

# SUMMUS CAPITAL

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION 4<sup>TH</sup> QUARTER 2023

Tallinn, 22<sup>nd</sup> of February 2024

## BALANCE SHEET

- By 31.12.2023, Summus Capital OÜ balance sheet reached 427.0m EUR (3Q2023 424.5m EUR, end of 2022 429.1m EUR). Total assets stayed on previous levels showing a slight quarterly increase of 0.6% and annual decrease of -0.5%.
- Cash balance was 16.2m EUR, a close to 30% increase from 3Q2023 12.6m EUR level mainly from operational income, including returned receivables.
- In 4Q2023 receivables and prepayments decreased by more than 2m EUR as a result of returned receivables.
- In 4Q2023 interest rate hedging instruments were revalued and respective financial assets decreased by 2.7m EUR, reflecting expectation of Euribor decrease in the future.
- Investment property increased to 401.3m EUR (3Q2023 398.8m EUR, end of 2022 397.7m EUR) mainly due to property revaluation (+2.9m EUR).
- In the end of 4<sup>th</sup> quarter 2023, loans and borrowings, incl. financial institutions and bonds issued, were 216.5m EUR (3Q2023 218.3m EUR, end of 2022 225.9m EUR), the decrease was from regular repayment of loan principals.
- In the end of 2022, a provision was made to cover potential future expenses. As of year end 2023, the provision was reviewed and 8.9m EUR was recorded under long-term provisions.
- Total liabilities increased to 243.5m EUR (3Q2023 241.4m EUR, end of 2022 249.7m EUR).
- Total owner's equity increased to 183.5m EUR (3Q2023 183.1m EUR, end of 2022 179.4m EUR), out of which 174.6m EUR was attributable to Summus Capital equity holders.

## INCOME STATEMENT

- 4Q2023 was a quarter of regular operational activity.
- Quarterly sales revenue increased by 3.1% to 10.0m EUR compared to 9.7m EUR in 3Q2023. 2023 total sales revenue reached 39.1m EUR, which, despite a 8.3% growth of rental revenues, was in line with 2022, as the drop in utility prices and achieved energy efficiency decreased income from forwarded utility expenses.
- In the end of 2023, investment properties were revalued and the outcome resulted in value increase of 2.9m EUR, recorded under other income.
- In the end of 2022, it was decided to make a provision for covering potential future expenses. The provision was reviewed in the end of 2023 and further 3.0m EUR was expensed under other expenses.
- 4Q2023 operating profit was 6.4m EUR, (-1.1% vs 3Q2023) while 2023 total operating profit reached to 26.1m EUR.
- In 4Q2023 interest rate hedging instruments were revalued and a decrease of 3.1m EUR was recorded under other financial expenses.
- The growth of interest rates increased financial expenses further to 3.0m EUR in 4Q2023 (2.5m 3Q2023).
- 4Q2023 net profit was slightly positive at 0.4m EUR, the drop from 4.3m EUR in 3Q2023 was caused by revaluation of derivative assets and increased interest expenses. 0.7m EUR was attributable to Summus Capital equity holders. Total 2023 net profit was 12.2m EUR.

## FINANCIAL COVENANTS

- 4Q2023 consolidated equity to total assets ratio stood at 41% (bond terms require at least 30%).
- At the end of 4Q2023, the consolidated DSCR on the trailing 12 months basis was 1.41x (bond terms require at least 1.2x).
- The financial covenants set forth in Bond Terms were met as of 4<sup>th</sup> quarter 2023.

## ACTIVITY REPORT

- WAULT of the portfolio and anchor tenants increased compared to the previous quarter as the leases of anchors like H&M in Riga Plaza, Kesko Senukai in Auriga and Nordika shopping centres and Lindex in De La Gardie shopping centre were prolonged.
- As of end of 4Q2023 55% of loans were hedged.
- DEPO building in Imanta, owned by Summus Capital, obtained the highly regarded BREEAM sustainability certificate.
- Auriga Keskus was chosen as Saare County's Green Technology Implementer of the Year.
- Summus Capital continues to cooperate with Estonian, Latvian and Lithuanian Tennis Associations and provides financial support for the purpose of development of young Baltic tennis talents and for their participation in tournaments and camps. We are glad for their achievements in 2023. During 2024, Georg Strasch and Grete Gull from Estonia, Beatrise Zeltina and Darja Semenistaja from Latvia, Klaudija Bubelyte and Edas Butvilas from Lithuania are the young players to receive Summus Capital support.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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(In Euros)	31.12.2022	31.03.2023	30.06.2023	30.09.2023	31.12.2023
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	16 407 648	10 735 679	11 245 446	12 552 828	16 223 835
Receivables and prepayments	5 748 670	5 622 468	6 382 875	5 986 699	3 932 907
Inventories	3 337	3 337	3 337	3 102	4 301
<b>Total current assets</b>	<b>22 159 655</b>	<b>16 361 484</b>	<b>17 631 658</b>	<b>18 542 629</b>	<b>20 161 043</b>
Non-current assets					
Prepayments	63 360	63 360	63 360	63 360	39 600
Tangible assets	2 183 114	2 161 082	2 139 051	2 117 019	2 097 394
Intangible assets and goodwill	0	5 076	4 641	4 206	3 771
Financial assets from derivative instruments	6 980 358	6 980 358	4 845 543	4 845 543	2 187 441
Financial investments	0	0	125 000	125 000	125 000
Unfinished construction	0	0	0	1 150 465	1 150 465
Investment property	397 697 082	398 137 937	398 453 719	401 247 082	401 247 082
<b>Total non-current assets</b>	<b>406 923 914</b>	<b>407 347 813</b>	<b>405 631 314</b>	<b>405 977 559</b>	<b>406 850 753</b>
<b>TOTAL ASSETS</b>	<b>429 083 569</b>	<b>423 709 297</b>	<b>423 262 972</b>	<b>424 520 188</b>	<b>427 011 796</b>
<b>LIABILITIES AND EQUITY</b>					
Liabilities					
Current liabilities					
Lease obligations	35 989	27 053	18 077	9 059	0
Payables to suppliers and other payables	5 282 404	4 895 197	4 806 963	4 951 079	5 842 290
Loans and borrowings	8 444 141	7 673 558	7 047 429	7 893 238	5 910 298
Tax payable	550 537	703 946	890 195	493 807	604 959
Liabilities from derivative instruments	76 835	76 836	76 836	76 836	76 836
<b>Total current liabilities</b>	<b>14 389 906</b>	<b>13 376 589</b>	<b>12 839 500</b>	<b>13 424 019</b>	<b>12 434 383</b>
Non-current liabilities					
Deferred income tax liabilities	9 699 343	9 700 441	9 700 441	9 369 189	9 369 189
Provisions	5 935 177	5 935 177	5 935 177	5 935 177	8 932 630
Lease obligations	2 216 966	2 216 966	2 216 966	2 216 966	2 216 966
Loans and borrowings	217 488 175	216 110 481	213 062 687	210 434 570	210 546 172
<b>Total non-current liabilities</b>	<b>235 339 661</b>	<b>233 963 065</b>	<b>230 915 271</b>	<b>227 955 902</b>	<b>231 064 957</b>
<b>TOTAL LIABILITIES</b>	<b>249 729 567</b>	<b>247 339 654</b>	<b>243 754 771</b>	<b>241 379 921</b>	<b>243 499 340</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	23 998 259	17 250 253	17 246 431	17 139 432	17 368 303
Retained earnings ( - loss)	66 335 644	70 008 012	72 776 860	76 675 680	77 116 493
<b>Total equity held by shareholders in parent company</b>	<b>170 447 365</b>	<b>167 371 728</b>	<b>170 136 753</b>	<b>173 928 574</b>	<b>174 598 258</b>
Non - controlling interest	8 906 637	8 997 915	9 371 448	9 211 693	8 914 198
<b>TOTAL OWNERS' EQUITY</b>	<b>179 354 002</b>	<b>176 369 643</b>	<b>179 508 201</b>	<b>183 140 267</b>	<b>183 512 456</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>429 083 569</b>	<b>423 709 297</b>	<b>423 262 972</b>	<b>424 520 188</b>	<b>427 011 796</b>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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(In Euros)	FULL 2022	1Q2023	2Q2023	3Q2023	4Q2023	FULL 2023
Sales Revenue	39 037 566	9 789 444	9 516 067	9 741 762	10 040 287	39 087 560
Other income	3 267 006	8 549	9 129	10 033	2 944 665	2 972 376
Raw materials and consumables used	-14 068 700	-2 843 037	-2 553 651	-2 927 260	-3 215 532	-11 539 480
Other operating expense	-7 633 525	-327 291	-290 224	-250 028	-258 890	-1 126 433
Employee expense	-143 637	-24 668	-27 184	-36 638	-39 381	-127 871
Depreciation and impairment loss (reversal)	-3 273 445	-22 177	-22 467	-22 466	-20 059	-87 169
Other expense	-7 788 146	-14 930	-928	-3 574	-3 011 626	-3 031 058
<b>Operating profit (-loss)</b>	<b>9 397 119</b>	<b>6 565 890</b>	<b>6 630 742</b>	<b>6 511 829</b>	<b>6 439 464</b>	<b>26 147 925</b>
Profit (-loss) from subsidiaries	3 799 977	0	0	0	0	0
Financial income	0	7	7	276 021	119 181	395 216
Financial expense	-7 881 488	-2 569 912	-3 203 382	-2 474 822	-2 969 056	-11 217 172
Other financial income and expense	10 441 655	0	0	0	-3 147 608	-3 147 608
<b>Profit (-loss) before tax</b>	<b>15 757 263</b>	<b>3 995 985</b>	<b>3 427 367</b>	<b>4 313 028</b>	<b>441 981</b>	<b>12 178 361</b>
Income tax expense	-1 255 339	0	0	0	-200	-200
<b>Annual period profit (-loss)</b>	<b>14 501 924</b>	<b>3 995 985</b>	<b>3 427 367</b>	<b>4 313 028</b>	<b>441 781</b>	<b>12 178 161</b>
Profit (loss) to shareholders in parent company	13 953 927	3 904 707	3 258 192	4 268 418	739 283	12 170 600
Profit (loss) to minority interest	547 998	91 278	169 168	44 610	-297 495	7 561

# CONSOLIDATED STATEMENT OF CASH FLOWS

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(In Euros)	FULL 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	FULL 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating profit (loss)	9 397 119	6 565 890	6 630 742	6 511 829	6 439 464	26 147 926
Adjustments:						
Depreciation of non-current assets and decrease in value	3 263 367	16 956	22 466	27 688	20 059	87 169
Gain in fair value of investment property	5 362 763	-440 855	-315 782	-371 171	-3 563 033	-4 690 841
Other adjustments	10 250 854	-348 532	79 777	210 477	1 627 481	1 569 203
Change in inventories	-424	0	0	0	-1 199	-1 199
Changes in receivables and prepayments related to operating activities	2 009 771	126 202	-760 407	486 683	435 086	287 564
Changes in payables and prepayments related to operating activities	3 606 752	-41 769	1 601 699	-531 823	1 715 691	2 743 796
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>33 890 202</b>	<b>5 877 892</b>	<b>7 258 495</b>	<b>6 333 683</b>	<b>6 673 549</b>	<b>26 143 618</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Paid at acquisition of investments	-1 001 762	0	-125 000	0	0	-125 000
Received from the sale of investments	1 690 000	0	0	0	0	0
Net cash flow from the acquisition of subsidiaries and business activities	-15 656 985	0	0	0	0	0
Interest received	0	0	0	51 035	149 181	200 216
Granted loans	-3 000 000	0	0	0	0	0
Repayments of loans granted	96 000	0	0	0	2 000 000	2 000 000
<b>TOTAL CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-17 872 747</b>	<b>0</b>	<b>-125 000</b>	<b>51 035</b>	<b>2 149 181</b>	<b>2 075 216</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Loans received	68 223 344	0	0	0	0	0
Repayments of loans received	-68 669 492	-8 945 629	-3 761 924	-1 971 217	-1 927 543	-16 606 313
Interest paid	-11 555 277	-2 595 296	-2 843 891	-3 106 037	-3 215 122	-11 760 346
Dividends paid	-2 378 190	0	0	0	0	0
Capital lease repayments	-316 281	-8 936	-17 913	-82	-9 058	-35 989
<b>TOTAL CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-14 695 896</b>	<b>-11 549 861</b>	<b>-6 623 728</b>	<b>-5 077 336</b>	<b>-5 151 723</b>	<b>-28 402 648</b>
<b>TOTAL CASH FLOWS</b>	<b>1 321 559</b>	<b>-5 671 969</b>	<b>509 767</b>	<b>1 307 382</b>	<b>3 671 007</b>	<b>-183 814</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>15 086 089</b>	<b>16 407 648</b>	<b>10 735 679</b>	<b>11 245 446</b>	<b>12 552 828</b>	<b>16 407 648</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>16 407 648</b>	<b>10 735 679</b>	<b>11 245 446</b>	<b>12 552 828</b>	<b>16 223 835</b>	<b>16 223 834</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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(In Euros)	Equity attributable to owners of the parent company					Non-controlling interest	Total equity
	Share capital	Voluntary reserve capital	Sub-ordinated loan	Retained earnings (loss)	Total		
<b>Balance at 31.12.2022</b>	<b>1 200 000</b>	<b>78 913 462</b>	<b>23 998 259</b>	<b>66 335 644</b>	<b>170 447 365</b>	<b>8 906 637</b>	<b>179 354 002</b>
Profit (loss) for the period				3 258 192	<b>3 258 192</b>	91 278	<b>3 349 470</b>
Other changes in equity				21 629	<b>21 629</b>		<b>21 629</b>
Subordination of loan obligations			393 313		<b>393 313</b>		<b>393 313</b>
Payment of subordinated loan obligations			-7 141 319		<b>-7 141 319</b>		<b>-7 141 319</b>
Interest calculated on subordinated loans				-343 968	<b>-343 968</b>		<b>-343 968</b>
<b>Balance at 31.03.2023</b>	<b>1 200 000</b>	<b>78 913 462</b>	<b>17 250 253</b>	<b>69 271 497</b>	<b>166 635 212</b>	<b>8 997 915</b>	<b>175 633 127</b>
Profit (loss) for the period				3 325 041	<b>3 325 041</b>	169 168	<b>3 494 209</b>
Other changes in equity				480 532	<b>480 532</b>		<b>480 532</b>
Subordination of loan obligations			300 210		<b>300 210</b>		<b>300 210</b>
Payment of subordinated loan obligations			-304 032		<b>-304 032</b>		<b>-304 032</b>
Interest calculated on subordinated loans				-300 210	<b>-300 210</b>		<b>-300 210</b>
<b>Balance at 30.06.2023</b>	<b>1 200 000</b>	<b>78 913 462</b>	<b>17 246 431</b>	<b>72 776 860</b>	<b>170 136 753</b>	<b>9 167 083</b>	<b>179 303 836</b>
Profit (loss) for the period				4 268 418	<b>4 268 418</b>	44 610	<b>4 313 028</b>
Other changes in equity				-23 395	<b>-23 395</b>		<b>-23 395</b>
Subordination of loan obligations			297 256		<b>297 256</b>		<b>297 256</b>
Payment of subordinated loan obligations			-404 255		<b>-404 255</b>		<b>-404 255</b>
Interest calculated on subordinated loans				-346 203	<b>-346 203</b>		<b>-346 203</b>
<b>Balance at 30.09.2023</b>	<b>1 200 000</b>	<b>78 913 462</b>	<b>17 139 432</b>	<b>76 675 680</b>	<b>173 928 574</b>	<b>9 211 693</b>	<b>183 140 267</b>
Profit (loss) for the period				739 283	739 283	-297 495	<b>441 788</b>
Other changes in equity							<b>0</b>
Subordination of loan obligations			298 470		298 470		<b>298 470</b>
Payment of subordinated loan obligations			-69 599		-69 599		<b>-69 599</b>
Interest calculated on subordinated loans				-298 470	-298 470		<b>-298 470</b>
<b>Balance at 31.12.2023</b>	<b>1 200 000</b>	<b>78 913 462</b>	<b>17 368 303</b>	<b>77 116 493</b>	<b>174 598 258</b>	<b>8 914 198</b>	<b>183 512 456</b>

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