

Summus Capital bond issue

Opportunity to invest in the bonds of the leading Baltic real estate investment holding

SUMMUS
CAPITAL

SIGNET
BANK

About Summus Capital

- Founded in 2013, Summus Capital OÜ is a Baltic real estate investment holding company with investment properties in all three Baltic states and headquarters in Estonia. In recent years, the Group has established itself as one of the leaders in Baltic commercial real estate market.
- The Group's €400 million+ investment property portfolio has substantially grown over the last years and is well-diversified, consisting of properties in retail (shopping centers), office, industrial and medical segments.
- The Group's strategy is based on investments in cash flow generating commercial real estate with a long-term investment horizon. The Group focuses on sustainable buildings (BREEAM or LEED certified) and the investment portfolio includes well-known anchor tenants.
- Summus Capital has a seasoned management team with more than 25 years of experience in real estate management in the Baltics, providing the Group with strategic guidance and extensive industry knowledge.
- Summus was founded by the Skvortsov family, and currently is 100% owned by Boris Skvortsov. The family has extensive experience in real estate management and development, and has worked in the real estate sector their whole careers. Boris Skvortsov has established several real estate investment and development companies in the Baltics and Europe.
- Summus Capital pays significant attention to sustainability and has made notable progress towards its sustainability goals. At the end of 2023, the Group had achieved LEED and BREEAM certifications for 86% of its portfolio.

Portfolio overview

- The Group owns 14 properties across the Baltic states - 7 in Estonia, 4 in Lithuania, 3 in Latvia. Summus continues looking for investment opportunities in order to strengthen its market position even further.
- At the end of 2023, the retail segment comprised 62% of the portfolio value, while office made up 29% and industrial 9%.
- Stable and diversified tenant mix with 420+ tenants in the property portfolio. Anchor tenants are established regional names, such as Rimi, Depo, K-Senukai, Confido, Apollo and Maxima, which represent various sectors and currently make up ca. 60% of total rental revenue.
- The top 10 tenants occupy 47% of the net leasable area, as the Group's strategy is focused on properties where anchor tenants generate substantial portion of the total cash flow. Nonetheless, no single tenant exceeds 7% of total rental income.
- Weighted average unexpired lease term (WAULT) at the end of 2023 was 4.3 years, ensuring predictable and diversified cash flows, while occupancy rate has remained consistently high over the last years and at the end of 2023 stood at 96.6%.
- 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.

Financial highlights

- During 2023, the Group's revenue remained stable at €39.1m (2022: €39.0m), driven by the 8% Y/Y growth in net rental income and reduction in income from forwarded utility expenses to the tenants as a result of improved energy efficiency of the buildings.
- Summus generated EBITDA of €26.7m in 2023 (+9% Y/Y), showing improvement in the operational results, while the net profit amounted to €8.5m (-42% Y/Y), the decrease being mainly related to non-cash revaluation of hedging instruments. Without the revaluation, net profit would have been €4.5m in 2022 and €11.5m in 2023.
- The total borrowings at the end of 2023 stood at EUR 216.4m (-4% Y/Y), showing a decrease due to regular repayment of bank loan principals. The borrowings include €10m bond issue maturing in June 2024, which will be refinanced by the new €15m bond issue.
- The Group had robust financial metrics at the end of 2023 – Equity ratio of 42%, DSCR of 1.4x, and LTV of 54%.
- Since 2021 the Group has issuer rating of BB (stable) by the leading European rating agency Scope Ratings GmbH, which was most recently affirmed in September 2023.

Financial highlights

€ million	2021 (audited)	2022 (audited)	2023 (audited)
Revenue	29.3	39.0	39.1
EBITDA	19.3	24.5	26.7
Net profit	25.1	14.5	8.5
Total assets	406.7	429.1	425.9
Investment properties	371.0	397.7	401.2
Cash	15.1	16.4	15.9
Total Equity	173.8	179.4	179.8
Total borrowings	210.8	225.9	216.4
Equity Ratio	43%	42%	42%
DSCR	1.3x	1.4x	1.4x
LTV	51%	54%	54%

Investment portfolio across the Baltics

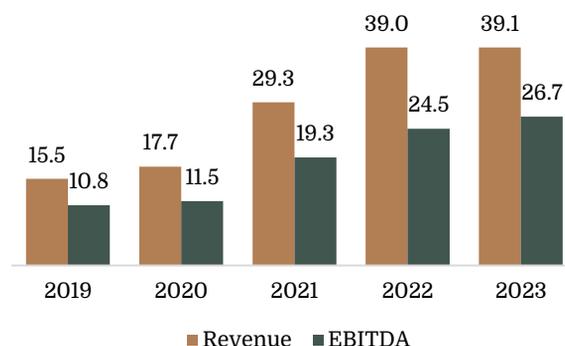


€70.9 m

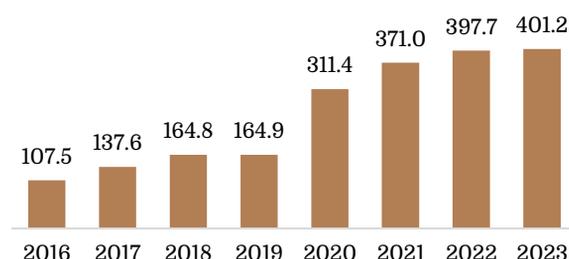
€160.0 m

€170.4 m

Revenue and EBITDA, € m



Investment portfolio value, € m



Term Sheet

Issuer	Summus Capital OÜ (Estonia)
Security type	Unsecured Notes
Issuer rating	BB (stable) by Scope Ratings
Offer type	Private placement
Use of proceeds	<ul style="list-style-type: none"> Refinancing of the Group's Existing Notes General corporate purposes
Issue size	Up to EUR 15 million
Coupon rate	9.0% - 10.0%
Coupon frequency	Quarterly
Maturity	3 years
Principal repayment	Maturity date, <i>bullet</i>
Call Option	<ul style="list-style-type: none"> @101% after 1st year @100% 3 months before maturity
Nominal value	EUR 1,000
Minimum subscription	EUR 100,000
Listing	Nasdaq Riga First North within 6 months after the Issue Date
Covenants ¹	<ul style="list-style-type: none"> Equity Ratio at least 30% Debt service coverage ratio (DSCR) at least 1.2x
Arranger	Signet Bank AS
Offer to Existing Noteholders	Exchange Existing Notes for new Notes (1:1 exchange ratio)

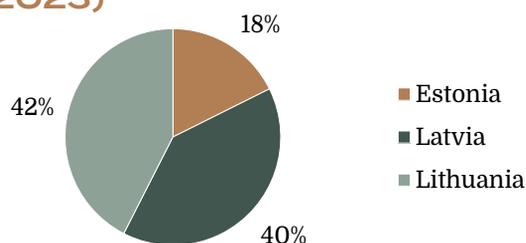
Key investment highlights

- Market leader** – One of the largest real estate investment companies in the Baltic States
- Diversified portfolio** – Balanced mix of retail, office and industrial properties with well-known international tenants
- Strong cash generation** – Solid cash flow from high-yield properties featuring long lease terms, established anchor tenants, and high occupancy rates
- Healthy balance sheet** – Balanced funding structure, with a robust equity base and a 42% equity ratio
- Experienced management team** – Over 25 years of expertise in real estate management in the Baltics

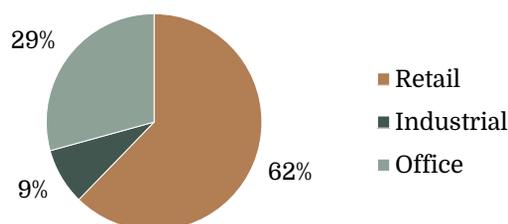
Funding profile and the bond issue

- Summus plans to refinance the existing €10m bonds maturing in June 2024 with the new bond issue of €15m, as the Group seeks to maintain a diversified funding structure and values the presence on capital markets. The existing bonds make up only 2% of the Group's total funding.
- Additionally, proceeds from the new bond issue will be used to finance potential new property acquisitions to strengthen the Group's market position.
- Summus has a diversified funding profile and maintains relationships with leading Baltic banks (Luminor, SEB, Šiauliai, Citadele, LHV Bank) and has more than €206m in long-term loans with interest rates of EURIBOR + 2.2-3.3%.
- 82% of the Group's loans are with a floating interest rate and in order to manage the interest rate risk, more than half of the loans (55%) at the end of 2023 were hedged.
- Summus has Subordinated Debt of €17m from the Group's shareholders with no repayment term, which is included in the equity and is subordinated to the bonds.
- Existing bondholders who own at least €100k of existing bonds maturing on 18 June 2024, will have the opportunity to exchange them for new bonds with 1:1 exchange ratio.

Portfolio value split by countries (2023)



Portfolio value split by segment (2023)



The Group's selected investment properties



Notes: ¹ Full list of covenants can be found in the Issue Terms

Source: Financial reports and information provided by the management

This presentation (the Presentation) has been prepared by Signet Bank AS solely for use in connection with the contemplated offering of Summus Capital OÜ (the Issuer) bonds (the Notes) and may not be reproduced or redistributed in whole or in part to any third party.

This Presentation is for information purposes only. The Notes have their own particular terms and conditions that should be considered before making an investment decision. A prospective investor should not make an investment decision relying solely upon this Presentation. By attending a meeting where this Presentation is presented or by reading the Presentation you agree to be bound by the following terms, conditions, and limitations.

No liability

The information in this Presentation is based on the data provided by Summus Capital OÜ and has not been independently verified and can be subject to updating, completion, revision, and further amendment. The Signet Bank AS undertakes no obligation to update this Presentation or to correct any inaccuracies that may become apparent. The facts, information, opinions and estimates contained in this Presentation have been obtained from sources believed to be reliable and in good faith, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness, and reliability.

This Presentation contains forward-looking statements that are based on current expectations and assumptions of the Issuer and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by context, words such as “aims”, “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, “assumes”, “seeks”, and similar expressions are intended to identify such forward-looking statements. Opinions and any other contents in this Presentation are provided for personal use and for tentative reference only.

No advice

This Presentation shall not be treated as legal, financial or tax advice of any kind. The investors shall conduct their own investigation as to the potential legal risks and tax consequences related to the issue and investment into the Notes. Nothing in this Presentation shall be construed as giving of investment advice by the Signet Bank AS or any other person.

Each potential investor must determine the suitability of the investment in light of its own circumstances. In particular, you should have: (i) sufficient knowledge and experience, access to and knowledge of appropriate analytical tools to meaningfully evaluate and fully understand this investment opportunity alongside with its advantages and risks, as well as the impact of this investment on your overall investment portfolio; (ii) sufficient financial resources and liquidity to bear all of the risks associated with this investment. If you are in any doubt as to whether to invest in the Notes, you should consult a qualified independent adviser.

General restrictions and distribution

This Presentation does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction in which such offer or solicitation is not authorized or any person to whom it is unlawful to make such offer or solicitation. Each violation of such restrictions may constitute violation of applicable securities laws of such countries. Investors are required to inform themselves of any such restrictions and return this Presentation to the Issuer should such restrictions exist. By accepting this Presentation, the recipient represents and warrants that it is a person to whom this presentation may be delivered or distributed without a violation of the laws of any relevant jurisdiction. This Presentation is not to be disclosed to any other person or used for any other purpose and any other person who receives this Presentation should not rely or act upon it.

Conflict of interest

Signet Bank AS may receive a fee from Summus Capital OÜ.

By presenting this material the Signet Bank AS has a conflict of interest situation. The Signet Bank AS Policy for Prevention of Conflicts of Interest is available on the website: <https://www.signetbank.com/mifid/>.

The Issuer or its affiliates may, subject to applicable laws, purchase the Notes. It should be noted that under specific circumstances their interests may conflict with those of other noteholders.

Risk factors

When making an investment in bonds, investors undertake certain financial risks. The main risk factors that influence Summus Capital OÜ are: 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, 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.

When investing funds in bonds, investors undertake the following risks related to debt securities: 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.

The risks indicated in this section may reduce Summus Capital OÜ ability to fulfil its obligations and cause its insolvency in the worst-case scenario. This section may not feature all the potential risks, which may affect Summus Capital OÜ.