



SUMMIT

Properties Ltd

Company presentation

SEPTEMBER 2021

Summit Properties at a glance







Company description

- Summit Properties is a real estate company incorporated in Guernsey with a **yielding portfolio of c. €1.0bn** consisting of:
 - €580mm of a German commercial portfolio** located in Germany's key cities
 - €420mm of US portfolio** including **€340mm of defensive and rapidly growing residential portfolio in New York City** and **€80mm of high yielding US retail with low capital values**

Strategy

- The Company recently sold c. €1bn of assets to an institutional investor and aims to utilise proceeds to **acquire mainly resilient and defensive NYC residential assets, and low risk yielding German commercial properties**
 - In addition, the Company targets select **strategic investments in opportunistic retail** acquired at **very low capital values** (max 10% of portfolio)
 - This strategy will continue to allow for **secured cashflows and upside potential**
- The portfolio is managed by the **Group's internal asset management platform with a strong track record**
- Following the portfolio disposal, and reinvestment of the proceeds into pipeline acquisitions in the next 18 months, Summit Properties will own a **~€2.0bn+ portfolio with a pro forma LTV of 35% - 40%**

Key highlights (as of 1H21 PF)

	€1.0bn Fair value of property portfolio ¹		5.8% NOI yield ¹
	€~500mm Cash 14% Net LTV ¹		~€420mm US acquisitions made in 2021 ²
	~€2.0bn+ 2022 PF portfolio value post pipeline execution		~50 FTEs

Management of Summit Properties



Zohar Levy
Managing Director



Itay Barlev
Finance Director

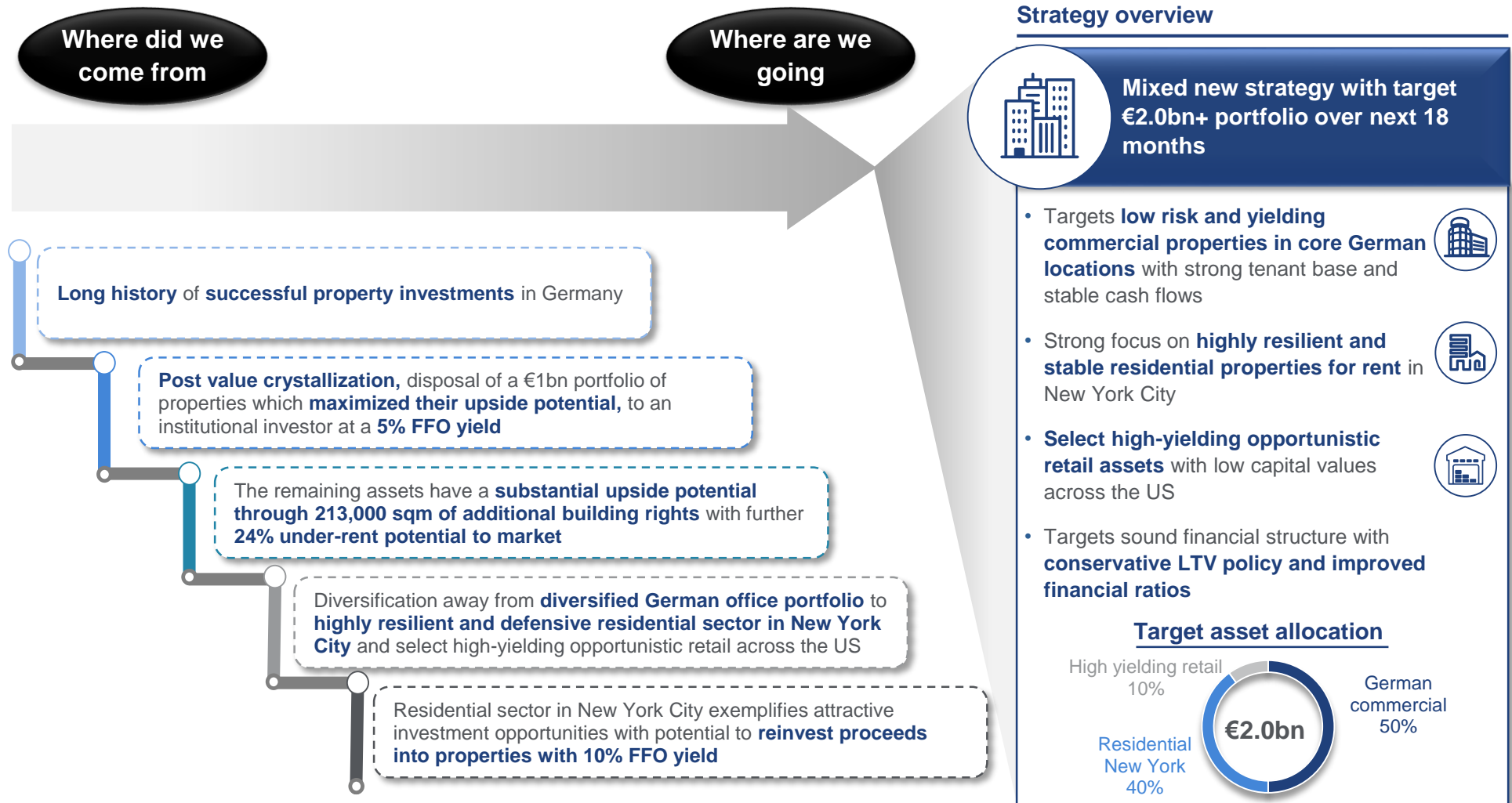


Maya Miteva
Sales & Acquisitions

Source: Company filings

- Post the disposal of subsidiaries, and execution of the pipeline of signed deals in the USA; excluding its net cash balances
- Total acquisitions in 2021 together with pipeline of expected acquisitions to be signed in 3Q21

Company track record and overview of the new business plan



Successful and long standing track record of geographic expansion and continued delivery across key markets

Source: Company filings

Key Investment Highlights



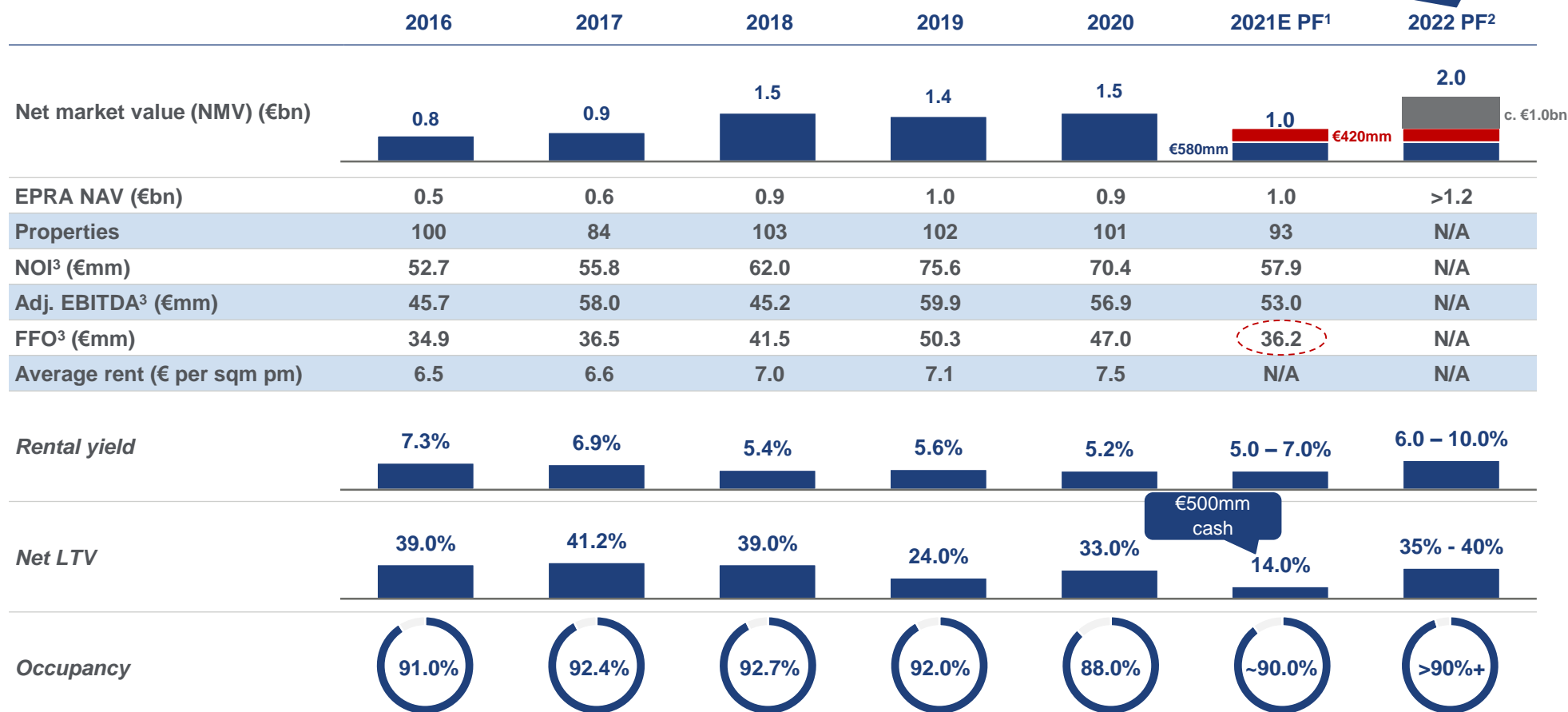
Source: Company filings

1. Pro-forma post the disposal of the portfolio, and execution of the pipeline in the USA

Evolution of the portfolio and KPIs over time

Pro forma for disposal, however pipeline acquisitions over next 18 months will bring GAV to target €2bn+ and LTV to ~35-40%

Portfolio Development



Quality rental income base through strongly occupied portfolio, leased to a diversified strong customer base with no dependency on key tenants

Source: Company filings

1. Post the disposal of subsidiaries, and execution of the pipeline of signed deals in the USA
2. Post execution of the pipeline acquisitions
3. From Investment Properties

- GAV of the remaining German portfolio
- Signed acquisitions in 2021 + pipeline of expected acquisitions to be signed 3Q21
- Pipeline over next 18 months

Strategic shift: Focus on cashflow generation through a combination of resilient German offices and highly resilient residential



xx Target asset allocation

Source: Company information

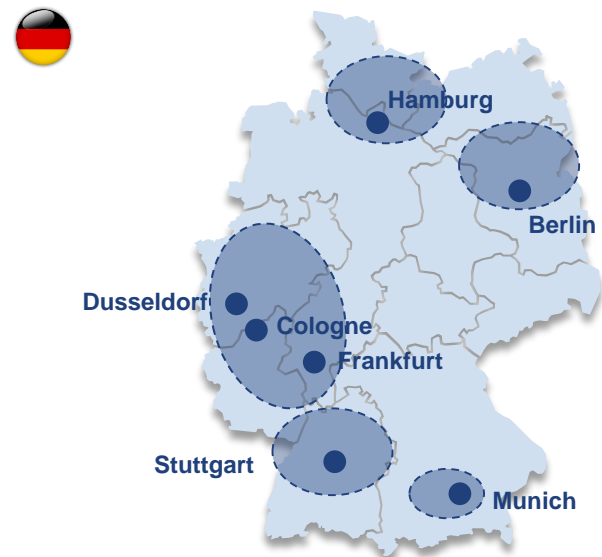
1. In June 2021, Summit Properties acquired 323 apartments in New York City designated for rent, in return to an aggregate consideration of \$50mm. The acquisition was funded from the company's own resources and bank loans at LTV of up to 70%. In July 2021, the Company acquired 8 shopping centers throughout the US for a total consideration of \$66mm. The Company funded 90% of the capital required for the transactions and the Local Partner funded 10% of the required capital.

German commercial: Overview of portfolio and target asset mix post €1bn sale

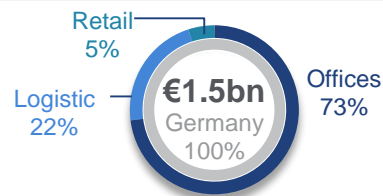
Remaining German commercial portfolio

- The remaining portfolio has a **NMW of €580mm located** in or around **Germany's top 7 markets**, and additional near term pipeline which will increase portfolio to a c. €1bn by 2022
- Substantial upside potential through **213,000 sqm of additional building rights**, and **24% under-rent potential to ERV**
- **No net financial debt** against the remaining assets
- Managed by an **experienced management team with local presence and excellent access to relevant markets**, enabling to source off-market deals

Location of commercial investment properties



FY20 portfolio prior to disposal



PF 2022 portfolio by asset class¹



Selected properties

	GLA sqm	17,944		GLA	23,213		GLA	13,995
	Sector	Office		Sector	Logistics		Sector	Office
	City	Frankfurt		City	Düsseldorf		City	Hamburg
	GLA	51,305		GLA	20,637		GLA	23,685
	Sector	Logistics		Sector	Office		Sector	Logistics
	City	Dietzenbach		City	Hamburg		City	Lüneburg

Source: Company filings

1. Adjusted for the sale of the portfolio as well as reflecting the US pipeline acquisitions

US residential: Overview of strategy

Key investment highlights

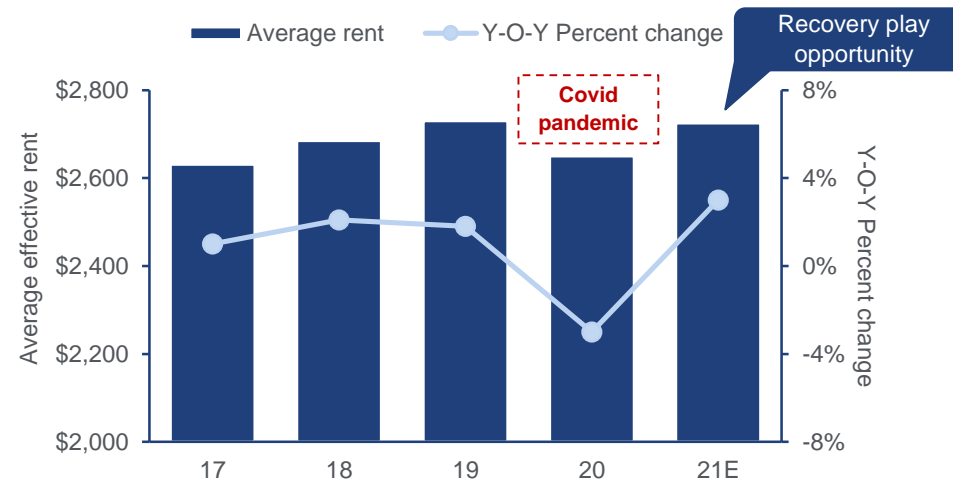
- Targets **high-yielding multifamily assets for rent** in prime locations of NYC with **FFO yield of c. 10%**
- NYC residential market experienced **yield expansion of 150bps** since bottoming in 3Q17, implying **~25% decline in multifamily property valuations**
- However **improving vacancy rates and stable year-on-year rental growth of 30bps per annum** over the past 5 years exemplify the **defensive character** of residential properties for rent
- In addition, multifamily residential housing is expected to witness **2.9% average increase in effective rent in 2021** and near the pre pandemic benchmarks

Key ratios

Number of apartment	2,010
Purchase price (\$mm)	370
Rent p.a. (\$mm)	37.2
NOI p.a. (\$mm)	19.0
Cap rate	5.1%
Price per sqf (\$)	213
Price per sqm (\$)	2,292

Source: Company information, Stephens 2Q21, Marcus & Millichap 3Q21, Yardi Matrix 2Q21

Residential rental growth in New York city



Selected properties in New York City




XX Number of apartments


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Key pro-forma metrics post execution of the pipeline and new investment grade financial policy


Stronger financial position




- Current 2% bullet bond issued in 2018 rated at BBB-/Ba1
- Plan to replace current bond with investment grade issuance in short/medium term



Investment grade rating









5-7 year duration



Based on market for IG target

Key Target Ratios

 <p>GAV (€bn)</p>	2.0+	 <p>Net debt/cap</p>	35% - 40%
 <p>LTV</p>	35% - 40%	 <p>Gross debt/TA</p>	~35%
 <p>Net debt/EBITDA</p>	<9.0x ²	 <p>EBITDA ICR</p>	>4.0x ²

Objective to maintain credit quality and financial policy consistent with Investment Grade Rating through reinvestments of the proceeds post the disposal of the German portfolio, targeting low risk and good-quality yielding assets

Source: Company filings, Moody's, S&P

1. Adjusted for the sale of the portfolio as well as reflecting the US pipeline acquisitions of €250mm

2. Based on S&P (forecast for the next 12 – 24 months)