

# Summus Capital

## 6.75% 2024 Bonds



SUMMUS  
CAPITAL

ISIN	Maturity	Coupon	Issue size	Ask price	YTM	Call option	Collateral	Listing
LV0000802478	18.06.2024	6.75%	EUR 10 000 000	103.0	5.44%	@102% 1Y; @101% 2Y	Unsecured	Nasdaq Baltic First North

### Key parameters

<b>Founded:</b> 2013	<b>Bonds outstanding:</b> EUR 10m
<b>Headquarters:</b> Tallinn, Estonia	<b>Auditor:</b> KPMG
<b>Portfolio value:</b> EUR 334.7m	<b>Rating:</b> BB by Scope Ratings
<b>Company description:</b> Summus Capital is a family owned real estate holding company with a portfolio of 11 properties. Half of the investment portfolio's value consists of properties in Lithuania and the remaining part is split between Estonia and Latvia. The net leasable area for the Group is 184 414 sq. m and the are currently 305 tenants in the properties.	

### Financial highlights

- During 9M 2021 the Revenue of Summus Capital reached EUR 21.9m despite the Covid-19 related discounts granted to the tenants. The increase was supported by gradual easing of Covid-19 related restrictions as well as expansion of investment portfolio.
- Adjusted EBITDA has reached EUR 15.6m during 9M 2021 and net profit came in at EUR 8.4m. Increase in net profit can be partially attributed to a grant received in the amount of EUR 1m regarding a Covid-19 support scheme to retail sector.
- At the end of 9M 2021 Summus Capital had a high cash balance of EUR 18.7m, as the Group is preparing for upcoming acquisitions.
- Historically the Group has financed its operations primarily through shareholder funds (in the form of shareholder loans) and bank loans. In Q2 2021 the Group converted largest part of its shareholder loans into equity, thus, significantly strengthening the equity base, and further diversified its funding structure, through its first unsecured bond issue. The Group's total borrowings as of 9M 2021 stood at EUR 209.6m (+11% YTD).
- The Group's investment property portfolio has steadily increased during the past years and currently stands at EUR 334.7m. A steep increase in portfolio value was in 2020 which came from the acquisition of Park Town East Hill in Lithuania and Riga Plaza in Latvia, while in 2021 Veerenni 2 was acquired in Estonia.

### Key developments

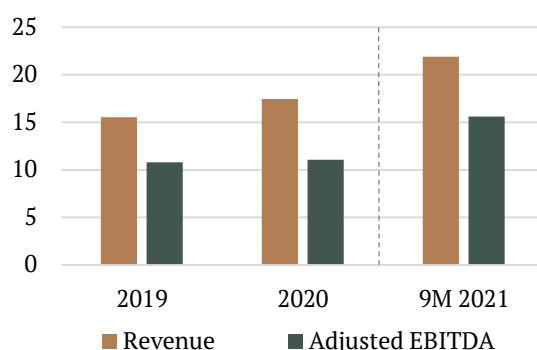
- In December 2021 Summus Capital acquired Depo DIY store in Riga, Latvia, which was already the second acquisition by Summus in Latvia. The property was built in 2021 and is a part of the leading DIY chain in the Baltics, which fits well into Summus portfolio. It was built as sustainable property considering environmental impact and has a total area of 19 000 sq. m.
- In June 2021 Summus Capital completed its debut EUR 10m unsecured bond issue with a maturity of three years and a coupon rate of 6.75%. In October, the bonds were listed on the Nasdaq Baltic First North market.
- Scope Ratings, the German-based international rating agency has assigned first-time issuer rating of BB/Stable to Summus Capital.
- Summus Capital is now cooperating with a new investment management partner for the investment portfolio Green Formula Capital OÜ, thus, emphasizing the Group's focus on green real estate concept.

### Financial highlights, EUR m

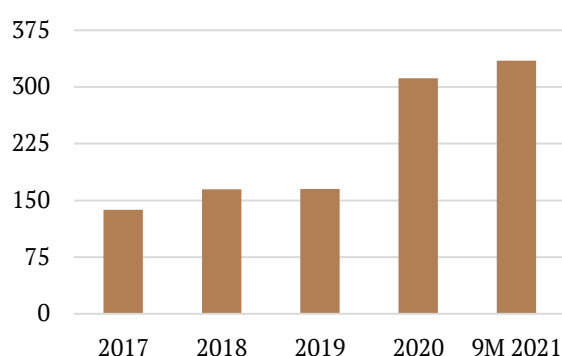
	FY 2019	FY 2020	9M 2021 <sup>1</sup>
<b>Revenue</b>	15.5	17.8	21.9
<b>Adjusted EBITDA<sup>2</sup></b>	10.8	11.1	15.6
<b>Net profit</b>	0.9	22.8	8.4
<b>Total assets</b>	194.7	345.2	378.3
<b>Investment properties</b>	164.9	311.4	334.7
<b>Cash</b>	21.7	11.5	18.7
<b>Adjusted Equity<sup>3</sup></b>	85.4	142.8	150.5
<b>Total borrowings</b>	89.4	188.9	209.6
<b>DSCR<sup>4</sup></b>	1.3x	1.5x	1.8x
<b>Capitalization ratio</b>	44%	41%	40%

<sup>1</sup>No comparison to 9M 2020 due to unavailability of data  
<sup>2</sup>EBITDA – changes in investment properties valuation  
<sup>3</sup>Including shareholder loans  
<sup>4</sup>DSCR ratio for only Q3 2021

### Revenue and Adjusted EBITDA, EUR m



### Portfolio balance sheet value, EUR m



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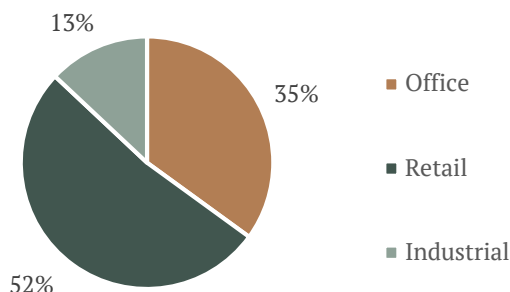


## Term Sheet

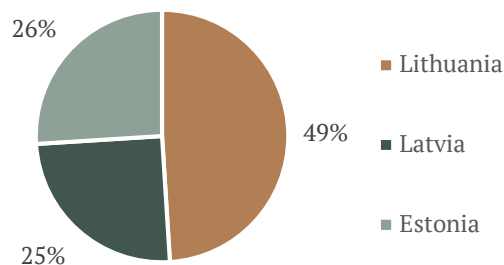
<b>Issuer</b>	Summus Capital OÜ (Estonia)
<b>Security type</b>	Unsecured bonds
<b>Issue size</b>	<b>EUR 10 000 000</b>
<b>Coupon rate</b>	6.75%
<b>Coupon frequency</b>	Quarterly
<b>Term</b>	<b>3 years</b>
<b>Principal repayment date</b>	Maturity date, bullet
<b>Call Option</b>	@102 after first year; @101 after second year
<b>Nominal value</b>	EUR 1 000
<b>Minimum subscription</b>	EUR 100 000
<b>Listing</b>	Nasdaq Baltic First North
<b>Covenants<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Capitalization ratio at least 30%</li> <li>Debt service coverage ratio (DSCR) at least 1.2x</li> </ul>
<b>Arranger</b>	Signet Bank AS

<sup>1</sup> For full list of covenants please refer to the Terms of the Issue

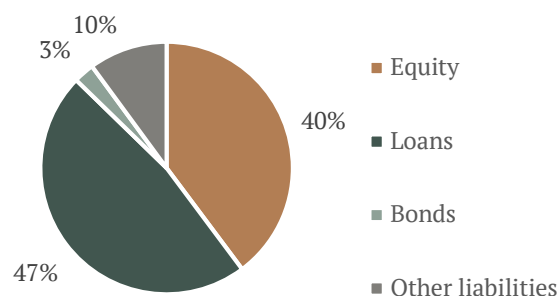
## Portfolio value split by segment (30.06.2021)



## Portfolio value split by countries (30.06.2021)



## Funding structure (30.09.2021)



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