

# SUMMUS CAPITAL

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION 2<sup>ND</sup> QUARTER 2024

Tallinn, 06<sup>th</sup> of August 2024

## BALANCE SHEET

- Operational activities remained stable in 2Q2024 for Summus Capital Group (later Summus). At the same time, Summus results were shaped by refinancing of obligations:
  - Bank loans of Estonian properties were refinanced from Luminor bank to LHV bank. After refinancing, the total principal amounts were EUR 44.6 million and mature in April 2029;
  - Bank loans of Nordika shopping centre (LIT), Park Town I and Park Town II properties (LIT) and Riga Plaza shopping centre (LAT) were refinanced and cross pledged. After refinancing the total principal amounts reached EUR 134.4 million and maturity dates are in April, May and October 2029;
  - In June, Summus raised EUR 15 million in private bond placement with a fixed coupon of 9.5% and maturity of 3 years. Part of the proceeds were used to refinance previous EUR 10 million bond issue. Bonds are listed on Nasdaq Baltic
- As a result of the refinancing activities:
  - Consolidated cash balance increased to EUR 41.6 million as of end of 2Q2024, waiting on deposits to be employed in new projects later on during the rest of 2024;
  - Consolidated loan balance increased by EUR 25.7 million to EUR 240.2 million as of end of 2Q2024.
- In the end of 2Q2024, Summus Capital OÜ consolidated balance reached to EUR 451.7 million (1Q2024 EUR 426.4 million).
- Total consolidated liabilities increased to EUR 269.6 million (1Q2024 EUR 243.4 million).
- Total consolidated owner's equity stayed at EUR 182.1 million (1Q2024 EUR 183 million), out of which EUR 172.7 million was attributable to Summus Capital OÜ equity holders.

## INCOME STATEMENT

- In 2Q2024, consolidated sales revenue decreased slightly by 2.2% to EUR 10 million compared to 1Q2024, mainly as the recharged cost of utilities decreased.
- Along with sales revenue, the decrease of utility costs also brought down the cost of goods, raw materials and services.
- 2Q2024 cost side was strongly influenced by refinancing activities, bringing along one-off expenses recorded under Other expenses. Refinancing expenses included bank fees of close to EUR 1 million, notary and state fees of EUR 94 thousand, EUR 71 thousand of previously capitalised transaction costs were expensed and EUR 435 thousand was paid in legal and advisory fees, mainly related to bond placement. Besides the one-off refinancing expenses, also other higher seasonal fees (audit) and costs related to future expansion were expensed. All in all, 2Q2024 consolidated operating profit was EUR 5.1 million (EUR 6.7 million adjusted for one-off expenses as compared to EUR 7.0 million in 1Q2024).
- Net profit was EUR 1.7 million (EUR 3.2 million adjusted for one-off expenses; EUR 4.2 million 1Q2024), out of which EUR 1.5 million was attributable to Summus Capital OÜ equity holders.

## FINANCIAL COVENANTS

- 2Q2024 consolidated equity to total assets ratio stood at 40% (bond terms require at least 30%).
- At the end of 2Q2024, the consolidated DSCR on the trailing 12 month basis was 1.38x (bond terms require at least 1.2x).
- The financial covenants set forth in Bond Terms were met as of 2nd quarter 2024.

## ACTIVITY — REPORT

- In June, Summus successfully placed a new bond offering in the amount of EUR 15 million, with a fixed coupon rate of 9.5% and maturity of 3 years. Total demand for the bonds reached nearly EUR 20 million, with more than 100 investors participating in the bond offering and the offering of EUR 15 million was oversubscribed 1.3 times. The proceeds from the bond issue were partly used to refinance the previous bonds in the amount of EUR 10 million, while the rest will be used to finance other general purposes of the Group – primarily, acquisitions of new investment properties.
- During 2Q2024, most of Summus properties' bank loans were refinanced. As a result, only 3 loans mature before 5 years, two in 2026 and one in 2027 and Summus has a solid cash balance to finance further acquisitions in 2024.
- Portfolio Wault increased compared to last quarter as few bigger lease contracts were prolonged, like Rimi agreement in Nordika, H&M agreement in Auriga, in Riga Plaza agreements with Pepco and NordBaby.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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(In Euros)	31.12.2023	31.03.2023	30.06.2024
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	15 923 835	15 733 780	41 596 411
Trade receivables and other receivables	3 900 309	3 964 388	3 060 654
Inventories	4 301	2 844	3 554
<b>Total current assets</b>	<b>19 828 445</b>	<b>19 701 012</b>	<b>44 660 619</b>
Non-current assets			
Trade receivables and other receivables	39 600	220 835	202 242
Financial assets from derivative instruments	2 515 218	2 515 218	2 515 218
Tangible assets	2 097 394	2 078 965	2 060 537
Intangible assets	3 771	3 337	2 902
Financial investments	125 000	125 000	125 000
Investment property	401 247 082	401 731 439	402 141 563
<b>Total non-current assets</b>	<b>406 028 065</b>	<b>406 674 794</b>	<b>407 047 462</b>
<b>TOTAL ASSETS</b>	<b>425 856 510</b>	<b>426 375 806</b>	<b>451 708 081</b>
<b>LIABILITIES AND EQUITY</b>			
Liabilities			
Current liabilities			
Lease obligations	72 639	35 989	35 989
Trade payables and other payables	5 236 430	4 582 209	5 124 145
Interest bearing loans and borrowings	17 768 649	17 729 295	22 729 295
Tax liabilities	601 357	544 061	514 528
Liabilities from derivative instruments	404 613	404 613	404 613
<b>Total current liabilities</b>	<b>24 083 688</b>	<b>23 296 167</b>	<b>28 808 570</b>
Non-current liabilities			
Deferred income tax	10 877 297	10 877 297	10 877 297
Lease obligations	2 144 327	2 171 876	2 162 735
Provisions	10 341 224	10 341 225	10 341 225
Interest bearing loans and borrowings	198 631 616	196 738 645	217 452 093
<b>Total non-current liabilities</b>	<b>221 994 464</b>	<b>220 129 043</b>	<b>240 833 350</b>
<b>TOTAL LIABILITIES</b>	<b>246 078 152</b>	<b>243 425 210</b>	<b>269 641 920</b>
Owners' equity			
Share capital	1 200 000	1 200 000	1 200 000
Voluntary reserve	78 913 462	78 913 462	78 913 462
Subordinated loans	17 366 923	16 626 303	15 227 678
Retained earnings	73 333 206	76 995 088	77 359 218
<b>Equity attributable to the shareholders of the parent company</b>	<b>170 813 591</b>	<b>173 734 853</b>	<b>172 700 358</b>
Non - controlling interest	8 964 767	9 215 743	9 365 803
<b>TOTAL OWNERS' EQUITY</b>	<b>179 778 358</b>	<b>182 950 596</b>	<b>182 066 161</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>425 856 510</b>	<b>426 375 806</b>	<b>451 708 081</b>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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(In Euros)	2023	1Q2024	2Q2024
Sales revenue	39 054 870	10 202 821	9 979 352
Other operating income	4 114 260	2 137	3 725
Goods, raw materials, and services	-11 539 480	-2 904 137	-2 761 778
Other operating expenses	-2 197 981	-16 565	-57 020
Labour expenses	-127 871	-33 500	-41 163
Depreciation and impairment	-87 169	-18 863	-18 864
Other expenses	-5 542 713	-272 245	-1 959 527
<b>Operating profit</b>	<b>23 673 916</b>	<b>6 959 648</b>	<b>5 144 725</b>
Interest income	395 216	90 219	96 541
Interest expenses	-11 281 802	-2 845 653	-3 566 319
Other financial income and expenses	-3 147 608		
<b>Profit before income tax</b>	<b>9 639 722</b>	<b>4 204 214</b>	<b>1 674 947</b>
Income tax	-1 177 056		
<b>Net profit</b>	<b>8 462 666</b>	<b>4 204 214</b>	<b>1 674 947</b>
Share of net profit of the owners of the parent company	8 404 536	3 953 238	1 524 887
Share of net profit of non-controlling interest	58 130	250 976	150 060

# CONSOLIDATED STATEMENT OF CASH FLOWS

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(In Euros)	2023	1Q 2024	2Q2024
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Operating profit	23 673 916	6 959 648	5 144 725
Adjustments:			
Fixed asset depreciation, intangible asset amortisation	87 170	18 863	18 864
Investment property revaluation	-1 897 035		
Other adjustments	1 615 679	-19 330	-33 425
<b>TOTAL ADJUSTMENTS</b>	<b>23 479 730</b>	<b>6 959 181</b>	<b>5 130 164</b>
Change of inventory	-1 199	1 457	-710
Change in trade and other receivables	320 162	-157 051	-95 317
Change in trade and other payables	4 028 854	-537 375	579 779
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>27 827 547</b>	<b>6 266 212</b>	<b>5 613 916</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investment property acquisition and improvements	-1 643 341	-484 357	-410 124
Equity investments	-125 000		
Loans repaid	2 000 000		
Loan interest received	200 216	65 219	82 251
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>431 875</b>	<b>-419 138</b>	<b>-327 873</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loans received		4 190	76 657 518
Loans repaid	-16 606 768	-2 387 267	-50 982 349
Interest paid	-11 824 976	-3 576 384	-4 140 997
Dividends paid			-880 000
Capital lease repayments	-311 491	-77 668	-77 584
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-28 743 235</b>	<b>-6 037 129</b>	<b>20 576 588</b>
<b>TOTAL CASH FLOW</b>	<b>-483 813</b>	<b>-190 055</b>	<b>25 862 631</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>16 407 648</b>	<b>15 923 835</b>	<b>15 733 780</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>15 923 835</b>	<b>15 733 780</b>	<b>41 596 411</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	Sub-ordinated loan	Retained earnings	Total		
<b>Balance at 31.12.2023</b>	<b>1 200 000</b>	<b>78 913 462</b>	<b>17 366 923</b>	<b>73 333 206</b>	<b>170 813 591</b>	<b>8 964 767</b>	<b>179 778 358</b>
Current year profit				3 953 238	<b>3 953 238</b>	250 976	<b>4 204 214</b>
Subordination of loan obligations			295 545		<b>295 545</b>		<b>295 545</b>
Subordinated loan principal payments			-1 036 165		<b>-1 036 165</b>		<b>-1 036 165</b>
Subordinated loan interest				-291 356	<b>-291 356</b>		<b>-291 356</b>
<b>Balance at 31.03.2024</b>	<b>1 200 000</b>	<b>78 913 462</b>	<b>16 626 303</b>	<b>76 995 088</b>	<b>173 734 853</b>	<b>9 215 743</b>	<b>182 950 596</b>
Current year profit				1 524 887	<b>1 524 887</b>	150 060	<b>1 674 947</b>
Subordination of loan obligations			280 758		<b>280 758</b>		<b>280 758</b>
Subordinated loan principal payments			-1 679 383		<b>-1 679 383</b>		<b>-1 679 383</b>
Subordinated loan interest				-280 757	<b>-280 757</b>		<b>-280 757</b>
Dividends				-880 000	<b>-880 000</b>		<b>-880 000</b>
<b>Balance at 20.06.2024</b>	<b>1 200 000</b>	<b>78 913 462</b>	<b>15 227 678</b>	<b>77 359 218</b>	<b>172 700 358</b>	<b>9 365 803</b>	<b>182 066 161</b>

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