

SUMMUS CAPITAL

BOND ISSUE INVESTOR PRESENTATION

MAY 2024

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The target market assessment by the product manufacturer Signet Bank AS has led to the conclusion that: (i) the target market for the bonds is eligible counterparties, professional clients, and retail clients, each as defined in Directive 2014/65/EU (MIFID II); (ii) all channels for distribution of the Notes to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a Distributor) should take into consideration the manufacturer’s target market assessment, however, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

SUMMUS CAPITAL

- **EXECUTIVE SUMMARY**
- BUSINESS OVERVIEW
- PORTFOLIO OVERVIEW
- MARKET OVERVIEW
- STRATEGY
- FINANCIAL OVERVIEW
- NOTES ISSUE



GROUP OVERVIEW

Leading real estate holding company with a diversified portfolio across all 3 Baltic States



14
properties



€ 401m
property value



86%
portfolio certified (BREEAM
or LEED)



42%
equity to assets



€ 26.7m
EBITDA



BB (Stable)
credit rating

ABOUT SUMMUS CAPITAL

Group overview

- Leading Baltic real estate investment holding company, headquartered in Estonia
- Investment property portfolio diversified across countries and segments with total value exceeding € 400m
- Seasoned management team with more than 25 years of experience in asset management and real estate industry

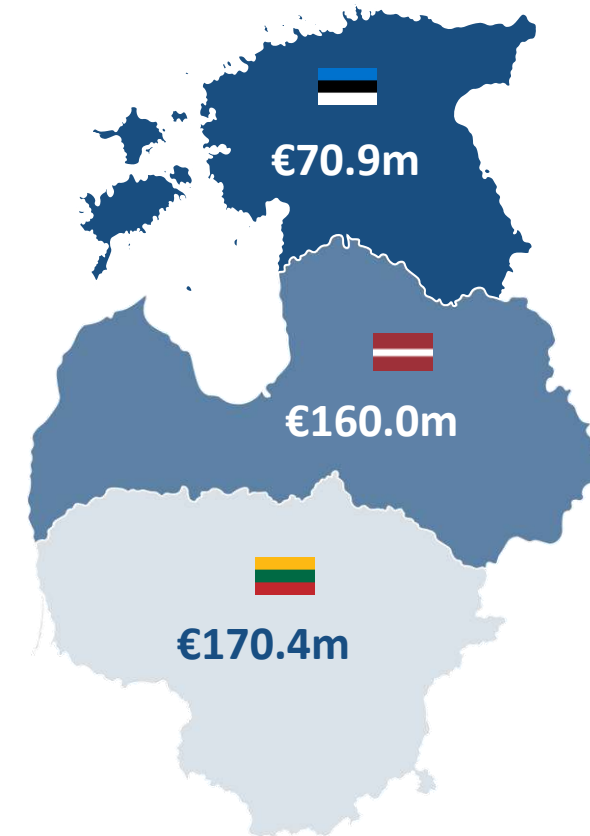
Well diversified commercial real estate portfolio

- 14 properties in Retail, Office, Logistics, and Medical segments
- Direct real estate investments made through SPVs of the respective country of location
- Ambitious portfolio expansion pipeline

Strong financial position

- €26.7m EBITDA (+9% Y/Y) in 2023
- 42% equity ratio as of 31 December 2023
- Since 2021 rated BB (stable) by the leading European ratings agency Scope Ratings GmbH, most recently affirmed in September 2023

Investment property value split by country



KEY INVESTMENT HIGHLIGHTS



Diversified portfolio

- **Balanced mix** of retail, office and industrial properties



Strong cash generation

- **High yield** properties with long lease terms
- **Diversified** portfolio of strong international tenants
- **High occupancy** rate



Company in growth phase

- Target property portfolio of **€ 500m+** within the medium-term, further strengthening the Group's market position
- Substantial **ESG** focus



Healthy balance sheet

- Strong equity base, reflected in a **42% equity ratio** and balanced funding structure
- Financial reports according to IFRS and audited by KPMG



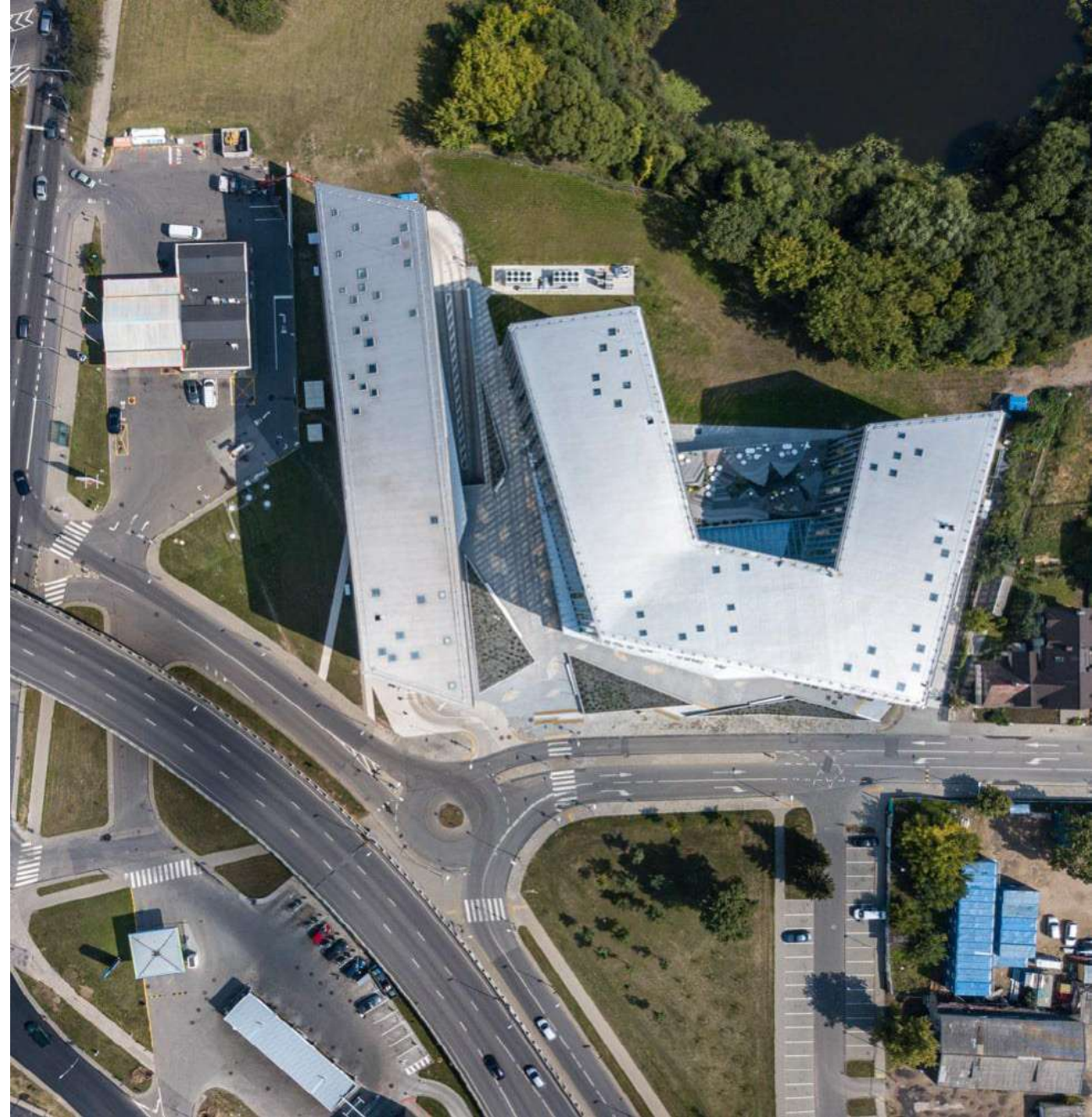
Experienced management team

- **In-depth knowledge** and more than 25 years of **experience** in real estate management in the Baltics



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OUR BUSINESS STRATEGY

INVESTMENT STRATEGY

- Cash flow generating commercial real estate
- Long-term investment horizon
- Class A office buildings, shopping centers & big-box stores, class A warehouse and industrial properties
- Sale-leaseback transactions
- Sustainable buildings (BREEAM or LEED certifications)
- Value-add commercial real estate investments

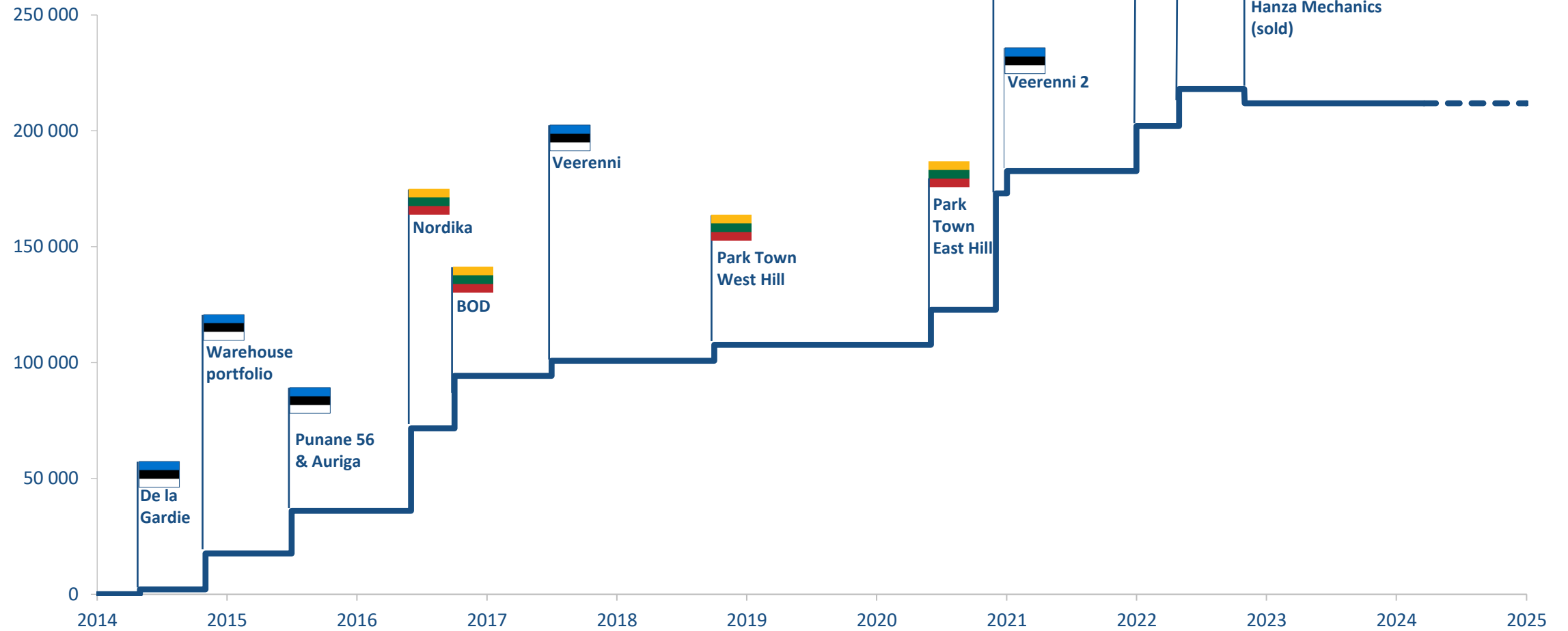
PORTFOLIO REQUIREMENTS

- Portfolio should consist of investments in different commercial real estate sectors
- Share of anchors in the portfolio's cash flow at least 50%
- Minimum size for new investments €10m

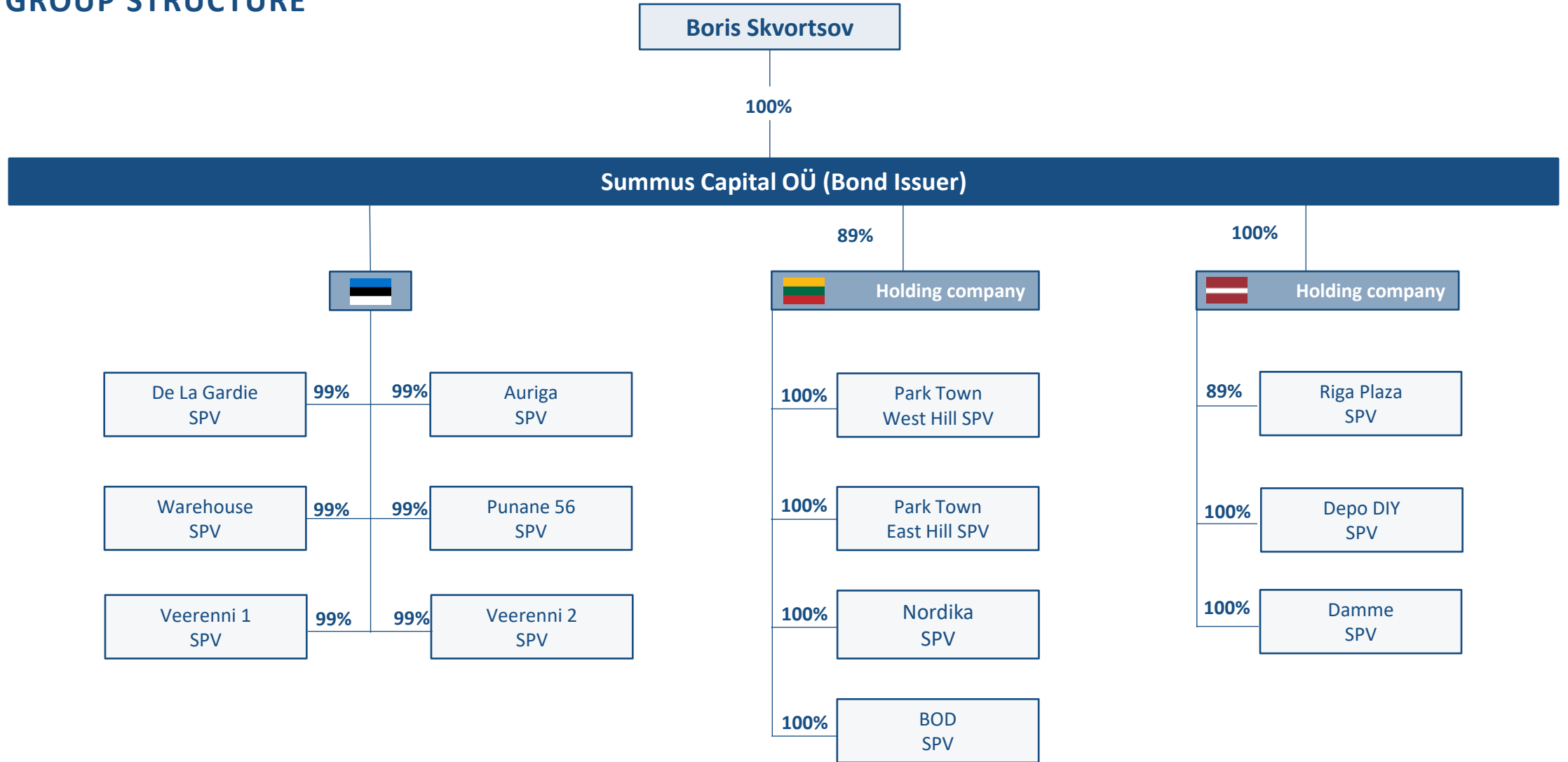


KEY MILESTONES

Net leasable area, m2



GROUP STRUCTURE



Directly or indirectly owned individual SPVs for every property

CORPORATE GOVERNANCE

Supervisory Board



Boris Skvortsov

Chairman of the Supervisory Board

- Sole owner of Summus Capital OÜ
- Created multiple real estate investment and development organizations in Europe
- Active private investor in start-ups in Europe, United States and Israel
- Master's degree in Economics



Renats Lokomets

Member of the Supervisory Board

- Specialization in business strategy and corporate finance
- Ex-Member of the Board in Rietumu Banka
- Strategical partner at Venture Faculty and Venture HUB
- Council member at INDEXO
- Co-founder of the Latvian Startup association



Vykintas Misiunas

Member of the Supervisory Board

- Head of Capital Markets Department at SEB until 2007
- Ex-Member of the Board at KRS Group
- Fund Manager in Lithuania at Lords LB Asset Management
- In 2012 together with partners established DAO FAMILY

Management Board



Hannes Pihl

Investment management

- Founding partner of Zenith Family Office
- 25+ year experience in Baltic real estate market, including commercial and residential real estate
- Experience in management of real estate companies, asset and investment management



Aavo Koppel

Finance management

- Founding partner of Zenith Family Office
- Experience as strategy and management consultant in Capgemini Group
- Ex-Director and Head of Corporate Finance at Suprema Securities



Evaldas Čepulis

Asset management

- BA at Applied Mathematics & Masters at International business
- 13-year experience in SEB as Head of Venture Capital, Head of Foreign Exchange and Capital Markets
- Since 2014, partner of DAO FAMILY, responsible for investment management

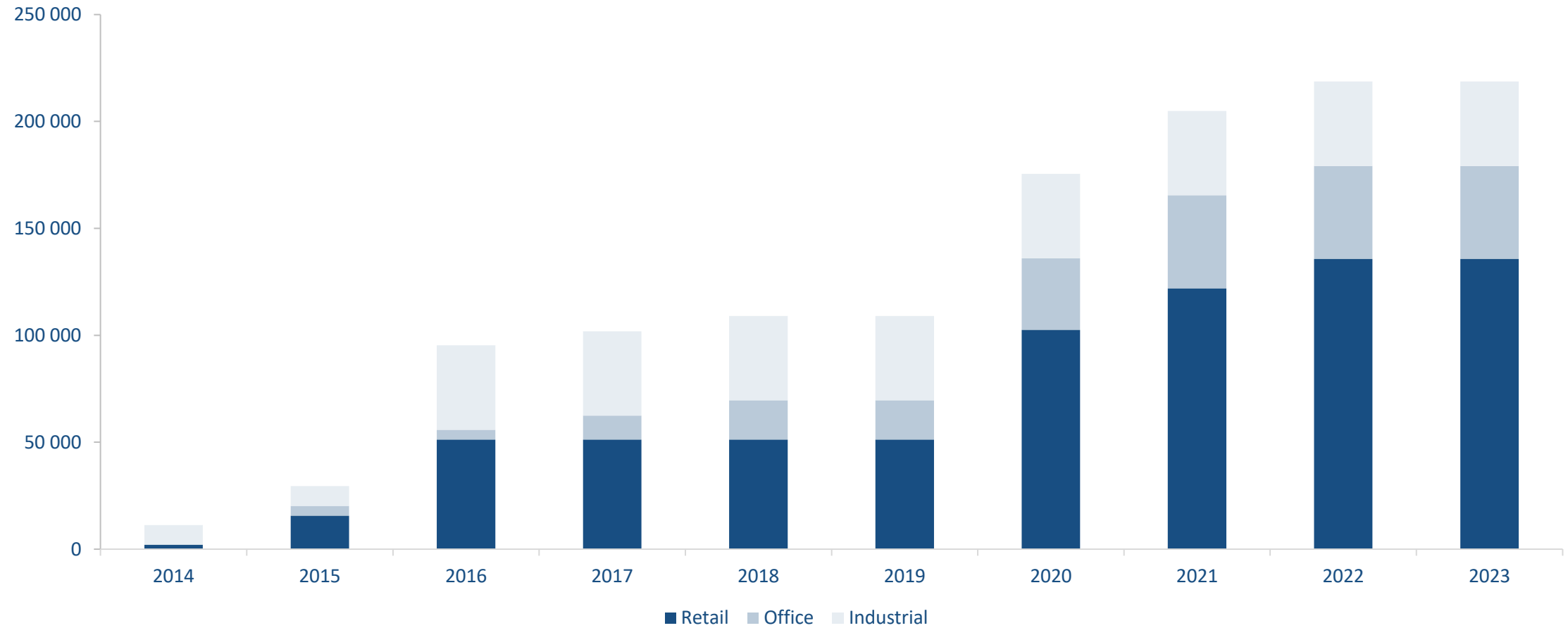
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PROPERTY PORTFOLIO NLA DEVELOPMENT

Net leasable area, m²



LIST OF PROPERTIES

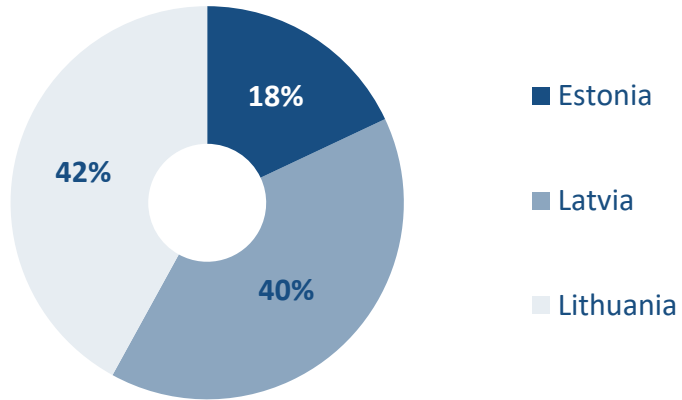
Property	Country	NLA, thousand m2	Portfolio Value ¹ (2023), € m
Riga Plaza, Riga		51.3	101.5
Depo DIY, Riga		19.4	22.2
Damme, Riga		13.7	36.3
De La Gardie, Tallinn		2.1	6.2
Warehouse portfolio, Estonia		9.3	6.3
Auriga SC, Kuressaare		13.5	15.2
Punane 56, Tallinn		4.7	3.8
Veerenni BC 1, Tallinn		6.6	15.3
Veerenni BC 2, Tallinn		10.0	24.1
Nordika SC, Vilnius		35.6	68.7
BOD, Vilnius		30.2	27.5
Park Town West Hill BC, Vilnius		7.2	22.2
Park Town East Hill BC, Vilnius		15.1	52.0
Total		218.6	401.2

¹ Fair value of the properties was determined by certified valuator Newsec Valuations as of YE 2023

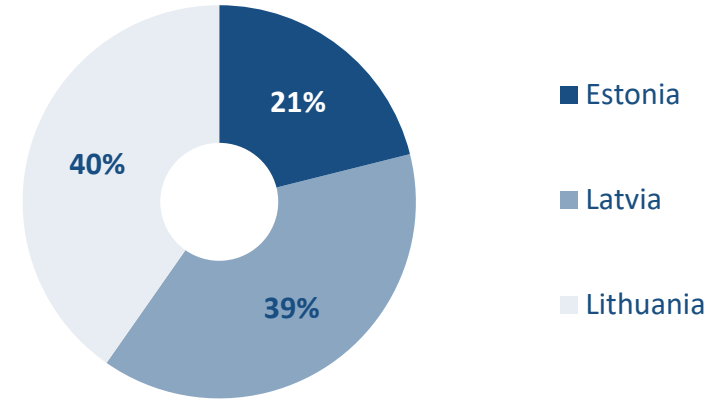


WELL-DIVERSIFIED PROPERTY PORTFOLIO

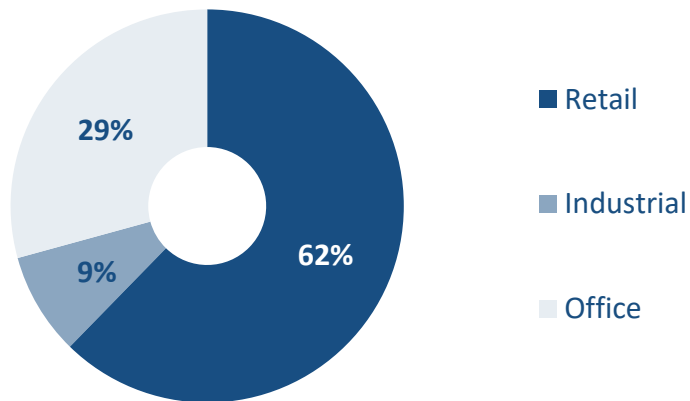
Property value by country



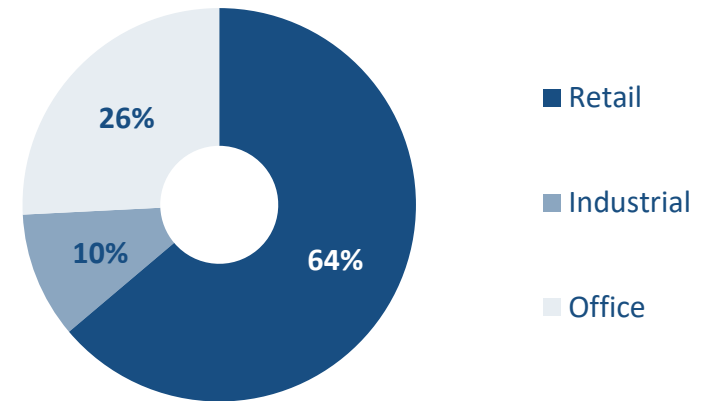
NLA by country









Property value by sector








NOI (2023) by sector



PROPERTY PORTFOLIO IN LATVIA

	Riga Plaza	DEPO Imanta DIY property	Damme
			
Sector	Retail	Retail	Retail
Location	Riga, Latvia	Riga, Latvia	Riga, Latvia
Acquisition year	2020	2021	2022
NLA, (m2)	51 290	19 412	13 740
About	<ul style="list-style-type: none"> ○ Built in 2009, the fourth largest shopping center in Riga ○ Strategically located in actively developing leisure and business district ○ Annual footfall of 5 million, with over 170 retail units and strong mix of tenants 	<ul style="list-style-type: none"> ○ Built in 2021, as a sustainable property while considering environmental impact ○ Located in a clearly visible and accessible area, which is the main shopping area in Imanta district ○ Strong pan-Baltic tenant fits well into Summus diversified portfolio 	<ul style="list-style-type: none"> ○ The leading shopping center in the 3rd largest district of Riga – Imanta ○ Anchored by a supermarket Rimi and hosts around 70 different well-known stores ○ Fully leased out and with a footfall of 3 million per year
Key tenant(s)			

PROPERTY PORTFOLIO IN ESTONIA (1/2)

	De La Gardie	Punane 56	Warehouse properties
			
Sector	Retail	Mixed-use office	Industrial
Location	Tallinn Old Town, Estonia	Tallinn, Estonia	Tallinn, Estonia
Acquisition year	2014	2015	2014
NLA, (m2)	2 062	4 668	9 258
About	<ul style="list-style-type: none"> ○ Constructed in 2000 ○ Located on the busiest retail street in Tallinn Old Town – 200 meters from the official centre of Tallinn - Viru Square ○ Location with the vicinity of dozens of hotels, shopping centers, and offices 	<ul style="list-style-type: none"> ○ Multifunctional business complex of stock-office, office, and retail premises ○ One of the most active business areas in Lasnamäe District ○ Suitable location for retail/office/light industrial spaces 	<ul style="list-style-type: none"> ○ Portfolio of industrial/warehouse properties ○ Strategically well located, well-functioning, and well-known amongst industrial parks ○ Fully leased to internationally well-known, strong tenants
Key tenant(s)	LINDEX	Clemco Baltic, Baltic Promotions	 

PROPERTY PORTFOLIO IN ESTONIA (2/2)

Auriga shopping center












Veerenni 1 – Health center



Veerenni 2 – Health center



Sector	Retail	Office	Office
Location	Kuussaare, Estonia	Tallinn, Estonia	Tallinn, Estonia
Acquisition year	2015	2017	2021
NLA, (m2)	13 493	6 603	10 037
About	<ul style="list-style-type: none"> ○ Opened to the public in October 2008 ○ The largest shopping center in Saaremaa, located at the most significant intersection in Saare County ○ Well-known international and local tenants ○ Footfall of 2 million in 2018 - a record figure 	<ul style="list-style-type: none"> ○ Located in the central district of Tallinn ○ The biggest private medical center in Estonia, operating since 2017 ○ First part of a larger cluster which brings together a variety of medical services ○ High quality tenants 	<ul style="list-style-type: none"> ○ Second phase of private medical center cluster, located next to the first phase of Veerenni project ○ Commissioned in Autumn 2020 ○ Comprises various health segment companies
Key tenant(s)	   	 	  

PROPERTY PORTFOLIO IN LITHUANIA

Nordika shopping center



Park Town West Hill














Park Town East Hill



BOD Group technology center



Sector	Retail	Office	Office	Industrial
Location	Vilnius, Lithuania	Vilnius, Lithuania	Vilnius, Lithuania	Vilnius, Lithuania
Acquisition year	2016	2018	2020	2016
NLA, (m2)	35 635	7 156	15 086	30 189
About	<ul style="list-style-type: none"> ○ The only shopping mall in the Southern area of Vilnius ○ Own large parking area with 1,320 spaces ○ More than sixty retailers, services, and restaurants ○ Annual footfall of 4.5 million 	<ul style="list-style-type: none"> ○ Located in the prime area of Vilnius CBD ○ Excellent views and accessibility, with a location in a prime neighbourhood ○ The business center consists of two seven-story buildings of modern office space ○ BREEAM certified 	<ul style="list-style-type: none"> ○ Together with Park Town West Hill comprise a single business center within the area ○ One of the most advanced Class A offices in Vilnius ○ Exceptional environment and smart technical and engineering solutions 	<ul style="list-style-type: none"> ○ Built in 2013 ○ In 2013, classified as the most energy-efficient industrial building in Europe by the German Chamber of Commerce ○ BOD Group comprises of high-tech companies with focus on optical lenses, solar energy systems and energy storage
Key tenant(s)	   	 	   	

TENANT ANALYSIS (1/2)



Diversified and stable tenant base with 420+ tenants. Anchor tenants are established regional names representing various sectors



High and stable occupancy rate of above 96% in the last years

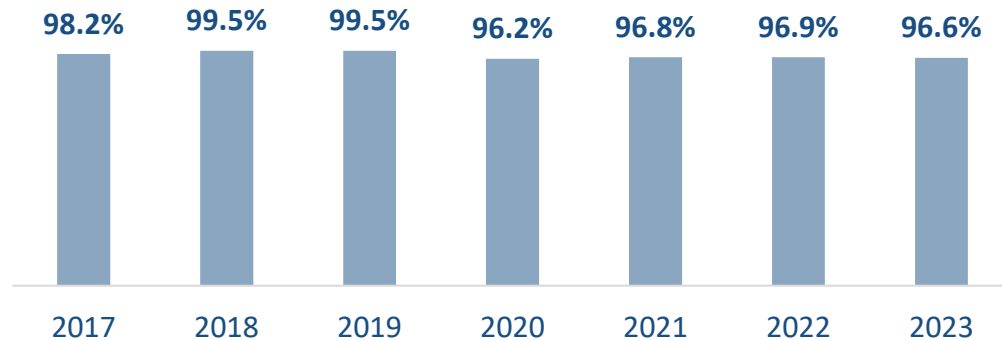


Weighted average unexpired lease term (WAULT) of 4.3 years ensures relatively stable and predictable cash flows

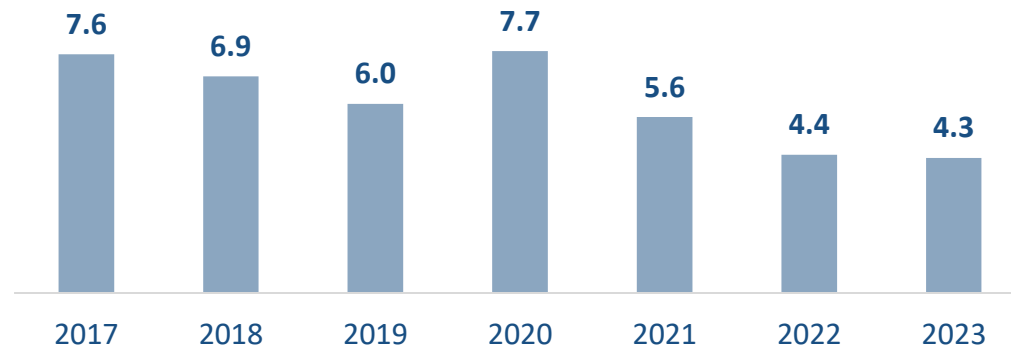


Anchor tenants make up ca. 60% of total rental revenue, as Summus aims to own properties where anchor tenants generate substantial portion of the total cash flow

Occupancy rate

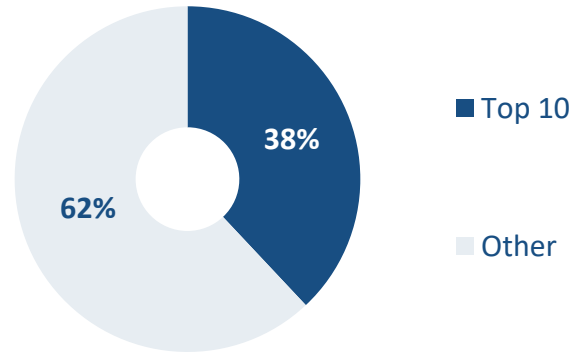


Weighted average unexpired lease term, years

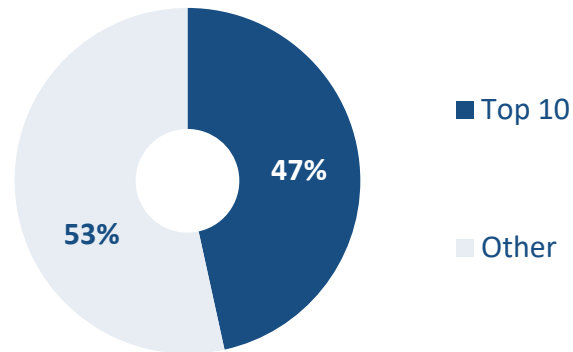


TENANT ANALYSIS (2/2)

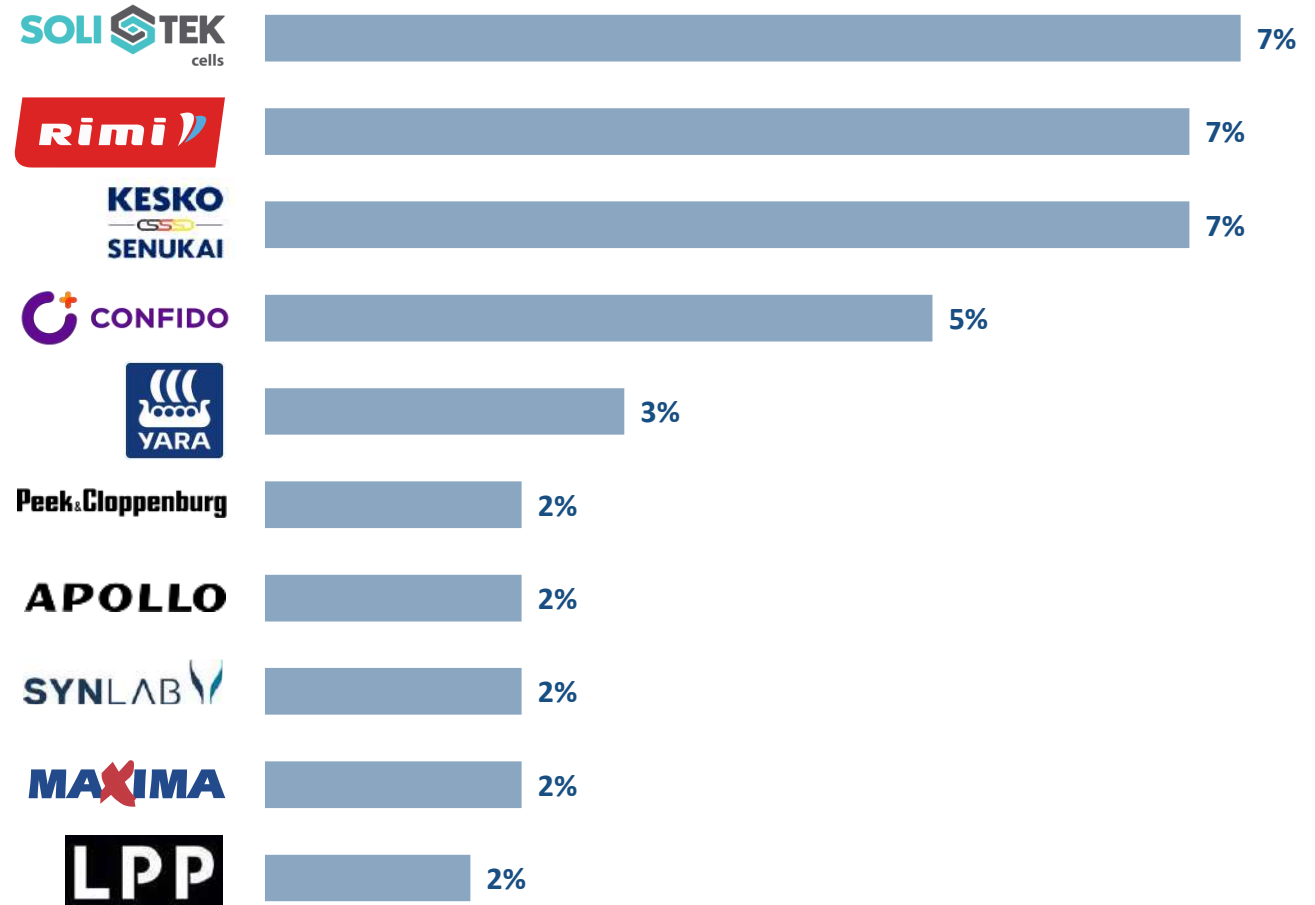
Top 10 tenants by annual rent



Top 10 tenants by NLA



Top 10 Tenant annual rent, % from total rent



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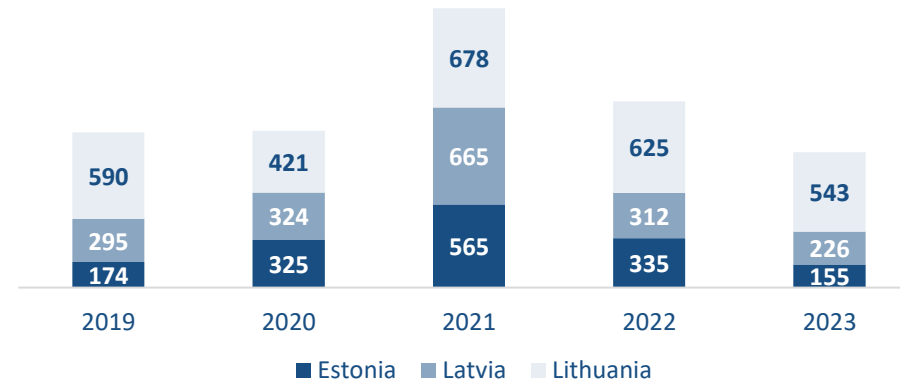
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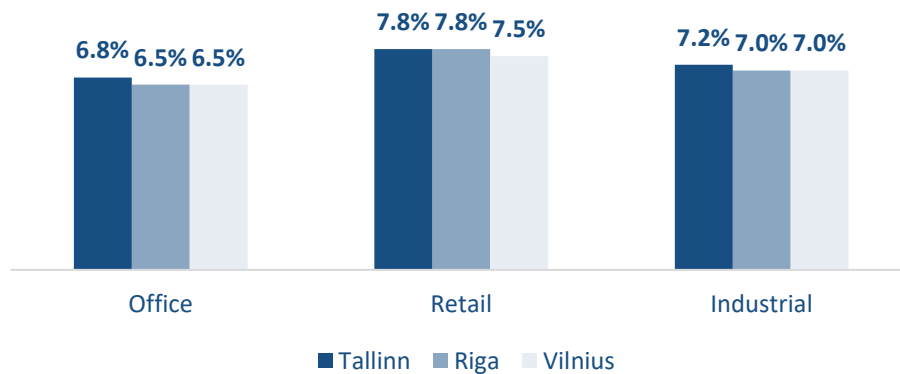
BALTIC COMMERCIAL PROPERTY MARKET (1/2)

- High interest rate environment led to a suppressed investment activity and continued placing an upward pressure on yields throughout 2023
- The market awaits better financing conditions, which might encourage the investment activity, towards the end of 2024 and onwards
- With lots of offices under construction and recently developed, higher construction costs and slow new office area absorption, developers remain hesitant to start new projects in this segment

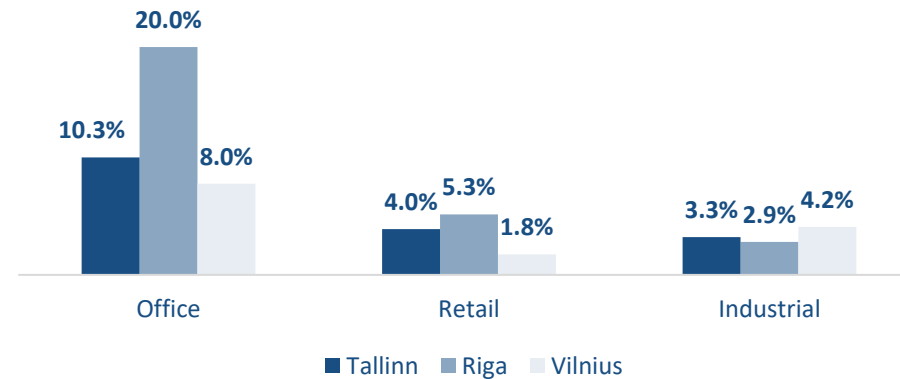
Baltic real estate transaction volume, € m



Prime yields (2023)



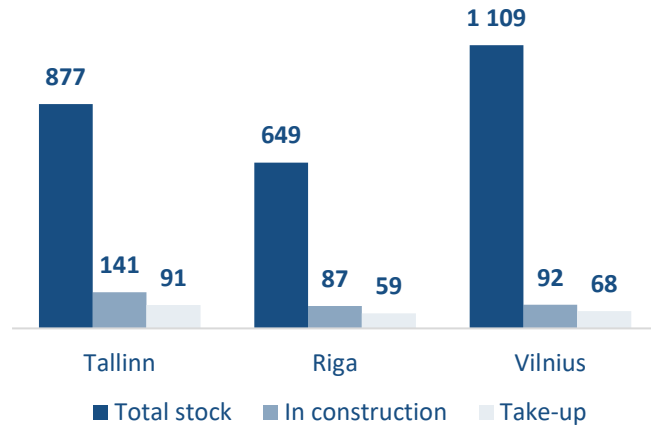
Vacancy rate (2023)



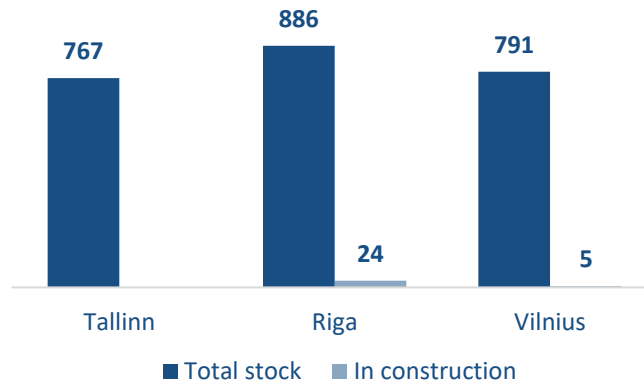
Source: Colliers commercial real estate market overview 2023

BALTIC COMMERCIAL PROPERTY MARKET (2/2)

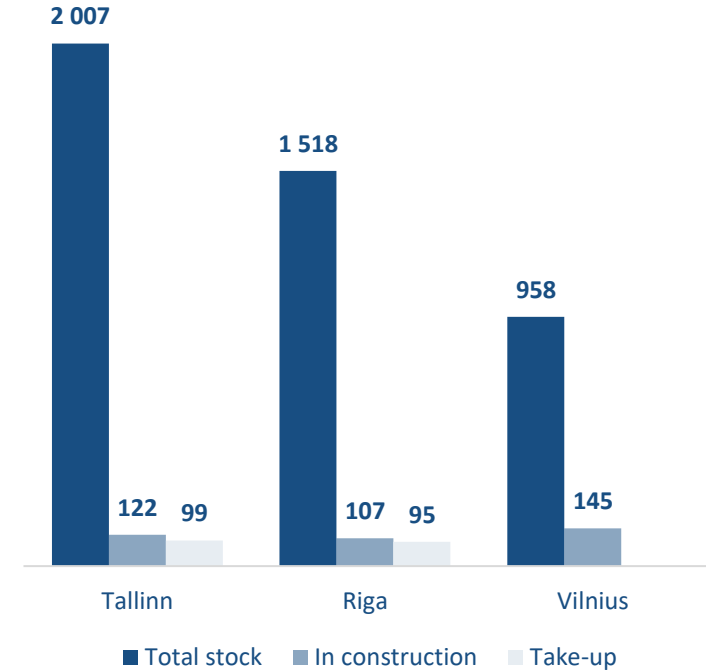
Office space (2023), GLA th. m2



Retail space (2023), GLA th. m2



Industrial space (2023), GLA th. m2



Take-up shows the annual amount of space absorbed by the market
 Source: Colliers commercial real estate market overview 2023

SELECTED COMPETITORS

SUMMUS
CAPITAL

Baltic
Horizon

eastnine

MAINOR
ÜLEMISTE

AKROPOLIS

CAPITALICA
ASSET MANAGEMENT

Portfolio value, € m	401.2	250.4	573.8	210.6	1 071.8	145.9
Leasable area, th. M2	218.6	119.2	182.8	197.6	335.6	37.1
Portfolio split by segments ¹						
Portfolio split by geography ¹						
Number of properties	14	12	14	n/a	5	4
Equity ratio	42%	42%	56%	55%	55%	33%
Occupancy rate	97%	81%	93%	92%	97%	94%

Summus has grown into one of the largest players on the Baltic commercial real estate market with further plans to strengthen its position

¹As % of last available portfolio value or Net Leasable Area

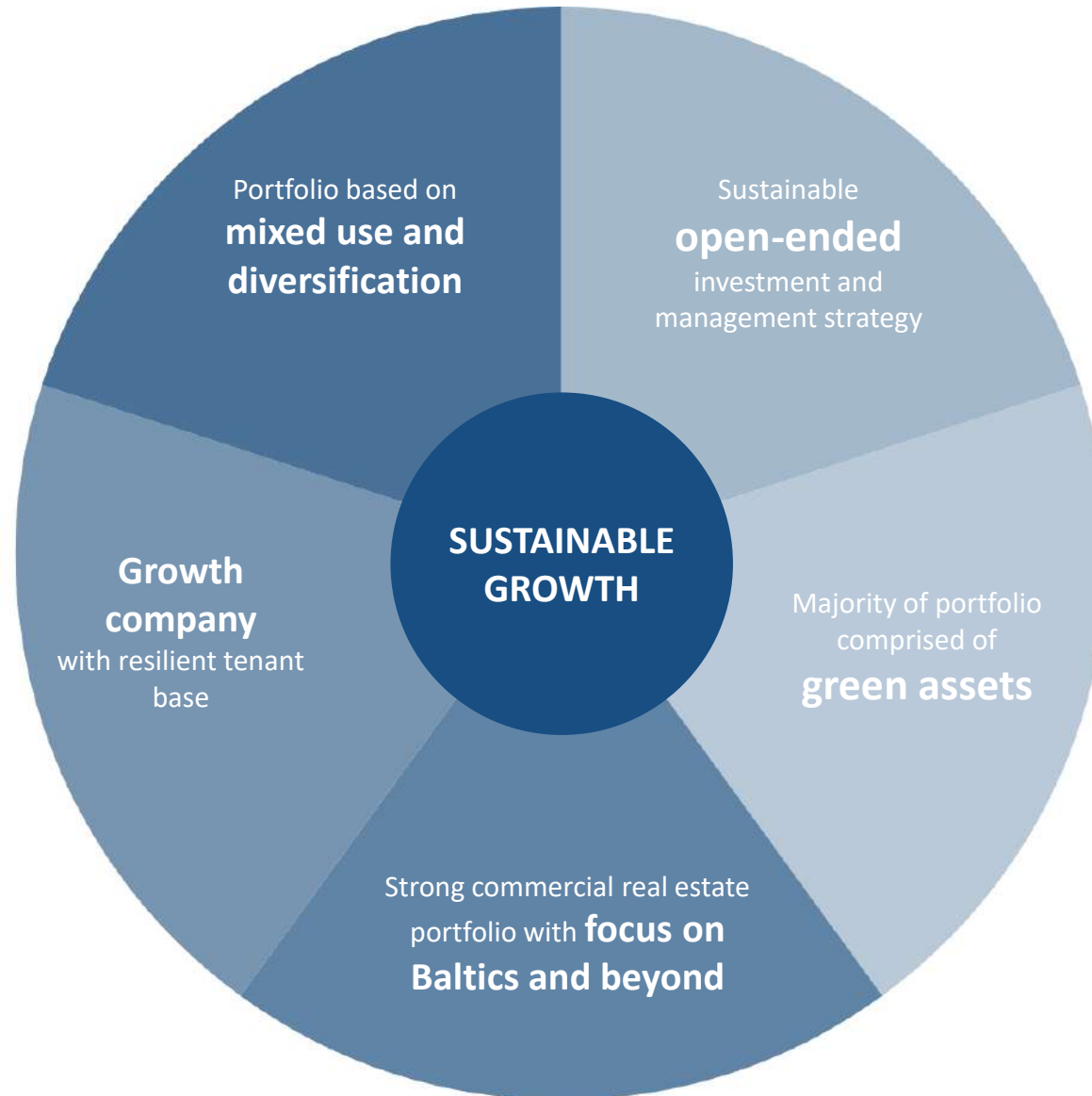
Source: Annual reports, fund fact sheets, bond offering presentations, and other publicly available information

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MEDIUM TERM STRATEGY



SIGNIFICANT PROGRESS IN SUSTAINABILITY

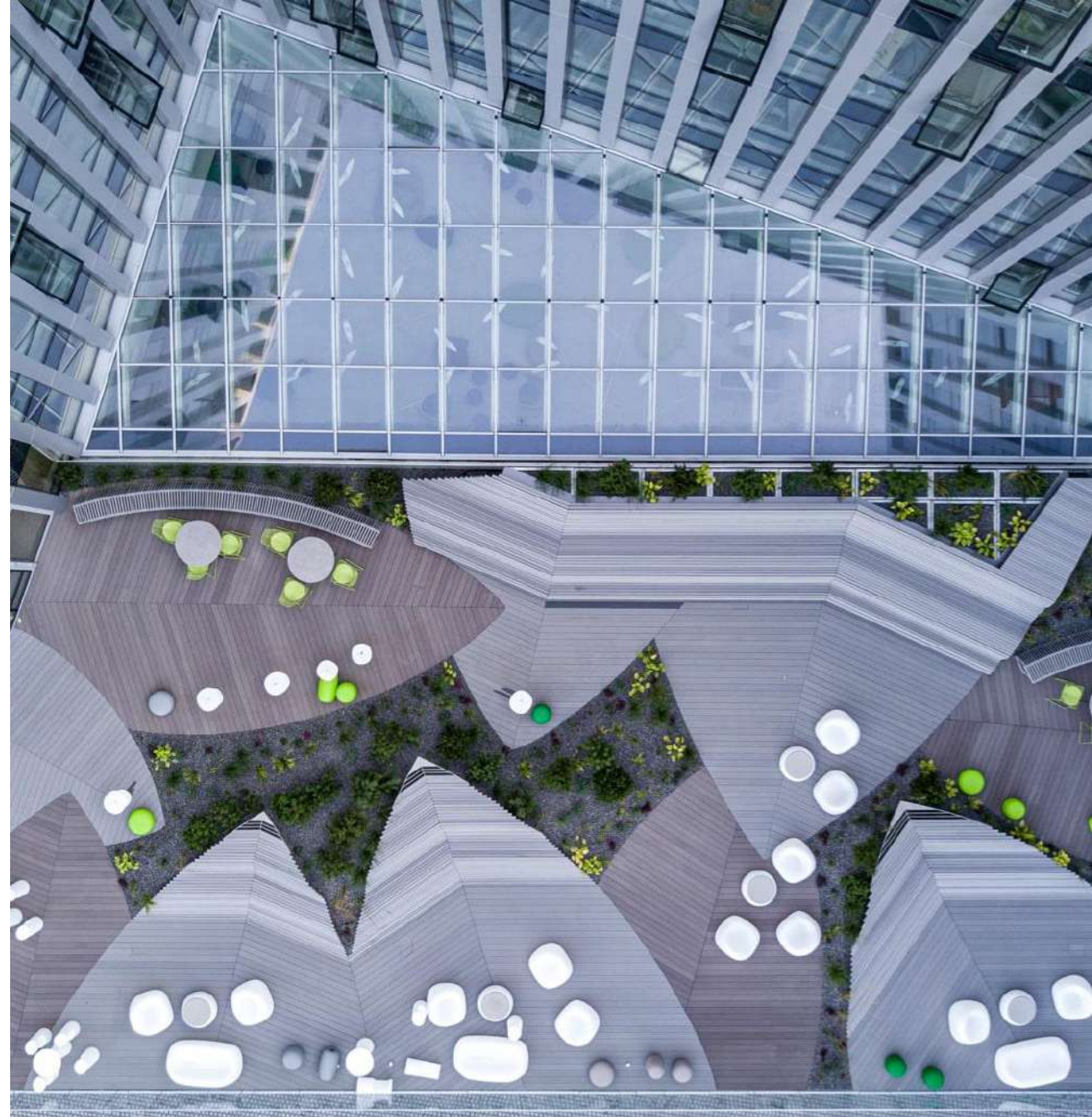
		Current status	2025 target
Portfolio certification	86%	<ul style="list-style-type: none"> During 4q2023 Summus received BREEAM Very Good certificate for Depo The new projects are rated with a high grade of energy efficiency and reduced CO2 footprint 	<ul style="list-style-type: none"> 92% certification will already be reached during 2024 Certificates upgrade will be analyzed in connection with taxonomy
Share of green electricity	84%	<ul style="list-style-type: none"> Summus is very close to the target 	<ul style="list-style-type: none"> A few more Estonian assets will be converted to use green electricity
Taxonomy	N/A	<ul style="list-style-type: none"> Taxonomy is new and important topic 	<ul style="list-style-type: none"> Assets meeting taxonomy energy standard
Green leases	9%	<ul style="list-style-type: none"> In total 18.7k sqm leases signed as green leases 	<ul style="list-style-type: none"> Target will be gradually be met when lease contracts end or need to be changed



Summus believes that the best way to increase asset value and wellbeing of tenants and employees is through sustainable management

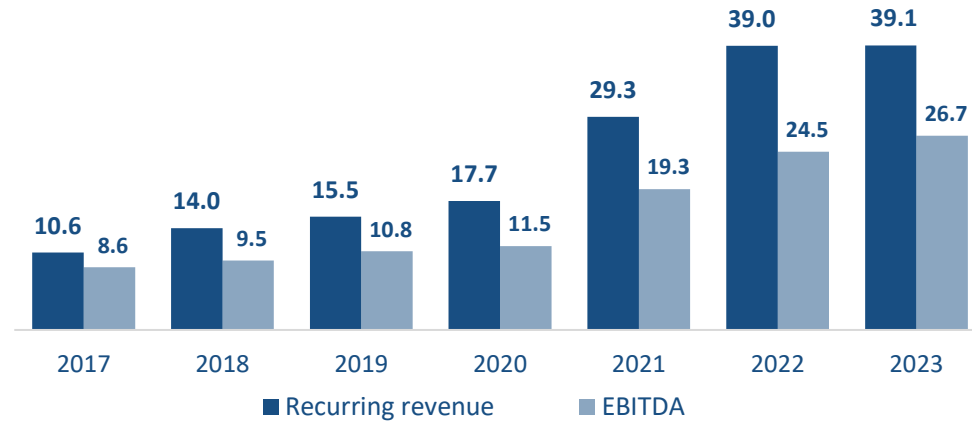
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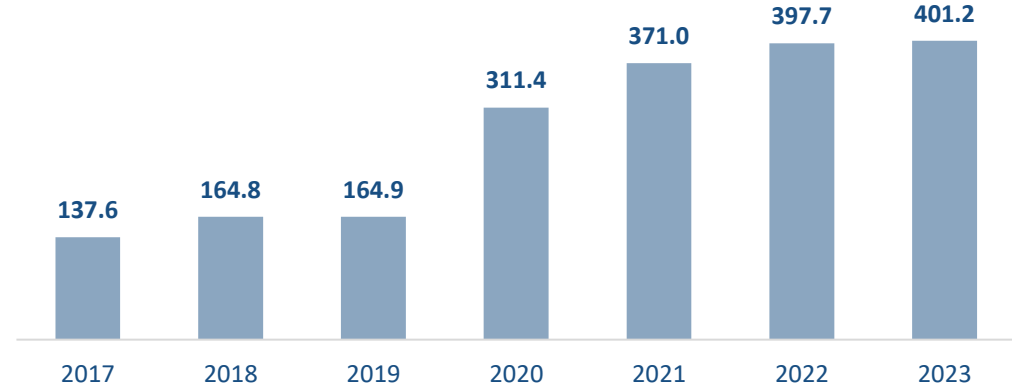


FINANCIAL HIGHLIGHTS

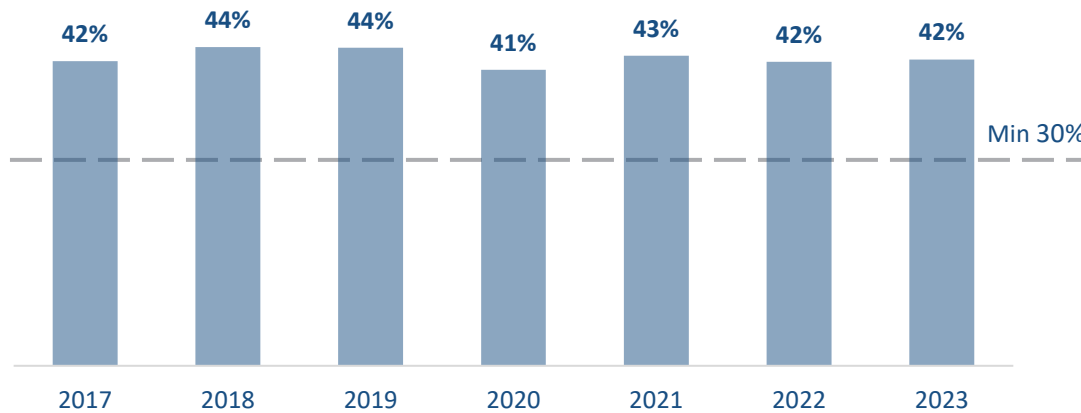
Revenue and EBITDA, € m



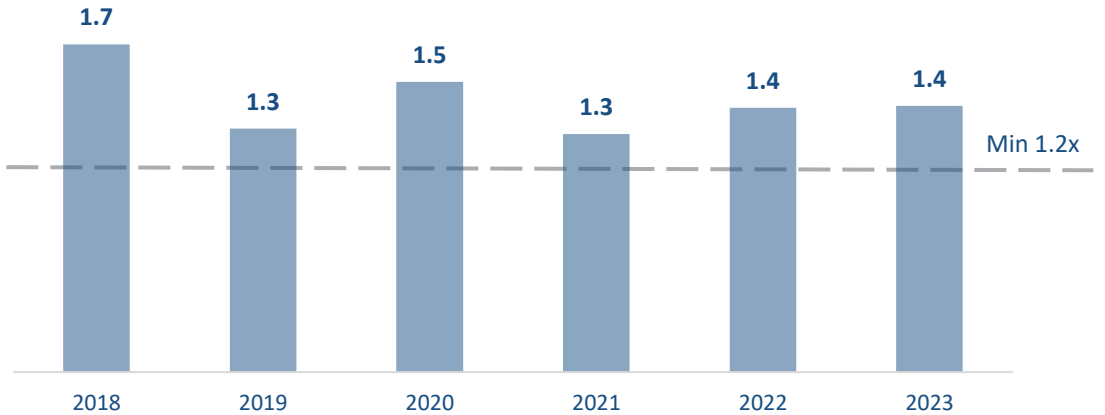
Property balance sheet value, € m



Equity ratio¹, %



Debt service coverage ratio²

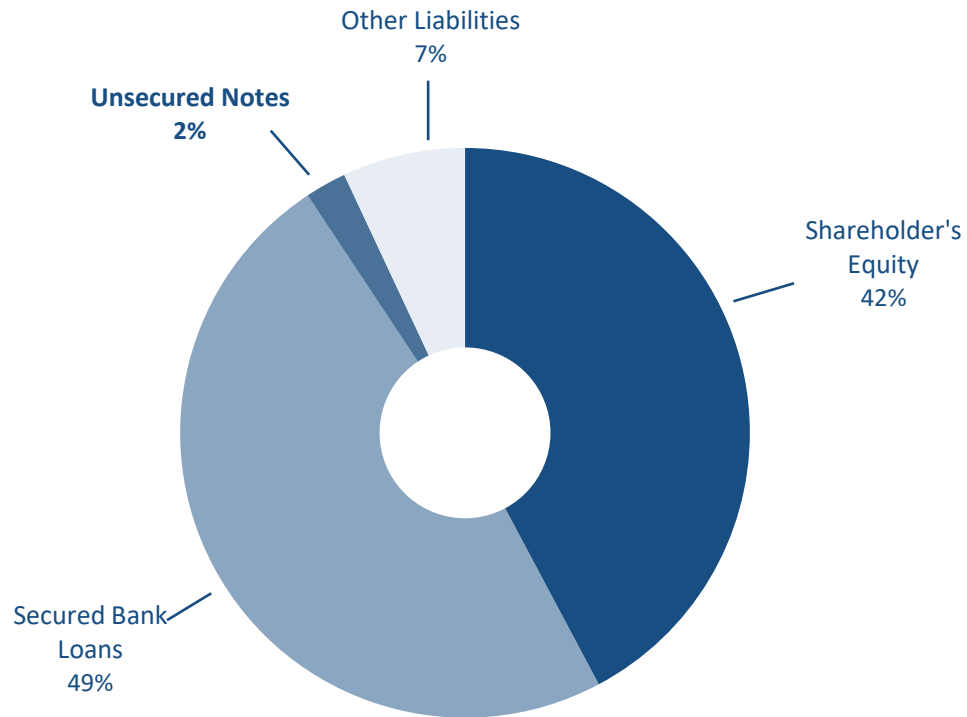


¹ Calculated as Equity / Assets

² Calculated as EBITDA / (scheduled principal and interest payments on Financial indebtedness).

FUNDING STRUCTURE AND USE OF PROCEEDS

Funding profile (as of 31 December 2023)



- Strong and stable own capital base with total shareholder's equity of € 179.8m and equity ratio of 42%
- Unsecured Notes in the amount of € 10m with maturity in June 2024 make up only 2% of the total Group's funding amount
- Summus Capital will refinance the existing bonds with a new bond issue, as the Group seeks to keep a diversified funding structure and values the capital markets presence
- Maintaining relationships with most leading Baltic banks (Luminor, SEB, Šiauliai, Citadele, LHV Bank) with long-term loans in all three countries
- In order to manage the interest rate risk, more than half of the bank loans (55%) at the end of 2023 were hedged

CONSOLIDATED BALANCE SHEET (1/2)

€ thousand	2021 (audited)	2022 (audited)	2023 (audited)
Cash and cash equivalents	15 086	16 408	15 924
Other short-term financial assets	10 036	0	0
Customer receivables and other receivables	4 778	5 749	3 900
Inventories	3	3	4
Total current assets	29 903	22 160	19 828
Trade receivables and other receivables	321	63	40
Financial assets from derivative instruments ¹	0	6 980	2 515
Loans granted	96	0	0
Fixed assets	2 268	2 183	2 097
Intangible assets	3 178	0	4
Other financial investments	0	0	125
Investment property ²	370 968	397 697	401 247
Total non-current assets	376 832	406 924	406 028
Total assets	406 734	429 084	425 857

¹Interest rate swaps measured at fair value

²Investment properties increased during 2022 due to the acquisition of Damme shopping center in Riga, while Hanza Mechanics industrial building was sold at the end of 2022

The fair value of properties is determined by an independent certified valuator once per year and the last valuation was performed by Newsec Valuations at the end of 2023 in all three Baltic states

There have been no new property acquisitions or disposals during 2023

Auditor: KPMG Estonia

CONSOLIDATED BALANCE SHEET (2/2)

€ thousand	2021 (audited)	2022 (audited)	2023 (audited)
Lease obligations	316	36	73
Trade payables and other payables	7 113	5 282	5 236
Bank Loans and borrowings ³	41 579	8 444	17 769
Tax debts	742	551	601
Liabilities from derivative instruments	773	77	405
Total current liabilities	50 523	14 390	24 084
Deferred income tax	8 543	9 699	10 877
Lease obligations	2 253	2 217	2 144
Accrued liabilities ⁴	0	5 935	10 341
Bank Loans and borrowings ³	169 205	217 488	198 632
Liabilities from derivative instruments	2 419	0	0
Total non-current liabilities	182 420	235 340	221 994
Total liabilities	232 943	249 730	246 078
Share capital	1 200	1 200	1 200
Voluntary reserve	78 913	78 913	78 913
Subordinated loans	27 594	23 998	17 367
Retained earnings	57 052	66 336	73 333
Non-controlling interest	8 359	8 907	8 965
Total equity	173 791	179 354	179 778
Total liabilities and owners' equity	406 734	429 084	425 857

Auditor: KPMG Estonia

³At the end of 2023 loans and borrowings included bank loans from Luminor, SEB, Šiaulių bankas and Citadele in the amount of € 206.4m and bonds of € 10m, which will be refinanced with the new bond issue.

As of 1 April 2024, all Estonian bank loans are refinanced with LHV Bank

⁴In 2023 and 2022, the Group's management assessed potential future liabilities related to success fee payable regarding Riga Plaza development and recognized a provision under accrued liabilities

CONSOLIDATED PROFIT AND LOSS STATEMENT

€ thousand	2021 (audited)	2022 (audited)	2023 (audited)
Sales revenue ¹	29 252	39 038	39 055
Other income ²	16 266	3 267	4 114
Goods, raw materials, and services	-8 833	-14 069	-11 539
Other operating expenses ²	-4 442	-7 634	-2 198
Labour expenses	-180	-144	-128
Depreciation and impairment	-84	-3 273	-87
Other expenses ³	-429	-7 788	-5 543
Operating profit	31 550	9 397	23 674
Profit from subsidiaries	1 468	3 800	0
Interest income	23	0	395
Interest expenses	-9 035	-7 881	-11 282
Other financial income and expenses ⁴	2 186	10 442	-3 148
Profit before income tax	26 191	15 757	9 640
Income tax	-1 083	-1 255	-1 177
Net profit	25 108	14 502	8 463
Share of net profit of the owners of the parent company	23 225	13 954	8 405
Share of net profit of non-controlling interest (loss)	1 883	548	58

¹Revenue has remained stable in 2023. Though rental income has increased, the income from forwarded utility expenses has decreased due to improved energy efficiency of the buildings

²Other income includes gain and Other operating expenses loss from property revaluations

³Accrued property management expenses from an agreement related to the purchase of Riga Plaza, including a success fee contingent upon the property's sale or following a 5-year period from the agreement's signing

⁴Includes income (loss) from the fair value revaluation of interest rate swaps and interest rate cap contracts

Auditor: KPMG Estonia

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TERM SHEET

Issuer	Summus Capital OÜ
Type of notes	Unsecured Notes
Issuer rating	BB (stable) by Scope Ratings
ISIN	LV0000860187
Issue size	Up to € 15 000 000
Coupon rate, frequency	9-10%, paid quarterly
Maturity	3 years, bullet
Type of placement	Private placement
Nominal value	€ 1 000
Minimum subscription	€ 100 000
Use of proceeds	<ul style="list-style-type: none"> ○ Refinancing of the Group's Existing Notes ○ General corporate purposes
Call option	<ul style="list-style-type: none"> ○ @101% after 1st year ○ @100% 3 months before maturity
Financial covenants	<ul style="list-style-type: none"> ○ Equity Ratio at least 30% ○ Debt service coverage ratio (DSCR) at least 1.2x
Key general undertakings	<ul style="list-style-type: none"> ○ Limitations on dividend payments ○ Subordination of shareholder loans ○ Regular property revaluation by reputable property valuator ○ Reporting obligations
Arranger	Signet Bank AS
Sales Agent Estonia	AS LHV Pank
Admission to trading	Nasdaq Riga First North within 6 months after the Issue Date

Full list of covenants can be found in the Terms of the Issue

Proceeds from the Notes Issue will be used to refinance the Existing Notes in the amount of € 10m with maturity in June 2024 and to finance potential new property acquisition transactions

Proposed timeline

Subscription period	End of May 2024
Issue date	June 2024

RISK FACTORS

Below is the description of risk factors that are material for the assessment of the market risk associated with the notes and risk factors that may affect the Issuer's ability to fulfil its obligations under the notes. Should one or more of the risks described below materialize, this may have a material adverse effect on the cash flows, results of operations, and financial condition of the Issuer and the Group. Moreover, if any of these risks materialize, the market value of the notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the notes may decrease, in which case the investors could lose all or part of their investments.

Before deciding to purchase the notes, potential investors should carefully review and consider the following risk factors, in addition to all other information presented in the terms of the issue, and consult with their own professional advisors if necessary. Moreover, potential investors should bear in mind that several of the described risk factors can occur simultaneously and together with other circumstances could have a potentially stronger impact on the Issuer or the Group. This is not an exclusive list of risk factors, and additional risks, of which the Issuer is not presently aware, could also have a material adverse effect on the Issuer and the Group.

Important note

The risks indicated in this section, if some or all of them materialize, may reduce the Issuer's ability to fulfil its obligations or cause its insolvency or restructuring in the worst-case scenario. Investors have to take into account the Notes are not secured with collateral and third parties have not guaranteed Notes and Coupon payments related thereto.

This section may not feature all of the potential risks, which may affect the Issuer and the Group.

Risks related to the economic and regulatory environment

- Macroeconomics risk
- Geo-political risk related to Russia's invasion of Ukraine
- Global pandemic risk
- Changes in legislation risk
- Changes in tax law and practice risk

Risks related to the Group's business and industry

- Competition risk
- Property acquisition risk
- Tenant risk
- Asset liquidity risk
- Real estate portfolio fair value fluctuation risk
- Real estate investment risks
- Implementation of investment strategy risk
- Technical risk
- Liquidity risk of investment
- Counterparty credit risk
- Refinancing risk
- Interest rate and leverage risk
- Risk resulting from hedging transactions
- Reliance on the performance of the Management
- Dependence on managing employees

- Dependence on external service provider's risk
- Group's reputation risk
- Operational risk
- Insurance coverage risk
- Environmental liabilities risk
- Risk of natural disasters and other business disruption
- Dispute risk
- IT system risk

Risks related to Notes

- Notes repayment risk
- No limitation on issuing additional debt
- Liquidity risk
- Delisting risk
- Price risk
- Foreign exchange risk
- Repurchase or redemption risk
- Tax risk
- Resolution of Noteholders risk
- Risk that some Investors might have more preferential terms than others

SUMMUS CAPITAL

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