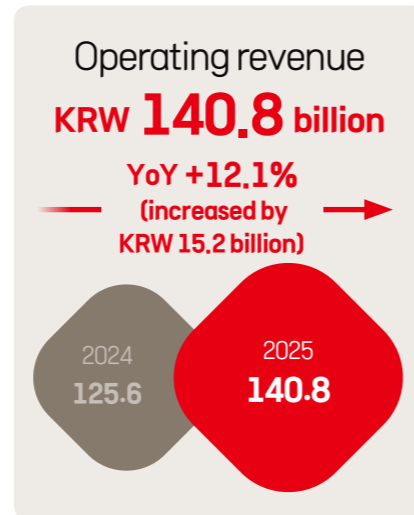
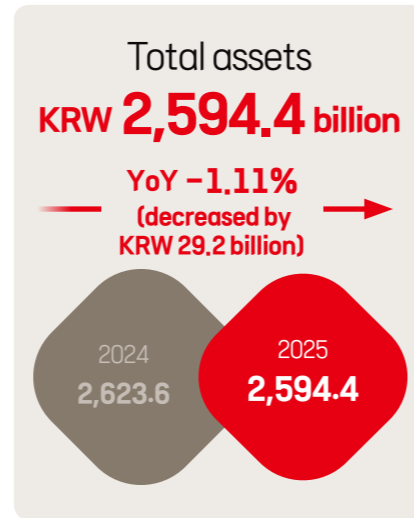
1) LOTTE HOTEL L7 Hongdae is scheduled for inclusion in January 2026; its asset value and financial performance are not reflected in this table.

2) FY2023 DPS KRW 205 ÷ 2023 Closing Price KRW 3,155

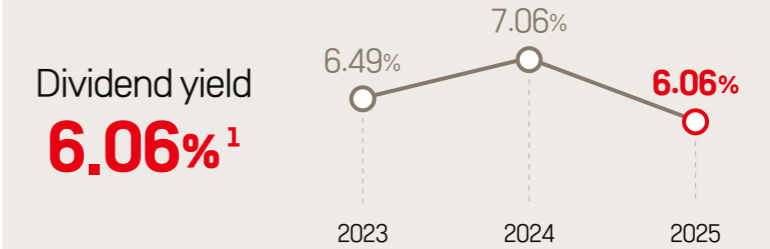
3) FY2024 DPS KRW 215 ÷ 2024 Closing Price KRW 3,050

4) FY2025 DPS KRW 240 ÷ 2025 Closing Price KRW 3,960

(in billion of KRW)



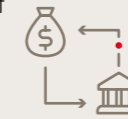
Annual dividends per share
KRW 240
 (As of the end of Dec. 2025)



Refinancing

Successfully refinanced KRW 580 billion

Successfully refinanced KRW 580 billion, which amounts to 44% of total borrowings of KRW 1,313 billion.



April 17, 2025

KRW 320 billion Refinanced

Short-term bonds: KRW 10 billion (62-day term, 3.60%)
 + Secured loan: KRW 311 billion (two-year maturity, CD+1.30% / refinanced six months early)
 → Secured loan: KRW 160.0 billion (two-year maturity, CD + 0.87%)
 + Secured bonds: KRW 160.0 billion (two-year maturity, 3.26%)

* KRW 1 billion was repaid using internal funds

August 28, 2025

KRW 80 billion Refinanced

Secured bonds: KRW 80 billion (one-year maturity, 3.45%)
 → Secured bonds: KRW 80 billion (one-year maturity, 2.89%)

October 2, 2025

KRW 50 billion Refinanced

Secured bonds: KRW 50 billion (one-year maturity, 3.44%)
 → Secured bonds: KRW 50 billion (one-year maturity, 3.10%)

October 24, 2025

KRW 130 billion Refinanced

Secured loan: KRW 130 billion (two-year maturity, CD + 1.20%; refinanced three months early)
 → Secured loan: KRW 130 billion (two-year maturity, CD + 0.95%)

Completed 2 Early Refinancing Transactions

KRW 311 billion (refinanced six months prior to maturity)
 KRW 130 billion (refinanced three months prior to maturity)



0.62%p reduction in borrowing rate

Average borrowing rate improved from 4.14% in 2024 to 3.52% in 2025.



1) FY2025 DPS KRW 240 ÷ 2025 Closing Price KRW 3,960

Continued Expansion by Acquiring High-Quality Assets from LOTTE Group (LOTTE HOTEL L7 Hongdae)

- The Company plans to acquire LOTTE HOTEL L7 Hongdae in January 2026 for KRW 265.0 billion. This acquisition is expected to further increase the proportion of non-retail assets and enhance overall portfolio diversification.
- As the four-star hotel with the largest number of guest rooms in the Hongdae area and the only property featuring a rooftop facility, LOTTE HOTEL L7 Hongdae is a prime asset that has been rapidly capturing demand in the tourism hospitality sector, which has fully recovered post-COVID.
- Once LOTTE REIT acquires the property, HOTEL LOTTE Co., Ltd. (AA-, Stable) will enter a master lease covering 100% of the gross leasable area, enabling the Company to secure stable rental income through consistent operations.

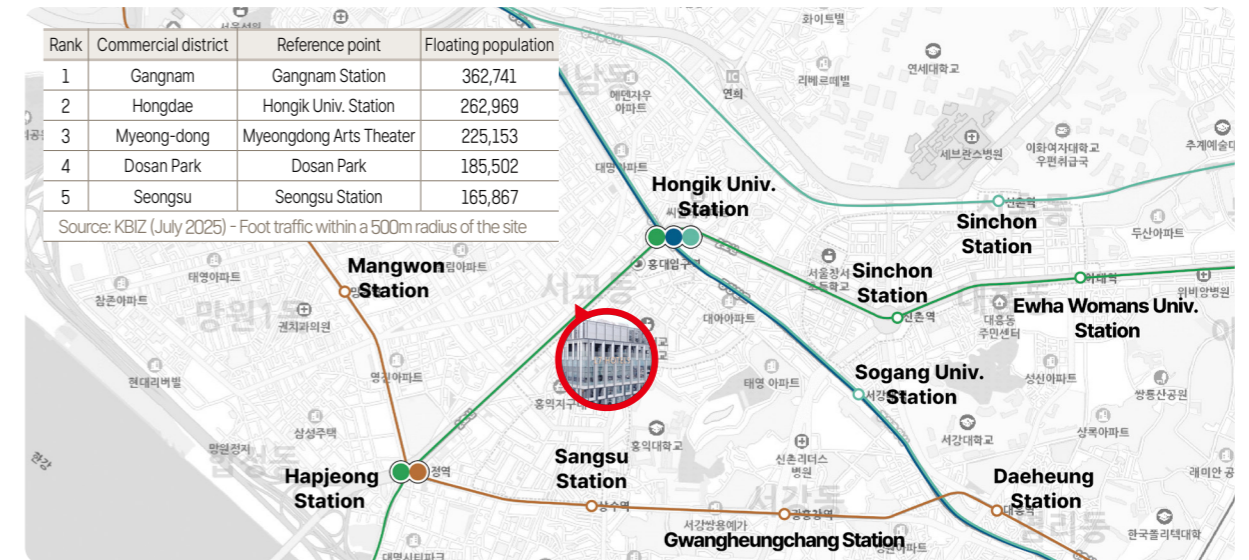
Overview: LOTTE HOTEL L7 Hongdae

| Category | Details |
|------------------------------|--|
| Location | 160-5 Donggyo-dong, Mapo-gu, Seoul (1-minute walk from Hongik Univ. Station) |
| Master Lease Tenant | HOTEL LOTTE (Master lease for total area) |
| Lease Term | Approx. 5 years (Jan 21, 2026 – Dec 31, 2030) |
| Primary Use | Hospitality, Retail, Neighborhood Living Facilities |
| GFA | 27,852m ² (8,425 pyeong) |
| Size | B5F / 20F Hotel: 4F - 20F Retail: B1F - 3F |
| Hotel classification / Rooms | 4-Star / 340 Rooms |
| Opening Date | January 2018 |
| Parking Capacity | 122 spaces (Self-parking) |

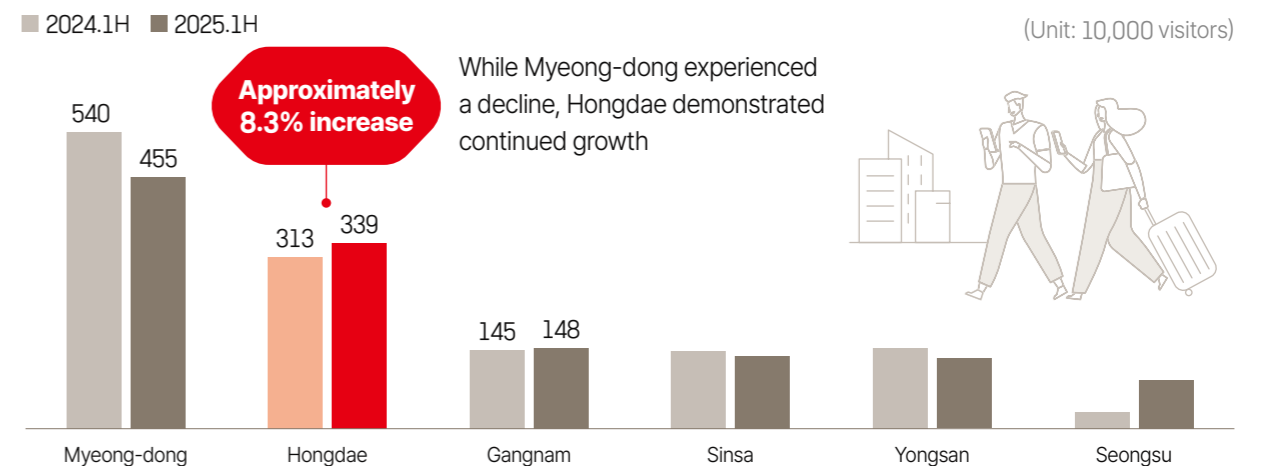


Transportation Infrastructure

| Category | Details |
|-----------------------|---|
| Subway | Seven subway stations located within a 1.5 km radius Hongik Univ. Station ranked No. 1 in passenger traffic among Seoul subway stations (January–July 2025) |
| Bus | More than 20 bus stops located within a 300 m radius A total of 47 routes, including trunk, feeder, express, and airport buses, serve the Yanghwa-ro median bus lane |
| Vehicle Access | Direct access to Yanghwa-ro (eight-lane arterial road, four lanes each direction), offering excellent vehicular accessibility |
| Airport Accessibility | Gimpo International Airport Subway 14min Bus 40min Driving 30min |
| | Incheon International Airport Subway 52min Bus 55min Driving 50min |



Foreign Tourist Visits by Major Commercial District



Source: JLL Market Research Report

Strengthening Value-Add Initiatives Across Existing Assets

Following the acquisition of L7 Hotel Gangnam Tower in 2024, the Company carried out environmental improvements in the office common areas, including the main lobby, to provide tenants with a more comfortable leasing environment. These enhancements were undertaken to strengthen leasing competitiveness while positioning the asset for future value appreciation.

Office Entrance

Installation of pendant-type signage



Sunken Basement

Wall replacement, landscaping, non-slip stair finishes



Public Area



Office Lobby

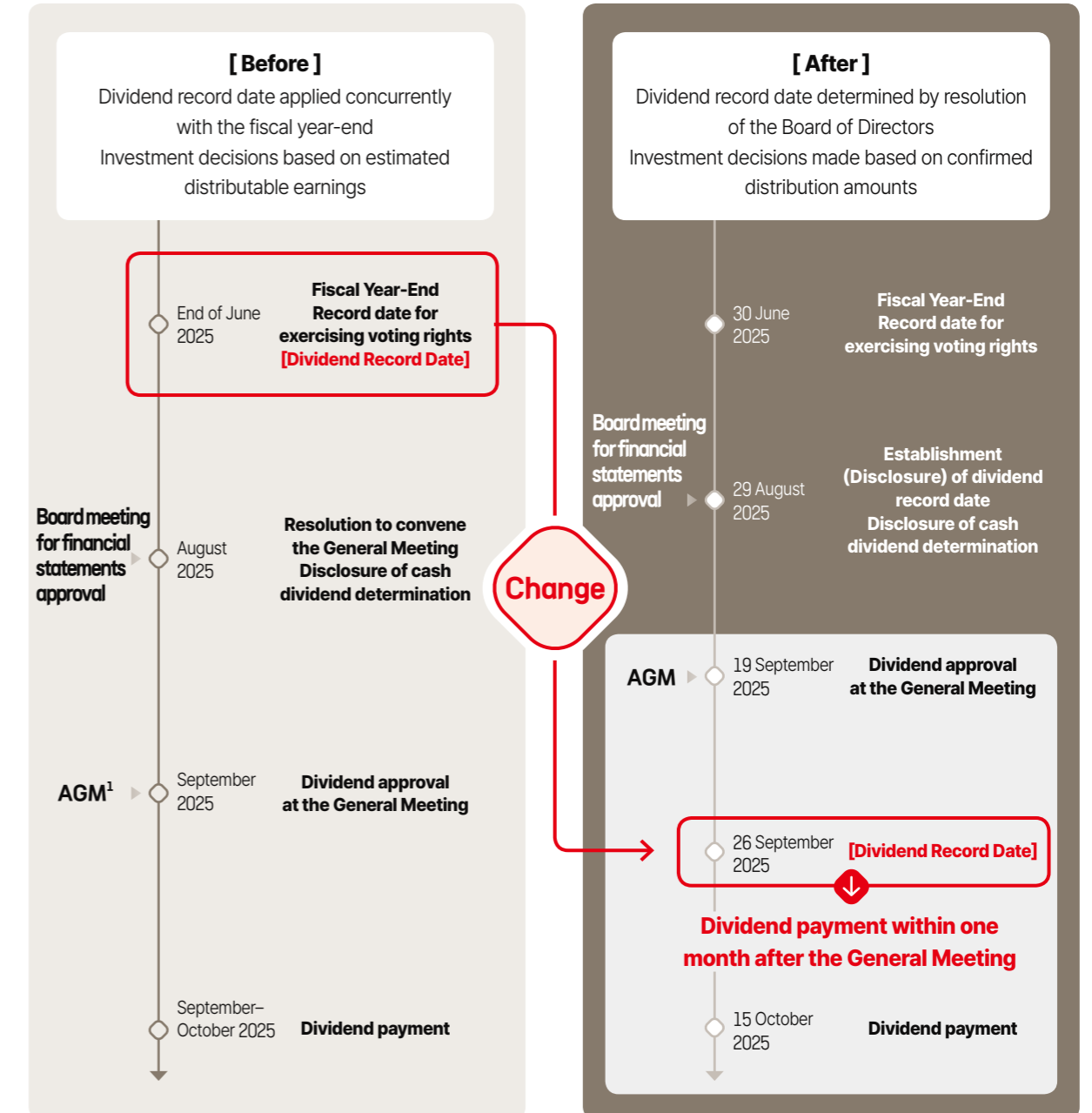
Replacement of flooring, wall and ceiling finishes, and mailboxes, and installation of automatic doors, air curtains, EHP systems, and LED lighting panels



Strengthening Shareholder Return Policies

- At the Annual General Meeting held on March 20, 2025, the Company approved the adoption of a shareholder-friendly distribution policy that separates the dividend record date from the fiscal year-end.
- This enabled investor to make investment decisions based on confirmed distribution amounts, ultimately strengthening the investor base

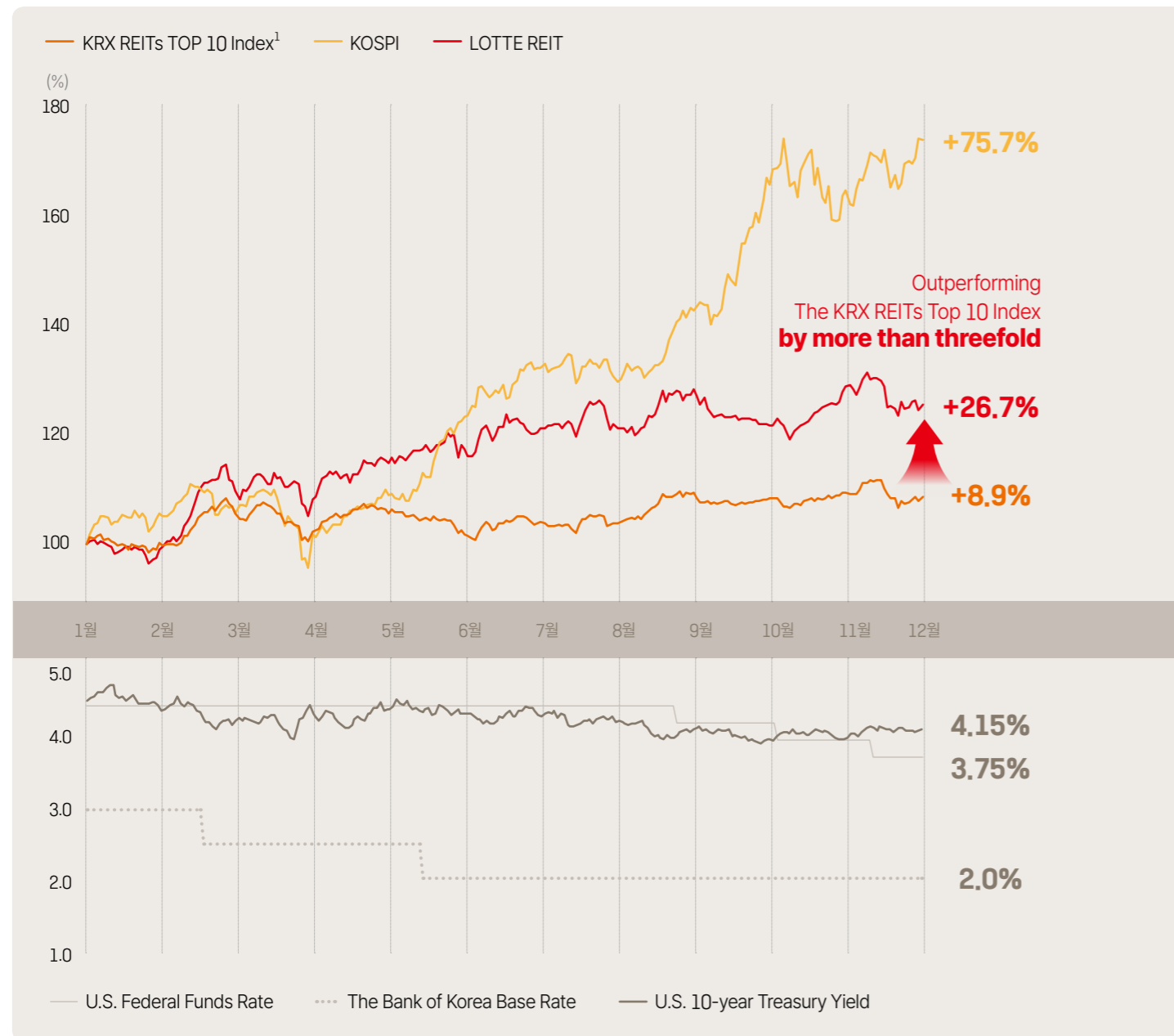
13th FY (1H 2025) Closing Schedule (Example)



1) Annual General Meeting

Market and Stock Information

Listed REITs in Korea and Global Interest Rate Trends (2025)



1) The KRX REITs Top 10 Index represents a weighted index based on the floating market capitalization of the top 10 REITs listed in the Korean securities market, including LOTTE REIT.

Market Review

In the first half of 2025, the Korean equity market experienced a theme-driven rally, including semiconductors, shipbuilding, and robotics. Large-cap stocks within these industries led gains in the KOSPI Index. In particular, the semiconductor sector, anchored by Samsung Electronics and SK Hynix, drove index gains on the back of expanding demand for AI and HBM, and delivering strong performance. Amid this upward momentum in the domestic equity market, listed Korean REITs also rebounded, posting modest gains during the first half of the year.

In the second half of 2025, investor attention shifted toward high-dividend bank and financial stocks, supported

by expectations of domestic interest rate cuts and anticipated improvements in dividend income taxation. As a result, relative investor interest in REITs moderated, and share price appreciation in the REIT sector remained somewhat more limited compared to banks and financials. Nevertheless, REITs maintained a gradual upward trajectory during the second half, supported by improving expectations for the interest rate environment. In addition, with further amendments to relevant legislation expected to be finalized in 2026, under which REITs are confirmed to be included in the scope of separate taxation benefits, the sector is poised to benefit from potential regulatory tailwinds.

Stock Price
(Unit: KRW)

High (12/05)
4,150

Low (02/03)
3,025

Year-end
3,960

LOTTE REIT: Outperformance Driven by Portfolio Diversification and Growth Expectations

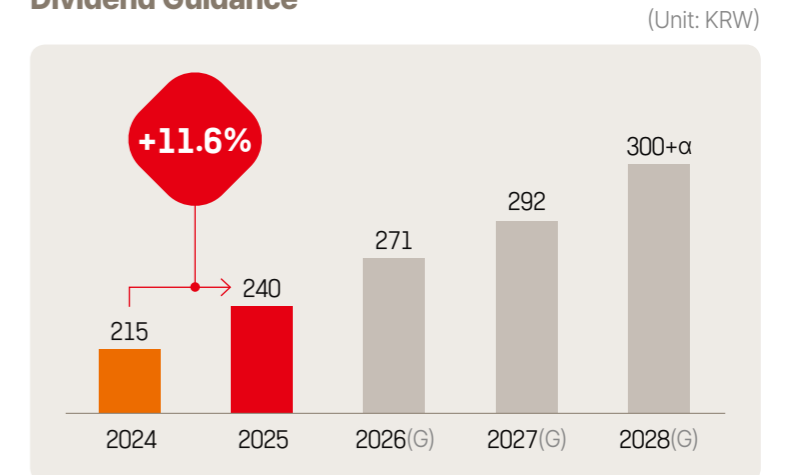
In the first half of 2025, LOTTE REIT's share price recovery was supported by a rebound from year-end 2024 declines and low-cost refinancing initiatives, which reinforced financial stability. In April, the Company proactively refinanced a KRW 311 billion secured loan originally maturing in October, achieving an interest rate reduction of approximately 62bps and further strengthening its debt structure. Against this backdrop, share price increased by more than 20% during the first half, reflecting a strong recovery. In the second half, the

Company announced its strategy to acquire LOTTE HOTEL L7 Hongdae at a REIT investor conference held in November, further buoying expectations for portfolio expansion. As a result, while the Top 10 listed REIT index in Korea rose by 8.9% in 2025, LOTTE REIT's share price increased by 26.9%, outperforming the index by more than threefold. This is a testament to the progressive incorporation of strengthened financial stability through early refinancing and heightened expectations for portfolio expansion into the Company's share price.

Dividend Status

LOTTE REIT aims to minimize exposure to market volatility and deliver stable distributions by continuously expanding its portfolio with high-quality domestic assets and maintaining a well-diversified asset composition. The Company strives to operate and manage its assets efficiently and actively pursues low-cost refinancing in line with the declining interest rate environment. Above all, strict adherence to the distribution guidance communicated to shareholders remains the Company's utmost priority.

Dividend Guidance



Global Index

Since our listing in 2019, LOTTE REIT has been included in various global REIT/real estate indices. LOTTE REIT became the second publicly-listed REIT in Korea to be included in the FTSE EPRA Nareit Global index, FTSE EPRA Nareit

| Ticker | Index |
|----------|---|
| 3ESGMX21 | MSCI ESG Universe: High Yield & EM Corporate Ratings |
| 3ESGMX46 | MSCI ESG Universe: MSCI Corporate Fixed Income: All |
| 3ESGMX49 | MSCI ESG Universe: ESG Ratings Global Equities |
| BESGPRO | Bloomberg ESG Data Index |
| EDEXGR | STOXX Emerging Markets Total Market Gross Return EUR |
| ENAA | FTSE EPRA Nareit Asia ex Japan |
| ENAD | FTSE EPRA Nareit Developed Asia Dividend+ |
| ENGD | FTSE EPRA Nareit Developed Dividend+ |
| ENGLUHTR | FTSE EPRA Nareit Developed 100% Hedged to USD Total Return Index |
| ENHP | FTSE EPRA Nareit Asia Pacific Index |
| ENXG | FTSE EPRA Nareit Global REITs TR Index |
| ERGL | FTSE EPRA Nareit Developed REITS |
| FENGRE | FTSE EPRA Nareit Developed Green Index |
| IDGPEPUP | S&P Emerging Plus BMI (US Dollar) |
| KOSPI | Korea Stock Exchange KOSPI Index |
| KOSPMMKC | KOSPI Mid Cap Index |
| MEMMKRWG | Morningstar Emerging Markets GR KRW |
| MREIGRGP | Morningstar Global Markets REIT NR GBP |
| MSGATMEU | Morningstar Global All Cap Target Market Exposure Screened Select |
| MXCBLRR | MSCI EMERGING MARKETS IMI ex TOBACCO AUD STRD |
| RNGLCTR | FTSE EPRA Nareit Developed Index Net TRI |
| RRAHUTR | FTSE EPRA Nareit Developed Rental Index UnHedged in AUD Net |
| RUGA | EPRA NAREIT Asia Total Return Index USD |
| SAXU | S&P Asia Pac Ex-ANZ BMI |
| SBBCSKU | S&P SOUTH KOREA BMI Index |
| SBBMAJU | S&P Asia Pac Ex Japan BMI Index |
| SBBMEPU | S&P EPAC BMI (US Dollar) |
| SBBMGLU | S&P Global BMI (US Dollar) |
| SBBMGUU | S&P Global Ex-U.S. BMI (US Dollar) |
| SBBMWDU | S&P Developed BMI (US Dollar) |
| SBERAPU | S&P Asia Pacific SmallCap (US Dollar) |
| SBEREPU | S&P EPAC SmallCap (US Dollar) |
| SBERGLU | S&P Global SmallCap (US Dollar) |
| SBERGUU | S&P Global Ex-U.S. SmallCap (US Dollar) |
| SBERPAU | S&P Pan Asia SmallCap (US Dollar) |

* As of the end of Dec. 2025

Developed Asia index, which are leading global benchmark REIT indices. The inflow of passive funds resulting from this achievement will help attract foreign investors, increase our stock price, and mitigate future volatility.

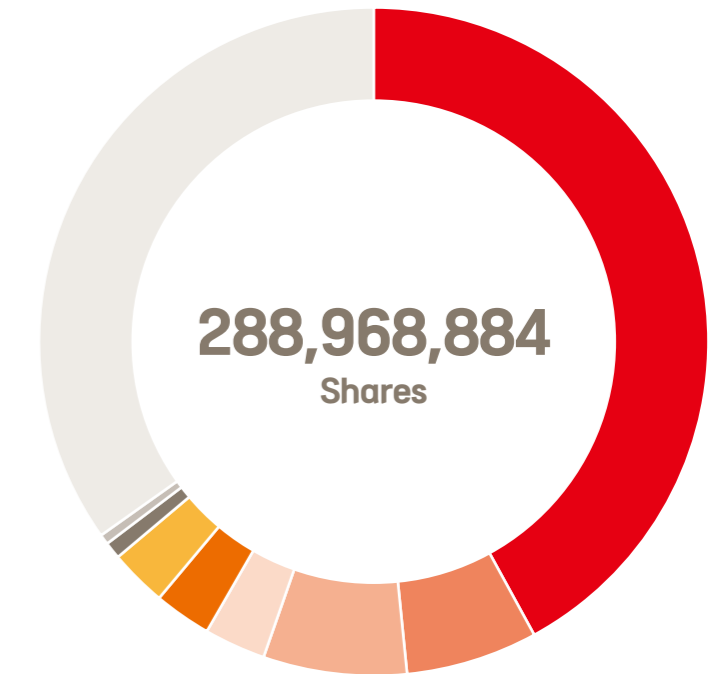
| Ticker | Index |
|----------|--|
| SBERWDU | S&P Developed SmallCap (US Dollar) |
| SBPRWUU | S&P Developed Ex U.S. MidSmallCap USD Index |
| SBVBREPU | S&P EPAC BMI Value \$ |
| SBVRWUU | S&P Dev xUS BMI Value |
| SCRT2BWU | S&P Developed Ex-U.S. Under USD2 Billion (US Dollar) |
| SCRTAP | S&P Asia Pacific BMI (US Dollar) |
| SCRTWU | S&P Developed Ex-U.S. BMI (US Dollar) |
| SCRU2BGU | S&P Global ex US<USD2Bil |
| SDLR6N | S&P Developed REIT Retail - NET TOTAL RETURN Index |
| SEMIASPD | S&P/IFC Investable Asia Price Index in US Dollar |
| SEMICMPD | S&P/IFC Investable Composite - Malaysia Price Index in US Dollar |
| SEMICPPD | S&P/IFC Investable Composite Price in USD Index |
| SEMIKOPD | S&P/IFC Invest KO PD |
| SEMIKOPL | S&P/IFC Investable Korea Price Index in Local Currency |
| SGU23B | S&P Global BMI Real Estate Index |
| SGYU1 | S&P Global Mid Small Cap Index |
| SGYUR | S&P Global Ex Japan REIT (US Dollar) Index |
| SPAU | S&P Pan Asia BMI (US Dollar) |
| SPAXANJP | S&P Pan Asia ex Japan Australia New Zealand BMI USD |
| SPAXJRUP | S&P Pan Asia Ex-Japan, AU, NZ REIT (US Dollar) |
| SPBMGPPU | S&P Global Property USD Index |
| SPBMGUU | S&P Global Ex U.S. Property U.S. Dollar Index |
| SPBMRWPP | S&P Dev xAP Prop USD |
| SPBMWDU | S&P Developed Property Index |
| SPBMWUU | S&P Dev X-USA USD Index |
| SPCMWEHN | S&P Developed SmallCap EUR Hedged NTR |
| SPDSCEN | S&P Developed SmallCap (EUR) NTR |
| SPEP2UP | S&P EPAC Under USD2 Billion (US Dollar) |
| SPKLVKP | S&P Korea Low Volatility KRW Index |
| SPPARPU | S&P Pan Asia REIT U.S. Dollar Index |
| SREIAPU | S&P Asia Pacific REIT USD Index |
| SREIT | S&P Developed REIT Index |
| SREITGL | S&P Global REIT USD Index |
| SVGEUP | S&P Global BMI Value USD Index |



Ownership Structure

LOTTE Shopping holds approximately 42.0% (121,484,442 shares) of the total issued shares, while LOTTE Property&Development holds approximately 6.4% (18,400,000 shares).

Not only major domestic institutional investors but also global asset management firms such as BlackRock and Vanguard have been continuously investing in LOTTE REIT through various funds.



| Shareholder | No. of Shares | Equity (%) |
|---|--------------------|------------|
| LOTTE Shopping | 121,484,442 | 42.04 |
| LOTTE PROPERTY & DEVELOPMENT | 18,400,000 | 6.37 |
| Shinhan Bank (Mirae Asset TIGER Real Estate Infrastructure High Dividend Balanced Asset ETF (Fund of Funds)) | 20,017,874 | 6.93 |
| Woori Bank (National Pension Service - Proprietary) | 8,571,781 | 2.97 |
| Shinhan Bank (IGIS Asset Management) | 8,015,648 | 2.77 |
| Citibank Korea (Samsung Asset Management - KODEX Korea Real Estate REITs Infrastructure ETF) | 8,010,560 | 2.77 |
| ISHARES CORE MSCI EMERGING MARKETS ETF (BLACKROCK) | 2,366,777 | 0.82 |
| VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 1,419,466 | 0.49 |
| Others | 100,682,336 | 34.84 |
| Total | 288,968,884 | 100 |

* As of the end of Dec. 2025

STRATEGIC REPORT

Building the future
of investment

LOTTE REIT will maintain a rate of return through strategic financing market conditions. Furthermore, we will pursue both quantitative and qualitative growth by investing actively in blue-chip assets within and outside of LOTTE Group.



38p _ Investment Structure

39p _ Operational Review

43p _ Financial Review

45p _ Financial Strategy

47p _ Growth Strategy

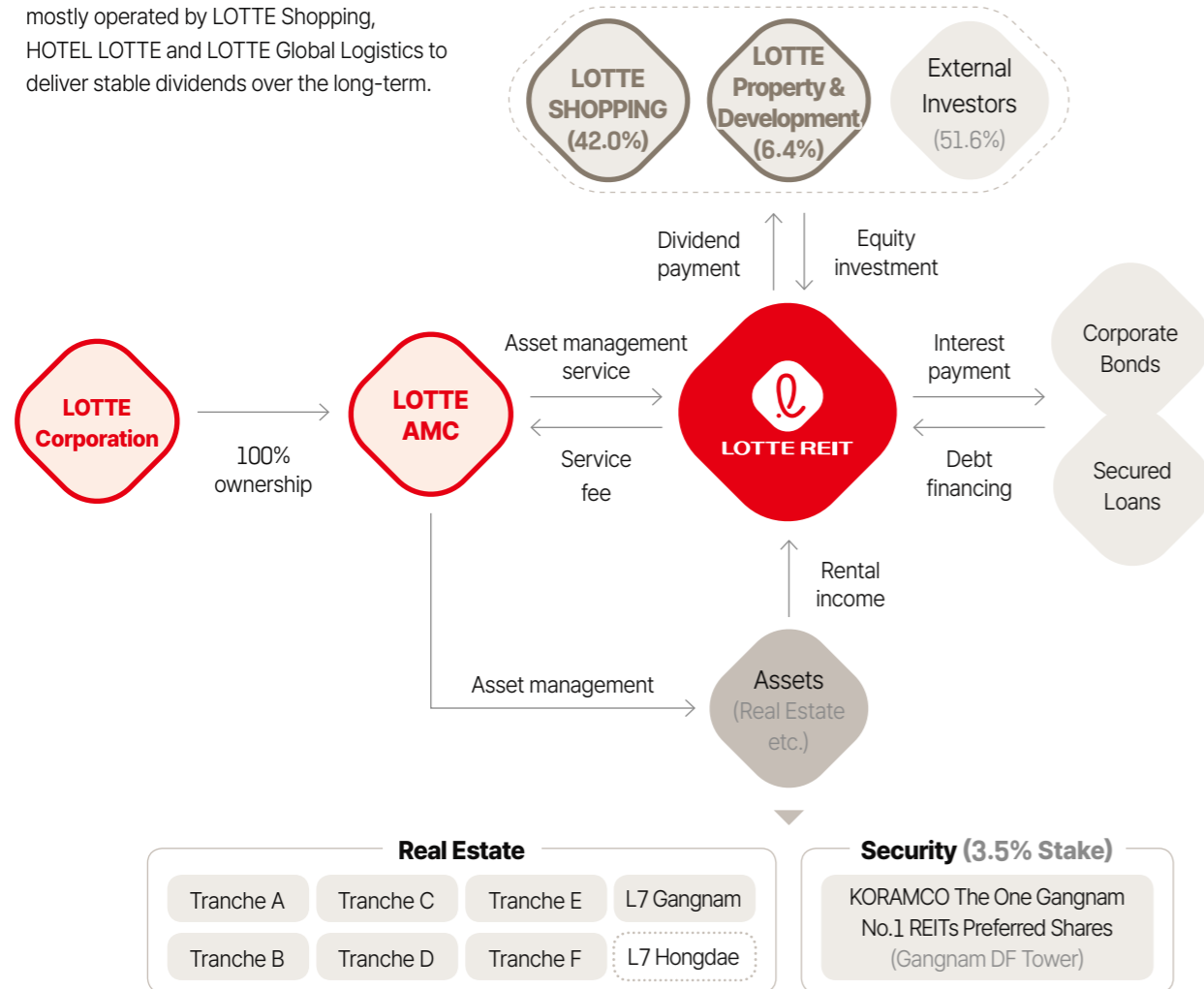
52p _ Portfolio Details

60p _ ESG Management

Investment Structure

Business and Ownership Structure

With LOTTE Shopping owning 42.0% of the equity as the largest shareholder and LOTTE Property&Development owning 6.4%, LOTTE REIT collects rents from the assets mostly operated by LOTTE Shopping, HOTEL LOTTE and LOTTE Global Logistics to deliver stable dividends over the long-term.



* LOTTE HOTEL L7 Hongdae is scheduled for inclusion in January 2026



Operational Review

LOTTE REIT was listed on the KOSPI market in October 2019, backed by eight retail assets valued at KRW 1.5 trillion. Since then, it has expanded its portfolio by acquiring seven additional assets in 2021 and further enhancing its portfolio in 2024 with the inclusion of L7 Hotel Gangnam Tower. As of December 2025, LOTTE REIT holds 16 assets with an AUM of KRW 2.6 trillion, solidifying its position as Korea's leading REIT.




Blue chip master tenants and stable rental income

LOTTE REIT continues to expand the proportion of non-retail assets within its portfolio to respond more flexibly to market volatility. With the planned acquisition of LOTTE HOTEL L7 Hongdae in January 2026, the Company expects total AUM to increase to approximately KRW 2.9 trillion, while the share of non-retail assets is projected to increase from 16.4% to 24.0%.

In 2025, LOTTE REIT's portfolio comprises department stores and hypermarkets (Tranches A–E) under a Master Lease agreement with LOTTE Shopping, the largest shareholder and a blue-chip tenant, logistics centers (Tranche F) under a Master Lease agreement with LOTTE Global Logistics, L7 Hotel Gangnam Tower, under

a long-term lease agreement with HOTEL LOTTE, and preferred shares in DF Tower (Gangnam) which generate stable dividend income through equity investment.

LOTTE Shopping's retail assets and LOTTE Global Logistics' logistics centers operate with zero vacancy risk, ensuring stable occupancy across all the properties. Furthermore, long-term lease agreements, Triple-Net lease structures, and annual rent escalations generate a robust stream of rental income. In order to mitigate risks from simultaneous lease expirations, LOTTE REIT has a strategic asset management framework that categorizes properties into six tranches (Tr. A – Tr. F) based on asset size and lease contract terms to ensure stable operations.

| | Main Business Areas | Credit Rating | Revenue |
|---|---|---|--|
|  | Department stores, discount stores, electronics specialty stores, etc. | AA- (2025, rated by Korea Ratings, Korea Investors Service, and NICE Investors Service) | KRW 19.6 trillion (As of 2025) |
|  | Development and operation of high-rise buildings and mixed-use shopping malls, Real estate asset management | AA- (2025 NICE Investors Service) A+ (2025, Korea Ratings & Korea Investors Service) | KRW 351.6 billion (As of 2025.3Q) |
|  | Hotel Business | AA- (2025, rated by Korea Ratings, Korea Investors Service, and NICE Investors Service) | KRW 3.4 trillion (As of 2025.3Q) |

*Triple-Net: A lease agreement on a property whereby the tenant pays all the expenses of the property, including taxes and public utility bills, insurance premiums, and repair and maintenance fees in addition to rent. The Triple-Net structure of the master lease agreements with LOTTE Shopping and LOTTE Global Logistics reduces management costs, which helps LOTTE REIT deliver a steady dividend yield.
Source: LOTTE Property&Development / HOTEL LOTTE – Financial results for full-year 2025 not disclosed as the company is privately held at the time of preparation of this report

| Tranche | Asset |
|-------------------------|---|
| Tranche A | LOTTE Department Store Changwon Branch LOTTE Mart Uiwang Branch, LOTTE Mart Jangyu Branch |
| Tranche B | LOTTE Department Store Guri Branch LOTTE Mart/Outlet (West) Cheongju Branch, Daegu Yulha Branch |
| Tranche C | LOTTE Department Store Gangnam Branch, Gwangju Branch |
| Tranche D | LOTTE Department Store Jungdong Branch, Ansan Branch LOTTE Mart Gyeyang Branch, Gyeonggi Yangpyeong Branch |
| Tranche E | LOTTE Premium Outlet Icheon Branch LOTTE Mart Chuncheon Branch |
| Tranche F | LOTTE Logistics Center Gimpo |
| L7 Gangnam | L7 Hotel Gangnam Tower |
| L7 Hongdae ¹ | LOTTE HOTEL L7 Hongdae |

Long-term Lease Agreements

- WALE 4.1 years
- Securing and stable rental income over the long-term



Triple-Net Lease Structure²

- Tenants pay all the expenses of the property, including taxes and public utility bills, insurance premiums, and repair and maintenance fees in addition to rent
- Reducing maintenance expenses as a lessor



Master Lease Agreement

- Blue-chip Tenants assume full lease responsibility throughout the lease term
- Zero vacancy rate, hedging against rental income reduction risks



Annual Rent Increase Structure

- Tranches A,B,C: 1.5% increase per year
- Tranches D,E: Annual increase based on previous year's CPI growth rate, plus variable rent (0.45% * of the previous year's revenue, 0.50% for Mart Gyeonggi Yangpyeong branch).
- Tranche F: Annual increase based on previous year's CPI growth rate
- L7 Gangnam: 5% increase every three years (Hotel, conditional)



1) LOTTE HOTEL L7 Hongdae is scheduled for inclusion in January 2026

2) Based on Tranches A-F



Operating Performance

(in million of KRW)

| Category | 2024 | 2025 | Change (%) |
|-----------------------|---------|---------|------------|
| Operating revenue | 125,637 | 140,834 | 12.1% |
| Operating expenses | 46,044 | 49,355 | 7.2% |
| Operating profit | 79,592 | 91,479 | 14.9% |
| Net income before tax | 16,455 | 36,174 | 119.8% |
| Income tax | - | - | - |
| Net income | 16,455 | 36,174 | 119.8% |

Despite global interest rate fluctuations, LOTTE REIT posted a steady stream of rental income thanks to blue-chip tenants and strong lease agreements.

91.5 billion, up 14.9% (net increase of approximately KRW 11.9 billion) year-on-year.

In 2025, LOTTE REIT posted an operating revenue of approximately KRW 140.8 billion, 12.1% increase (net increase of approximately KRW 15.2 billion) year-on-year, and generated an operating profit of approximately KRW

LOTTE REIT's net income reached KRW 36.2 billion, up 119.8% YoY (approx. KRW 19.7 billion increase). This was driven by increased revenue and reduced borrowing costs following the acquisition of L7 Hotel Gangnam Tower.

Dividends

(in million of KRW)

| Category | 2024 | 2025 | Change |
|----------------|--------------------|--------------------|----------|
| Dividends | 57,390 | 69,352 | 20.8% |
| Dividend yield | 7.06% ¹ | 6.06% ² | (1.00%p) |

1) FY2024 DPS KRW 215 ÷ 2024 Closing Price KRW 3,050

2) FY2025 DPS KRW 240 ÷ 2025 Closing Price KRW 3,960

Distributable income for 2025 amounted to approximately KRW 69.4 billion, representing an increase of KRW 12.0 billion compared to the previous year. However, due to the

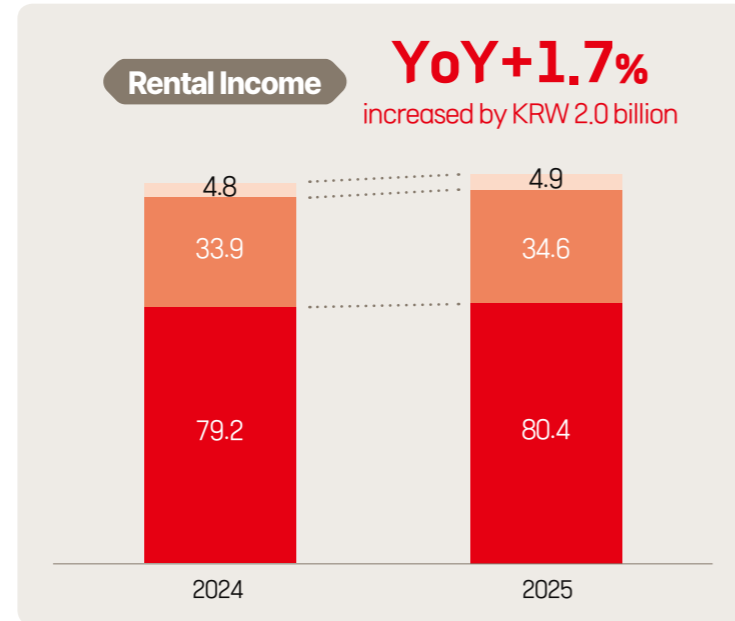
rise in the share price (2024 Y/E: KRW 3,050 → 2025 Y/E: KRW 3,960), the dividend yield declined by 1.00%p YoY to 6.06%.

Rental income

Rent by Contract Type

(in billion of KRW)

- Acquisitions at time of IPO
 YoY [fixed] ▲ 1.5%
- Acquisitions at the first rights issue
 YoY [variable] ▲ 2.1%
- Gimpo Logistics center
 YoY ▲ 2.6%



* Note: The figures below exclude security deposit income and are based on lease agreements with LOTTE Shopping and LOTTE Global Logistics (Income from DF Tower equity securities and L7 Hotel Gangnam Tower is not included).

The rent status by rent terms and conditions shows that fixed monthly rent for retail properties acquired at the time of IPO increased by 1.5%(KRW 1.2 billion net increase). Lease agreements on properties acquired at the first rights issue are hybrid formats applying a mix of fixed rent pegged to the preceding year's CPI and variable rent based on store sales.

Excluding the Gimpo Logistics Center, rental income from assets acquired through the first rights issue increased by approximately 2.1%(KRW 0.7 billion net increase). As a result, the total rental income for 2025 increased by approximately 1.7%(KRW 2.0 billion net increase), reaching approximately KRW 119.9 billion.

Rental and Dividend Income

(in million of KRW)

| Category | 2024 | | 2025 | | |
|-----------------|------------------------|-----------------------|--------------|-----------------------|--------------|
| | Amount | Composition Ratio (%) | Amount | Composition Ratio (%) | |
| Rental income | LOTTE Shopping | 113,152 | 93.1 | 115,041 | 87.7 |
| | LOTTE Global Logistics | 4,761 | 3.9 | 4,883 | 3.7 |
| | HOTEL LOTTE | 3,647 ¹⁾ | 3.0 | 11,233 | 8.6 |
| | TOTAL | 121,560 | 100.0 | 131,157 | 100.0 |
| Dividend Income | DF Tower | 214 | - | 426 | - |

* Note: The above rental income figures do not include income from lease deposits.

1) For HOTEL LOTTE rental income from September 30 to December 31 Rental income from the inclusion of L7 Hotel Gangnam Tower until the end of the year

LOTTE REIT maintains stable rental and dividend income through its Master Lease agreements with LOTTE Shopping and LOTTE Global Logistics (Tranches A-F), long-term lease agreements with HOTEL LOTTE (L7 Hotel

Gangnam Tower), and equity investments in DF Tower preferred shares. Reduced interest expenses thanks to successful low-interest refinancing in 2025 are expected to further increase dividend payouts in 2026.



Financial Review

Financial Summary

(in million of KRW)

| Category | 2024 | 2025 | Change (%) |
|---------------------------------------|------------------|------------------|---------------|
| Assets | | | |
| Current Assets | 40,918 | 58,449 | 42.84 |
| Non-Current Assets | 2,582,730 | 2,535,958 | (1.81) |
| Total Assets | 2,623,649 | 2,594,407 | (1.11) |
| Liabilities | | | |
| Current Liabilities | 470,628 | 621,337 | 32.02 |
| Non-Current Liabilities | 983,523 | 833,571 | (15.25) |
| Total Liabilities | 1,454,151 | 1,454,908 | 0.05 |
| Equity | | | |
| Share capital | 144,484 | 144,484 | - |
| Capital Surplus | 1,179,576 | 1,179,576 | - |
| Retained Earnings | (154,563) | (184,562) | 19.41 |
| Total Equity | 1,169,498 | 1,139,499 | (2.57) |
| Total Liabilities & Equity | 2,623,649 | 2,594,407 | (1.11) |

In 2025, total assets decreased by 1.11% YoY, total liabilities increased by 0.05% YoY, and total equity decreased by 2.57% YoY, and the debt-to-equity ratio at the end of 2025 was 127.7%, up 3.3%p YoY. In addition,

as of the end of December 2025, our LTV was kept stable at 49.9%(LTV based on fair market value 41.0%), which is superior to the average LTV of Korean REITs and funds.

2025 Refinancing

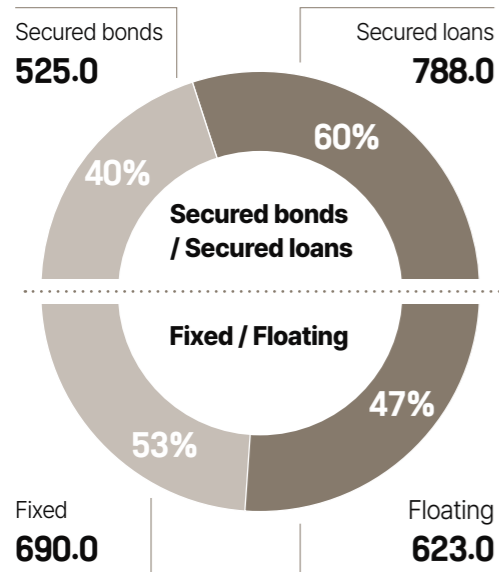
Leveraging its strong credit rating, LOTTE REIT successfully refinanced and secured new loans amounting to KRW 580.0 billion in 2025, accounting for 44.2% of its total borrowings, thereby creating a stable financing structure. (Borrowing cost declined from 4.14% at 2024 Y/E to 3.52% at 2025 Y/E)



In addition to refinancing KRW 10 billion in short-term bonds maturing in April 2025, the Company completed early refinancing a KRW 311 billion secured loan originally scheduled to mature in October 2025, stabilizing its borrowing costs.

Furthermore, the Company executed an early repayment of a KRW 130 billion secured loan maturing in January 2026, resulting in additional interest expense savings.

LOTTE REIT's Borrowing Structure



| Category | Amount | Interest rate | Maturity |
|------------------|--------------|-------------------|----------------|
| Secured bonds | 160 | 3.45% | August 2026 |
| | 80 | 2.89% | August 2026 |
| | 75 | 3.48% Fixed | October 2026 |
| | 50 | 3.10% | October 2026 |
| | 160 | 3.26% | April 2027 |
| Sub-Total | 525 | | |
| Secured loans | 75 | CD+1.00% Floating | March 2026 |
| | 165 | 3.75% Fixed | September 2026 |
| | 160 | CD+0.87% | April 2027 |
| | 258 | CD+1.00% Floating | September 2027 |
| | 130 | CD+0.95% | October 2028 |
| Sub-Total | 788 | | |
| Total | 1,313 | | |

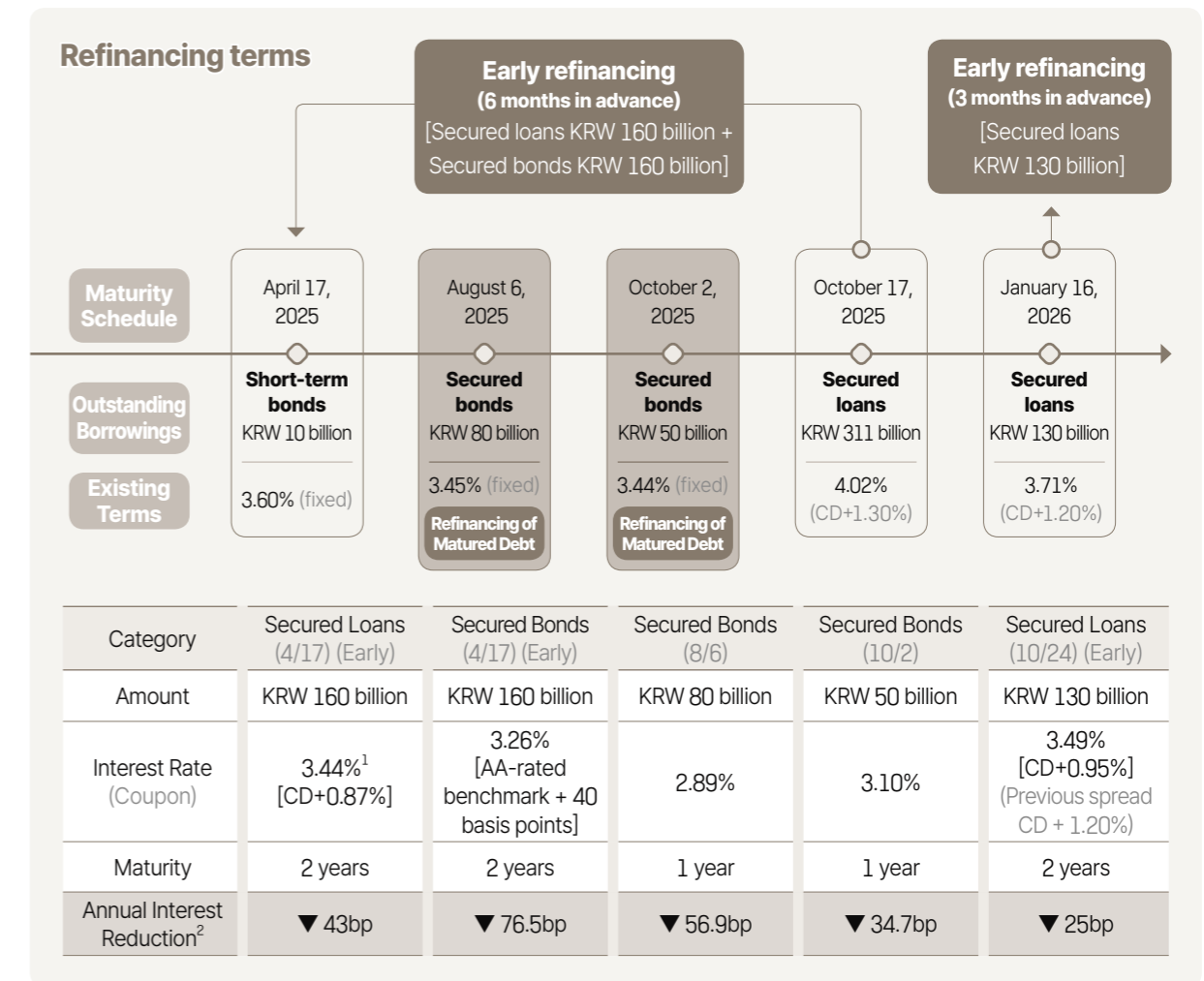
* As of the end of Dec. 2025

Financial Strategy

Low-Cost Refinancing

In 2025, LOTTE REIT focused on strengthening its interest rate competitiveness by leveraging its low LTV ratio and strong credit profile. In response to the prevailing downward rate environment and to mitigate uncertainty in the funding market, the Company proactively executed early refinancing transactions in April and October 2025,

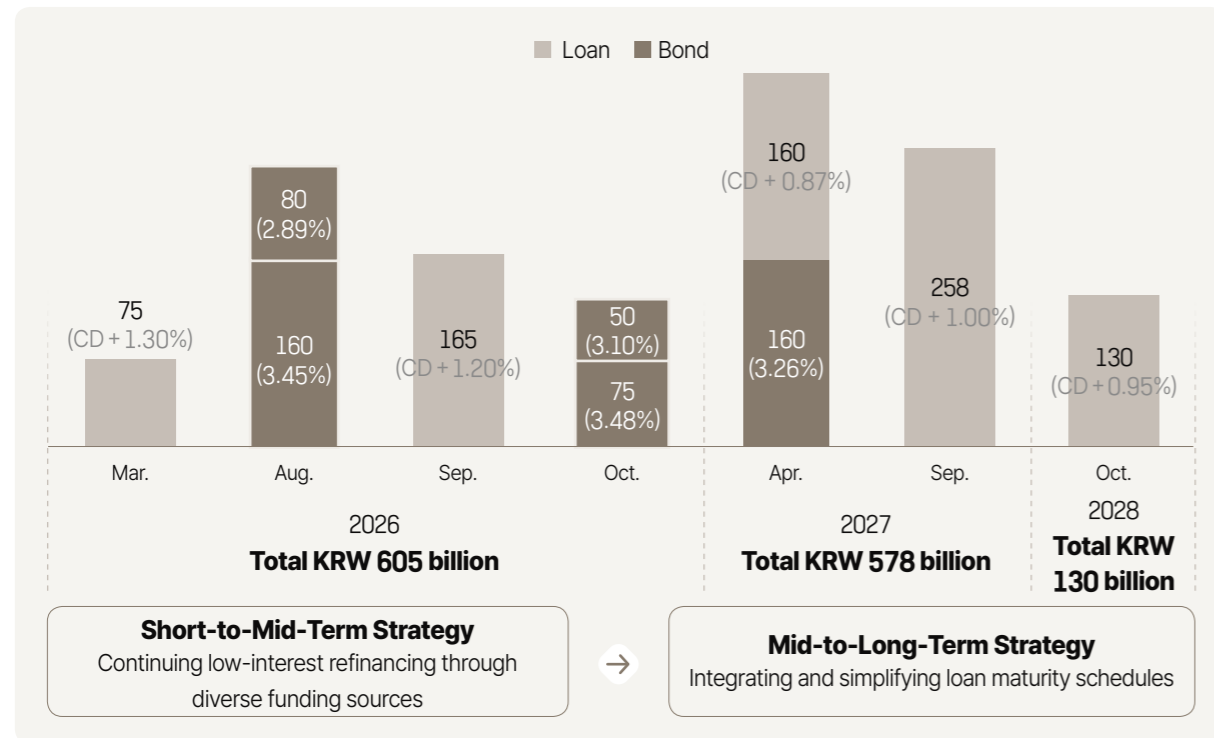
as well as scheduled refinancing in August and October 2025. All refinancing transactions were completed at lower interest rates, stabilizing the Company's weighted average borrowing cost at 3.52% (2024 Y/E: 4.14% → 2025 Y/E: 3.52%) and contributing to reducing overall interest expenses.



1) For floating-rate loans and bonds, the variable rate is calculated based on the 91-day CD rate as of the date immediately preceding rate determination
 2) For floating-rate instruments, interest rate reductions reflect changes in the applicable spread. In comparisons between floating-rate and fixed-rate instruments, the reduction represents the difference between the fixed rate and the floating rate determined at the time of issuance.

Mid-to-Long-Term Financing Strategy

Annual Loan Maturity Distribution (Total Borrowings: KRW 1,313 Billion) (in billion of KRW)



In 2025, LOTTE REIT successfully refinanced and secured new loans totaling KRW 580 billion, accounting for 44.2% of its total borrowings of KRW 1.313 trillion. In 2026, approximately KRW 605 billion, representing 46.0% of total borrowings, will mature.

LOTTE REIT diversified its funding sources, including secured loans and corporate bonds. LOTTE REIT aims to minimize interest expenses by strategically managing debt maturities while expanding its asset portfolio in the mid to long term, consolidating and streamlining the company's loan maturity schedule.

Securing competitive interest rates backed by high credit ratings

AA- Stable
(based on secured bonds)

A+ Stable
(based on unsecured bonds)

A2+
(based on short-term bonds)

As a mega REIT in Korea, LOTTE REIT has competitive interest rates thanks to our excellent credit ratings. We will leverage the merits of being a large-scale REIT and pursue

strategic financing methods, aligning decisions on financing size and methods such as bank loans or corporate bonds with market interest rates and economic conditions.

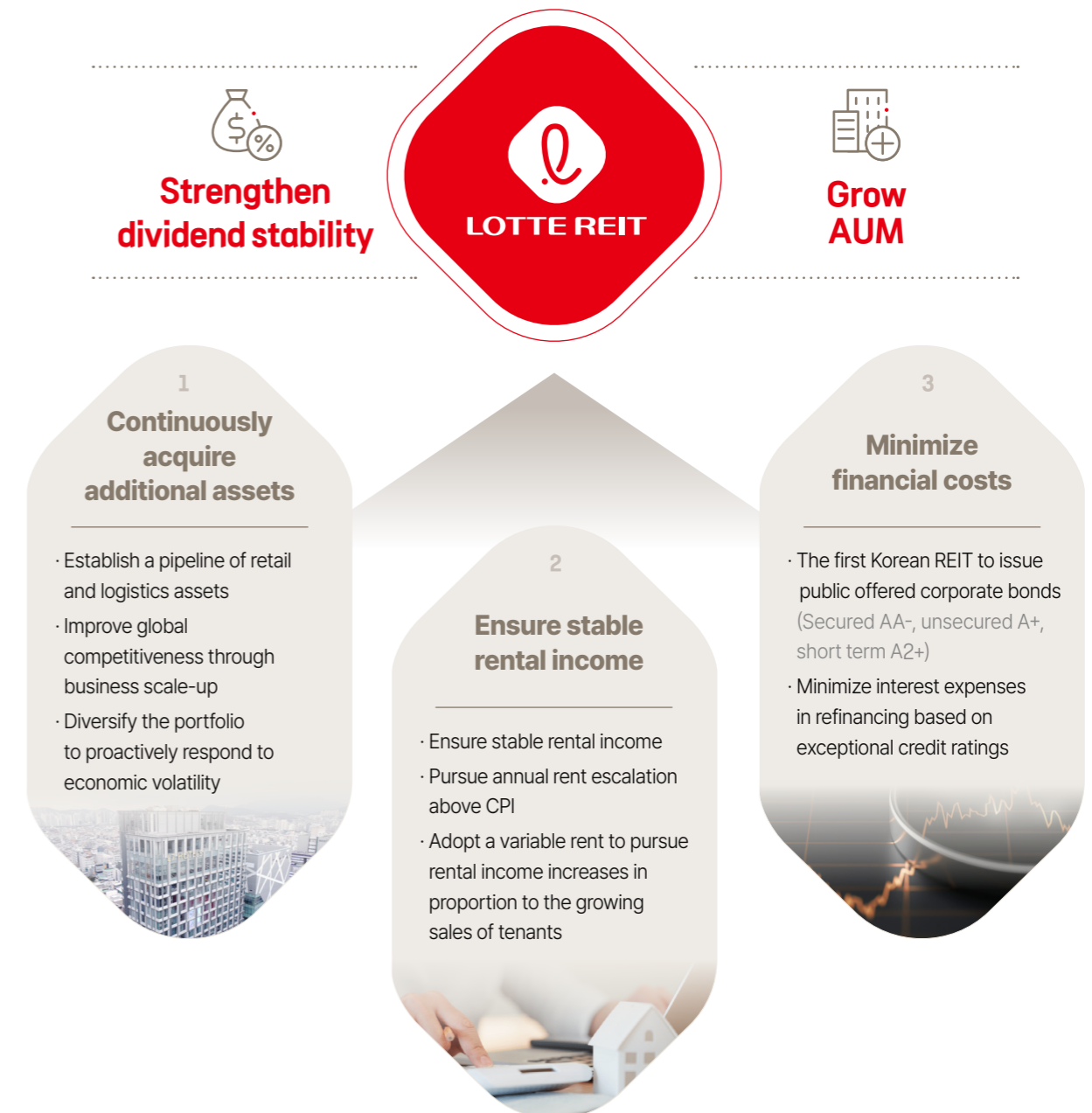


Growth Strategy

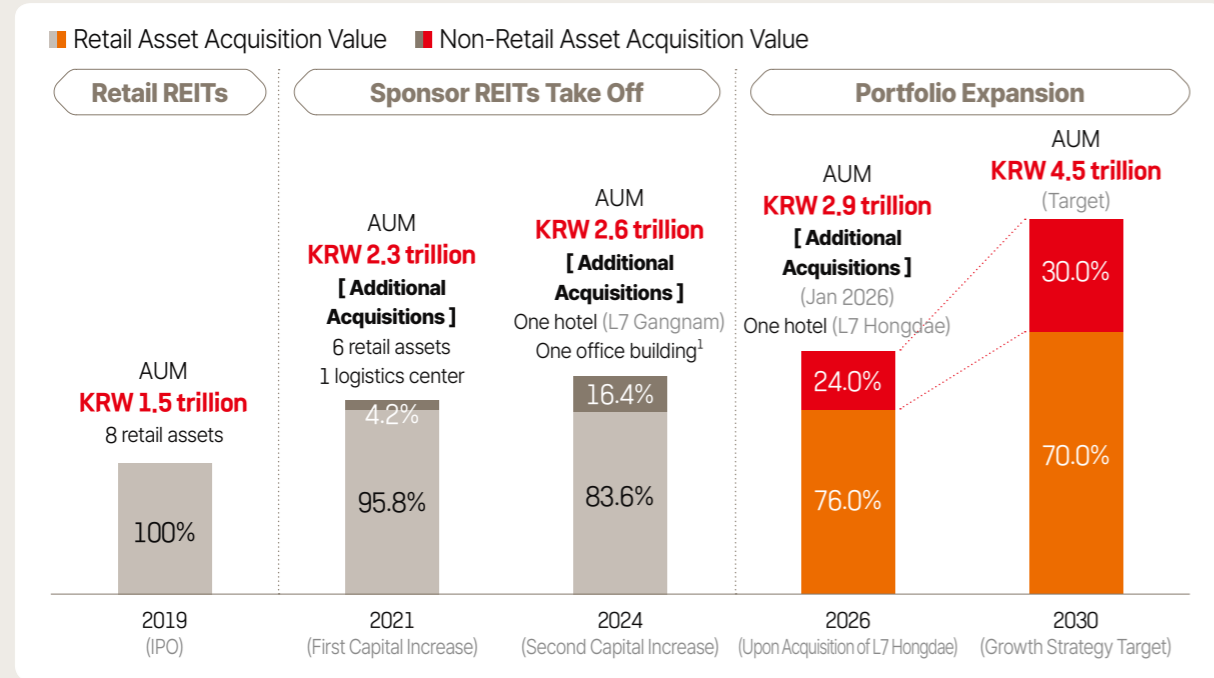
LOTTE REIT signed ROFO (Right of First Offer) agreements on retail assets and logistics centers with LOTTE Shopping and LOTTE Global Logistics to secure long-term growth momentum. We also aim to proactively look into investing in blue-chip assets outside LOTTE Group with strong growth potential and stable businesses so that we can achieve both qualitative and quantitative growth and further strengthen our portfolio.

Vision

LOTTE REIT will steadily continue to acquire additional assets leveraging our excellent credit rating to bolster our global competitiveness and enhance company value and shareholder value.



Growth Roadmap



Expansion of Non-Retail Investments

Portfolio Diversification

Investments in retail, offices, hotels, and logistics centers, with a mid-to-long-term goal of increasing the share of non-retail assets to 30% and enhancing portfolio diversification

Strengthening the Group's Asset Pipeline

Acquiring and developing prime assets within the LOTTE Group

Expanding the investment pipeline by deepening collaboration with LOTTE Shopping and LOTTE Global Logistics, while also strengthening partnerships with HOTEL LOTTE and LOTTE Property&Development

Investing in external assets located in prime areas

Boosting asset management flexibility

Prioritizing acquisitions in Seoul's three major office districts and other prime metropolitan assets with strong appreciation potential

Exploring high-cap.rate opportunities in major regional cities to complement the portfolio and optimize returns

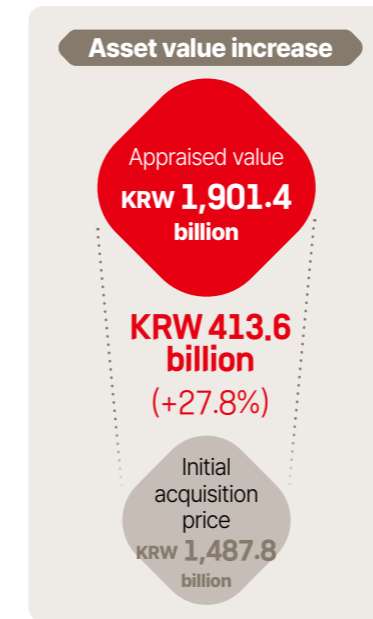
Target Assets for Additional Acquisition

| Hotels | Logistics Centers | Development Projects | Other Asset Classes |
|---|--|---|--|
| Market-preferred assets supported by the continued strength of the domestic hospitality sector, offering stable income generation and potential upside through operational performance enhancement. | Securing opportunities to preemptively acquire undervalued prime assets in a tenant-favorable market amid oversupply concerns. Asset with high quality tenant supporting stable operating income. | Pursuing development opportunities through project REIT structures (including sub-REIT vehicles) ① Redevelopment or remodeling of existing assets ② Acquisition of completed (or near-completion) development assets ③ Investment in development projects with strong economic feasibility | Selective acquisition of market-preferred, high-quality assets within and outside the Group, including residences, senior housing, and data centers. |

1) Indirect investment in office preferred shares

Total value of assets acquired increased by 21.1% (KRW 574.0 billion)

Assets acquired at the time of IPO increased 27.8% in value

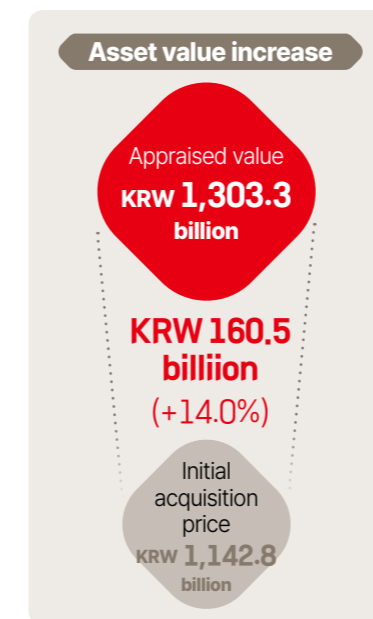


(in billion of KRW)

| Category | Initial acquisition price | Appraisal value of collateral | Spread | Growth rate (%) |
|--|---------------------------|-------------------------------|--------------|-----------------|
| LOTTE Department Store Gangnam Branch | 424.9 | 610.0 | 185.1 | 43.6 |
| LOTTE Department Store Guri Branch | 177.3 | 224.5 | 47.2 | 26.6 |
| Department Store Gwangju Branch | 134.4 | 155.7 | 21.3 | 15.9 |
| LOTTE Department Store Changwon Branch | 246.8 | 286.8 | 40.0 | 16.2 |
| LOTTE Outlet/Mart Yulha Branch | 170.2 | 206.5 | 36.3 | 21.3 |
| LOTTE Outlet/Mart Cheongju Branch | 139.2 | 169.5 | 30.3 | 21.8 |
| LOTTE Mart Uiwang Branch | 137.6 | 178.5 | 40.9 | 29.7 |
| LOTTE Mart Jangyu Branch | 57.5 | 69.9 | 12.4 | 21.6 |
| Total | 1,487.8 | 1,901.4 | 413.6 | 27.8 |

* Asset revaluation is based on collateral appraisal and is not reflected in book value

Assets acquired post-IPO increased 14.0% in value

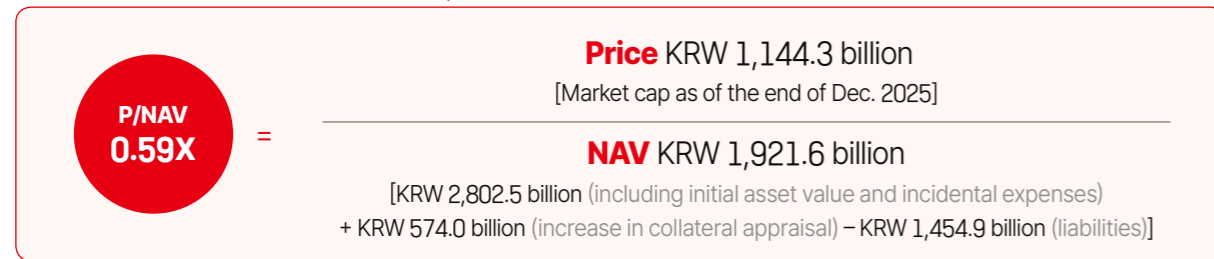
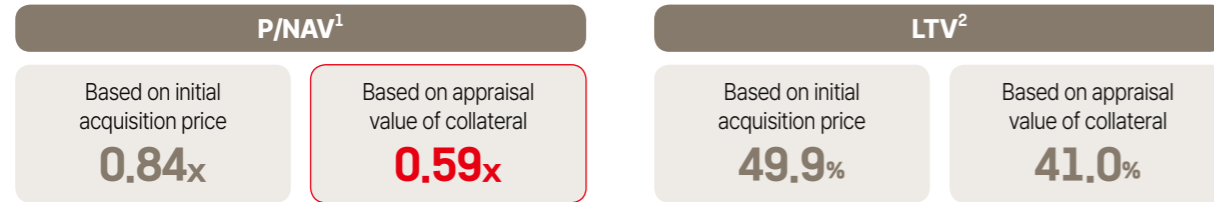


(in billion of KRW)

| Category | Initial acquisition price | Appraisal value of collateral | Spread | Growth rate (%) |
|--|---------------------------|-------------------------------|--------------|-----------------|
| LOTTE Mart Gyeonggi Yangpyeong Branch | 34.6 | 35.0 | 0.4 | 1.2 |
| LOTTE Department Store Ansan Branch | 98.6 | 136.6 | 38.0 | 38.5 |
| LOTTE Department Store Jungdong Branch | 171.7 | 200.0 | 28.3 | 16.5 |
| LOTTE Mart Gyeyang Branch | 76.1 | 105.0 | 28.9 | 38.0 |
| LOTTE Mart Chuncheon Branch | 61.0 | 66.4 | 5.4 | 8.9 |
| LOTTE Premium Outlet Icheon Branch | 275.3 | 328.7 | 53.4 | 19.4 |
| LOTTE Mart Mall Gimpo Logistics Center | 95.5 | 101.6 | 6.1 | 6.4 |
| L7 Hotel Gangnam Tower | 330.0 | 330.0 | - | - |
| Total | 1,142.8 | 1,303.3 | 160.5 | 14.0 |

* Asset revaluation is based on collateral appraisal and is not reflected in book value

Greater upside potential for stock price driven by asset value appreciation



* Asset revaluation based on the collateral appraisal value (collateral appraisal dates): LOTTE Department Store Gangnam June 2024, Gwangju/Yulha September 2022, Changwon/Uiwang/Jangyu March 2025, Guri/Cheongju September 2025, Jungdong February 2024, Gyeonggi Yangpyeong/Gyeyang/Gimpo Logistics August 2024, Icheon September 2024, L7 Hotel Gangnam Tower has been reflected with an acquisition price of KRW 330 billion)

- 1) P/NAV: Asset/Net Asset Value, NAV: Net Asset Value
 $P/NAV\ 0.84x = \text{KRW } 1,144.3 \text{ billion [market cap as of the end of Dec. 2025]} \div (\text{KRW } 2,802.5 \text{ billion [initial asset value and incidental expenses]} - \text{KRW } 1,454.9 \text{ billion [liabilities as of the end of Dec. 2025]})$
 $P/NAV\ 0.59x = \text{KRW } 1,144.3 \text{ billion [market cap as of the end of Dec. 2025]} \div (\text{KRW } 2,802.5 \text{ billion [initial asset value and incidental expenses]} + \text{KRW } 574.0 \text{ billion [increase in collateral appraisal]} - \text{KRW } 1,454.9 \text{ billion [liabilities as of the end of Dec. 2025]})$
- 2) LTV 49.9% = Based on initial purchase price, the secured debt KRW 1,313.0 billion ÷ initial purchase price KRW 2,630.6 billion
 LTV 41.0% = Based on the collateral appraisal value, secured debt KRW 1,313.0 billion ÷ collateral appraisal value KRW 3,204.7 billion

LOTTE REIT's key assets, including department stores, premium outlets, hypermarkets, and hotels, are strategically located in Seoul, the metropolitan area, and major regional cities, contributing to continuous asset value appreciation.

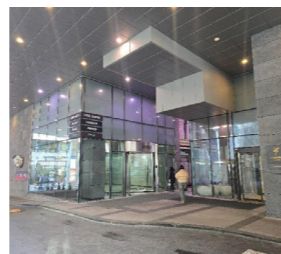
1,921.6 billion with a market cap of KRW 1,144.3 billion (as of December 30, 2025), which comes down to a P/NAV of 0.59x and and LTV ratio of 41.0%.

From 2022 to 2025, the company conducted asset revaluations as part of its refinancing strategy. The value of the eight IPO-acquired assets, including LOTTE Department Store Gangnam, increased by 27.8% (KRW 413.6 billion), reaching a total of KRW 1,901.4 billion. The value of assets acquired post-IPO rose by 14.0% (KRW 160.5 billion), reaching KRW 1,303.3 billion. Based on appraisal results, LOTTE REIT's NAV is KRW

P/NAV based on the collateral appraisal value of properties acquired through IPO and rights issue decreased compared to the initial acquisition price due to asset value growth, which has boosted investment attractiveness of LOTTE REIT. In addition, LOTTE REIT will enjoy favorable financing conditions as the LTV resulting from the revaluation - among the industry's lowest figures - provides more room to borrow for future refinancing and additional acquisitions.

Enhancing Profitability Through Value-Add Strategies

LOTTE REIT will continue to drive asset value appreciation through proactive capital recycling initiatives. By executing targeted value-add strategies, such as environmental enhancements and improvements across its existing portfolio, the Company aims to strengthen lease terms and generate higher rental income. Over the mid- to long term, the Company will assess redevelopment opportunities for assets and pursue change-of-use initiatives where appropriate. Through such asset enhancement initiatives and strategic dispositions, LOTTE REIT seeks to maximize shareholder value.

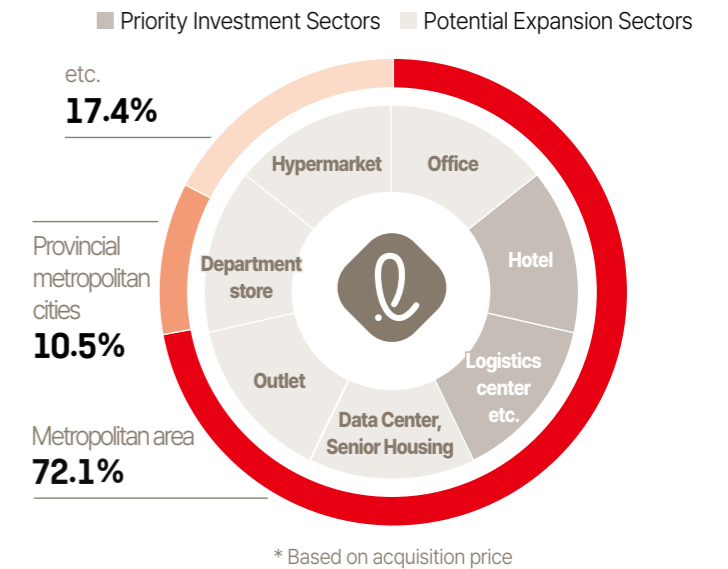


Risk diversification through portfolio diversification

We acquired not only retail properties, but also logistics centers, offices, hotels and a wide range of other properties while concentrating on our asset portfolio in the metropolitan area to diversify risk and enhance company value and shareholder value.

LOTTE REIT initially launching with eight properties acquired through 2019 IPO (worth approx. KRW 1.5 trillion). Seven additional properties through rights issue (worth approx. KRW 800 billion) including LOTTE Mart Mall and Gimpo Logistics Center in 2021. Furthermore, in 2024, LOTTE REIT continued its expansion by acquiring L7 Hotel Gangnam Tower through another rights issue, bringing the total investment asset size to KRW 2.6 trillion. This growth delivered strong top line growth as a large scale, blue-chip REIT with a strengthened portfolio. In addition, the planned acquisition of LOTTE HOTEL L7 Hongdae in January 2026 is expected to further advance portfolio diversification and risk dispersion. Upon completion, total investment assets are projected to expand to approximately KRW 2.9 trillion, solidifying LOTTE REIT's standing as one of Korea's top tier large-scale listed REITs.

Metropolitan-centered Portfolio

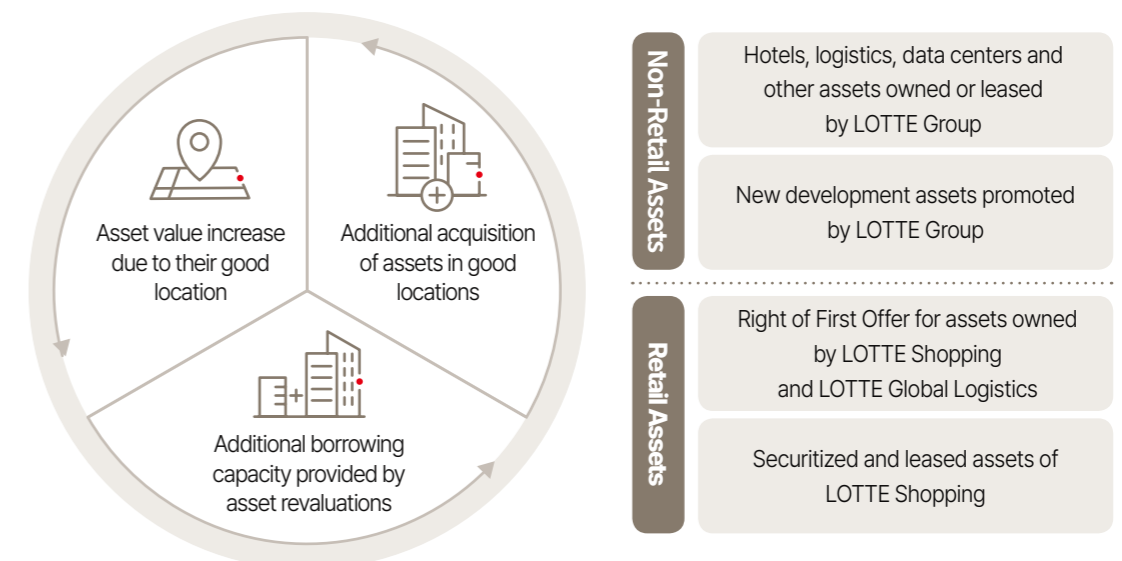


Building long-term growth momentum

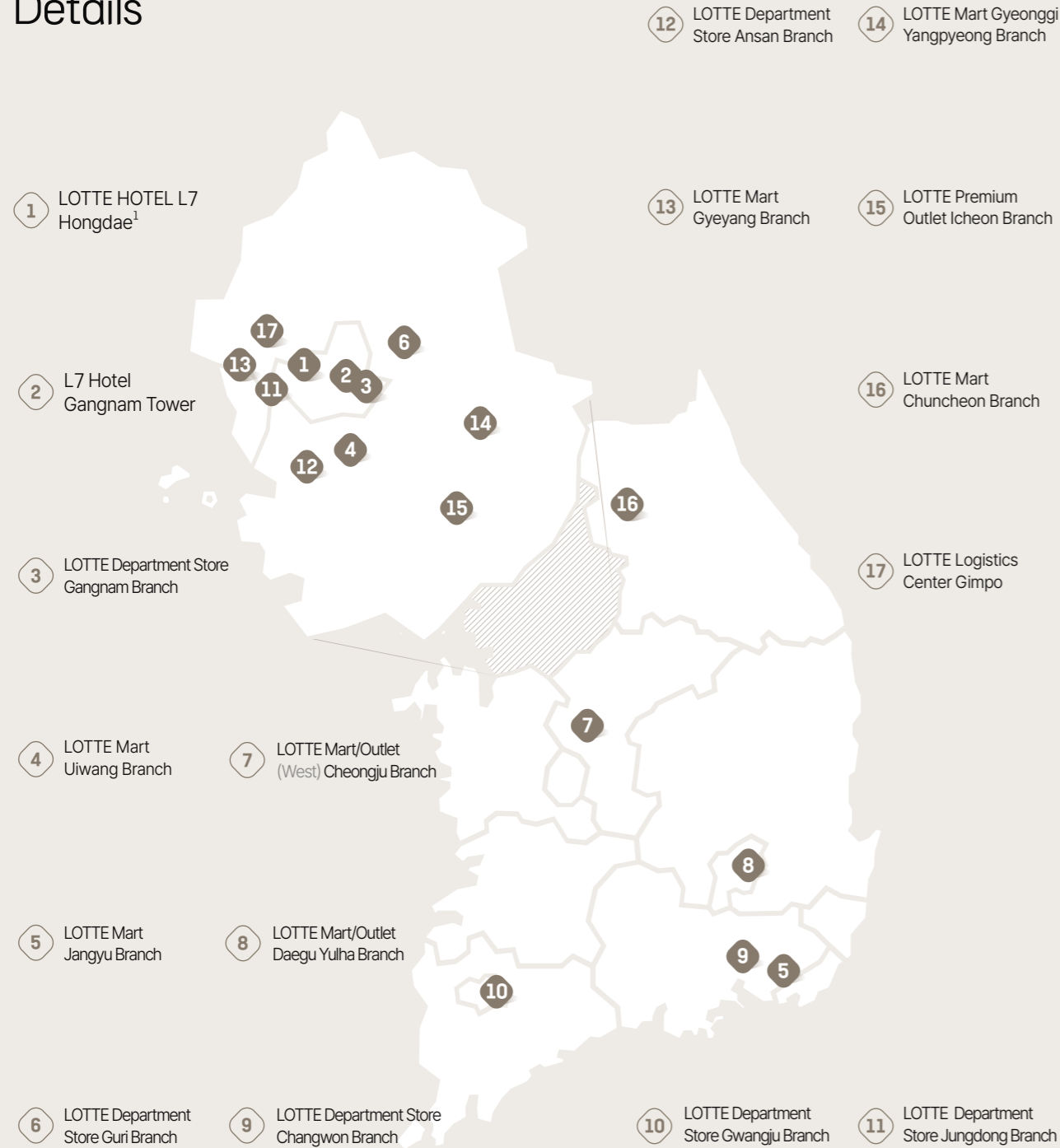
As of the end of December 2025, we have secured right of first offer (ROFO) for a total of 83 group assets, including 74 retail properties, such as department stores, outlets, and hypermarkets owned by LOTTE Shopping, as well as 9 logistics centers owned by LOTTE Global Logistics.

LOTTE REIT will not only continue to invest in the deal pipeline of various real estate owned by LOTTE Group, but will also secure long-term growth potential by actively investing in blue-chip assets outside the group such as logistics centers, offices, hotels and data centers.

Revaluation of real estate value



Portfolio Details



1) LOTTE HOTEL L7 Hongdae is scheduled for acquisition in January 2026



Asset Portfolio¹

| Tenant | Tranche | Asset | GFA (m ²) | Acquisition Price (KRW in billion) | Ratio (%) | Lease Expiry | Rental Rate | |
|-----------------------------|-----------|--|-----------------------|------------------------------------|--------------|------------------|---|--|
| | | | | | | | Fixed rent | Variable rent |
| LOTTE Shopping | Tranche A | LOTTE Department Store Changwon Branch | 140,977 | 246.8 | 8.5 | Oct. 2028 | | |
| | | LOTTE Mart Uiwang Branch | 36,879 | 137.6 | 4.7 | | | |
| | | LOTTE Mart Jangyu Branch | 38,838 | 57.5 | 2.0 | | | |
| | | | Sub-total | | 441.9 | 15.2 | | |
| | Tranche B | LOTTE Department Store Guri Branch | 79,271 | 177.3 | 6.1 | Oct. 2029 | 5.0% of the acquisition price (1.5% annual escalation) | |
| | | LOTTE Mart / Outlet (West) Cheongju Branch | 81,616 | 139.2 | 4.8 | | | |
| | | LOTTE Mart / Outlet Daegu Yulha Branch | 100,773 | 170.2 | 5.9 | | | |
| | | | Sub-total | | 486.7 | 16.8 | | |
| | Tranche C | LOTTE Department Store Gangnam Branch | 67,517 | 424.9 | 14.6 | Oct. 2030 | | |
| | | LOTTE Department Store Gwangju Branch | 92,997 | 134.4 | 4.6 | | | |
| | | | Sub-total | | 559.3 | | | |
| | Tranche D | LOTTE Department Store Jungdong Branch | 93,419 | 171.7 | 5.9 | Mar. 2028 | 3.8% of the acquisition price (annual CPI-aligned escalation) | 0.45% of the sales of the preceding year (* 0.5% for the Gyeonggi Yangpyeong Branch) |
| | | LOTTE Department Store Ansan Branch | 54,887 | 98.6 | 3.4 | | | |
| | | LOTTE Mart Gyeyang Branch | 58,119 | 76.1 | 2.6 | | | |
| | | LOTTE Mart Gyeonggi Yangpyeong Branch | 9,977 | 34.6 | 1.2 | | | |
| | | | Sub-total | | 381.0 | 13.1 | | |
| | Tranche E | LOTTE Premium Outlet Icheon Branch | 162,729 | 275.3 | 9.5 | Mar. 2032 | | |
| LOTTE Mart Chuncheon Branch | | 40,570 | 61.0 | 2.1 | | | | |
| | | Sub-total | | 336.3 | 11.6 | | | |
| LOTTE Global Logistics | Tranche F | LOTTE Logistics Center Gimpo | 30,870 | 95.5 | 3.3 | Mar. 2036 | 4.5% of the acquisition price (annual CPI-aligned escalation) | |
| | | Sub-total | | 95.5 | 3.3 | | | |
| HOTEL LOTTE etc. | | L7 Hotels Gangnam Tower | 33,584 | 330.0 | 11.4 | Varies by tenant | KRW 7.4 billion/year ² | KRW 3.9 billion/year ² |
| HOTEL LOTTE | | LOTTE HOTEL L7 Hongdae | 27,852 | 265.0 | 9.1 | Dec. 2030 | KRW 10.6 billion/year | KRW 3.2 billion/year |
| Dunamu etc. | | DF Tower (Indirect investment) | - | 7.0 | 0.2 | | | |
| | | Total | 1,151,011 | 2,902.7 | 100 | | | |

1) LOTTE HOTEL L7 Hongdae is scheduled for acquisition in January 2026, and the figures presented above assume completion of the acquisition

2) Based on HOTEL LOTTE's lease agreement

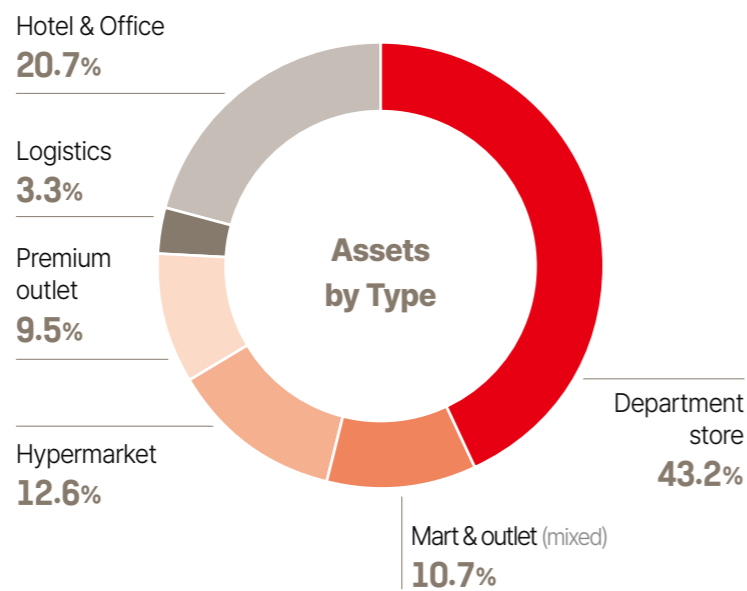
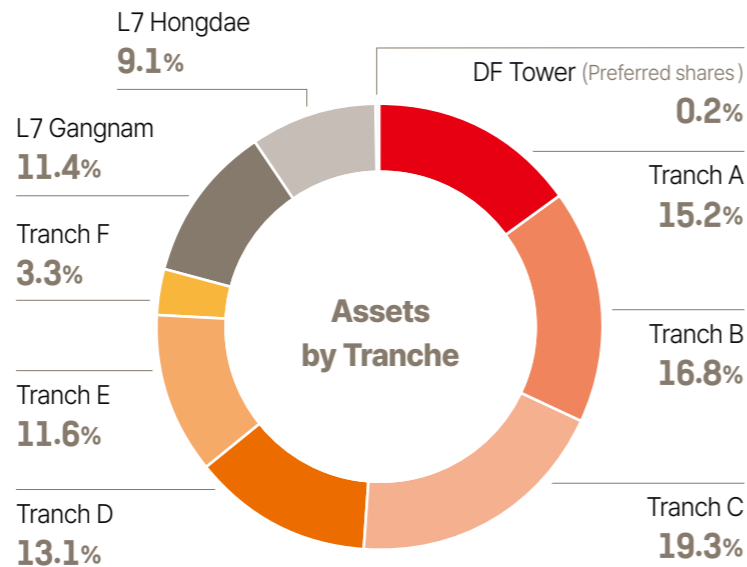
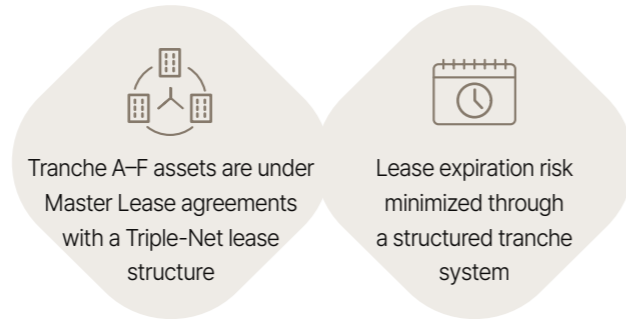
Upon inclusion of LOTTE HOTEL L7 Hongdae, scheduled for acquisition in January 2026, the geographic composition of LOTTE REIT's portfolio will be 72.1% in the Seoul metropolitan area and 27.9% outside the metropolitan area. By asset type, the portfolio will consist of department stores (43.2%), hypermarkets (12.6%), outlets (9.5%), hypermarket & outlet complexes (10.7%), logistics centers (3.3%), hotels (including partial office components) (20.5%), and other assets (0.2%).

As of the end of 2025, the weighted average lease expiry (WALE) of our assets in their entirety amounted to 4 years and 1 month: the WALE is separated across a total of six tranches to spread the risk of lease agreements reaching their termination all at once. Our management goal is to deliver stable dividends by acquiring assets in prime locations, securing highly reliable tenants, and maintaining a rental income structure with minimum volatility.

Portfolio Details

As of year-end 2025, LOTTE REIT's total AUM stood at KRW 2.6 trillion. The portfolio consists of 16 properties and 1 preferred equity. Except for L7 Hotels Gangnam Tower, those properties grouped into tranches for structured management: six department stores, five supermarkets, three outlet malls, and one logistics center. Upon inclusion of LOTTE HOTEL L7 Hongdae, scheduled for acquisition in January 2026, AUM is expected to increase to KRW 2.9 trillion. The total number of investment assets will rise to 17, with aggregate gross floor area reaching 1,151,011m².

LOTTE REIT has LOTTE Shopping as its sponsor, and key tenants including LOTTE Global Logistics and HOTEL LOTTE. LOTTE REIT pursues stable growth based on the long-term lease agreements signed with these key tenants.



PORTFOLIOS



L7 Hotel Gangnam Tower
 A premium lifestyle hotel optimized for the growing demand from the MZ generation, ensuring continuous growth

| | |
|-------------------|------------------------------------|
| Location | 415, Teheran-ro, Gangnam-gu, Seoul |
| Major Tenant | HOTEL LOTTE |
| GFA | 33,584m ² |
| Acquisition Price | KRW 330 billion |
| Lease Term | 7 years 3 months ² |
| WALE ¹ | 6 years 1 months ² |
| Size | B1F / 27F (Office: 2F-8F) |

1) WALE was calculated as of the end of Dec. 2025
 2) Based on HOTEL LOTTE's lease agreement



Scheduled for acquisition in January 2026
LOTTE HOTEL L7 Hongdae
 A trendy premium lifestyle hotel brand offering guests a dynamic experience of Seoul's vibrant youth culture

| | |
|---------------------|-------------------------------------|
| Location | 160-5, Donggyo-dong, Mapo-gu, Seoul |
| Master Lease Tenant | HOTEL LOTTE |
| GFA | 27,852m ² |
| Acquisition Price | KRW 265 billion |
| Lease Term | Approx. 5 years |
| Size | B5F/20F |





LOTTE Department Store Gangnam Branch

The only department store in the mid-southern part of the Gangnam District with access to local residents with high spending power

| | |
|---------------------|---|
| Location | 401, Dogok-ro, Gangnam-gu, Seoul, Republic of Korea |
| Master Lease Tenant | LOTTE Shopping |
| GFA | 67,517m ² |
| Acquisition Price | KRW 424.9 billion |
| Lease Term | 11 years |
| WALE ¹ | 4 years and 10 months |
| Size | Main building: B3F / 9F, Annex building: B2F / 7F |



LOTTE Mart Uiwang Branch

A hypermarket located in a densely populated residential area with development upsides and a sizeable population

| | |
|---------------------|---|
| Location | 7, Gyewondaehak-ro, Uiwang-si, Gyeonggi-do, Republic of Korea |
| Master Lease Tenant | LOTTE Shopping |
| GFA | 36,879m ² |
| Acquisition Price | KRW 137.6 billion |
| Lease Term | 9 years |
| WALE ¹ | 2 years and 10 months |
| Size | B1F / 6F |



LOTTE Mart Jangyu Branch

A hypermarket located in a densely populated residential area occupied by local residents with high spending power

| | |
|---------------------|---|
| Location | 15, Beonhwa 1-ro 56beon-gil, Gimhae-si, Gyeongsangnam-do, Republic of Korea |
| Master Lease Tenant | LOTTE Shopping |
| GFA | 38,838m ² |
| Acquisition Price | KRW 57.5 billion |
| Lease Term | 9 years |
| WALE ¹ | 2 years and 10 months |
| Size | B1F / F5 |

1) WALE was calculated as of the end of Dec. 2025



LOTTE Department Store Guri Branch

The only department store in the eastern Gyeonggi area with development upsides and abundant local demand

| | |
|---------------------|---|
| Location | 261, Gyeongchun-ro, Guri-si, Gyeonggi-do, Republic of Korea |
| Master Lease Tenant | LOTTE Shopping |
| GFA | 79,271m ² |
| Acquisition Price | KRW 177.3 billion |
| Lease Term | 10 years |
| WALE ¹ | 3 years and 10 months |
| Size | B5F / 9F |



LOTTE Mart/Outlet Daegu Yulha Branch

A mixed-use retail asset located in a subway station area with access to a large local population

| | |
|---------------------|---|
| Location | 80, Ansim-ro, Dong-gu, Daegu, Republic of Korea |
| Master Lease Tenant | LOTTE Shopping |
| GFA | 100,773m ² |
| Acquisition Price | KRW 170.2 billion |
| Lease Term | 10 years |
| WALE ¹ | 3 years and 10 months |
| Size | B2F / 6F |



LOTTE Mart/Outlet (West) Cheongju Branch

A mixed-use retail asset located in an emerging residential area occupied by local residents with high spending power

| | |
|---------------------|--|
| Location | 1004, 2sunhwan-ro, Heungdeok-gu, Cheongju-si, Chungcheongbuk-do, Republic of Korea |
| Master Lease Tenant | LOTTE Shopping |
| GFA | 81,616m ² |
| Acquisition Price | KRW 139.2 billion |
| Lease Term | 10 years |
| WALE ¹ | 3 years and 10 months |
| Size | B2F / 5F |



LOTTE Department Store Changwon Branch

Changwon's largest department store located in its key commercial area

| | |
|---------------------|---|
| Location | 124, Jungang-daero, Seongsan-gu, Changwon-si, Gyeongsangnam-do, Republic of Korea |
| Master Lease Tenant | LOTTE Shopping |
| GFA | 140,977m ² |
| Acquisition Price | KRW 246.8 billion |
| Lease Term | 9 years |
| WALE ¹ | 2 years and 10 months |
| Size | Main building: B5F / 6F, Young Plaza: B6F / 9F |

1) WALE was calculated as of the end of Dec. 2025



LOTTE Department Store Gwangju Branch

The largest department store in the region located in its largest commercial area and recognized for its competitiveness

| | |
|---------------------|--|
| Location | 268, Dongnip-ro, Dong-gu, Gwangju, Republic of Korea |
| Master Lease Tenant | LOTTE Shopping |
| GFA | 92,997m ² |
| Acquisition Price | KRW 134.4 billion |
| Lease Term | 11 years |
| WALE ¹ | 4 years and 10 months |
| Size | B6F / 12F |



LOTTE Department Store Ansan Branch

The only department store in Ansan-si located in its largest key commercial area

| | |
|---------------------|--|
| Location | 12, Gojan 1-gil, Danwon-gu, Ansan-si, Gyeonggi-do, Republic of Korea |
| Master Lease Tenant | LOTTE Shopping |
| GFA | 54,887m ² |
| Acquisition Price | KRW 98.6 billion |
| Lease Term | 7 years |
| WALE ¹ | 2 years and 3 months |
| Size | Main building: B5F / 6F, Annex building: B6F / 5F |



LOTTE Department Store Jungdong Branch

The largest department store in the region located in its major commercial area and recognized for its competitiveness

| | |
|---------------------|---|
| Location | 300, Gilju-ro, Bucheon-si, Gyeonggi-do, Republic of Korea |
| Master Lease Tenant | LOTTE Shopping |
| GFA | 93,419m ² |
| Acquisition Price | KRW 171.7 billion |
| Lease Term | 7 years |
| WALE ¹ | 2 years and 3 months |
| Size | B6F / 11F |



LOTTE Mart Gyeyang Branch

A hypermarket with development upsides and abundant local demand

| | |
|---------------------|--|
| Location | 822, Jangje-ro, Gyeyang-gu, Incheon, Republic of Korea |
| Master Lease Tenant | LOTTE Shopping |
| GFA | 58,119m ² |
| Acquisition Price | KRW 76.1 billion |
| Lease Term | 7 years |
| WALE ¹ | 2 years and 3 months |
| Size | B2F / 7F |

1) WALE was calculated as of the end of Dec. 2025



LOTTE Mart Gyeonggi Yangpyeong Branch

A hypermarket supported by exceptional access to downtown Yangpyeong and a growing local population

| | |
|---------------------|---|
| Location | 76, Nambuk-ro, Yangpyeong-eup, Yangpyeong-gun, Gyeonggi-do, Republic of Korea |
| Master Lease Tenant | LOTTE Shopping |
| GFA | 9,977m ² |
| Acquisition Price | KRW 34.6 billion |
| Lease Term | 7 years |
| WALE ¹ | 2 years and 3 months |
| Size | B2F / 2F |



LOTTE Mart Chuncheon Branch

A hypermarket located in an emerging development zone occupied by residents with high spending power

| | |
|---------------------|---|
| Location | 84, Bangsong-gil, Chuncheon-si, Gangwon-do, Republic of Korea |
| Master Lease Tenant | LOTTE Shopping |
| GFA | 40,570m ² |
| Acquisition Price | KRW 61.0 billion |
| Lease Term | 11 years |
| WALE ¹ | 6 years and 3 months |
| Size | B1F / 4F |



LOTTE Premium Outlet Icheon Branch

The only premium outlet in Icheon with high growth potential

| | |
|---------------------|--|
| Location | 177-74, Premium outlet-ro, Hobeop-myeon, Icheon-si, Gyeonggi-do, Republic of Korea |
| Master Lease Tenant | LOTTE Shopping |
| GFA | 162,729m ² |
| Acquisition Price | KRW 275.3 billion |
| Lease Term | 11 years |
| WALE ¹ | 6 years and 3 months |
| Size | Baekjadong: B2F / 3F, Cheongjadong: B2F / 2F |



LOTTE Mart Mall Gimpo Logistics Center

A top-tier logistics center equipped with great accessibility and cutting-edge facilities

| | |
|---------------------|---|
| Location | 23, Arayuk-ro 182beon-gil, Gochon-eup, Gimpo-si, Gyeonggi-do, Republic of Korea |
| Master Lease Tenant | LOTTE Global Logistics |
| GFA | 30,870m ² |
| Acquisition Price | KRW 95.5 billion |
| Lease Term | 15 years |
| WALE ¹ | 10 years and 3 months |
| Size | B1F / 6F |

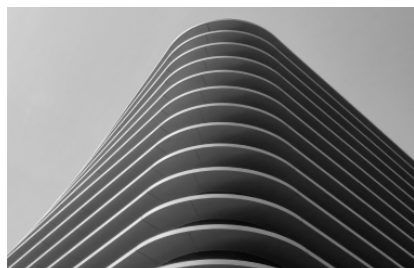
1) WALE was calculated as of the end of Dec. 2025

ESG Management

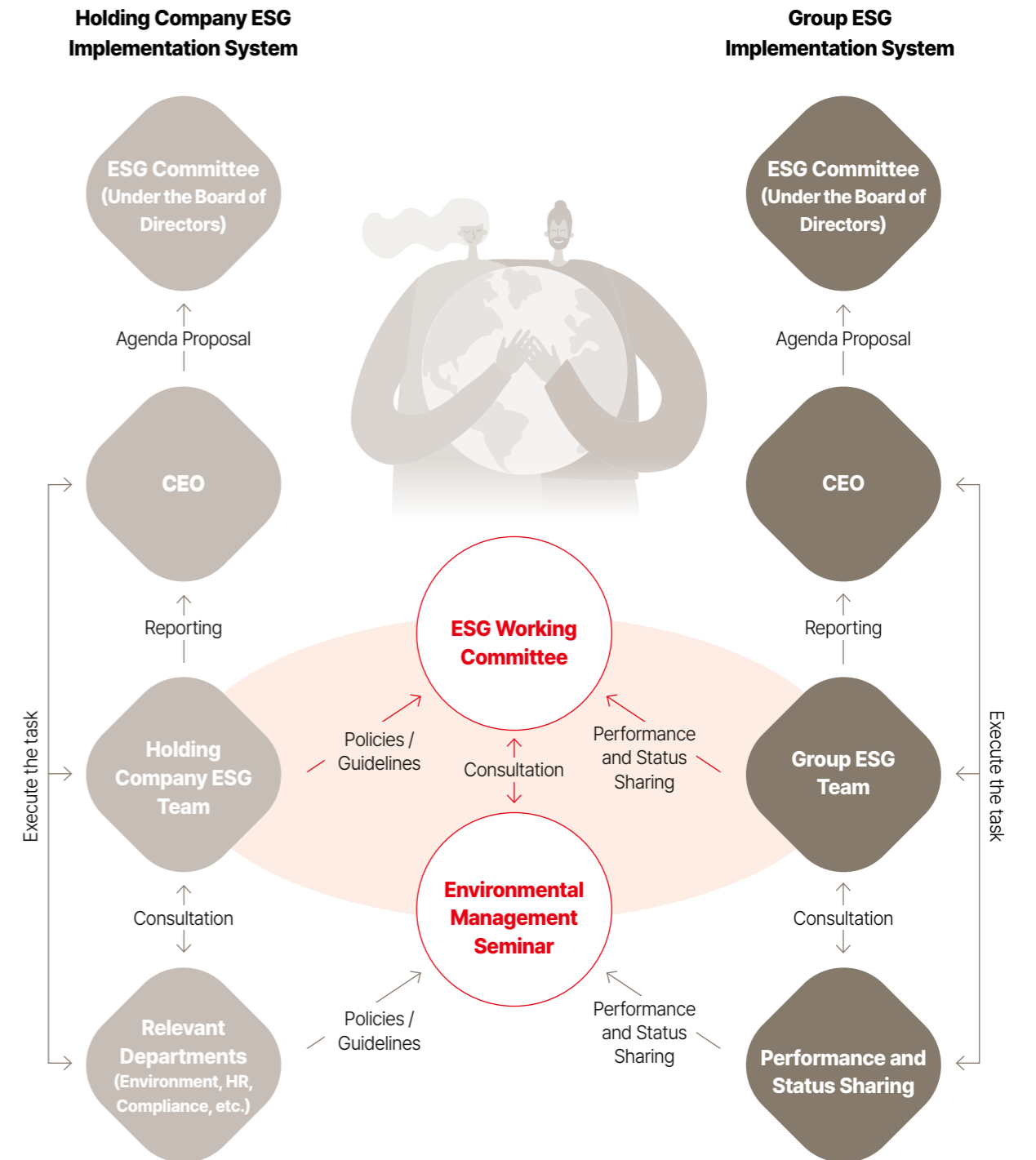
LOTTE Group has adopted ESG (Environmental, Social, Governance) management as a core strategy to achieve sustainable business. LOTTE is accelerating, internalizing, and advancing ESG management, demonstrating a firm commitment to future sustainability, through efforts at various stages and times.

Through its ESG initiatives, LOTTE Group remains committed to enhancing long-term business sustainability and fulfilling its social responsibilities, while encouraging active participation and collaboration across the organization. ESG management has become firmly embedded as a core value of the Group, serving as a cornerstone in building a sustainable future.

LOTTE Group is enhancing the sustainability of its businesses and social responsibility through ESG management, promoting employee engagement and cooperation. ESG management has become one of LOTTE's core values, enabling LOTTE to create a sustainable future.



Group-Wide ESG Governance Framework



GOVERNANCE

Building the future
of investment

LOTTE REIT is committed to responsible corporate management underpinned by a transparent governance structure. Furthermore, LOTTE REIT has doubled down on risk management to deliver consistent performance.



64p _ Governance

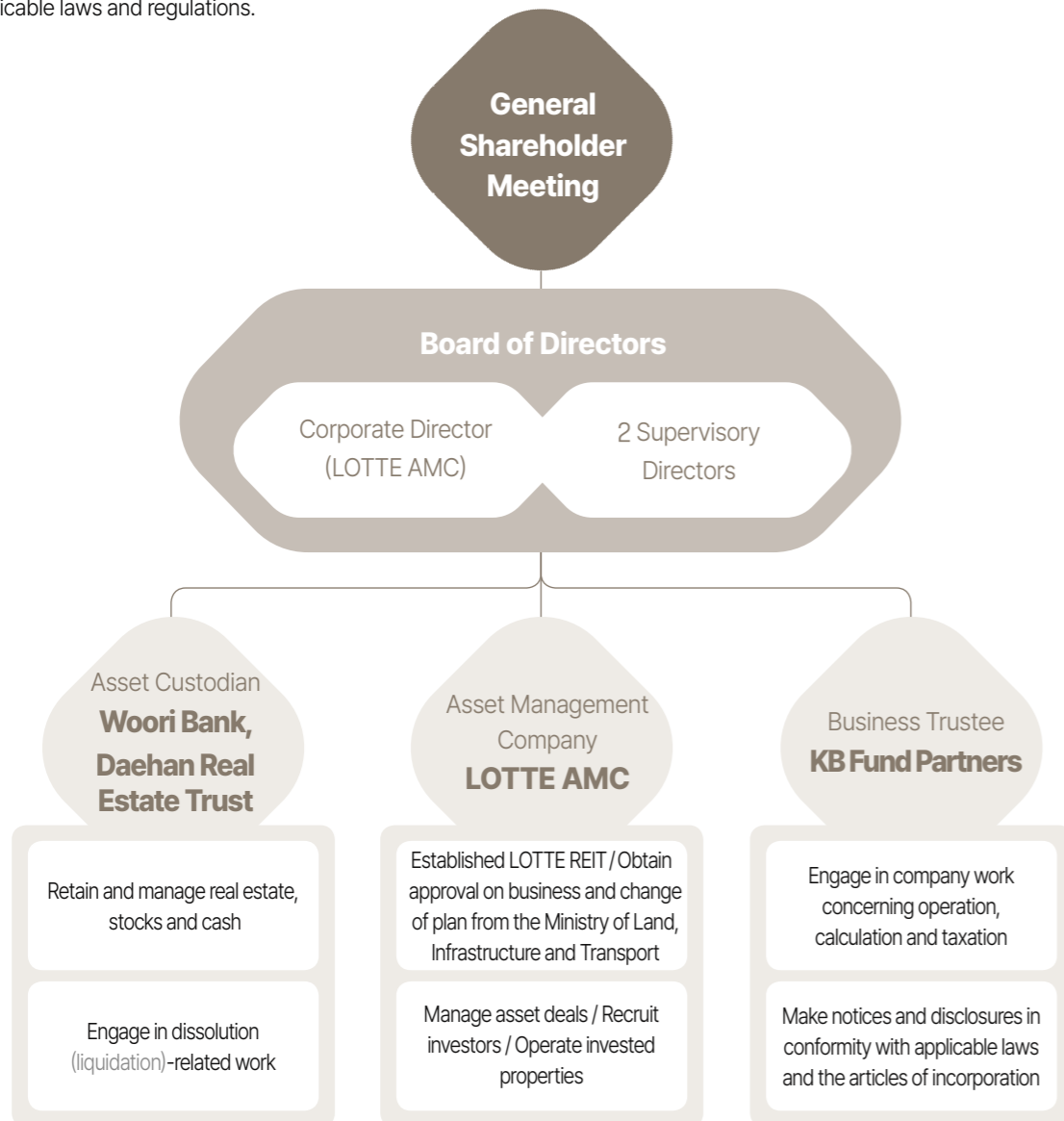
65p _ Board of Directors & Executives

66p _ Risk Management

Governance

Promoting management accountability based on transparent governance

At LOTTE REIT, the general shareholder meeting and the board of directors serve as the highest decision-making body as stipulated in the Real Estate Investment Company Act and the Commercial Law. Our asset manager, asset custodian and business trustee are all committed to transparent business conduct by fulfilling their role and responsibility pursuant to applicable laws and regulations.

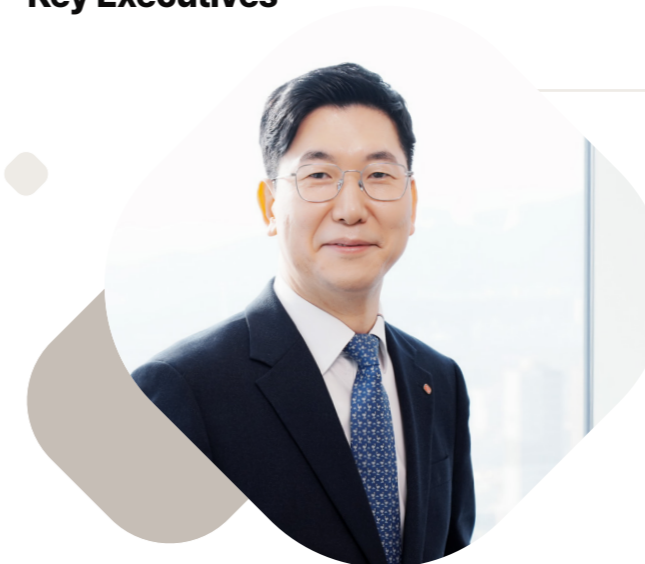


Board of Directors & Executives

Board of Directors

| Category | Name | Tenure | Current Post |
|----------------------|-----------------|--------------------|---------------------------------|
| Corporate Director | LOTTE AMC | No specific tenure | LOTTE AMC |
| Supervisory Director | Jung, Jae Pil | March 2028 | Gradient Asset Management (CEO) |
| Supervisory Director | Park, Young Ran | March 2028 | RACHEL Holdings (CEO) |

Key Executives



Lee, Sang Hak
CEO

- LOTTE AMC, CEO (2025 - Present)
- LOTTE Corporation, Team Leader, Finance Team 1 (2020 - 2025)
- LOTTE Hi-Mart, Finance Division (2013 - 2020)
- LOTTE Shopping, Corporate Strategy Office (2000 - 2013)
- M.S. in Business Administration, Hanyang University Graduate School (1998)
- B.B.A. (Bachelor of Business Administration), Hanyang University (1996)

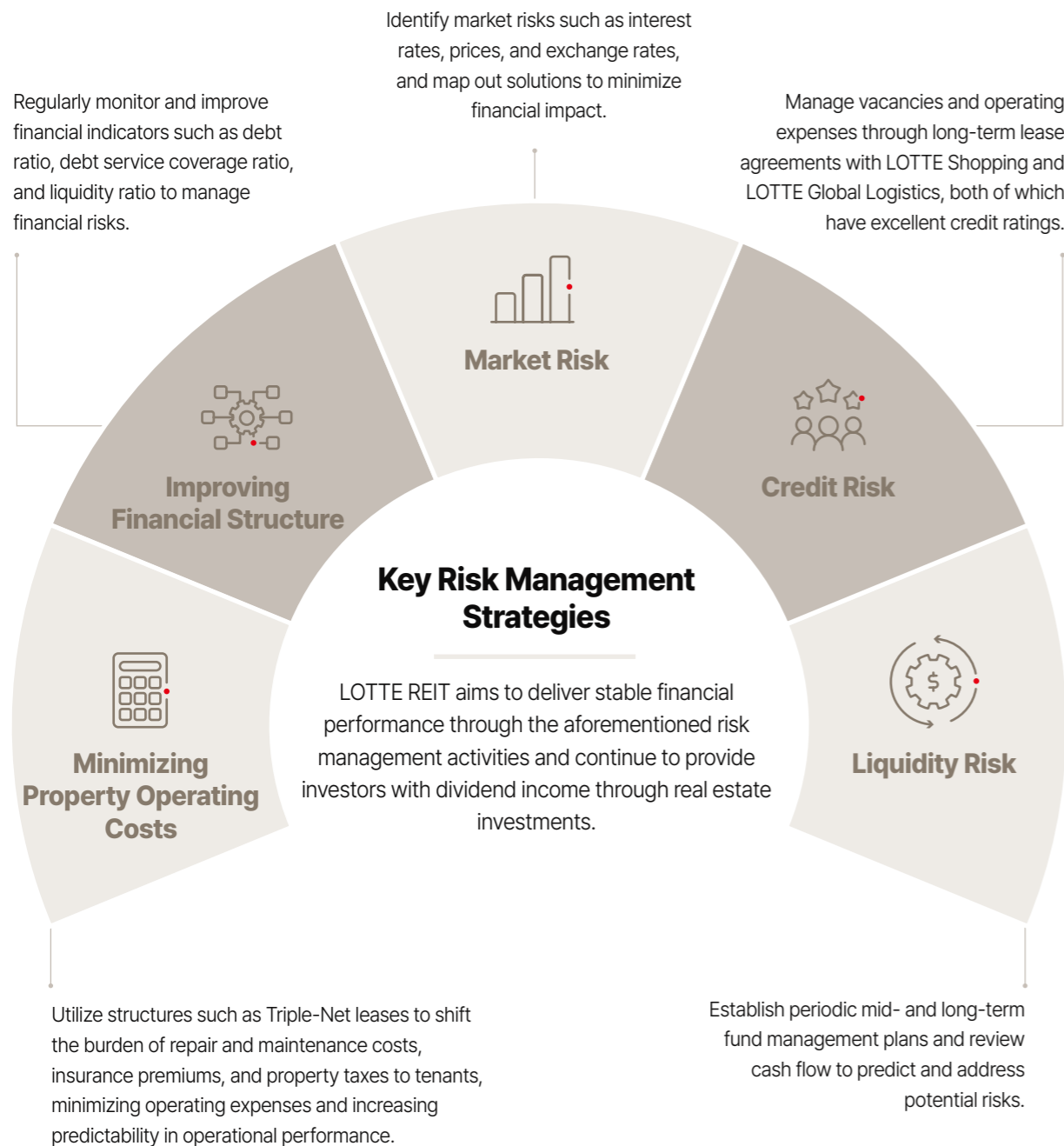


Hyun, Jun Ho
Head of REITs Division

- LOTTE AMC (2019 - Present)
- LOTTE Corporation, Financial Innovation Office (2017 - 2019)
- LOTTE Shopping, Policy Headquarters (2013 - 2017)
- LOTTE Engineering & Construction, Housing Business Division (2006 - 2013)
- Bachelor's Degree in Urban Engineering, Pusan National University

Risk Management

Our risk management objectives and policies primarily focus on market risks, interest rates, prices, exchange rates, and other credit and liquidity risks that impact financial performance. The purpose of these activities is to identify potential risks and to eliminate, avoid or reduce them to an acceptable level required in delivering robust and sustainable business performance.



Risk Management Process

Identify a range of risks that may occur in relation to the management of owned/trusted assets and other business operations

- Measure and evaluate risks by type according to the size and characteristics of business subject to management
- When objective and reasonable measurement is not possible, evaluate risks through qualitative methodologies or reviews made by the Board of Directors or the Risk Management Committee



Analyze causes and implement measures to reduce risks to appropriate levels in case of risks rapidly increasing

Regularly monitor to effectively respond to variations in risk in line with business and market conditions

Conflict of Interest Prevention System





FINANCIALS

Building the future
of investment

As of the end of 2025, LOTTE REIT posted an operating revenue of KRW 140.8 billion, 12.1% increase YoY, and recorded an operating profit of KRW 91.5 billion, 14.9% increase YoY.



- 70p _ Independent Auditor's Report
- 72p _ Statement of Financial Position
- 73p _ Statement of Comprehensive Income
- 74p _ Statement of Changes in Equity
- 75p _ Statement of Cash Flows
- 76p _ Notes to the Financial Statements

Independent Auditor's Report

To the Shareholders and the Board of Directors of LOTTE REIT Co., Ltd.

Opinion

We have audited the financial statements of LOTTE REIT Co., Ltd. (the "Company"), which comprise the statements of financial position as of December 31, 2025, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising of material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements of the Company present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and its financial performance and cash flows for the year then ended, in accordance with the basis of preparation of the financial statements and material accounting policies described in Note 2 to the financial statements.

Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing ("KSAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Use of Restriction

We draw attention to Note 2 to the financial statements, which describes the Company's basis of accounting and material accounting policies. The accompanying financial statements have been prepared to comply with the requirements of the Ground Rules for the management of the FTSE EPRA Nareit Global Real Estate Index Series. Therefore, these financial statements may not be suitable for other purposes. Our report has been prepared solely for the purpose of submitting in accordance with the reporting requirements of the Company's regulator and therefore must not be distributed or used for any other purpose. Our opinion is not modified in respect of this matter.

Other Matters

The financial statements of the Company for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on March 12, 2025. The procedures and practices utilized in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting and significant accounting policies set out in Note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either



intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used in the preparation of the financial statements and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

KPMG Samjong Accounting Corp.

March 10, 2026

KPMG Samjong Accounting Corp.

This report is effective as of March 10, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

Statements of Financial Position

As of December 31, 2025 and 2024

LOTTE REIT Co., Ltd.

(in Korean won)

| | Notes | December 31, 2025 | December 31, 2024 |
|-------------------------------------|-------------|--------------------------|--------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 3,4,20,23 | 12,577,978,163 | 13,266,817,358 |
| Trade and other receivables | 3,5,22,23 | 11,565,528,328 | 11,249,997,764 |
| Other financial assets | 3,6,23 | 25,184,262,263 | 16,258,950,353 |
| Other non-financial assets | 7 | 14,079,739 | 63,503,740 |
| Income tax refund receivables | | 63,503,110 | 79,013,670 |
| Non-current asset held for sale | 8 | 9,043,262,506 | - |
| | | 58,448,614,109 | 40,918,282,885 |
| Non-current assets | | | |
| Investment properties | 8,9,21 | 2,527,222,594,740 | 2,574,862,447,809 |
| Other financial assets | 3,6,23 | 8,735,833,000 | 7,867,916,500 |
| | | 2,535,958,427,740 | 2,582,730,364,309 |
| Total assets | | 2,594,407,041,849 | 2,623,648,647,194 |
| Liabilities and Equity | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Borrowings and debentures | 3,8,9,21,23 | 603,273,619,875 | 449,667,255,001 |
| Other financial liabilities | 3,10,22,23 | 9,127,454,788 | 12,578,711,711 |
| Other non-financial liabilities | 11 | 8,935,904,463 | 8,381,891,423 |
| | | 621,336,979,126 | 470,627,858,135 |
| Non-current liabilities | | | |
| Borrowings and debentures | 3,8,9,21,23 | 703,746,157,814 | 856,563,307,030 |
| Other financial liabilities | 3,10,22,23 | 117,173,373,318 | 111,130,781,589 |
| Other non-financial liabilities | 11 | 12,651,951,217 | 15,828,917,215 |
| | | 833,571,482,349 | 983,523,005,834 |
| Total liabilities | | 1,454,908,461,475 | 1,454,150,863,969 |
| Equity | | | |
| Share capital | 12 | 144,484,442,000 | 144,484,442,000 |
| Capital surplus | 12 | 1,179,576,423,699 | 1,179,575,978,788 |
| Retained earnings | 13 | (184,562,285,325) | (154,562,637,563) |
| Total equity | | 1,139,498,580,374 | 1,169,497,783,225 |
| Total liabilities and equity | | 2,594,407,041,849 | 2,623,648,647,194 |

* The above statements of financial position should be read in conjunction with the accompanying notes to financial statements.



Statements of Comprehensive Income

For the year ended December 31, 2025 and 2024

LOTTE REIT Co., Ltd.

(in Korean won)

| | Notes | 2025 | 2024 |
|---|-------|------------------------|------------------------|
| Revenue | 15 | 140,834,109,990 | 125,636,820,177 |
| Operating expenses | 16 | 49,355,200,403 | 46,044,470,783 |
| Operating profit | | 91,478,909,587 | 79,592,349,394 |
| Finance income | 18 | 819,777,434 | 1,029,693,426 |
| Finance costs | 18 | 57,300,163,940 | 64,177,851,729 |
| Other income | 17 | 1,175,826,474 | 19,381,294 |
| Other expenses | 17 | 122,881 | 8,540,253 |
| Profit before income tax expense | | 36,174,226,674 | 16,455,032,132 |
| Income tax expense | 19 | - | - |
| Profit for the year | | 36,174,226,674 | 16,455,032,132 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 36,174,226,674 | 16,455,032,132 |
| Earnings per share | | | |
| Basic/diluted earnings per share | 14 | 125 | 66 |

* The above statements of comprehensive income should be read in conjunction with the accompanying notes to financial statements.

Statements of Changes in Equity

For the year ended December 31, 2025 and 2024

LOTTE REIT Co., Ltd.

(in Korean won)

| | Share capital | Capital surplus | Retained earnings | Total equity |
|--|------------------------|--------------------------|--------------------------|--------------------------|
| Balance at January 1, 2024 | 121,484,442,000 | 1,060,934,641,668 | (126,957,676,472) | 1,055,461,407,196 |
| Transactions with owners of the Company, recognized directly in equity | | | | |
| Dividends | - | - | (48,259,993,223) | (48,259,993,223) |
| Transfer from capital surplus to retained earnings | - | (4,200,000,000) | 4,200,000,000 | - |
| Paid-in capital increase | 23,000,000,000 | 122,841,337,120 | - | 145,841,337,120 |
| Total transaction with owners of the Company | 23,000,000,000 | 118,641,337,120 | (44,059,993,223) | 97,581,343,897 |
| Total comprehensive income | | | | |
| Profit for the year | | | 16,455,032,132 | 16,455,032,132 |
| Total comprehensive income | | | 16,455,032,132 | 16,455,032,132 |
| Balance at December 31, 2024 | 144,484,442,000 | 1,179,575,978,788 | (154,562,637,563) | 1,169,497,783,225 |
| Balance at January 1, 2025 | 144,484,442,000 | 1,179,575,978,788 | (154,562,637,563) | 1,169,497,783,225 |
| Transactions with owners of the Company, recognized directly in equity | | | | |
| Dividends | - | - | (66,173,874,436) | (66,173,874,436) |
| Reversal of payment related to issuance of share | - | 444,911 | - | 444,911 |
| Total transaction with owners of the Company | - | 444,911 | (66,173,874,436) | (66,173,429,525) |
| Total comprehensive income | | | | |
| Profit for the year | - | - | 36,174,226,674 | 36,174,226,674 |
| Total comprehensive income | - | - | 36,174,226,674 | 36,174,226,674 |
| Balance at December 31, 2025 | 144,484,442,000 | 1,179,576,423,699 | (184,562,285,325) | 1,139,498,580,374 |

* The above statements of changes in equity should be read in conjunction with the accompanying notes to financial statements.



Statements of Cash Flows

For the year ended December 31, 2025 and 2024

LOTTE REIT Co., Ltd.

(in Korean won)

| | Notes | 2025 | 2024 |
|--|----------|--------------------------|--------------------------|
| Cash flows from operating activities | | | |
| Profit for the year | | 36,174,226,674 | 16,455,032,132 |
| Adjustments to income and expenses | 20 | 90,766,211,960 | 98,912,405,983 |
| Changes in operating assets and liabilities | 20 | (912,843,174) | 25,554,389,466 |
| Dividend received | | 426,415,068 | 213,500,000 |
| Income taxes return (paid) | | 15,510,560 | 17,848,230 |
| Net cash provided by operating activities | | 126,469,521,088 | 141,153,175,811 |
| Cash flows from investing activities | | | |
| Interest received | | 860,865,524 | 1,169,022,294 |
| Proceeds from sale of short-term financial assets | | 35,033,600,000 | 51,500,000,000 |
| Proceeds from sales of noncurrent assets | | 1,300,000,000 | - |
| Purchase of short-term financial assets | | (44,000,000,000) | (39,033,600,000) |
| Purchase of long-term financial assets | | (867,916,500) | (867,916,500) |
| Purchase of financial assets measured at fair value through other comprehensive income | | - | (7,000,000,000) |
| Acquisition of investment property | | (473,900,000) | (347,252,077,628) |
| Net cash used in investing activities | | (8,147,350,976) | (341,484,571,834) |
| Cash flows from financing activities | | | |
| Proceeds from long-term borrowings | | 287,333,082,426 | 621,118,649,050 |
| Issuance of debentures | | 298,532,947,704 | 905,254,299,943 |
| Proceeds from issue of share capital | | - | 147,200,000,000 |
| Reversal of payment related to issuance of share | | 444,911 | - |
| Reversal of payment related to issuance of debentures | | 12,472,855 | 4,116,974 |
| Leasehold deposits received | | 1,025,716,500 | - |
| Repayment of short-term borrowings | | - | (130,000,000,000) |
| Repayment of debentures | | (150,000,000,000) | (972,000,000,000) |
| Repayment of current portion of long-term borrowings | | (441,000,000,000) | (258,000,000,000) |
| Leasehold deposits return | | (33,600,000) | - |
| Payment for the issue of shares | | - | (1,358,662,880) |
| Interest paid | | (48,708,199,267) | (57,931,205,582) |
| Dividends paid | | (66,173,874,436) | (48,259,993,223) |
| Net cash provided by (used in) financing activities | | (119,011,009,307) | 206,027,204,282 |
| Net increase (decrease) in cash and cash equivalents | | (688,839,195) | 5,695,808,259 |
| Cash and cash equivalents at the beginning of the year | 4 | 13,266,817,358 | 7,571,009,099 |
| Cash and cash equivalents at the end of the year | 4 | 12,577,978,163 | 13,266,817,358 |

* The above statements of cash flows should be read in conjunction with the accompanying notes to financial statements.



Notes to Financial Statements

As of and for the years ended December 31, 2025 and 2024

LOTTE REIT Co., Ltd.

1. GENERAL INFORMATION

LOTTE REIT Co., Ltd. (the "Company") was established on March 29, 2019, as a real estate investment trust company with limited liability under the laws of the Republic of Korea. On May 14, 2019, the Company obtained the requisite authorization to conduct business as a management-entrusted REIT from the Ministry of Land, Infrastructure and Transportation of Korea.

The Company's main purpose of business is to distribute to shareholders the profits earned from investing and operating assets through acquisition, management, improvement and disposal of real estate; leasing of real estate; and development of real estate. The Company's headquarters is located at 30F, Lotte World Tower, 300, Olympic-ro, Songpa-gu, Seoul 05551, Korea, and was listed on the Korea Stock Exchange as of October 30, 2019.

The Company's shareholders as of December 31, 2025, are as follows:

| Shareholders | Number of Shares Owned | Percentage of Ownership (%) |
|------------------------------|------------------------|-----------------------------|
| LOTTE Shopping Co., Ltd. | 121,484,442 | 42.04 |
| LOTTE Property & Development | 18,400,000 | 6.37 |
| Others | 149,084,442 | 51.59 |
| Total | 288,968,884 | 100.00 |

2. BASIS OF ACCOUNTING AND MATERIAL ACCOUNTING POLICIES

(1) Basis of Preparation

The financial statements have been prepared as special purpose financial statements to assist the Company in meeting the requirements prescribed under the Ground Rules for the Management of the FTSE EPRA Nareit Global Real Estate Index Series.

These financial statements comprise a 12-month reporting period ended December 31, 2025 and have been prepared by combining the financial statements for the six-month reporting period ended June 30, 2025 and the financial statements for the six-month reporting period ended December 31, 2025, each of which was prepared in accordance with Korean International Financial Reporting Standards ("K-IFRSs") established in accordance with the Act on External Audit of

Corporations, etc. Accordingly, these combined 12-month financial statements are not considered to have been prepared in accordance with K-IFRSs.

The accompanying financial statements have been prepared by the simple aggregation of the statements of profit or loss, statements of cash flows and the related notes of the respective six-month financial statements.

Material accounting policies applied to the preparation of the financial statements are described below. These are the material accounting policies applied in the preparation of each six-month financial statements prepared in accordance with K-IFRSs. The material accounting policies applied in the preparation of each six-month financial statements are the same as those adopted in the financial statements for the comparative reporting periods, except for the effects of the adoption of standards or interpretations described below.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going-concern basis of accounting in preparing the financial statements.

(2) New and amended K-IFRSs and new interpretations that are effective

In the current year, the Company has applied a number of new and amended K-IFRSs and new interpretations issued that are effective accounting periods beginning on or after January 1, 2025

- Amendments to K-IFRS 1021 'The Effects of Changes in Foreign Exchange Rates' and K-IFRS No. 1101 'First-time Adoption of Korean International Financial Reporting Standards' (Amended): Lack of Exchangeability
- Amendments to K-IFRS 1117 'Insurance Contracts' (Amended): Additional disclosures on differences in estimation techniques

These amendments define the circumstances in which a currency is deemed exchangeable into another currency for accounting purposes, and clarify requirements for assessing exchangeability, estimating the spot exchange rate when exchangeability is lacking, and related disclosure requirements. These amendments are effective for annual reporting periods beginning on or after January 1, 2025.

The application of the amendments does not have a significant impact on the Company's financial statements.

(3) New and revised K-IFRSs in issue but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised K-IFRSs that have been issued, but are not yet effective:

- Amendments to K-IFRS 1109 'Financial Instruments' and K-IFRS No. 1107 'Financial Instruments: Disclosures' – Classification and Measurement of Financial Instruments These amendments clarify the conditions related to the fulfillment of financial liabilities prior to the settlement date when settling via electronic payment systems. They also specify interest and contingent event characteristics, non-recourse features, and characteristics of contractually linked financial instruments to be considered when assessing whether contractual cash flows are consistent with a basic lending arrangement. Furthermore, they include additional disclosure requirements for investments in equity instruments designated at FVOCI and contractual terms that could change the timing or amount of contractual cash flows. These amendments will be applied retrospectively from the beginning of the annual reporting period starting on or after January 1, 2026, with early adoption permitted.

- Amendments to K-IFRS 1109 'Financial Instruments' – Accounting for Derecognition of Lease Liabilities and Definition of Transaction Price These amendments clarify that gains or losses arising from the derecognition of lease liabilities must be recognized in profit or loss. They also align the definition of 'transaction price' with K-IFRS No. 1115. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted.
- Amendments to K-IFRS 1110 'Consolidated Financial Statements' – Determination of De Facto Agents These amendments resolve inconsistencies between paragraphs within K-IFRS No. 1110 regarding the judgment of de facto agents. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted.
- Amendments to K-IFRS 1101 'First-time Adoption of Korean International Financial Reporting Standards' – Application of Hedge Accounting These amendments explicitly refer to specific paragraphs in K-IFRS No. 1109 'Financial Instruments' for hedge accounting requirements and align the related terminology. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted.
- Amendments to K-IFRS 1107 'Financial Instruments: Disclosures' – Gain or Loss on Derecognition These amendments require references to K-IFRS No. 1113 'Fair Value Measurement' regarding fair value measurements and align the related terminology. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted.
- Amendments to K-IFRS 1007 'Statement of Cash Flows' – Cost Method The term 'cost method' has been deleted and replaced with 'cost.' These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted.

The Company does not anticipate that the application of the enactment and amendments will have a significant impact on the its financial statements.

(4) Material Accounting Policies

1) Leases

The Company determines whether the contract itself is a lease or includes a lease at the inception of the lease, considering whether it transfers the right to control the use of the identified asset for a period of time in exchange for consideration in the contract.

1.1) Lessor

Leases where the Company assumes substantially all of the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases. Revenue from leases is recognized on a straight-line basis over the lease term and is included in operating income in the statement of income depending on the nature of the business. Direct costs for lease opening in the process of entering into an operating lease are added to the carrying amount of the underlying asset, and are recognized as an expense over the lease term on the same basis as the revenue recognition of operating leases.



2) Financial instruments - initial recognition and subsequent measurement

Financial instruments are any contract that creates financial assets for one of the parties to a transaction and financial liabilities or equity instruments for the other party to the transaction.

2.1) Financial Assets

2.1.1) Initial recognition and measurement

The Company classifies its financial assets in the following measurement categories:

- Financial assets measured at fair value through profit or loss
- Financial assets measured at fair value through other comprehensive income
- Financial assets measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

With the exception of trade receivables that do not contain a significant financial component or for which the practical expedient is applied, the Company initially measures financial assets at fair value and adds or subtracts transaction costs, unless it is a financial asset that is measured at fair value through profit or loss. Trade receivables that do not include a significant financing component or that apply the practical expedient are measured at the transaction price determined in accordance with K-IFRS 1115.

To measure financial assets at amortized cost or fair value through other comprehensive income, contractual cash flows where those cash flows represent solely payments of principal and interest only ("SPPI"). This assessment is called the SPPI test and is performed at the individual product level.

The Company's business model for the management of financial assets relates to how financial assets are managed to generate cash flows. The business model determines whether the source of cash flows is the receipt, transfer or both of the contractual cash flows of a financial asset.

Regular-way purchases and sales of financial assets (standardized transaction) that are required to transfer the financial assets within a time frame established by market agreements or regulations are recognized on trade date, the date on which the Company commits to purchase or sell the asset.

2.1.2) Subsequent measurement

The Company classifies financial assets into the following four categories for subsequent measurement:

- Financial assets measured at amortized cost (Debt instruments)
- Financial assets measured at fair value through other comprehensive income for which accumulated gains and losses are recirculated to profit or loss (Debt instruments)
- Financial assets measured at fair value through other comprehensive income that do not recirculate

accumulated gains or losses to profit or loss upon derecognition (Equity instruments)

- Financial assets measured at fair value through profit or loss

2.1.3) Financial assets measured at amortized cost (Debt instruments)

Financial assets measured at amortized cost are subsequently measured using the effective interest rate ("EIR") method and impairment is recognized. Profits and losses arising from the derecognition, change or impairment of an asset are recognized in profit or loss.

Financial assets measured at amortized cost include trade receivables and deposits included in short-term and long-term financial assets.

2.1.4) Financial assets measured at fair value through other comprehensive income (Debt instruments)

The Company measures debt instruments that satisfy all of the following criteria of financial assets at fair value through other comprehensive income.

- Assets that are held for collection of contractual cash flows and for selling the financial assets
- Assets' cash flows represent SPPI

For debt instruments measured at fair value through other comprehensive income, interest income, foreign currency translation gains and losses and impairment or reversal are calculated in the same way as financial assets measured at amortized cost and recognized in profit or loss. The remaining changes in fair value are recognized in other comprehensive income. When financial assets are derecognized, the accumulated change in fair value recognized in other comprehensive income is recirculated to profit or loss.

There are no financial instruments that the Company classifies as debt instruments measured at fair value through other comprehensive income.

2.1.5) Financial assets measured at fair value through other comprehensive income (Equity instruments)

At initial recognition, the Company has made an irrevocable choice to measure equity instruments that meet the definition of equity in K-IFRS 1032 'Financial Instruments Presentation' and are not held for investment purposes at fair value through other comprehensive income.

Profits and losses from these financial assets are not recirculated to profit or loss. Dividends are recognized in the statements of income as other income and treated in other comprehensive income when the right to receive dividends is established, except when the Company obtains a profit by recovering a portion of the cost of the financial asset. Impairment loss on equity investments measured at fair value through other comprehensive income is not recognized.

The Company can make irrevocable choices even for unlisted equity instruments.



2.1.6) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include short-term trading items, financial assets designated for measurement at fair value through profit or loss upon initial recognition or financial assets that are required to be measured at fair value. Financial assets acquired for the purpose of selling or repurchasing within a short period of time are classified as short-term trading items. Derivatives, including segregated embedded derivatives, are classified as held for trading, unless designated as an effective hedging instrument. Financial assets whose cash flows do not consist solely principal and interest payments are classified and measured as financial assets measured at fair value through profit or loss, regardless of business model. To measure a debt instrument at fair value through profit or loss, if, as described in the paragraph above, the accounting mismatch can be eliminated or significantly reduced despite the fact that the instrument is classified as financial assets at amortized cost or at fair value through other comprehensive income, it can be specified.

Financial assets measured at fair value through profit or loss are presented at fair value in the statements of financial position, and net changes in fair value are recognized in profit or loss in the statements of income.

This category includes derivatives and publicly traded equity instruments that do not have an irrevocable option to treat changes in fair value in other comprehensive income. Dividends on listed equity instruments are recognized in profit or loss when rights are established.

In a hybrid contract where its host contract is a financial asset, its embedded derivative is not separately accounted for. A financial asset and its embedded derivative are classified as financial assets measured at fair value through profit or loss in their entirety.

2.1.7) Derecognition

Financial assets (or part of a financial asset or part of a group of similar financial assets) are primarily derecognized in the following circumstances.

- Expiration of the right to receive cash flows from financial assets
- The Company has an obligation to transfer the right to receive cash flows of financial assets or to pay the entire cash flows received under a pass-through contract to a third party without significant delay. In this case, the Company neither transfers most of the risks and rewards of holding financial assets nor transfers most of the risks and rewards of holding financial assets, but transfers control of the assets.

When the Company transfers the right to receive the cash flows of a financial asset or enters into a pass-through agreement, it assesses whether it retains the risks and rewards of owning the asset. If the Company has neither retained nor transferred substantially all of the risks and rewards of a financial asset, it continues to recognize the financial asset to the extent that it continues to be involved. In this case, the Company recognizes an associated liability. Liabilities related to transferred assets are measured by reflecting the rights and obligations that the Company has.

Continuing involvement, which provides a guarantee, is measured as the lower of the carrying amount of the assets transferred and the maximum amount of potential repayment in the future.

2.1.8) Impairment

Detailed disclosures related to impairment of financial assets are provided in the notes below.

- Disclosures on significant assumptions
- Debt instruments measured at fair value through other comprehensive income
- Trade receivables, including contract assets

The Company recognizes an allowance for expected credit losses ("ECLs") for all debt instruments, except for items at fair value through profit or loss. ECLs are estimated by discounting the difference between the contractually agreed cash flows and all cash flows expected to be received, discounted at the initial EIR. Expected cash flows include cash flows from the disposal of collateral held or from other credit enhancements that are essential terms of the contract.

ECLs are recognized in two stages. For credit exposures with no significant increase in credit risk since initial recognition, ECLs reflect credit loss (12-month ECL) arising from default events that are likely to occur within the next 12 months. For credit exposures for which there is a significant increase in credit risk since initial recognition, the loss allowance is required to measure ECL for the remaining life of the exposure (full-period ECL) regardless of when a default event occurs.

For trade receivables and contract assets, the Company may apply the simplified approach to the calculation of ECL. Accordingly, the Company does not track changes in credit risk, but recognizes loss allowance at the end of each reporting period in an amount equivalent to lifetime ECL. The Company establishes a provisioning rate table based on past credit losses experience adjusted to reflect future prospects for specific debtors and economic environment.

For debt instruments measured at fair value through other comprehensive income, the Company applies the low credit risk expedient method. At the end of each reporting period, the Company evaluates the credit risk of its debt instruments using all reasonable and supportable information available without undue cost or effort. For this evaluation, the Company re-evaluates the internal credit rating of debt instruments. In addition, the Company considers whether there is a significant increase in credit risk when the contractual payment exceeds 30 days.

If the Company's debt instruments measured at fair value through other comprehensive income consist only of listed bonds with the highest credit ratings, they are considered low-credit risk investments. The Company's policy is to measure these instruments at 12-month ECL. However, if there is a significant increase in credit risk after initial recognition, the loss allowance is calculated based on the total period ECL. The Company uses ratings from credit rating agencies to determine whether the credit risk of debt instruments has significantly increased and to measure ECLs.

The Company treats the contractual payment as default if it is overdue for more than 90 days. However, in certain circumstances, the Company may be deemed to have defaulted on a financial asset when internal or external information indicates that the Company will not be able to receive its full contractual principal until all credit enhancements by the Company have been taken into account. Financial assets are derecognized when there is no reasonable expectation to recover contractual cash flows.



2.2) Financial liabilities

2.2.1) Initial recognition and measurement

Financial liabilities are appropriately classified on initial recognition as financial liabilities measured at fair value through profit or loss, loans and borrowings, payables or derivatives designated as an effective hedging instrument.

All financial liabilities are initially recognized at fair value and directly related transaction costs are deducted for loans, borrowings and payables.

The Company's financial liabilities include trade and other payables, borrowings and debentures.

2.2.2) Subsequent measurement

The measurement of financial liabilities follows the classifications as mentioned below.

2.2.3) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities for short-term trading and financial liabilities designated to be measured at fair value through profit or loss on initial recognition.

Financial liabilities are classified as short-term trading if they are repurchased within a short period of time. This category also includes derivatives that are not designated as hedging instruments in a hedging relationship as defined in K-IFRS 1109. In addition, segregated embedded derivatives are classified as held for trading, unless they are designated as effective hedging instruments.

Gains or losses on financial liabilities that are short-term trading items are recognized in profit or loss.

Financial liabilities designated at fair value through profit or loss are designated only at the time of initial recognition if the criteria in K-IFRS 1109 are met. The Company does not designate any financial liabilities at fair value through profit or loss.

2.2.4) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains or losses on derecognition of liabilities or amortization using the EIR method are recognized in profit or loss. Amortized cost is calculated by taking into account any discounts or premiums on fees or costs that are an integral part of the EIR. This category generally applies to interest-bearing loans or borrowings.

2.2.5) Derecognition

Financial liabilities are derecognized when payment obligations are discharged, canceled or expired. If an existing financial liability is exchanged for a financial liability with the same borrower, but with substantially different terms, or if the terms of the existing liability are materially changed, such exchange or change results in the derecognition of the original liability and the recognition of a new liability. Any difference in the carrying amount is recognized in profit or loss.

2.2.6) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously.

3) Investment Property

Investment property is measured at acquisition cost, plus related transaction costs, and includes replacement cost that meets the criteria for recognition as an asset when incurred. However, costs incurred in day-to-day management activities are recognized as expenses when incurred. The Company applies the cost model when measuring investment property.

While land is not depreciated, all other investment property is depreciated based on the respective assets estimated useful lives ranging from 15 to 48 years using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Investment property is derecognized from the statement of financial position when the investment property is disposed of (i.e., the date when the acquirer gains control of the property) or when it is expected that future economic benefits will no longer be obtained from its use. The difference between the net disposal consideration and the carrying amount of investment property is recognized in profit or loss at the time of derecognition. The consideration (amount) to be included in the profit or loss arising from the derecognition of investment property is calculated in accordance with K-IFRS 1115, the transaction price calculation requirements.

In addition, only when the purpose of use of the asset is changed, investment property is transferred to another account or from another account to investment property. When investment property is transferred to self-used property (tangible assets), amortized cost at the time the purpose of use is changed is applied as deemed cost.

4) Impairment of Non-financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For assets other than goodwill, the Company evaluates whether previous impairment losses on assets are no longer present or have decreased at the end of each reporting period, and if there are such indications, the recoverable amount is estimated. When there is a change in the estimate used to determine the recoverable amount of the asset since the recognition of previous impairment losses, the maximum amount of impairment losses that can be reversed is limited to the amount necessary to restore the asset to its preimpairment carrying amount, less any subsequent depreciation or amortization that



would have been recognized. If the asset's carrying amount exceeds its recoverable amount, the asset is deemed impaired and its carrying amount is reduced to its recoverable amount.

Value in use is determined by discounting the estimated future cash flows expected to be generated by the asset at a pre-tax discount rate that reflects the market's assessment of the time value of money and the risks specific to the asset. The fair value, less costs to sell, takes into account the most recent transaction price. If no such transaction is identified, it is determined using an appropriate valuation model. Valuation multiples, market price of listed stocks or other fair value indicators are used in these calculations.

The Company calculates the amount of impairment based on specific financial budgets or forecasts prepared for each CGU to which individual assets are allocated. Financial budgeting or forecasting generally covers a period of five years, and for longer periods, long-term growth rates are calculated and applied to periods beyond five years.

Impairment loss is recognized in profit or loss as an expense account consistent with the function of the impaired asset. However, if there is a previously recognized revaluation surplus as an asset to which the revaluation model is applied, it is offset against the revaluation surplus to the limit of the previous revaluation amount.

For assets other than goodwill, the Company evaluates whether previous impairment losses on assets are no longer present or have decreased at the end of each reporting period, and if there are such indications, the recoverable amount is estimated. When there is a change in the estimate used to determine the recoverable amount of the asset since the recognition of previous impairment losses, the maximum amount of impairment losses that can be reversed is limited to the amount necessary to restore the asset to its preimpairment carrying amount, less any subsequent depreciation or amortization that would have been recognized.

5) Measurement of fair value

The Company discloses non-financial assets, such as investment property, at their fair values as of the end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an arm's-length transaction between market participants at the measurement date. Fair value measurement assumes that a transaction to sell an asset or transfer a liability takes place in one of the following markets:

- The main market for assets or liabilities
- The most advantageous market if there is no main market for assets or liabilities

The Company must have access to the main (or most advantageous) market.

The fair value of an asset or liability is measured based on the assumptions market participants use when pricing the asset or liability under the assumption that market participants make their best efforts for the economic benefit.

When measuring the fair value of a non-financial asset, the market participant's ability to best use the asset or sell the asset to another market participant who will best use the asset to generate economic benefits is taken into account.

The Company uses valuation methods that are appropriate to the circumstances and for which sufficient data is available to measure fair value while maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date
- Level 2: All inputs other than quoted prices included in Level 1 that are observable (either directly, that is, prices or indirectly, that is, derived from prices) for the asset or liability
- Level 3: Unobservable inputs for the asset or liability

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest-level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Disclosures on the fair values of financial instruments and non-financial assets that are measured or disclosed at fair value are described in the note below.

- Note 8 – Investment Property
- Note 3 – Financial instruments by Category

6) Dividends

The Company recognizes a liability when the distribution is authorized to pay the dividend and the Company no longer has the discretion to pay the dividend. Distributions to shareholders require approval by the shareholders. Dividends are recognized directly in equity.

In accordance with the Real Estate Investment Company Act in force as of the end of the reporting period, Article 458 of the Commercial Act, which stipulates the obligation to accumulate profit reserves when dividends are distributed, is excluded. In addition, as Article 462 of the Commercial Act is excluded by the Real Estate Investment Company Act, dividends in excess of profits may be distributed within the scope of depreciation for the current year.

7) Income Taxes

If the Company decide to pay dividends at least 90% of the distributable profits in accordance with Corporate Tax Act Article 51-2 Income Deductions for Special Purpose Companies, etc., the Company can deduct such amount of dividends when calculating the taxable profit for the fiscal year. Therefore, the current tax expense has not occurred because there is no corporate tax to be paid by the Company in fact.

8) Cash and Cash Equivalents

Cash and cash equivalents on the statements of financial position consist of ordinary deposits and short-term deposits with maturities of less than three months at the time of acquisition.



9) Use of Significant Accounting Judgments, Estimates and Assumptions

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognized in the period in which the change is made if the effect of the change is only for that period, and in the period in which the change is made and in future periods if the effect of the change is on both current and future periods.

3. FINANCIAL INSTRUMENTS BY CATEGORY

(1) Financial assets by category as of December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | | December 31, 2025 | December 31, 2024 |
|--|--|-------------------|-------------------|
| Financial assets measured at amortized cost ¹ | Cash and cash equivalents | 12,577,978 | 13,266,817 |
| | Trade and other receivables ² | 11,565,528 | 11,249,997 |
| | Other financial assets ³ | 26,920,095 | 17,126,867 |
| | | 51,063,601 | 41,643,681 |
| Financial assets measured at fair value through other comprehensive income | Other financial assets ⁴ | 7,000,000 | 7,000,000 |
| | | 7,000,000 | 7,000,000 |
| | Total | 58,063,601 | 48,643,681 |

1) Differences between fair value and carrying amount of financial assets of amortized cost are immaterial.

2) Trade and other receivables measured at amortized cost consist of trade receivables and other receivables.

3) Other financial assets measured at amortized cost consist of short-term financial instruments, long-term financial instruments and accrued income.

4) Other financial assets measured at fair value through other comprehensive income consist of equity securities.

(2) Financial liabilities that are measured at amortized cost as of December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | | December 31, 2025 | December 31, 2024 |
|--|--|----------------------|----------------------|
| Financial liabilities measured at amortized cost | Borrowings and debentures ¹ | 1,307,019,778 | 1,306,230,562 |
| | Other financial liabilities ² | 126,300,828 | 123,709,493 |
| | Total | 1,433,320,606 | 1,429,940,055 |

1) The fair value of borrowings and bonds as of December 31, 2025, is KRW 1,316,440,158 thousand.

2) Other financial liabilities consist of accrued expenses, lease deposits, and others. The differences between their carrying amounts and fair values are not significant.

(3) Details of finance income and finance expense by financial instruments category for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | December 31, 2025 | | | December 31, 2024 | | |
|------------------------------|---|--|--|---|--|--|
| | Financial assets measured at amortized cost | Financial assets measured at fair value through OCI ² | Financial liabilities measured at amortized cost | Financial assets measured at amortized cost | Financial assets measured at fair value through OCI ² | Financial liabilities measured at amortized cost |
| Dividend income ¹ | - | 426,415 | - | - | 213,500 | - |
| Interest income | 819,777 | - | - | 1,029,694 | - | - |
| Interest expense | - | - | 57,300,164 | - | - | 64,177,851 |

1) Dividend income is included in operating revenue

2) Financial assets measured at fair value through other comprehensive income

(4) Measurement of fair value

The Company classifies financial instruments measured at fair value into the following fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date
- Level 2: All inputs other than quoted prices included in Level 1 that are observable (either directly, that is, prices or indirectly, that is, derived from prices) for the asset or liability
- Level 3: Unobservable inputs for the asset or liability

The fair value measurements classified by fair value hierarchy as of December 31, 2025 and 2024, are as follows:

< December 31, 2025 > (in thousands of Korean won)

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|-----------|-----------|
| Financial assets measured at fair value through other comprehensive income | - | - | 7,000,000 | 7,000,000 |

< December 31, 2024 > (in thousands of Korean won)

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|-----------|-----------|
| Financial assets measured at fair value through other comprehensive income | - | - | 7,000,000 | 7,000,000 |



(5) As of December 31, 2025, the valuation methods and input variables for financial assets classified as Level 3 of the fair value hierarchy are as follows:

(in thousands of Korean won)

| | Financial assets measured at fair value through other comprehensive income | | | |
|-----------------|--|-------------|------------------|-----------------|
| | Types of financial assets | Book amount | Valuation method | Input variables |
| Unlisted stocks | (*1) | 7,000,000 | (*2) | - |

1) Special-class shares of real estate investment trust company.

2) The Company determined that acquisition cost may be an appropriate estimate of fair value.

(6) Changes in Level 3 fair values for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | 2025 | 2024 |
|---|-----------|-----------|
| Beginning balance | 7,000,000 | - |
| Total profit or loss | - | - |
| Amount recognized in profit or loss | - | - |
| Amount recognized in other comprehensive income | - | - |
| Purchases | - | 7,000,000 |
| Disposal, etc. | - | - |
| Ending balance | 7,000,000 | 7,000,000 |

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | December 31, 2025 | December 31, 2024 |
|------------------|-------------------|-------------------|
| Woori Bank, etc. | 12,577,978 | 13,266,817 |

5. TRADE AND OTHER RECEIVABLES

(1) Trade and other receivables as of December 31, 2025 and 2024, are as follows:

< December 31, 2025 > (in thousands of Korean won)

| | Trade receivables | Other receivables | Total |
|---------------------|-------------------|-------------------|-------------------|
| Carrying amount | 11,559,387 | 6,141 | 11,565,528 |
| Loss allowance | - | - | - |
| Net carrying amount | 11,559,387 | 6,141 | 11,565,528 |

< December 31, 2024 > (in thousands of Korean won)

| | Trade receivables | Other receivables | Total |
|---------------------|-------------------|-------------------|-------------------|
| Carrying amount | 11,243,041 | 6,956 | 11,249,997 |
| Loss allowance | - | - | - |
| Net carrying amount | 11,243,041 | 6,956 | 11,249,997 |

(2) There is no change in the loss allowance of trade and other receivables during the current and previous years.

6. OTHER FINANCIAL ASSETS

(1) Other financial assets as of December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | December 31, 2025 | December 31, 2024 |
|--|-------------------|-------------------|
| Current assets: | | |
| Accrued income | 184,262 | 225,350 |
| Short-term financial instruments | 25,000,000 | 16,033,600 |
| | 25,184,262 | 16,258,950 |
| Non-current assets: | | |
| Long-term financial instruments ¹ | 1,735,833 | 867,917 |
| Equity instruments | 7,000,000 | 7,000,000 |
| | 8,735,833 | 7,867,917 |
| Total | 33,920,095 | 24,126,867 |

1) As of December 31, 2025, long-term financial instrument is provided as collateral by ₩1,735,833 thousand.



(2) Financial assets measured at fair value through other comprehensive income as of December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | December 31, 2025 | | | | December 31, 2024 |
|-----------------------------------|-------------------|-----------------|------------------|------------------|-------------------|
| | Number of shares | share ratio (%) | Acquisition cost | Book amount | Book amount |
| Non-marketable equity securities: | | | | | |
| KORAMCO THE ONE GANGNAM 1 REIT | 1,400,000 | 3.50 | 7,000,000 | 7,000,000 | 7,000,000 |
| Total | | | 7,000,000 | 7,000,000 | 7,000,000 |

The Company designates equity securities that are not invested for short-term trading purposes and that are not contingent consideration recognized by the acquirer in a business combination applying K-IFRS 1103 as financial assets measured at fair value through other comprehensive income.

(3) The changes in financial assets measured at fair value through other comprehensive income during the current and previous years are as follows:

(in thousands of Korean won)

| | 2025 | | | 2024 | | |
|--------------------------------|-----------------------|--------------|--------------------|-----------------------|--------------|--------------------|
| | Beginning book amount | Acquisitions | Ending book amount | Beginning book amount | Acquisitions | Ending book amount |
| KORAMCO THE ONE GANGNAM 1 REIT | 7,000,000 | - | 7,000,000 | - | 7,000,000 | 7,000,000 |

7. OTHER NON-FINANCIAL ASSETS

Other non-financial assets as of December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | December 31, 2025 | December 31, 2024 |
|-------------------|-------------------|-------------------|
| Other receivables | - | - |
| Prepaid expenses | 14,080 | 63,504 |
| Total | 14,080 | 63,504 |



8. INVESTMENT PROPERTY AND ASSETS HELD FOR SALE:

(1) Investment property as of December 31, 2025 and 2024, is as follows:

(in thousands of Korean won)

| | December 31, 2025 | | | December 31, 2024 | | |
|------------------------|----------------------|--------------------------|----------------------|----------------------|--------------------------|----------------------|
| | Acquisition cost | Accumulated depreciation | Book value | Acquisition cost | Accumulated depreciation | Book value |
| Land ¹ | 1,700,730,829 | - | 1,700,730,829 | 1,709,774,092 | - | 1,709,774,092 |
| Buildings ¹ | 1,054,578,621 | (228,086,855) | 826,491,766 | 1,054,104,721 | (189,016,365) | 865,088,356 |
| Total | 2,755,309,450 | (228,086,855) | 2,527,222,595 | 2,763,878,813 | (189,016,365) | 2,574,862,448 |

1) As of December 31, 2025, the above land and buildings are provided as collateral in relation to borrowings and debentures, and a part of the land is for the use of nearby subway passageways, protection of intercepting pipes and manholes. The superficies have been established(refer to Note 21).

(2) Changes in investment property for the years ended December 31, 2025 and 2024, are as follows:

< 2025 > (in thousands of Korean won)

| | Beginning balance | Acquisitions | Depreciation | Transfer ¹ | Ending balance |
|--------------|----------------------|----------------|---------------------|-----------------------|----------------------|
| Land | 1,709,774,092 | - | - | (9,043,263) | 1,700,730,829 |
| Buildings | 865,088,356 | 473,900 | (39,070,490) | - | 826,491,766 |
| Total | 2,574,862,448 | 473,900 | (39,070,490) | (9,043,263) | 2,527,222,595 |

1) Transfers of land represent amounts reclassified as assets held for sale.

< 2024 > (in thousands of Korean won)

| | Beginning balance | Acquisitions | Depreciation | Transfer | Ending balance |
|--------------|----------------------|--------------------|---------------------|----------|----------------------|
| Land | 1,427,084,774 | 282,689,318 | - | - | 1,709,774,092 |
| Buildings | 839,350,086 | 64,562,760 | (38,824,490) | - | 865,088,356 |
| Total | 2,266,434,860 | 347,252,078 | (38,824,490) | - | 2,574,862,448 |

(3) Income and expense from investment property and assets held for sale

Details of income and expense from investment property for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | 2025 | 2024 |
|--|-------------|-------------|
| Rental income | 140,407,694 | 125,423,320 |
| Direct operating expenses ¹ | 47,041,899 | 44,855,541 |

1) Direct operating expenses include depreciation, asset management fees, asset custody fees, business trustee fees, real estate management fees, insurance premiums, and taxes and dues.

(4) Fair value of investment property as of December 31, 2025 and 2024, is as follows:

(in thousands of Korean won)

| | December 31, 2025 | | December 31, 2024 | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | Book value ¹ | Fair value ¹ | Book value ² | Fair value ² |
| Land and buildings (Daechi-Dong 937, etc., Gangnam-gu, Seoul) | 2,527,222,595 | 3,204,700,000 | 2,574,862,448 | 3,185,800,000 |

1) Carrying amounts and fair values are presented exclusive of land reclassified as assets held for sale.

2) Carrying amounts and fair values are presented inclusive of land reclassified as assets held for sale.

(5) The fair value of investment properties is measured using Income Approach Method, Cost Approach Method and Market Approach Method, and some assumptions that are not based on observable market prices or indicators are used to estimate future cash flows, such as assumptions or estimates for rent increase rates, vacancy rates and discount rates for calculating the present value of future cash flows. If the rent increase rate rises and the vacancy rate and discount rate fall, the fair value of the investment property will increase. The Company classified the fair value measurement of investment property as Level 3 in the fair value hierarchy as it determined that the above-mentioned major assumptions and estimates had a significant effect on the fair value of investment real estate.

The fair value of the real estate is determined by an external independent real estate appraisal firm with appropriate qualifications and experience in relation to real estate appraisal in the area.

The fair value of the real estate used by Gangnam branch, Guri branch, Gwangju branch, Changwon branch, Daegu Yulha branch, Cheongju branch, Uiwang branch and Jangyu branch acquired in 2019 has changed based on the valuations conducted by Samchang Appraisal Co., LTD. (Appraisal date of Gwangju branch: September 20, 2022 / Appraisal date of Daegu Yulha branch: March 17, 2025), Pacific Appraisal Co., LTD. (Appraisal date of Guri branch and Cheongju branch: September 11, 2025 / Appraisal date of Gangnam branch: June 10, 2024), and Kyungil Appraisal Co., LTD. (Appraisal date of Changwon branch, Uiwang branch and Jangyu branch: March 12, 2025).

The fair value of the real estate used by Ansan branch, Jungdong branch, Icheon branch, Chuncheon branch, Gyeyang branch and Gimpo Logistics center acquired in 2021 has changed based on the valuations conducted by Pacific Appraisal Co., LTD. (Appraisal date of Ansan branch and Gimpo Logistics center: August 23, 2024 / Appraisal date of Icheon branch: September 12, 2024), Samchang Appraisal Co., LTD. (Appraisal date of Jungdong branch: February 22, 2024), and Kyungil Appraisal Co., LTD. (Appraisal date of Chuncheon branch and Gyeyang branch: August 16, 2024).

The fair value of the real estate used by Gyeonggi Yangpyeong branch additionally acquired in 2021 has changed based on the valuation conducted by Pacific Appraisal Co., LTD. (Appraisal date: August 23, 2024).

Meanwhile, the fair value of Lotte Hotel L7 Gangnam acquired in 2024 is determined based on the appraisal conducted by Nara Appraisal Co., LTD. (Appraisal date: August 20, 2024) and Garam Appraisal Co., LTD. (Appraisal date: August 20, 2024).

(6) In accordance with the resolution of the Board of Directors on May 22, 2025, the Company reclassified investment property amounting to ₩9,043,263 thousand, related to the auxiliary parking lot of the Lotte Department Store Guri branch, as assets held for sale. As the net fair value of the said assets exceeds their carrying amount, no impairment loss has been recognized. As of the end of the current reporting period, the Company has entered into a sales agreement with a third party (non-related party) and received an advance payment. The disposal is expected to be completed within 2026.

(7) Provision of operating leases

The Company has entered into operating lease agreements with Lotte Shopping Co., Ltd., Lotte Global Logistics Co., Ltd. and Hotel Lotte Co., Ltd. for investment properties, and depreciation expenses incurred from assets for operating leases in 2025 and 2024 are ₩39,070,490 thousand and ₩38,824,490 thousand, respectively.

As of for the years ended December 31, 2025 and 2024, the rental income expected to be received by the Company under the operating lease agreement for the above investment properties is described in Note 15.

9. BORROWINGS AND DEBENTURES

Borrowings and debentures as of December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| Description | Maturity | Annual interest rate(%) | December 31, 2025 | December 31, 2024 |
|--|------------|-------------------------|-------------------|-------------------|
| Current: | | | | |
| Current portion of long-term borrowings ^{1,2} | - | - | - | - |
| KEB Hana Bank, etc. | - | - | - | 311,000,000 |
| Standard Chartered Bank, etc. | 2026.03.18 | CD+1.00 | 75,000,000 | - |
| Standard Chartered Bank., etc. | 2026.09.30 | 3.75 | 165,000,000 | - |
| Current portion of discount on long-term borrowings | - | - | (1,091,944) | (914,726) |
| Short-term debentures | - | - | - | 10,000,000 |
| Current portion of discount on long-term borrowings | - | - | - | (5,891) |
| Current portion of long-term debentures (6th-1) ^{1,2} | - | - | - | 80,000,000 |
| Current portion of discount on long-term debentures (6th-1) | - | - | - | (205,421) |



| Description | Maturity | Annual interest rate(%) | December 31, 2025 | December 31, 2024 |
|--|------------|-------------------------|--------------------|--------------------|
| Current portion of long-term debentures (6th-2) ^{1,2} | 2026.08.06 | 3.45 | 160,000,000 | - |
| Current portion of discount on long-term debentures (6th-2) | - | - | (210,549) | - |
| Current portion of long-term debentures (6th-3) ^{1,3} | 2026.08.06 | 2.89 | 80,000,000 | - |
| Current portion of discount on long-term debentures (6th-3) | - | - | (149,956) | - |
| Current portion of long-term debentures (7th-1) ^{1,2} | - | - | - | 50,000,000 |
| Current portion of discount on long-term debentures (7th-1) | - | - | - | (206,707) |
| Current portion of long-term debentures (7th-2) ^{1,2} | 2026.10.07 | 3.48 | 75,000,000 | - |
| Current portion of discount on long-term debentures (7th-2) | - | - | (142,607) | - |
| Current portion of long-term debentures (7th-3) ^{1,3} | 2026.10.02 | 3.10 | 50,000,000 | - |
| Current portion of discount on long-term debentures (7th-3) | - | - | (131,324) | - |
| Total | | | 603,273,620 | 449,667,255 |
| Non-current: | | | | |
| KOOKMIN Bank, etc. ^{1,2} | - | - | - | 130,000,000 |
| Standard Chartered Bank, etc. ^{1,2} | - | - | - | 75,000,000 |
| Mizuho Bank, etc. ^{1,2} | 2027.09.19 | CD+1.00 | 258,000,000 | 258,000,000 |
| Standard Chartered Bank, etc. ^{1,2} | - | - | - | 165,000,000 |
| KOOKMIN Bank, etc. ^{1,2} | 2027.04.17 | CD+0.87 | 160,000,000 | - |
| KOOKMIN Bank, etc. ^{1,4} | 2028.10.24 | CD+0.95 | 130,000,000 | - |
| Discount on long-term borrowings | - | - | (3,567,719) | (5,552,389) |
| Long-term debentures (6th-2) ^{1,2} | - | - | - | 160,000,000 |
| Discount on debentures | - | - | - | (558,820) |
| Long-term debentures (7th-2) ^{1,2} | - | - | - | 75,000,000 |
| Discount on debentures | - | - | - | (325,484) |
| Long-term debentures (8th) ^{1,3} | 2027.04.16 | 3.26 | 160,000,000 | - |
| Discount on debentures | - | - | (686,123) | - |
| Total | | | 703,746,158 | 856,563,307 |

1) The Company's investment properties are provided as collateral for the above borrowings and debentures(refer to Note 21). According to the agreement, the Company is subject to restrictions, such as restrictions on the establishment of security rights and restrictions on the disposal of assets, until the obligation to pay the principal and interest of borrowings and debentures is completed.

2) In relation to the above borrowings and debentures, the Company is subject to restrictions, such as maintaining the financial ratio (debt ratio of 200% or less), until the obligation to pay principal and interest of the borrowings and debentures is completed according to the agreement.

3) In relation to the above debentures, the Company is subject to restrictions, such as maintaining the financial ratio (debt ratio of 400% or less), until the obligation to pay principal and interest of the debentures is completed according to the agreement.

4) In relation to the above borrowings, the Company is subject to restrictions, such as maintaining the financial ratio (debt ratio of 300% or less), until the obligation to pay principal and interest of the borrowings is completed according to the agreement.

10. OTHER FINANCIAL LIABILITIES

Other financial liabilities as of December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | December 31, 2025 | December 31, 2024 |
|--|--------------------|--------------------|
| Current: | | |
| Other payables | 10,000 | - |
| Accrued expenses | 9,117,455 | 10,585,191 |
| Leasehold deposits received ¹ | - | 2,077,124 |
| Less: present-value discount | - | (83,603) |
| Total | 9,127,455 | 12,578,712 |
| Non-current: | | |
| Leasehold deposits received ¹ | 134,313,769 | 131,218,232 |
| Less: present-value discount | (17,140,396) | (20,087,450) |
| Total | 117,173,373 | 111,130,782 |

1) The superficies and right of mortgage above the leasehold deposits received have been established(refer to Note 21).

11. OTHER NON-FINANCIAL LIABILITIES

Other non-financial liabilities as of December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | December 31, 2025 | December 31, 2024 |
|------------------------|-------------------|-------------------|
| Current: | | |
| Unearned rental income | 3,478,993 | 3,413,229 |
| Advance from customers | 1,300,000 | 867,917 |
| Accrued expense | - | - |
| Other accounts payable | 5,583 | 7,119 |
| Other withholdings | 2,587 | 3,611 |
| VAT withholdings | 4,148,741 | 4,090,016 |
| Total | 8,935,904 | 8,381,892 |
| Non-current: | | |
| Unearned rental income | 12,651,951 | 15,828,917 |
| Total | 12,651,951 | 15,828,917 |



12. SHARE CAPITAL AND CAPITAL SURPLUS

(1) The share capital of the Company as of December 31, 2025 and 2024, is as follows:

(in thousands of Korean won, except for number of shares)

| | December 31, 2025 | December 31, 2024 |
|----------------------------------|-------------------|-------------------|
| Authorized shares (shares) | 2,000,000,000 | 2,000,000,000 |
| Par value per share | ₩500 | ₩500 |
| Number of shares issued (shares) | 288,968,884 | 288,968,884 |
| Share capital | 144,484,442 | 144,484,442 |

(2) Capital surplus as of December 31, 2025 and 2024, consists of the following:

(in thousands of Korean won)

| | December 31, 2025 | December 31, 2024 |
|----------------------------|-------------------|-------------------|
| Additional paid-in capital | 1,179,576,424 | 1,179,575,979 |

(3) Changes in share capital and capital surplus for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | Number of shares | Par value | Share capital | Capital surplus | Total |
|--|------------------|-----------|---------------|-----------------|----------------------|
| Balance at January 1, 2024 | 242,968,884 | ₩500 | 121,484,442 | 1,060,934,642 | 1,182,419,084 |
| Transfer from capital surplus to retained earnings | - | - | - | (4,200,000) | (4,200,000) |
| Paid-in capital increase | 46,000,000 | ₩500 | 23,000,000 | 122,841,337 | 145,841,337 |
| Balance at December 31, 2024 | 288,968,884 | ₩500 | 144,484,442 | 1,179,575,979 | 1,324,060,421 |
| Balance at January 1, 2025 | 288,968,884 | ₩500 | 144,484,442 | 1,179,575,979 | 1,324,060,421 |
| Reversal of payment related to issuance of share | - | - | - | 445 | 445 |
| Balance at December 31, 2025 | 288,968,884 | ₩500 | 144,484,442 | 1,179,576,424 | 1,324,060,866 |

13. RETAINED EARNINGS:

(1) Details of retained earnings as of December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | December 31, 2025 | December 31, 2024 |
|-------------------|-------------------|-------------------|
| Retained earnings | (184,562,285) | (154,562,638) |

(2) The appropriation of retained earnings for the years ended December 31, 2025 and 2024, is as follows:

(in thousands of Korean won)

| | 2025 | 2024 |
|--|----------------------|----------------------|
| I. Unappropriated retained earnings carried over from prior year | (186,927,153) | (150,191,874) |
| Interim dividend ¹ | (33,809,359) | (25,025,796) |
| Transfer from capital surplus to retained earnings | - | 4,200,000 |
| Profit for the year | 36,174,227 | 16,455,032 |
| | (184,562,285) | (154,562,638) |
| II. Appropriation of retained earnings | 35,543,173 | 32,364,515 |
| III. Unappropriated retained earnings to be carried forward | (220,105,458) | (186,927,153) |

1) The fiscal year of the Company begins on January 1 and ends on June 30, and the next fiscal year begins on July 1 and ends on December 31. Accordingly, the Company paid dividends in September 2025 and September 2024, respectively.

(3) Details of dividend payment (planned) for the years ended December 31, 2025 and 2024, are as follows:

(in Korean won, except for number of shares)

| | 2025 | 2024 |
|----------------------------------|----------------|----------------|
| Amount of total dividend | 69,352,532,160 | 57,390,310,060 |
| Number of shares issued (shares) | 288,968,884 | 288,968,884 |
| Dividend per share | 240 | 215 |
| Par value | 500 | 500 |
| Dividend rate | 48.00% | 43.00% |

**14. EARNINGS PER SHARE**

(1) Basic earnings per share

Basic earnings per share for the years ended December 31, 2025 and 2024, are as follows:

(in Korean won, except for number of shares)

| | 2025 | 2024 |
|---|-----------------|-----------------|
| Profit attributable to the ordinary equity holders | ₩36,174,226,674 | ₩16,455,032,132 |
| Weighted-average number of ordinary shares outstanding (shares) | 288,968,884 | 249,127,354 |
| Basic earnings per share | 125 | 66 |

(2) Weighted-average number of ordinary shares outstanding (shares)

Weighted-average number of ordinary shares outstanding (shares) is calculated as follows:

< 2025 > (number of shares)

| | Number of shares | Day | Accumulated number of shares |
|--|------------------|-----|------------------------------|
| Weighted-average number of ordinary shares outstanding (shares) carried over from prior year | 288,968,884 | 365 | 105,473,642,660 |
| Weighted-average number of ordinary shares outstanding (shares) | | | 288,968,884 |

< 2024 > (number of shares)

| | Number of shares | Day | Accumulated number of shares |
|--|------------------|-----|------------------------------|
| Weighted-average number of ordinary shares outstanding (shares) carried over from prior year | 242,968,884 | 366 | 88,926,611,544 |
| Paid-in capital increase | 46,000,000 | 49 | 2,254,000,000 |
| Total | | | 91,180,611,544 |
| Weighted-average number of ordinary shares outstanding (shares) | | | 249,127,354 |

(3) Diluted earnings per share

The Company did not issue any potential ordinary shares. Therefore, basic earnings per share are identical to diluted earnings per share.



15. REVENUE

(1) Details of operating income for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | 2025 | 2024 |
|----------------------------|--------------------|--------------------|
| Rental income ¹ | 137,772,556 | 124,406,496 |
| Management fee profit | 1,711,784 | 443,620 |
| Dividend income | 426,415 | 213,500 |
| Other income | 923,355 | 573,204 |
| Total | 140,834,110 | 125,636,820 |

1) The Company has entered into operating lease contracts with Lotte Shopping Co., Ltd., Lotte Global Logistics Co., Ltd. and Hotel Lotte Co., Ltd., etc., for the investment properties it owns. The Company's operating income comes from operating lease rentals with Lotte Shopping Co., Ltd., Lotte Global Logistics Co., Ltd. and Hotel Lotte Co., Ltd., etc.

(2) The Company operates a single operating segment and does not disclose information by each operating segment. In addition, since operating income is generated only in Korea, analysis data on regional information is not disclosed separately.

(3) As of December 31, 2025 and 2024, the rental income plan due to the operating lease contracts is as follows:

(in thousands of Korean won)

| | 2025 | 2024 |
|-------------------|--------------------|--------------------|
| Within 1 year | 137,225,806 | 133,422,059 |
| 1-5 years | 401,633,922 | 474,597,246 |
| More than 5 years | 61,342,890 | 111,142,839 |
| Total | 600,202,618 | 719,162,144 |

16. OPERATING EXPENSES

Details of operating expenses for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | 2025 | 2024 |
|----------------------|------------|------------|
| Salaries | 96,000 | 96,000 |
| Depreciation | 39,070,490 | 38,824,490 |
| Asset management fee | 5,275,212 | 4,805,524 |

| | 2025 | 2024 |
|----------------------------------|-------------------|-------------------|
| Asset custody fee | 78,918 | 71,534 |
| Business trustee fee | 236,754 | 214,602 |
| Asset consignment management fee | 1,577,614 | 932,850 |
| Utility expenses | 1,072,828 | - |
| Commission expenses | 546,474 | 556,736 |
| Others | 1,400,910 | 542,735 |
| Total | 49,355,200 | 46,044,471 |

17. OTHER INCOME AND EXPENSE

Details of other income and other expense for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | 2025 | 2024 |
|-----------------------|-----------|--------|
| Other income: | | |
| Miscellaneous income | 1,175,826 | 19,381 |
| Other expense: | | |
| Miscellaneous expense | 123 | 8,540 |

18. FINANCIAL INCOME AND FINANCIAL EXPENSE

Details of financial income and financial expense for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | 2025 | 2024 |
|---|------------|------------|
| Finance income: | | |
| Interest income calculated using the effective interest method | 819,777 | 1,029,693 |
| Finance expense: | | |
| Interest expense calculated using the effective interest method | 57,300,164 | 64,177,852 |

19. INCOME TAXES

Income tax expense comprises current and deferred taxes. However, since the Company has decided to pay dividends of at least 90% of the distributable profits in accordance with Corporate Tax Act Article 51-2 Income Deductions for special-purpose companies, etc., the Company can deduct such amount of dividends when calculating the taxable profit for the fiscal year. Therefore, the current tax expense has not occurred because there is no corporate tax to be paid by the Company in fact.

20. STATEMENTS OF CASH FLOWS

(1) As of December 31, 2025 and 2024, details of cash and cash equivalents are as follows:

(in thousands of Korean won)

| | December 31, 2025 | December 31, 2024 |
|----------|-------------------|-------------------|
| Deposits | 12,577,978 | 13,266,817 |

(2) Adjustments for cash flows from operating activities and changes in operating assets and liabilities for the years ended December 31, 2025 and 2024, are as follows:

1) Adjustments

(in thousands of Korean won)

| | 2025 | 2024 |
|--|-------------------|-------------------|
| Depreciation | 39,070,490 | 38,824,490 |
| Interest expense | 57,300,164 | 64,177,852 |
| Miscellaneous losses | 123 | - |
| Rental income (amortization of discount on leasehold deposit received) | (3,516,190) | (2,846,743) |
| Interest income | (819,778) | (1,029,693) |
| Dividend income | (426,415) | (213,500) |
| Miscellaneous income | (842,182) | - |
| Total | 90,766,212 | 98,912,406 |



2) Changes in operating assets and liabilities

(in thousands of Korean won)

| | 2025 | 2024 |
|------------------------------------|------------------|-------------------|
| Increase in trade receivables | (322,481) | (563,241) |
| Decrease in other receivables | 6,956 | - |
| Increase in prepaid expenses | 5,041 | (19,120) |
| Increase in other payables | 2,900 | 10 |
| Increase in accrued expenses | (660,526) | 914,590 |
| Increase in advance from customers | - | 867,917 |
| Increase in other withholdings | (2,882) | 3,611 |
| Increase in VAT withholdings | 58,149 | 631,298 |
| Leasehold deposits received | - | 24,213,764 |
| Leasehold deposits return | - | (494,440) |
| Total | (912,843) | 25,554,389 |

(3) Non-cash transactions for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| | 2025 | 2024 |
|--|-------------|-------------|
| Transfer of long-term unearned revenue to liquid liabilities | 3,489,027 | 2,846,743 |
| Unearned revenue recognition | 92,928 | 755,316 |
| Long-term unearned revenue recognition | 312,060 | 4,597,372 |
| Transfer of long-term borrowings to liquid liabilities | 367,836,500 | 467,768,264 |
| Transfer of debentures to current liabilities | 234,502,181 | - |
| Transfer of leasehold deposits received to current liabilities | 1,201,904 | 2,487,961 |
| Transfer from capital surplus to retained earnings | - | 4,200,000 |
| Transfer of non current assets classified as held for sale | 9,043,263 | - |



(4) Changes in liabilities arising from financial activities for the years ended December 31, 2025 and 2024, are as follows:

< 2025 > (in thousands of Korean won)

| | Beginning balance | Amortization | Reclassification | Cash inflow from financing activities | Cash outflow from financing activities | Ending balance |
|--------------|----------------------|------------------|------------------|---------------------------------------|--|----------------------|
| Borrowings | 932,532,885 | 4,474,370 | - | 287,333,082 | (441,000,000) | 783,340,337 |
| Debentures | 373,697,677 | 1,436,343 | - | 298,545,421 | (150,000,000) | 523,679,441 |
| Deposit | 113,124,302 | 3,435,523 | (378,569) | 1,025,717 | (33,600) | 117,173,373 |
| Total | 1,419,354,864 | 9,346,236 | (378,569) | 586,904,220 | (591,033,600) | 1,424,193,151 |

< 2024 > (in thousands of Korean won)

| | Beginning balance | Amortization | Reclassification | Cash inflow from financing activities | Cash outflow from financing activities | Ending balance |
|--------------|----------------------|------------------|------------------|---------------------------------------|--|----------------------|
| Borrowings | 696,501,741 | 2,912,495 | - | 621,118,649 | (388,000,000) | 932,532,885 |
| Debentures | 439,016,581 | 1,422,680 | - | 905,258,416 | (972,000,000) | 373,697,677 |
| Total | 1,135,518,322 | 4,335,175 | - | 1,526,377,065 | (1,360,000,000) | 1,306,230,562 |

21. CONTINGENCIES AND COMMITMENTS

(1) Master Lease Agreement and Lease Agreement

As of December 31, 2025, the Company entered into the Master Lease Agreement with Lotte Shopping Co., Ltd. and Lotte Global Logistics Co., Ltd., and entered into a Lease Agreement with Hotel Lotte Co., Ltd. for the lease of all in-kind investment assets.

The main terms and conditions of the agreement are as follows:

(in millions of Korean won)

| Type | Tenants | Leasehold deposit | Monthly rental fee ¹ | Lease term | Rental fee increase rate, etc. | Management fee, etc. |
|--------------|--|-------------------|---------------------------------|---------------------|--------------------------------|------------------------------|
| Tranche A | LOTTE Department Store - Changwon LOTTE Mart - Uiwang LOTTE Mart - Jangyu | 21,761 | 1,983 | 9 years | | |
| Tranche B | LOTTE Department Store - Guri LOTTE Outlet - Cheongju LOTTE Outlet - Daegu Yulha LOTTE Mart - Seocheongju LOTTE Mart - Daegu Yulha | 24,929 | 2,272 | 10 years | ³⁾ | |
| Tranche C | LOTTE Department Store - Gangnam LOTTE Department Store - Gwangju | 27,700 | 2,524 | 11 years | | Tenant's burden ² |
| Tranche D | LOTTE Department Store - Ansan LOTTE Department Store - Jungdong LOTTE Mart - Gyeonggi | 15,064 | 1,411 | 7 years | ⁴⁾ | |
| Tranche E | LOTTE Mart - Yangpyeong, Gyeonggi | 1,487 | 137 | 6 years 3 months | ⁵⁾ | |
| Tranche F | LOTTE Premium Outlet - Icheon LOTTE Mart - Chuncheon | 14,337 | 1,349 | 11 years | ⁴⁾ | |
| Tranche G | LOTTE Mart Mall - Gimpo Logistics Center | 4,298 | 409 | 15 years | ⁶⁾ | |
| | LOTTE Hotel L7 Gangnam | 21,500 | 936 | 7 years 3 months | ⁷⁾ | Landlord's burden |
| | Others | 3,238 | 375 | - | - | |
| Total | | 134,314 | 11,396 | | | |

1) As of December 31, 2025, this is the monthly rent.

2) The tenant bears the full cost of management, insurance and taxes.

3) The monthly rental fee is increased by 1.5% every year from the date of commencement of lease.

4) The monthly rental fee is determined by adding the rental fee linked to monthly sales (0.45% of the previous year's total sales amount divided by 12) to the fixed monthly rental fee. The monthly rental fee is increased every year from the day following the day after one year has elapsed from the date of commencement of the lease, in conjunction with the previous year's consumer price index ("CPI") growth rate.

5) The monthly rental fee is determined by adding the monthly rental fee (0.5% of the previous year's total sales amount divided by 12) to the fixed monthly rental fee. From March 17, 2023, the monthly rental fee will be increased every year in relation to the previous year's annual rental fee in conjunction with the previous year's CPI growth rate.

6) The monthly fixed rental fee is increased every year from the day following the day after one year has elapsed from the date of commencement of the lease in conjunction with the previous year's CPI growth rate.

7) The monthly rental fee is determined by adding the monthly variable rental fee to the monthly fixed rental fee. The monthly fixed rental fee will remain the same from the lease commencement date until the end of 2027, and the monthly variable rental fee will remain the same from the lease commencement date until the end of 2025. After 2025, the monthly variable rental fee will change every six months based on the room sales performance of the previous six months.

(2) Asset Management Consignment Agreement

The Company entered into the Asset Management Consignment Agreement with Lotte AMC for investment management of assets, such as real estate acquisition, management, improvement, disposal, leasing and securities trading, and the fee rates for each service are as follows:

| | Terms and conditions |
|----------------------------------|---|
| Asset acquisition service fee | 0.4% of the acquisition price of the managed assets acquired (including contribution in kind) |
| Asset management service fee | 0.2% per year of the acquisition price of the managed assets (including contribution in kind) during the period in which each managed asset is operated |
| Basic commission for sales | 0.7% of the sales price of each managed asset |
| Performance commission for sales | 10% of the difference between the sales price and the acquisition price of each managed asset |

(3) General Corporate Services Agreement

The Company entered into General Corporate Services Agreement with KB Fund Partners Co, Ltd. for the affairs of stock issuance, stock listing and general administrative, and the fee rates are as follows:

| | Terms and conditions |
|------------------------------------|--|
| General administrative service fee | - 0.5 bp per year of the acquisition price of the managed assets until just before the day the Company's shares are listed on the Korea Stock Exchange - 0.9 bp per year of the acquisition price of the managed assets from the day of the Company's shares are listed on the Korea Stock Exchange |

(4) Asset custody consignment agreement

The Company entered into the Asset Custody Consignment Agreement with Daehan Real Estate Trust and Woori Bank for the custody and management of assets such as real estate, securities and cash, and the fee rates are as follows:

| | Terms and conditions |
|-------------------|---|
| Asset custody fee | Real Estate (Daehan Real Estate Trust): As of December 31, 2025, there is no asset custody fee. However, if real estate asset custody method is agreed upon in the real estate collateral trust method in the future, fees will be incurred according to the real estate collateral trust contract. Securities and cash (Woori Bank): 0.3 bp per year of the acquisition price of the managed assets |



(5) Insurance contracts of the Company as of December 31, 2025, are as follows:

(in thousands of Korean won)

| Insurance type | Insured amount | Insurance Company |
|---|--|--|
| Package insurance: | | |
| Property all risks cover ¹ | 2,694,568,007 | |
| Machinery breakdown cover | | |
| Business interruption cover | 309,487,748 | |
| Facility ownership liability cover | LOTTE Shopping Co., Ltd. 10,000,000 LOTTE Global Logistics Co., Ltd. 5,000,000 LOTTE Hotel L7 Gangnam 5,000,000 (per person / per accident) | LOTTE Insurance Co., Ltd., DB Insurance Co., Ltd., etc. |
| Parking lot liability cover | LOTTE Shopping Co., Ltd. 300,000 LOTTE Hotel L7 Gangnam 500,000 (per accident and total limit) | |
| Legal liability for fire damage to property (specific building) cover | LOTTE Shopping Co., Ltd. 1,000,000 LOTTE Hotel L7 Gangnam 1,000,000 (per accident / per asset) | |

1) The right to claim insurance money in the above insurance contract is provided as collateral for borrowings. (the amount of collateral is ₩945,600,000 thousand)

In addition, as of December 31, 2025, the Company subscribes to gas accident liability insurance, etc., other than the above.

(6) Collateral provision

As of December 31, 2025, details of investment properties provided as collateral are as follows:

(in thousands of Korean won)

| Secured assets | Secured amount | Provided by | Related liabilities | Type of security right |
|--------------------|----------------|----------------------------------|---------------------|---|
| | 786,000,000 | Daehan Real Estate Trust | Debentures | Right of collateral security |
| | 300,000,000 | Mizuho Bank | Borrowings | Preferred right to benefit |
| | 192,000,000 | Kookmin Bank | Borrowings | Preferred right to benefit |
| | 12,000,000 | Suhyup Bank | Borrowings | Preferred right to benefit |
| | 57,600,000 | Nonghyup Bank | Borrowings | Preferred right to benefit |
| | 360,000,000 | Standard Chartered Bank | Borrowings | Preferred right to benefit |
| Land and buildings | 24,000,000 | KEB Hana Bank | Borrowings | Preferred right to benefit |
| | 105,278,532 | | | Right of lease |
| | 136,862,092 | LOTTE Shopping Co., Ltd. | Leasehold deposit | Right of collateral security and Preferred right to benefit |
| | 4,297,500 | LOTTE Global Logistics Co., Ltd. | Leasehold deposit | Right of lease |
| | 5,586,750 | | | Preferred right to benefit |
| | 21,500,000 | Hotel LOTTE Co., Ltd. | Leasehold deposit | Right of lease |
| | 1,442,285 | SPARKPLUS Co., Ltd. | Leasehold deposit | Right of collateral security |

(7) Brand license agreement, etc.

As of December 31, 2025, the Company has entered into a brand license agreement, as well as contracts for the use of the disclosure support system and the real estate information system with Lotte Corporation. In connection with these agreements, the Company pays 0.2% of the amount derived by deducting advertising expenses from revenue, among other fees.

(8) As of December 31, 2025, Seoul Metropolitan City, Daegu Metropolitan City, Changwon City, Gimhae City and Bucheon City have separate surface rights on some of land owned by the Company for the use of nearby subway passageways and protection of intercepting pipes and manholes.

(9) As of December 31, 2025, there are no pending cases in litigation for the Company.

22. RELATED PARTY TRANSACTIONS

(1) As of December 31, 2025, the Company's parent company and other related parties are as follows:

| | Related company |
|------------------------------------|-----------------------------------|
| Parent company | LOTTE Shopping Co., Ltd. |
| | LOTTE Corporation |
| | LOTTE AMC Co., Ltd. |
| | LOTTE Property & Development |
| Other related parties ¹ | LOTTE Global Logistics Co., Ltd. |
| | Hotel LOTTE Co., Ltd. |
| | Korea Seven Co., Ltd. |
| | Affiliates belongs to LOTTE Group |

1) Although other related parties are not related parties under K-IFRS 1024, the entities are considered to be part of the Large Enterprise Group in accordance with the Monopoly Regulation and Fair Trade Act.



(2) Significant transactions with related parties for the years ended December 31, 2025 and 2024, are as follows:

< 2025 > (in thousands of Korean won)

| Related parties | Operating revenue ¹ | Operating expenses | Purchase of Investment property ² |
|----------------------------------|--------------------------------|--------------------|--|
| Parent company: | | | |
| LOTTE Shopping Co., Ltd. | 115,040,975 | - | - |
| LOTTE Corporation | | 318,834 | |
| LOTTE AMC Co., Ltd. | - | 5,308,185 | - |
| LOTTE Property & Development | - | 1,760,845 | 473,900 |
| Others: | | | |
| LOTTE Global Logistics Co., Ltd. | 4,883,438 | - | - |
| Hotel LOTTE Co., Ltd. | 12,444,495 | - | - |
| Korea Seven Co., Ltd. | 56,348 | - | - |
| Total | 132,425,256 | 7,387,864 | 473,900 |

1) Operating revenue does not include the amount of ₩3,381,476 thousand, which is recognized as rental income from unearned revenue.

2) This pertains to capital expenditures related to L7 Hotel Gangnam, incurred in connection with the performance of facility management services under the real estate asset management entrustment agreement.

< 2024 > (in thousands of Korean won)

| Related parties | Operating revenue ¹ | Operating expenses |
|----------------------------------|--------------------------------|--------------------|
| Parent company: | | |
| LOTTE Shopping Co., Ltd. | 113,151,661 | - |
| LOTTE Corporation | - | 275,680 |
| LOTTE AMC Co., Ltd. | - | 4,814,614 |
| LOTTE Property & Development | - | 559,909 |
| Others: | | |
| LOTTE Global Logistics Co., Ltd. | 4,761,309 | - |
| Hotel Lotte Co., Ltd. | 3,029,779 | - |
| Korea Seven Co., Ltd. | 13,675 | - |
| Total | 120,956,424 | 5,650,203 |

1) Operating revenue does not include the amount of ₩2,838,804 thousand, which is recognized as rental income from unearned revenue.



(3) Account balances with related companies as of December 31, 2025 and 2024, are summarized as follows:

< December 31, 2025 > (in thousands of Korean won)

| Related parties | Receivables | | Payables | |
|----------------------------------|-------------------|-------------------|---------------------------------|--------------------|
| | Trade receivables | Other receivables | Leasehold deposits ¹ | Non-trade payables |
| Parent company: | | | | |
| LOTTE Shopping Co., Ltd. | 10,642,944 | 6,141 | 105,278,532 | - |
| LOTTE Corporation | - | - | - | 4,858 |
| LOTTE AMC Co., Ltd. | - | - | - | 2,659,285 |
| Others: | | | | |
| LOTTE Property & Development | - | - | - | 27,225 |
| LOTTE Global Logistics Co., Ltd. | 449,769 | - | 4,297,500 | - |
| Hotel LOTTE Co., Ltd. | 92,059 | - | 21,500,000 | - |
| Total | 11,184,772 | 6,141 | 131,076,032 | 2,691,368 |

1) Leasehold deposits are of the nominal value that does not reflect present-value discount of ₩16,768,038 thousand.

< December 31, 2024 > (in thousands of Korean won)

| Related parties | Receivables | | Payables | |
|----------------------------------|-------------------|-------------------|---------------------------------|--------------------|
| | Trade receivables | Other receivables | Leasehold deposits ¹ | Non-trade payables |
| Parent company: | | | | |
| LOTTE Shopping Co., Ltd. | 10,482,988 | 6,956 | 105,278,532 | - |
| LOTTE Corporation | - | - | - | 2,421 |
| LOTTE AMC Co., Ltd. | - | - | - | 2,487,921 |
| Others: | | | | |
| LOTTE Property & Development | - | - | - | 27,225 |
| LOTTE Global Logistics Co., Ltd. | 439,657 | - | 4,297,500 | - |
| Hotel Lotte Co., Ltd. | 86,181 | - | 21,500,000 | - |
| Korea Seven Co., Ltd. | 524 | - | 33,600 | - |
| Total | 11,009,350 | 6,956 | 131,109,632 | 2,517,567 |

1) Leasehold deposits are of the nominal value that does not reflect present-value discount of ₩20,071,706 thousand.

(4) Financial transactions with related parties for the years ended December 31, 2025 and 2024, are as follows:

(in thousands of Korean won)

| Related parties | 2025 | | 2024 | |
|------------------------------|------------------|---------------|------------------|---------------|
| | Capital increase | Cash dividend | Capital increase | Cash dividend |
| Parent company: | | | | |
| LOTTE Shopping Co., Ltd. | - | 27,819,938 | - | 24,129,982 |
| Other related parties: | | | | |
| LOTTE Property & Development | - | 4,213,600 | 58,880,000 | - |

(5) The Company has entered into an agreement with Lotte Shopping Co., Ltd., Lotte Global Logistics Co., LTD. and Hotel Lotte Co., Ltd., etc., to provide operating leases, and has granted Lotte Shopping Co., Ltd., Lotte Global Logistics Co., LTD. and Hotel Lotte Co., Ltd. the right of first offer to negotiate the purchase of the investment property.

(6) As of the end of the current reporting period, the company holds the right of first refusal granted by Lotte Shopping Co., Ltd. for 15 stores, including the lotte department store main branch, and 59 stores, including the lotte mart gangbyeon branch.

(7) Key management personnel compensation for the years ended December 31, 2025 and 2024, is as follows:

(in thousands of Korean won)

| | 2025 | 2024 |
|------------------------------|--------|--------|
| Short-term employee benefits | 96,000 | 96,000 |

(8) As of December 31, 2025, the Company provides investment properties as collateral for leasehold deposits to Lotte Shopping Co., Ltd., Lotte Global Logistics Co., LTD. and Hotel Lotte Co., Ltd., etc., which are related parties (refer to Note 21). Meanwhile, as of December 31, 2025, there are no collateral or payment guarantees provided by the relevant parties.

23. RISK MANAGEMENT

(1) Management of Financial Risks

1) Objectives and Policies of the Company

Risk management activities of the Company identify credit risk, liquidity risk, market risk and any other potential risk that may affect financial performance and by eliminating, avoiding and abating the possible risk level to an acceptable range and to support to a stable and consistent business performance with the intention to contribute to strengthening the Company's competitiveness by reducing costs of finance through improving the financial structure and enhancing the efficiency of its capital operations.

In order to install and implement the financial risk management system, the Company is complying with the risk management policies and procedures by strictly performing control and review of internal managers.

2) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations in an ordinary transaction or investment activity.

Most of the Company's revenue is rental income generated from related parties, and the management believes that credit risks are very limited.

⊙ Exposure to credit risk

The book value of a financial asset represents the maximum exposure to credit risk. The maximum exposures to credit risk as of December 31, 2025 and 2024, are as follows:

| | (in thousands of Korean won) | |
|---|------------------------------|-------------------|
| | December 31, 2025 | December 31, 2024 |
| Cash equivalent | 12,577,978 | 13,266,817 |
| Trade receivables ¹ | 11,559,387 | 11,243,041 |
| Other receivables ¹ | 6,141 | 6,956 |
| Accrued income ¹ | 184,262 | 225,350 |
| Short-term financial instruments ¹ | 25,000,000 | 16,033,600 |
| Long-term financial instruments ¹ | 1,735,833 | 867,917 |
| Total | 51,063,601 | 41,643,681 |

1) Trade receivables, other receivables, accrued income, short-term financial instruments and long-term financial instruments are not overdue or impaired.

3) Liquidity Risks

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset due to an adverse managerial or external environment.

In order to systematically manage liquidity risk, the Company predicts and corresponds to potential risks through consistently analyzing the schedule of cash flow and establishing short-term and long-term capital management plans.

Aggregate maturities of financial liabilities, including estimated interest, as of December 31, 2025 and 2024, are as follows:

| < December 31, 2025 > | | (in thousands of Korean won) | |
|--|-------------------|------------------------------|--------------------|
| | 3 months or less | 3 months-1 year | More than 1 year |
| Other payables | 10,000 | - | - |
| Accrued expenses | 3,431,179 | - | - |
| Leasehold deposits received ¹ | - | - | 134,313,769 |
| Debentures ² | 3,758,005 | 374,859,654 | 162,604,000 |
| Borrowing ² | 81,105,985 | 179,857,578 | 558,302,400 |
| Total | 88,305,169 | 554,717,232 | 855,220,169 |

1) The above schedule is prepared based on the undiscounted nominal amounts.

2) The above schedule is prepared based on the undiscounted nominal amounts and includes interest expenses.



< December 31, 2024 >

(in thousands of Korean won)

| | 3 months or less | 3 months-1 year | More than 1 year |
|--|-------------------|--------------------|----------------------|
| Accrued expenses | 3,515,410 | - | - |
| Leasehold deposits received ¹ | 841,620 | 1,235,504 | 131,218,232 |
| Debentures ² | 13,146,653 | 138,729,382 | 241,747,000 |
| Borrowing ² | 10,321,285 | 342,048,615 | 654,736,813 |
| Total | 27,824,968 | 482,013,501 | 1,027,702,045 |

1) The above schedule is prepared based on the undiscounted nominal amounts.

2) The above schedule is prepared based on the undiscounted nominal amounts and includes interest expenses.

The Company does not expect these cash flows to occur significantly earlier or at significantly different amounts.

(2) Capital Management

The objective of the Company's capital management is maximizing shareholders' profit through maintaining a sound capital structure. The Company makes necessary improvements to the capital structure through monthly monitoring of financial ratios, such as liabilities to equity ratios and net borrowings to equity ratios in order to achieve an optimal capital structure.

The liabilities to equity ratios and net borrowings to equity ratios as of December 31, 2025 and 2024, are as follows:

| | (in thousands of Korean won) | |
|--|------------------------------|-------------------|
| | December 31, 2025 | December 31, 2024 |
| Liabilities (a) | 1,454,908,461 | 1,454,150,864 |
| Equity (b) | 1,139,498,580 | 1,169,497,783 |
| Financial instruments (c) | 12,577,978 | 13,266,817 |
| Borrowings and debentures (d) | 1,307,019,778 | 1,306,230,562 |
| Liabilities to equity ratio (a/b) | 128% | 124% |
| Net borrowings to equity ratio ((d-c)/b) | 114% | 111% |



24. SEGMENT REPORTING

(1) Information of segment

The Company does not disclose information of each operating segment because the reporting segment is a single segment in accordance with K-IFRS 1108 (Operating segment). The internal business segment reporting materials regularly reviewed by the Company's chief operating decision-maker are measured in a manner consistent with the financial statements.

(2) Disclosure at the Company-wide level

The Company's operating income is rental income, and it came from Lotte Shopping Co., Ltd., Lotte Global Logistics Co., LTD. and Hotel Lotte Co., Ltd., etc. Rental income arising from Lotte Shopping Co., Ltd. accounts for 10% or more of the Company's operating revenue (refer to Note 22).

Corporate Information



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