

# SUMMUS CAPITAL

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION 4TH QUARTER 2022

Tallinn, 27th of February 2023

## BALANCE SHEET

- By the end of 4q2022 Summus Capital OÜ balance sheet was 428.7m EUR (3q2022 425.0m EUR and end of 2021 406.7m EUR). Total assets increased quarterly by 0.9% and annually by 5.4%.
- Cash increased quarterly by 8.5m EUR and reached to 16.4m EUR. The main factors behind increase were sale of Hanza Mechanics property and refinancing of loans in Latvia and Lithuania.
- in 4q2022 for the first time interest hedging instruments started to provide positive results due to increase of Euribor. As a result receivables from derivative instruments (related to interest rate hedges) gained positive value and were recorded under non-current assets at 6.6m EUR.
- Goodwill in all group companies and consolidated reporting was written off in total amount of 3.2m EUR.
- Investment property was revalued to 397.6m EUR, including disposal of one asset, that is -2.2% from 3rd quarter 2022, however, considering acquisition of Damme shopping centre in 2022, total increase of +7.3% was recorded from year end 2021.
- In the end of 4th quarter 2022, loans and borrowings (incl. short term proportion) increased to 225.9m EUR (3q2022 220.7m EUR). Besides servicing regular loan schedules one loan in Latvia and another in Lithuania were refinanced, loan balance related to disposed asset was returned and a pre-agreed one-off repayment of part of a loan was made.
- In the end of 2022 a provision was made to cover potential future expenses. As a result, a provision of 5.9m EUR was recorded under long-term provisions.
- Total liabilities increased to 248.9m EUR (quarterly growth +3.3% and annual growth +6.9%).
- Total owner's equity decreased to 179.8m EUR, out of which 170.4m EUR was attributable to Summus Capital equity holders.

## INCOME STATEMENT

- In 4q2022 sales revenue decreased quarterly to 10.6m EUR (-5.5% Q/Q). While income from rental and related activities continued to grow at 5.2% Q/Q, the all-time-highest utility costs in 3q2022 normalised somewhat and the related decrease of forwarded utility expenses (-35.1% Q/Q) brought the total sales slightly down. 2022 total sales revenue reached 40.0m EUR (2021 total sales revenue was 29.3m EUR that is 36.6% increase Y/Y).
- The drop in utility costs also led to decrease of raw materials and consumables that were 3.7m EUR in 4q2022 (4.7m EUR in 3q2022).
- In the end of 2022, it was decided to make a provision for covering potential future expenses. The close to 6m EUR provision was recorded under other operating expenses driving those expenses up to 6.5m EUR.
- Other expense (total quarterly 4.4m EUR) includes a 4.4m EUR net loss from real estate portfolio revaluation.
- As a result of higher loan balance and Euribor increase interest expenses rose to 2.4m EUR in 4q2022 (1.9m EUR in 3q22).
- Other financial income and expenses (9.9m EUR in 4q2022) include positive result from interest rate hedging instruments.
- 4q2022 operating loss, including revaluation, provision and goodwill write-down, was -4m EUR and 4q2022 net profit was 3.5m EUR, out of which 2.9m EUR was attributable to Summus Capital equity holders. Annual unaudited operating profit was 13.6m EUR (31.5m EUR in 2021) and net profit was 15.7m EUR (25.1m EUR in 2021).

## FINANCIAL COVENANTS

- 4q2022 consolidated equity to total assets ratio stood at 40% (bond terms - at least 30%).
- At the end of 4q2022, the consolidated DSCR on the trailing twelve month basis was 1.4x (bond terms - at least 1.2x).
- The financial covenants set forth in Bond Terms were met as of 4th quarter 2022.

## ACTIVITY REPORT

- In October Summus Capital finalised sale of Hanza Mechanics industrial building leaving Votum Invest OÜ with 2 properties.
- Damme shopping centre companies were merged into SIA RCH Management.
- Depo Imanta real-estate companies were merged into SIA Parupes Bumani.
- UAB PT Rytai (Park Town East office building in Vilnius) and SIA LSREF3 Riga Plaza (Riga Plaza shopping centre in Latvia) received additional bank loan in amount of 10.8m EUR.
- Damme shopping centre companies paid back to the bank the pre-agreed short-term part of loan 1.2M EUR.
- Besides increase in loan balance, 4th quarter bank loan interest payments increased due to change of Euribor, however as of the end of 2022 53.4% of the portfolio was hedged.
- As of 4q2022, 68.2% of Summus Capital portfolio is certified and further 18.2% is in the process of certification.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

3

(In Euros)	31.12.2021	31.03.2022	30.06.2022	30.09.2022	31.12.2022
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	15 086 089	13 643 589	13 828 541	7 875 612	16 407 690
Other financial assets	10 035 749	9 300 000	0	0	0
Receivables and prepayments	4 777 949	3 757 637	3 876 082	4 919 046	5 786 551
Inventories	2 913	2 844	2 844	2 844	3 102
<b>Total current assets</b>	<b>29 902 700</b>	<b>26 704 071</b>	<b>17 707 467</b>	<b>12 797 502</b>	<b>22 197 343</b>
Non-current assets					
Prepayments	321 198	87 120	87 120	87 120	63 360
Loans receivable	96 000	91 200	192 600	160 100	0
Tangible assets	2 268 186	2 246 202	2 224 647	2 203 092	2 183 114
Intangible assets and goodwill	3 178 295	3 178 295	3 178 295	3 178 295	0
Assets (receivables) from derivative instruments	0	0	0	0	6 645 543
Investment property	370 968 082	371 340 264	406 402 096	406 575 100	<b>397 620 000</b>
<b>Total non-current assets</b>	<b>376 831 761</b>	<b>376 943 081</b>	<b>412 084 758</b>	<b>412 203 707</b>	<b>406 512 017</b>
<b>TOTAL ASSETS</b>	<b>406 734 461</b>	<b>403 647 152</b>	<b>429 792 225</b>	<b>425 001 209</b>	<b>428 709 360</b>
<b>LIABILITIES AND EQUITY</b>					
Liabilities					
Current liabilities					
Lease obligations	316 228	26 526	17 764	9 002	240
Payables to suppliers and other payables	7 112 805	7 570 822	7 283 390	4 952 679	5 217 178
Loans and borrowings	41 579 118	4 710 446	4 118 813	3 287 844	5 058 519
Tax payable	741 612	754 290	928 031	1 048 532	557 423
Liabilities from derivative instruments	772 824	755 490	781 490	781 490	44 063
<b>Total current liabilities</b>	<b>50 522 587</b>	<b>13 817 574</b>	<b>13 129 489</b>	<b>10 079 547</b>	<b>10 877 423</b>
Non-current liabilities					
Deferred income tax liabilities	8 543 408	8 417 525	8 417 525	8 637 466	8 787 220
Long-term provisions	0	0	0	0	5 935 177
Lease obligations	2 253 008	2 253 008	2 253 009	2 253 009	2 253 009
Loans and borrowings	169 205 241	201 025 831	221 370 154	217 412 287	220 873 797
Liabilities from derivative instruments	2 418 784	2 418 784	2 418 784	2 725 590	218 784
<b>Total non-current liabilities</b>	<b>182 420 441</b>	<b>214 115 148</b>	<b>234 459 472</b>	<b>231 028 352</b>	<b>238 067 986</b>
<b>TOTAL LIABILITIES</b>	<b>232 943 028</b>	<b>227 932 722</b>	<b>247 588 961</b>	<b>241 107 899</b>	<b>248 945 409</b>
Equity					
Issued capital	1 200 000	1 200 000	1 200 000	1 200 000	1 200 000
Voluntary reserve	78 913 462	78 913 462	78 913 462	78 913 462	78 913 462
Subordinated loan	27 594 495	27 961 717	28 073 304	26 562 185	23 998 259
Retained earnings ( - loss)	57 724 837	58 946 668	65 242 197	68 234 143	66 298 276
<b>Total equity held by shareholders in parent company</b>	<b>165 432 794</b>	<b>167 021 847</b>	<b>173 428 963</b>	<b>174 909 790</b>	<b>170 409 996</b>
Non - controlling interest	8 358 639	8 692 582	8 774 302	8 983 520	9 353 955
<b>TOTAL OWNERS' EQUITY</b>	<b>173 791 433</b>	<b>175 714 430</b>	<b>182 203 265</b>	<b>183 893 310</b>	<b>179 763 951</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>406 734 461</b>	<b>403 647 152</b>	<b>429 792 225</b>	<b>425 001 209</b>	<b>428 709 360</b>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

4

(In Euros)	FULL 2021	1Q2022	2Q2022	3Q2022	4Q2022	YTD 2022
Sales Revenue	29,251,767	8,500,790	9,664,826	11,220,509	10 566 574	39 952 699
Other income	16,265,991	15,919	46,635	82,079	39 856	184 489
Raw materials and consumables used	-8,832,721	-2,510,738	-3,014,845	-4,715,893	-3 652 093	-13 893 568
Other operating expense	-4,442,329	-308,274	-719,566	-337,082	-6 533 928	-7 898 850
Employee expense	-180,318	-25,525	-60,472	-36,900	-27 307	-150 204
Depreciation and impairment loss (reversal)	-83,779	-21,663	-21,985	-21,556	-29 597	-94 801
Other expense	-429,085	-20,854	-26,333	-5,131	-4 424 324	-4 476 642
<b>Operating profit ( - loss)</b>	<b>31,549,526</b>	<b>5,629,655</b>	<b>5,868,260</b>	<b>6,186,027</b>	<b>-4 060 819</b>	<b>13 623 123</b>
Profit ( - loss) from subsidiaries	1,467,502	0	0	0	0	0
Interest income	23,092	0	0	0	15 298	15 298
Interest expense	-9,034,983	-1,596,458	-1,980,629	-1,920,461	-2 356 173	-7 853 721
Other financial income and expenses	2,186,003	165	10,505	5,961	9 887 941	9 904 571
<b>Profit ( - loss) before tax</b>	<b>26,191,140</b>	<b>4,033,362</b>	<b>3,898,136</b>	<b>4,271,527</b>	<b>3 486 247</b>	<b>15 689 272</b>
Income tax expense	-1,083,000	0	0	0	0	0
<b>Annual period profit (loss)</b>	<b>25,108,140</b>	<b>4,033,362</b>	<b>3,898,136</b>	<b>4,271,527</b>	<b>3 486 247</b>	<b>15 689 272</b>
Profit (loss) to shareholders in parent company	23,224,925	3,797,871	3,677,383	4,062,311	2 854 303	14 391 869
Profit (loss) to minority interests	1,883,214	235,490	220,752	209,216	631 944	1 297 402

# CONSOLIDATED STATEMENT OF CASH FLOWS

5

(In Euros)	2021	1Q2022	2Q2022	3Q2022	4Q2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating profit (loss)	31 549 526	5 629 655	5 868 260	6 186 028	-4 060 819
Adjustments:					
Depreciation of non-current assets and decrease in value	89 814	21 663	21 985	69 925	29 597
Gain in fair value of investment property	-13 896 034	0	0	0	4 424 307
Other adjustments	-53 763	0	0	-450 724	615 402
<b>Total adjustments</b>	<b>-13 859 983</b>	<b>-21 663</b>	<b>21 985</b>	<b>-380 799</b>	<b>5 069 305</b>
Change in inventories	69	0	0	0	
Changes in receivables and prepayments related to operating activities	-2 634 835	1 256 734	-120 720	-665 050	1 963 385
Changes in payables and prepayments related to operating activities	4 414 563	-1 255 930	969 870	-245 988	6 046 815
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>19 469 340</b>	<b>5 652 121</b>	<b>6 739 395</b>	<b>4 894 192</b>	<b>9 018 687</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Increase in cash on acquisitions of subsidiaries and businesses	365 696	0	192 454	0	0
Decrease in cash on acquisitions of subsidiaries and businesses	-1 052 920	0	0	0	0
Paid in upon acquisition of subsidiaries	-12 748 992	-9 300 000	-6 947 205	-3 685 186	0
Proceeds from the sale of subsidiaries	2 500	0	0	0	0
Proceeds from sale of property, plant and equipment	52 299	0	0	0	0
Loans granted	-1 510 000	0	0	-372 140	-3 000 000
Repayments of loans granted	1 527 194	0	0	0	380 164
Repayments of loans granted	0	0	-1 105 793	0	0
<b>TOTAL CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-13 364 223</b>	<b>-9 300 000</b>	<b>-7 860 544</b>	<b>-4 057 326</b>	<b>-2 619 836</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Loans received	58 925 000	30 022 655	22 000 000	0	10 987 209
Repayments of loans received	-55 123 461	-25 121 646	-17 084 788	-4 343 845	-5 448 382
Interest paid	-7 430 187	-1 945 631	-2 259 111	-2 357 949	-3 215 410
Dividends paid	0	-750 000	-1 350 000	-88 000	-190 190
Received on share capital increase	1 132 500	0	0	0	0
<b>TOTAL CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-2 496 148</b>	<b>2 205 378</b>	<b>1 306 101</b>	<b>-6 789 795</b>	<b>2 133 227</b>
<b>TOTAL CASH FLOWS</b>	<b>3 608 968</b>	<b>-1 442 501</b>	<b>184 952</b>	<b>-5 952 929</b>	<b>8 532 078</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>11 477 121</b>	<b>15 086 089</b>	<b>13 643 589</b>	<b>13 828 541</b>	<b>7 875 612</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>15 086 089</b>	<b>13 643 589</b>	<b>13 828 541</b>	<b>7 875 612</b>	<b>16 407 690</b>

## Equity attributable to owners of the parent company

(In Euros)	Share capital	Voluntary reserve capital	Subordinated loan	Retained earnings (loss)	Total	Non-controlling interest	Total equity
<b>Balance at 31.12.2021</b>	<b>1 200 000</b>	<b>78 913 462</b>	<b>27 594 495</b>	<b>57 724 837</b>	<b>165 432 794</b>	<b>8 358 639</b>	<b>173 791 433</b>
Profit (loss) for the period				3 797 872	<b>3 797 872</b>	235 491	<b>4 033 362</b>
Other changes in equity				132 910	<b>132 910</b>	98 453	<b>231 363</b>
Dividends declared				-2 238 650	<b>-2 238 650</b>		<b>-2 238 650</b>
Subordination of loan liabilities			367 222		<b>367 222</b>		<b>367 222</b>
Interest on subordinated loans				-470 300	<b>-470 300</b>		<b>-470 300</b>
<b>Balance at 31.03.2022</b>	<b>1 200 000</b>	<b>78 913 462</b>	<b>27 961 717</b>	<b>58 946 668</b>	<b>167 021 847</b>	<b>8 692 583</b>	<b>175 714 430</b>
Profit (loss) for the period				3 677 383	<b>3 677 383</b>	220 752	<b>3 898 136</b>
Other changes in equity				3 093 367	<b>3 093 367</b>	-139 030	<b>2 954 337</b>
Subordination of loan liabilities			111 587		<b>111 587</b>		<b>111 587</b>
Interest on subordinated loans				-475 223	<b>-475 223</b>		<b>-475 223</b>
<b>Balance at 30.06.2022</b>	<b>1 200 000</b>	<b>78 913 462</b>	<b>28 073 304</b>	<b>65 242 196</b>	<b>173 428 962</b>	<b>8 774 305</b>	<b>182 203 266</b>
Profit (loss) for the period				4 062 311	<b>4 062 311</b>	209 216	<b>4 271 527</b>
Other changes in equity				-1 070 364	<b>-1 070 364</b>		<b>-1 070 364</b>
Subordination of loan liabilities			472 756		<b>472 756</b>		<b>472 756</b>
Interest on subordinated loans				-1 983 877	<b>-1 983 877</b>		<b>-1 983 877</b>
<b>Balance at 30.09.2022</b>	<b>1 200 000</b>	<b>78 913 462</b>	<b>26 562 183</b>	<b>68 234 143</b>	<b>174 909 788</b>	<b>8 983 520</b>	<b>183 893 308</b>
Profit (loss) for the period				2 854 303	<b>2 854 303</b>	631 944	<b>3 486 247</b>
Other changes in equity				-4 348 115	<b>-4 348 115</b>	-261 509	<b>-4 609 624</b>
Subordination of loan liabilities			-2 563 924		<b>-2 563 924</b>		<b>-2 563 924</b>
Interest on subordinated loans				-442 056	<b>-442 056</b>		<b>-442 056</b>
<b>Balance at 31.12.2022</b>	<b>1 200 000</b>	<b>78 913 462</b>	<b>23 998 259</b>	<b>66 298 276</b>	<b>170 409 996</b>	<b>9 353 955</b>	<b>179 763 951</b>