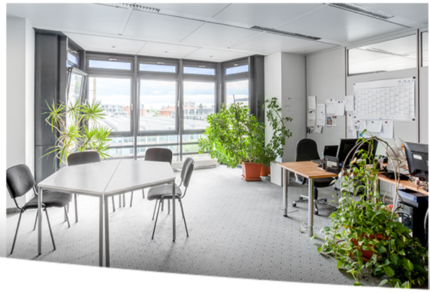

SUMMIT
Properties Ltd

Company Presentation

JANUARY 2022

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Summit Properties business update at a glance

Company description

- Summit Properties is a real estate company incorporated in Guernsey with a **yielding portfolio of c. €1.0bn**[1] consisting of:
  - **€581mm of a German commercial portfolio** located in Germany's key cities
  - **€411mm of US portfolio** including **€246mm of defensive and rapidly growing residential portfolio in New York City,** and **€146mm of high yielding US retail with low capital values**

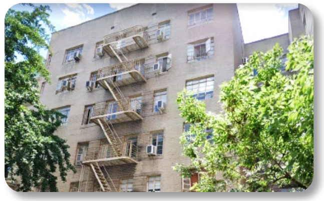
Strategy

- In H1 2021, the Company sold c. €1bn of assets to an institutional investor and aims to apply the net proceeds to **acquire primarily resilient and defensive NYC residential assets, and low risk yielding German commercial properties**
  - In addition, the Company targets selected **strategic investments in retail** assets to be acquired at **very low capital values** (up to 10-20% of the expected NMV)
  - 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, Summit Properties will **target a portfolio of ~€2.0bn+ with a medium to long term LTV target of around 40%**

Key highlights (PF for PF Events as of H1 2021)

€1.0bn[1] Fair value of property portfolio (**€1.3bn** (incl. closed and committed deals post 1 Dec 2021))	**6.8%** Annualised NOI yield[1,2]
4.7% Net LTV	**~€411mm** US acquisitions made in 2021[3]
~€2.0bn+ Target portfolio value	**~28 FTEs**

Overview of selected assets

German commercial	NYC residential
	
	

Source: Company information

1. Does not include additional c.€130mm portfolio from deals closed post 1 December 2021 producing annual NOI of c.€11mm and c.€136mm of additional portfolio committed, producing annual NOI of €23mm
2. Pro-forma financials as of 1H 2021 annualised (calculated by multiplying-by-two the relevant pro-forma financial figures for 6 months ended 30 June 2021)
3. Total acquisitions closed up to 1 December 2021

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Company track record and overview of the new strategy

Where did we come from

Where are we going

Long history of **successful property investments** in Germany

Post value crystallization, disposal of a €1bn portfolio of properties which **maximized their upside potential,** to an institutional investor at **below 5% FFO yield**

The remaining German assets have a **substantial upside potential through c.213,000 sqm of additional building rights** with further **30% under-rented potential to market**

Diversification away from **diversified German office portfolio** to **highly resilient and defensive residential sector in New York City** and selected high-yielding opportunistic retail assets across the US

Residential sector in New York City exemplifies attractive investment opportunities with potential to **reinvest proceeds into properties with 10% FFO yield**

Strategy overview

Mixed new strategy and target portfolio

- Target **low risk and yielding commercial properties in core German locations** with strong tenant base and stable cash flows
- Strong focus on **highly resilient and stable residential properties for rent** in New York City
- **Select high-yielding opportunistic retail assets** with low capital values across the US
- Target sound financial structure with **conservative LTV policy and improved financial ratios**

Target asset allocation[1]

High yielding retail 10-20%

Residential New York City ~40%

German commercial 40-50%

Expected asset allocation in the **mid-term**. In the **short term**, asset allocation **could vary** depending on **market opportunities**

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

Source: Company information

1. Based on purchase price including related acquisition costs

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Evolution of the portfolio and KPIs over time

Portfolio Development

	2016	2017	2018	2019	2020	PF for PF Events – 1H 2021
Net market value (NMV) (€bn)	0,8	0,9	1,5	1,4	1,5	1.0 (€411mm; €581mm)
EPRA NAV (€bn)	0.5	0.6	0.9	1.0	0.9	1.0
Properties	100	84	103	102	101	79
NOI[1] (€mm)	52.7	55.8	62.0	75.6	70.4	67.6[4]
Adj. EBITDA[2] (€mm)	45.2	47.9	45.3	60.1	57.2	60.8[4]
Adj. FFO[3] (€mm)	35.3	37.6	42.1	50.1	46.6	45.6[4]
Average rent (€ per sqm pm)	6.5	6.6	7.0	7.1	7.5	
NOI yield	6,8%	5,9%	5,8%	5,1%	4,8%	6,8%[4]
Net LTV	39,0%	41,2%	39,3%	24,1%	32,9%	3,9%
Occupancy	91.0%	92.4%	92.7%	92.0%	88.0%	~90.0%

€1.3bn
Incl. **c.€130mm** portfolio from deals closed post 1 Dec 2021, and **c.€136mm** of additional portfolio committed

c.€100mm
Incl. **c.€11mm** NOI from deals closed post 1 Dec 2021, and **c.€23mm** of additional NOI committed

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

Source: Company information

1. From Investment Properties, excluding sale of residential
2. From Investment Properties, calculated as gross profit excluding sale of residential less general and administrative expenses
3. From Investment Properties, calculated as adjusted EBITDA less net financial expenses
4. Pro forma financials as of 1H 2021 annualised (calculated by multiplying-by-two the relevant pro-forma financial figures for 6 months ended 30 June 2021)

NMV of the remaining German portfolio

Total closed acquisitions in 2021 up to 1 December 2021

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Key Credit Highlights

1 Track Record

Successful sale of German commercial portfolio, recycling capital for growth

- Sale of a part of the German commercial portfolio at €1bn appraisal value (rental yield of ~5.2%), **creating firepower to add additional income-generating quality assets and resilient cashflows**

2 Summit today[1]

Streamlined, high-quality German commercial assets in core locations, with upside potential

- NMV of ~€1.0bn, of which €581mm German commercial assets **strategically located around Germany's top 7 cities**, that are **30% under-rented to market** and have a **significant development potential** through 213,000 sqm building rights
- Deployment of €162mm sale proceeds, focusing on New York City multifamily with **defensive cashflows and double digit yields**
- **PF FFO generation[1] already passed 2020A pre-disposal levels**, with additional **firepower** for further acquisitions

3 Summit 2022

Reinvestment of sale proceeds to target a portfolio of €2.0bn+

- **Target portfolio of €2.0bn+**, envisaged asset mix: ~40-50% German commercial, ~40% low-risk residential in New York City and ~10-20% high-yielding retail asset opportunities to be acquired at opportunistic capital values

4 Capital structure

Defensive and disciplined conservative financial policy, with a net cash position

- Summit carries a considerable **cash balance**, committed to a **low LTV policy** post pipeline execution
- Superior cashflow generation and **rock-solid interest coverage**

5 Team

Experienced and entrepreneurial management team

- Seasoned investment team with **proven sourcing and execution capabilities**
- **In-house asset and property management team** with ~28 FTEs post-sale, driving operational efficiency and growth
- **Solid internal control functions** guaranteeing appropriate practices in Corporate Governance having recently obtained a Sustainalytics rating at the lower boundary of medium risk (score 21)

6 Market

Resilient German commercial market around top 7 cities, and unique opportunity in New York City residential

- German offices have shown **strong resilience throughout Covid 19**, with added potential for **yield compression through "catch up" effect**
- Solid fundamentals of the NYC residential with **stable rental growth and improving vacancy** combined with rebounding economy in the US exemplify **great opportunities for strategic investments in residential and opportunistic US retail**

Source: Company information

1. As of 1H 2021, pro-forma for PF Events until 1 December 2021

1

Successful sale of German asset portfolio creating significant firepower for growth

Transaction overview

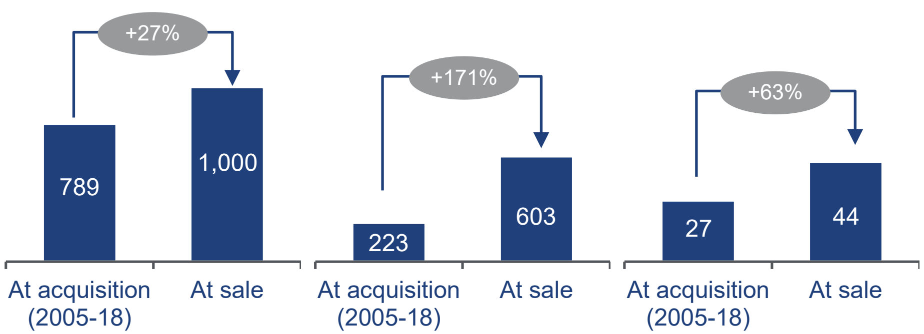
- In June 2021, the Company sold part of its German commercial properties **valued at €1.0bn** to an international fund
- The portfolio was comprised of **69 assets with TLA[2] of c.630k** sqm (60% office, 30% warehouse/industrial and the rest made up of retail and mixed-use assets), generating annual rental income of €52mm
- The assets were **located across Germany** including around B and C locations such a Rostock and Wolfsburg

Key transaction and sold portfolio metrics (as of H1 2021)

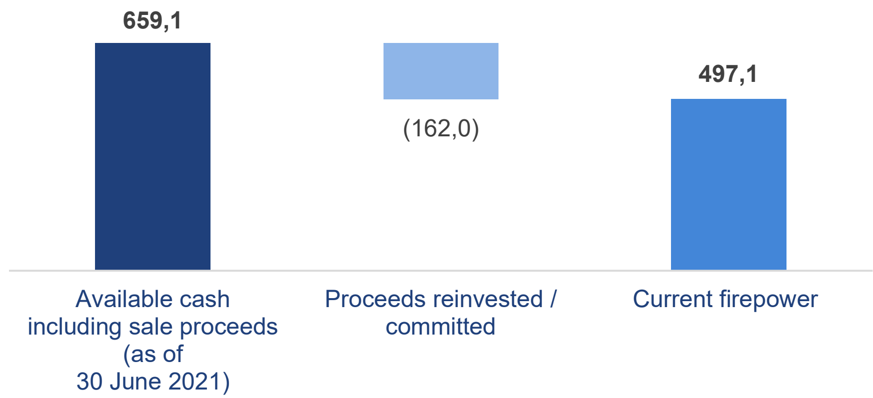
NMV (€mm)	1,000[1]
Number of assets	69
Sqm ('000)	630
€/sqm	1,590
GRI[3] (€mm)	52
NOI[3] (€mm)	47
FFO[3] (€mm)	25
Occupancy	90%
LTV	28%

Evolution of key metrics on sold portfolio (as of H1 2021)

NMV[1] (€mm) **Equity (€mm)** **FFO (€mm)**



Overview of remaining firepower



Source: Company information

1. Including carved out assets of the portfolio retained by Summit
2. Total lettable area
3. Financials as of 1H 2021 annualized (calculated by multiplying by two the relevant financial figures for the 6 months period ended June 2021)

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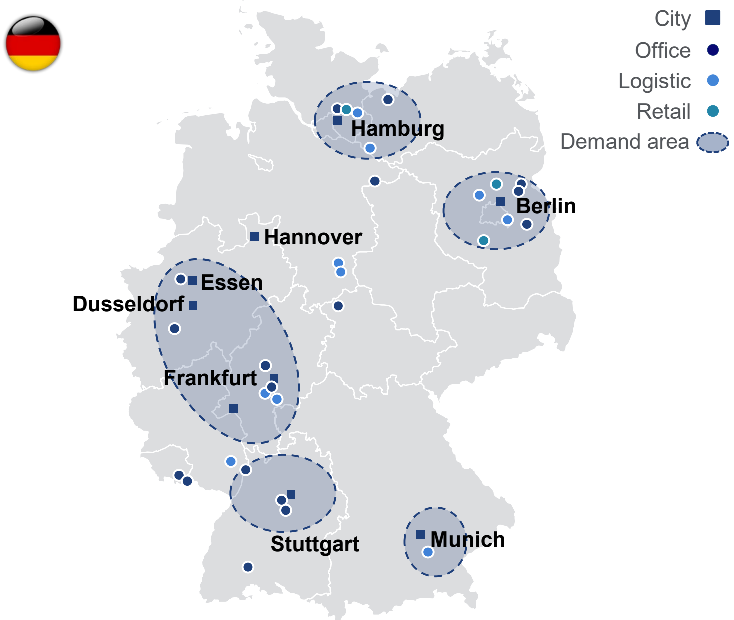
High quality German commercial portfolio in core locations…

Overview of German commercial portfolio

- The remaining German portfolio has a **NMV of €581mm[1] located** in or around **Germany's top 7 markets**
- Substantial upside potential through **213,000 sqm of additional building rights,** and **30% under-rented**
- **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

German portfolio split by asset class[2]

Location of commercial investment properties



Selected properties

GLA (sqm)	c.14,200
Sector	Office
City	Frankfurt

GLA (sqm)	c.23,000
Sector	Logistics
City	Düsseldorf

GLA (sqm)	c.13,900
Sector	Office
City	Hamburg

GLA (sqm)	c.40,000
Sector	Logistics
City	Dietzenbach

GLA (sqm)	c.23,800
Sector	Office & Logistics
City	Hamburg

GLA (sqm)	c.23,000
Sector	Logistics
City	Lüneburg

Source: Company information
1. Including one property valued at €29.7mm that will be transferred from the parent to the Company
2. As of 30 June, 2021

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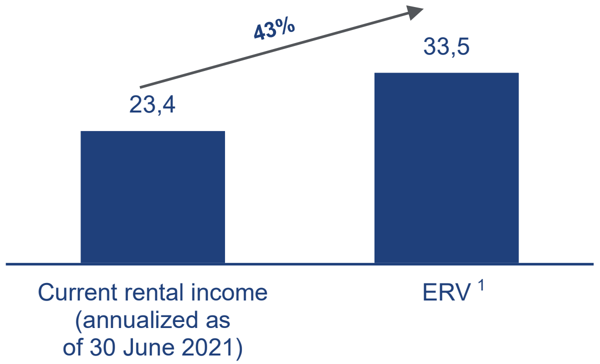
…with substantial upside potential

Substantial rental upside

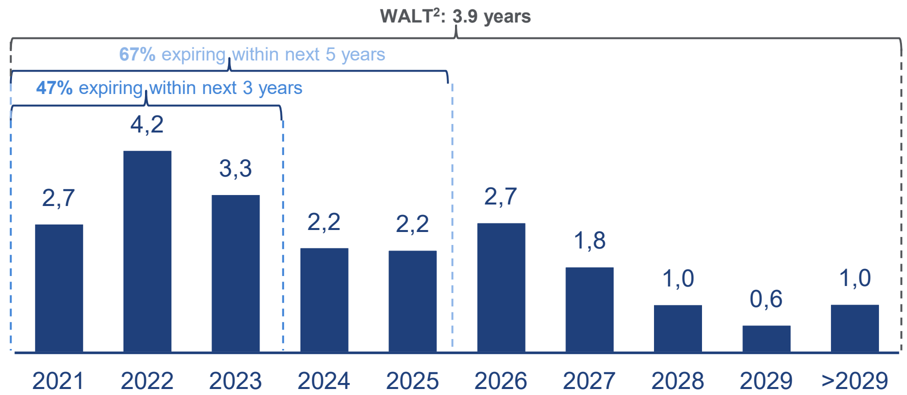
(in €mm)



Combined with favourable lease maturity profile

- **c.70% of the expired leases** are **renewed each year to same tenant** and **approximately all the remaining is let to new tenants**.
- The Company **maintains a WALT of 4-5 years** which allows to take advantage of the **increase in rents in lease renewals**, and at the same time **maintain a high occupancy**

Lease maturities (€mm annualized rental income)

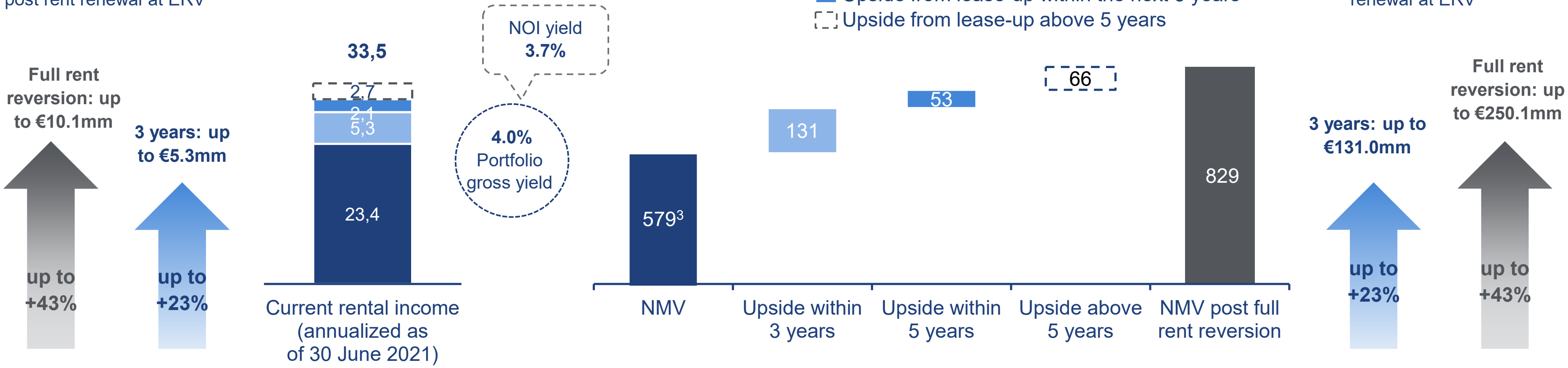


Annualized rental income increase and significant NMV Appreciation

(in €mm)

Increase in rental income post rent renewal at ERV[1]

NMV appreciation post rent renewal at ERV



Source: Company information

1. Expected rental value as per Savills valuation reports
2. Weighted average lease term
3. NMV of yielding assets (excluding additional land of €2mm that is not part of yielding properties)

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Strategic shift to focus on cashflow generation through a combination of resilient German offices and highly resilient New York City residential

3

- Post sale of the €1.0bn commercial portfolio, the Company is **reinvesting proceeds across core cities in Germany and selected US opportunities in the residential sector in New York City and retail assets in the US**

- **Well identified and actionable pipeline of c.€1.7bn** across Germany and the US will allow to swiftly deploy proceeds and achieve **target portfolio of ~€2bn in medium term**
  - ✓ In the US**, additional c.€130mm from deals closed** post 1 Dec 2021, and **c.€136mm of additional portfolio committed,** with additional **pipeline opportunities of €1.4bn**

- **Sound financial structure with a target of ~40% net LTV post acquisitions**, and a conservative financial policy, predominantly unencumbered, going forward

~40-50%	**German commercial**	✓ Targets **good-quality yielding assets** with **low risk profile** ✓ **Stable cash flow generation** ✓ ~40-50% of the proceeds from disposal will be invested in Germany
~40%	**NYC Residential[1]**	✓ **Highly defensive segment with 10% FFO yield** and low capital values ✓ **Strong market fundamentals** ✓ ~40% of the proceeds from disposal will be invested in the residential sector in New York City
~10-20%	**US high-yielding investments[2]**	✓ **Strategic investments in opportunistic retail assets, targeting double digit yields** ✓ **Assets with strong locations** and potential for conversion ✓ ~10-20% of total portfolio

xx **Target asset allocation**

Source: Company information

1. Summit Properties entered into agreements to acquire 323 apartments in New York City designated for rent, in return to an aggregate consideration of $50mm in June 2021, and acquired 440 apartments in NYC for $83mm and a further 650 apartments for $119mm in August. In October 2021, the Company acquired 490 NYC apartments for ~$75mm
2. Summit Properties acquired 8 shopping centers throughout the US for a total consideration of $66mm in July 2021. In October 2021, the Company acquired a shopping centre in North Carolina for ~$33mm and in November 2021, they acquired two US shopping centres in the US for ~$80mm

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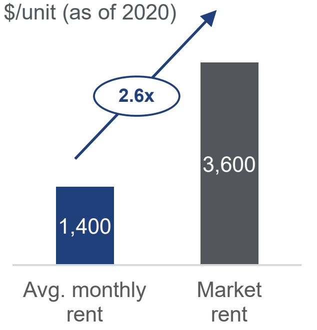
NYC residential market represents a unique investment opportunity…

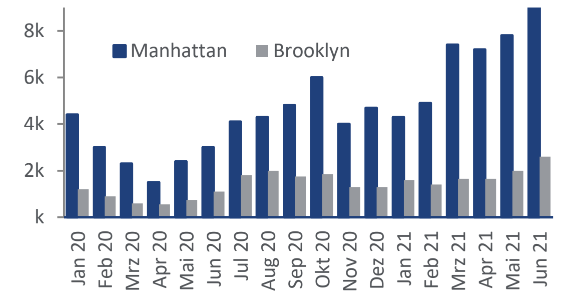
Stable cash flow and upside from rent appreciation

- ✓ **Legal rent significantly below market rent**
- ✓ Strong demand to secure **full occupancy**
- ✓ **Income can grow from different sources:**
  - ✓ **Indexation:** Lease agreements are adjusted to CPI increase
  - ✓ **Reversionary potential** (legal rent below market rent)
  - ✓ **Capex plans** and other investments in the properties

$/unit (as of 2020)



New York City Market – Signed leases



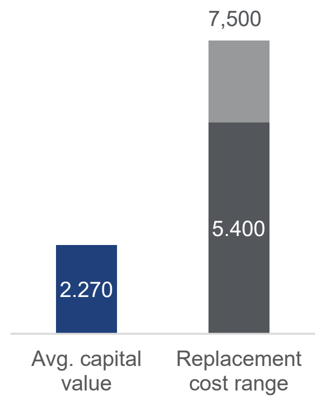
Current rent at **~40%** of market rent – potential upside of **2.6x**

New York City **rents** forecast to increase at a **CAGR of 4.6%** from **2021E–2025E**

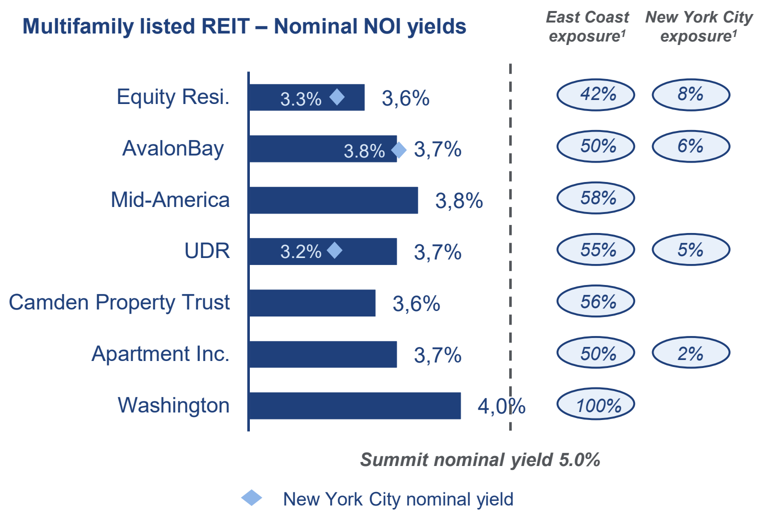
Portfolio value upside

- ✓ **Low capital value on acquisition**, significantly below replacement costs
- ✓ **Compelling upside** embedded in the acquired New York City portfolio – **implied purchase NOI yield of 5.0%** vs. nominal yield of **3.6-4.0%** of multifamily listed peers, **3.2-3.8%** of New York City portfolio of these peers, and private market yield of **3.5%**

$/sqm (October 2021)



Multifamily listed REIT – Nominal NOI yields



Source: Company information, Green Street, Rent Café, Housing NYC

1. Based on NOI – calculated as NOI of region divided by NOI of total portfolio

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…which Summit has recently entered, following a well-defined investment strategy

Key investment highlights

- Targets **high-yielding multifamily assets for rent** in prime locations of NYC with **FFO yield of c. 10%**
- 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
- Multifamily residential housing is expected to witness **2.9% average increase in effective rent in 2021** and near the pre-pandemic benchmarks

Key ratios[1]

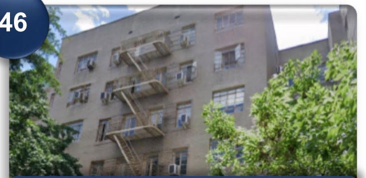
Number of apartments	1,578
Acquisition cost ($mm)	283
Rent p.a. ($mm)	28.0
NOI p.a. ($mm)	14.2
NOI yield	5.0%
Price per sqf ($)	205
Price per sqm ($)	2,203

Selected properties in New York City

29

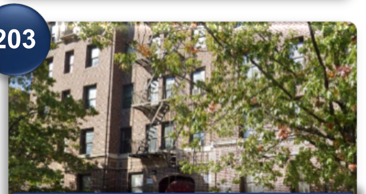
508 East 13th St, Manhattan

46



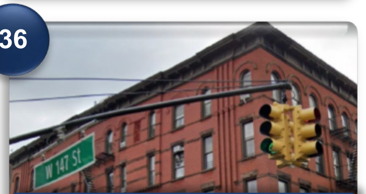
66 West 88th St, Manhattan

203



1344 University Ave. Bronx

36



501 West 147th St, Manhattan

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

1. Closed contracts as of 1 December 2021

xx Number of apartments

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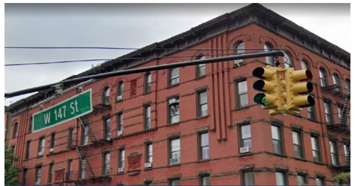
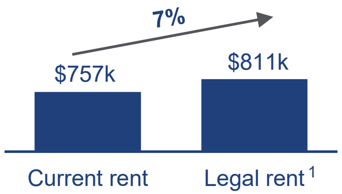
3 Successful acquisitions of residential assets and commercial properties in US…

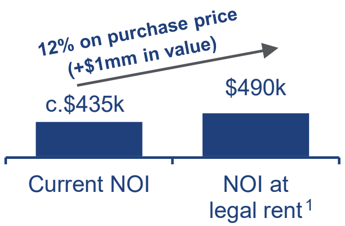
Manhattan: Single asset acquisition



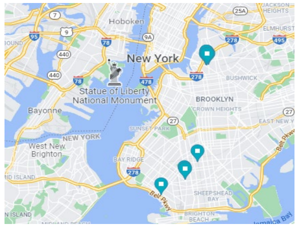
501 West 147th St, Manhattan

- **Purchase price –** $8.5mm
- **Residential units** – 36 ($236K per unit)
- **Lettable area** –26,900 sqf
- **Price per sqf** – $316
- **Rental income / yield** - $757k p.a. / 8.9%
- **NOI / yield** – c.$435k p.a. / 5.1%





Brooklyn: Acquisition of 13 residential assets



319 Hooper St, 34 units

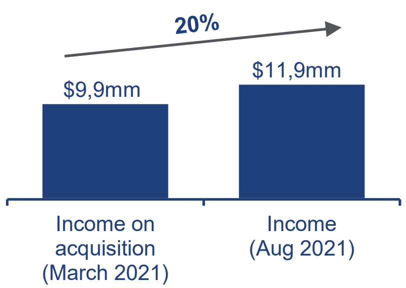
- **Buildings –** 13
- **Purchase price –** c.$80.0mm
- **Residential units –** c.400 ($200k per unit)
- **Lettable area –** 300,517 sqf
- **Price per sqf –** $263
- **Current rent / yield –** $7.6mm p.a. / 9.6%
- **Current NOI / yield –** $4.0mm p.a. / 5.0%

Most properties are near **Williamsburg**, which generally go for higher prices per unit and per foot

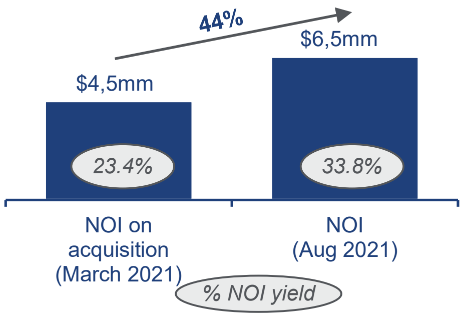
Michigan – Acquisition of 3 commercial properties

- **Purchase price** c.$20mm
- **Lettable area –** 1,420,000sqf
- **Site area –** c.200 acres
- **Price per sqf –** $13 (significantly below replacement costs)
- **Rental income –** $11.9mm
- **NOI / yield –** $6.5mm / 33.8%

Rental income ($mm)



NOI ($mm)



Source: Company information

1. The rent a landlord can legally charge under rent regulation

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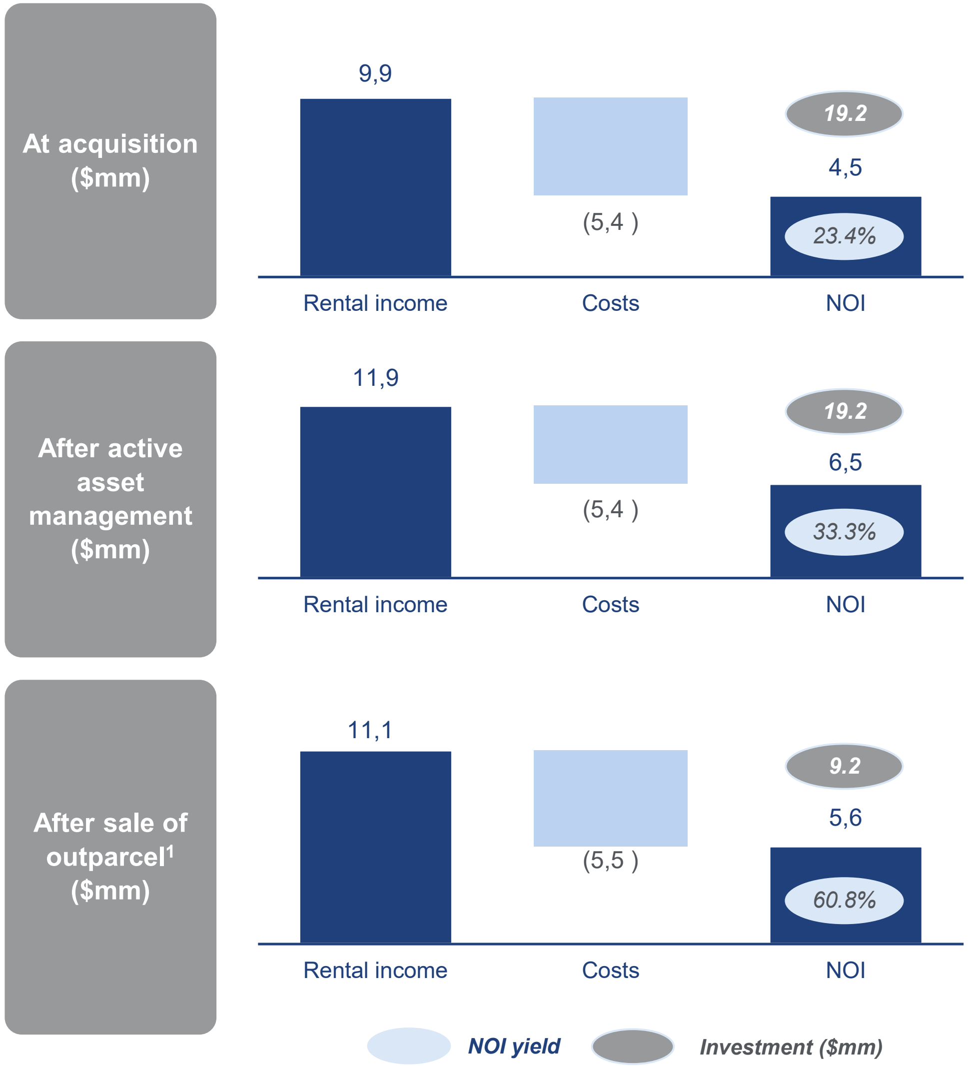
3 …with significant upside potential

- NOI improvement due to **improving collections and cost efficiency measures**
- Further NOI upside expected from **letting activities and additional efficiency measures** to be implemented
- Significant upside exists by **selling outparcel boxes** (either vacant or at 8%–12% NOI yield). Examples include:
  1. **Eyemart box** (Lansing, Michigan) – 4,000 sqf lettable space at a price of $0.8mm
  2. **Dunham box** (Birchwood, Michigan) – 70,300 sqf lettable space at a price of $2.4mm
  3. **Yonkers vacant box** (Lansing, Michigan) –105,000 sqf lettable space at a price of $1.5mm
  4. **Best buy box** (Lansing, Michigan) – 45,000 sqf lettable space at a price of ~$5mm
- Additional upside by selling undeveloped land, for example:
  - **Lansing, Michigan –** 2.48 acres at a price of $955,000
- Total proceeds from outparcel sales of $10.6mm (55% of total portfolio purchase price)

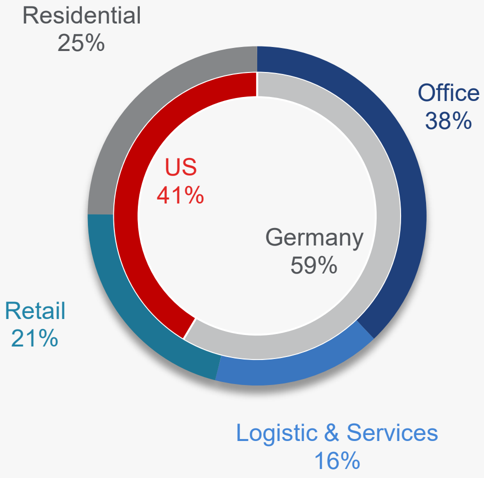


Source: Company information

1. Relating to the outparcel boxes – Eyemart box, Dunham box, Yonkers vacant box, Best buy box (under negotiation)

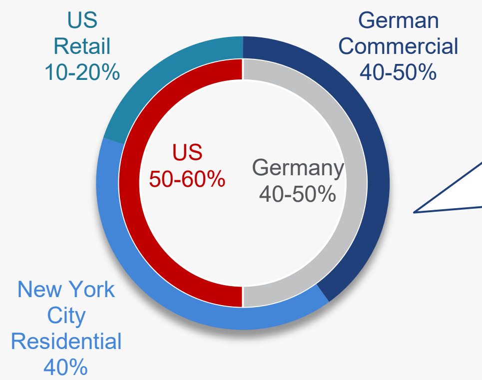
Key portfolio statistics

NMV split by asset class – Pro-forma for PF Events – 1H 2021

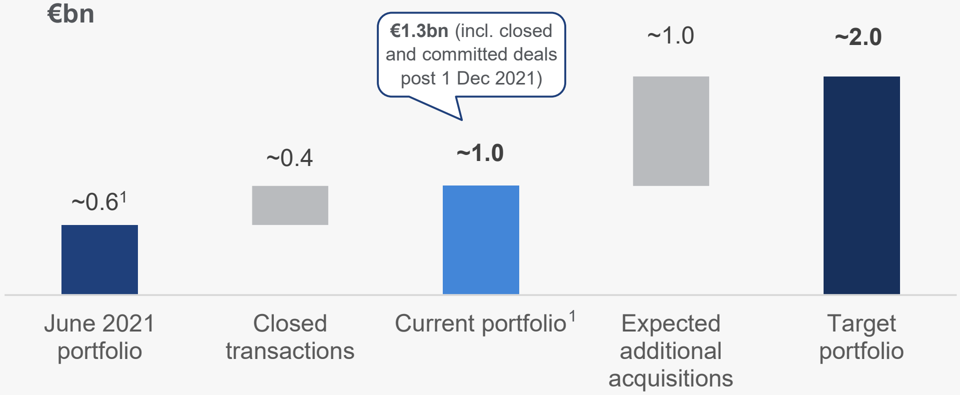


Target portfolio

Target NMV split by asset class



Expected asset allocation in the **mid-term**. In the **short term**, asset allocation **could vary** depending on **market opportunities**



Source: Company information

1. Including Morfelden asset value of €29.7mm

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Pipeline opportunities[1] to achieve target €2.0bn NMV in 2022

Germany: Targeting high-quality yielding assets with low risk profile

Total Value	~€200mm
Total Area	~100k sqm
Average NOI Yield	~5.9%
Average Occupancy	~91%

NYC: Focus on resilient and highly-defensive residential properties

Units	~7,500
Total Value	~$1.5bn
Total NOI	~$77mm
Average NOI Yield	~5.2%
Total Area	~640k sqm

Well-identified and actionable pipeline of attractive opportunities in Germany and US

Source: Company information
1. As of 1 December 2021

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Conservative financial policy

Stronger financial position

- Company rated BB+ by S&P and Ba1 by Moody's

Conservative financial policy

Key Target Ratios

NMV (€bn)	2.0+
Net LTV (medium to long term)	c.40%
Net debt/EBITDA	<9.0x
Occupancy target	>90%
EBITDA ICR	>4.0x

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

Source: Company information, S&P

Financial policy

1 Prudent leverage targets	• **Prudent financial policy** with **medium to long term LTV target of around 40%** • **Growth plans** within the framework of leverage targets • **Conservative financial policy**
2 Liquidity management	• **Significant cash balances maintained** at any given time with secured operating cash flows above a minimum threshold • **Strong coverage ratio targets** – interest coverage >4.0x and Net Debt / EBITDA below 9.0x (including both commercial and residential asset classes) • **Staggered debt maturities** to **mitigate interest rate risk** and **limit refinancing exposure** in any particular period • **Long-dated maturity profile**
3 Shareholder remuneration	• **Conservative shareholder remuneration policy** allowing capital preservation to further deleverage and grow
4 Acquisition strategy	• **Existing cash** to be **reinvested into growing the portfolio** through the acquisition of assets to achieve a **target portfolio of ~€2bn** • Envisaged asset mix post-acquisitions: **~40-50% German commercial, ~40% low-risk residential in New York City and ~10-20% high-yielding retail** opportunities acquired at opportunistic capital values

Source: Company information

4

Summit Properties outlook

Germany – Commercial	• **Target allocation: ~40-50% of portfolio** • **Growth rates: 4–5%** expected **rental income growth rate** for existing portfolio, in line with historical renewal rates (2018-20), driven by underlying real estate demand • **Margins: NOI margins expected to remain stable at 90–95%,** in line with margins of current portfolio • Limited CAPEX needs expected over the coming years**, with CAPEX over net rent** expected to be in line with historical levels **(~5%)** • **Sale of joint ventures and development assets** in Germany over the next 5 years
New York – Residential	• **Target allocation: ~40% of portfolio** • Expected **acquisition yields of ~5%,** in line with recently acquired assets • **Growth rate: 2–3%** rental income growth expected, based on rental growth seen in the New York City residential market in recent years • **Margins:** flat NOI margins of **>50%,** in line with margins of current portfolio of recently acquired New York City residential assets
US – Commercial	• **Target allocation: ~10-20% of portfolio** • Expected **acquisition yields of ~20%,** in line with recently acquired assets • **Growth rate: >2%** rental income growth expected • **Margins:** flat NOI margins of **>90%**, in line with margins of recently acquired portfolio of retail assets • Expected **sale of 2 US hotels** in the coming years

Source: Company information

SUMMIT Properties Ltd

Contact and financial calendar

Key contacts

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Maya Miteva

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E-mail: maya.miteva@summit-group.de

Investor relations and financial calendar

https://www.summit-properties.com/investors.html

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
		FY 2020-21 results		FY 2021 Annual Report							

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Appendix

Strong fundamentals of the German office market

Market

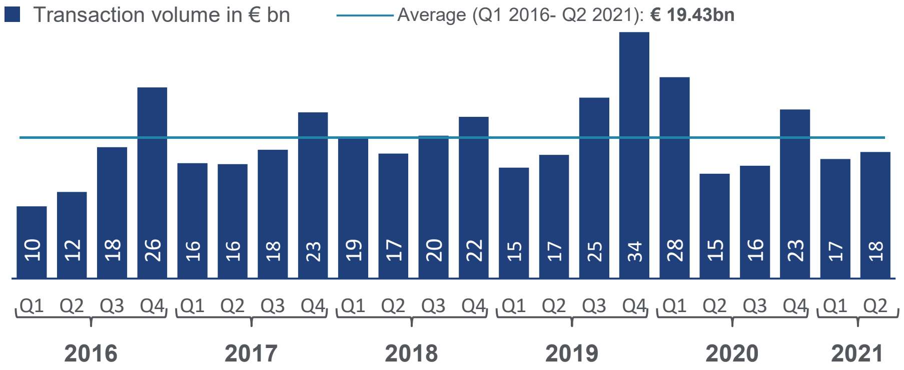
Portfolio overview

Financials

Robust market environment with sustained growth potential

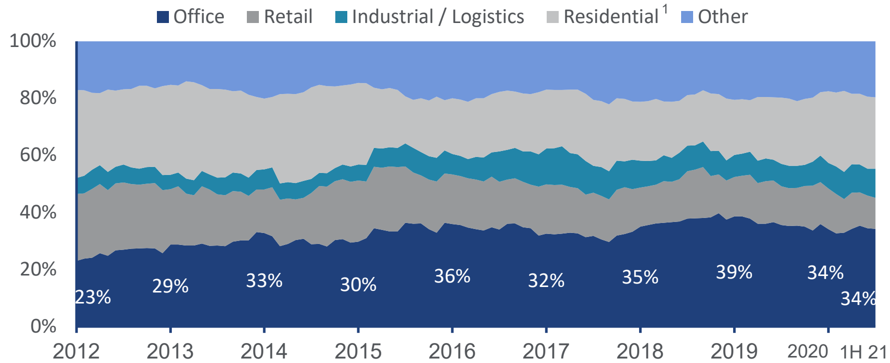
Robust real estate transaction volumes …

Transaction volume Germany



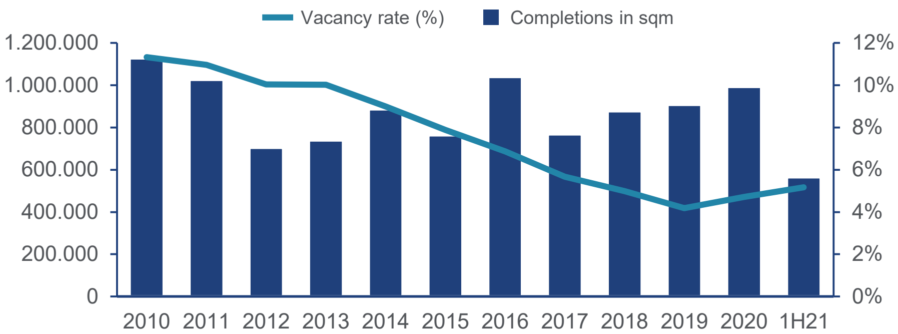
… with Office consistently having high liquidity

Transaction volume Germany split by asset class (rolling LTM)



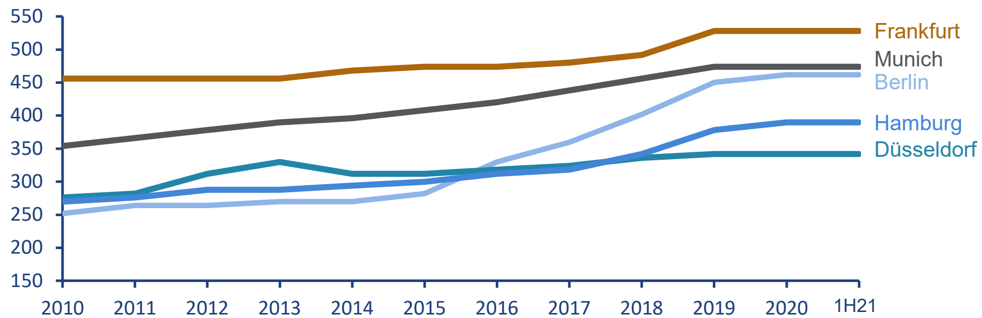
Higher demand translating to low vacancy…

Office completions and vacancy rates[2]



… and driving take up and rental growth in prime locations

Office prime rents in the German Top 5 cities in € /sqm



- Overall market strength has translated into rising rental levels

Source: CBRE, JLL, Savills

1. Only transactions with at least 50 residential units
2. Top 5 German cities – Frankfurt, Munich, Berlin, Hamburg, Dusseldorf

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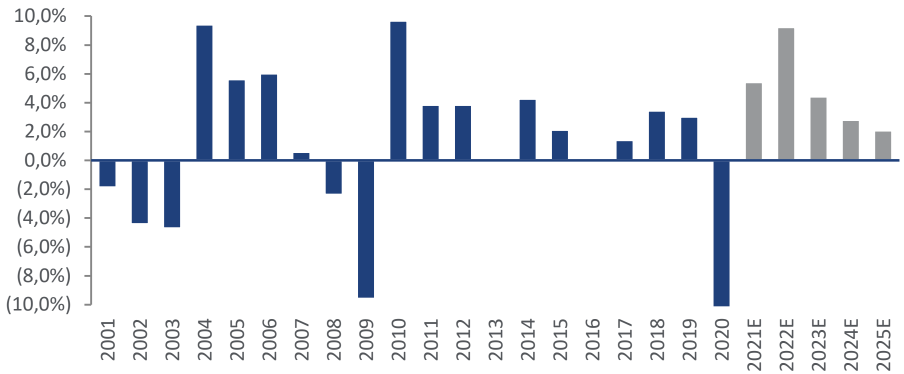
Positive prospects for New York City residential market

New York leasing activity driven by high demand and expanding renter pool as the city reopens post COVID

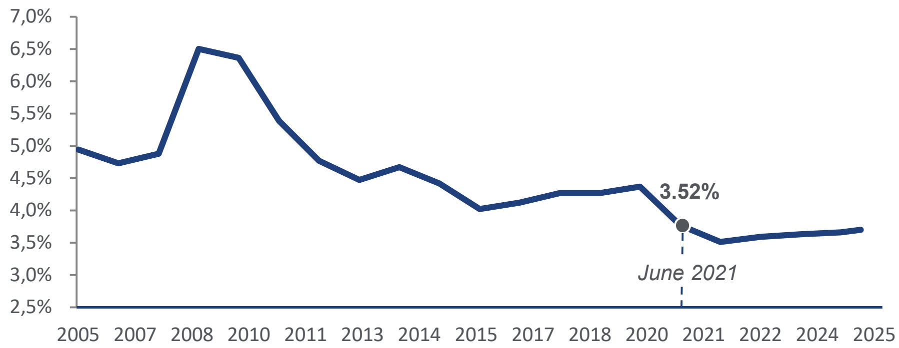
Rents expected to quickly recover post COVID hit…

New York City revenue per available foot[1] growth rate



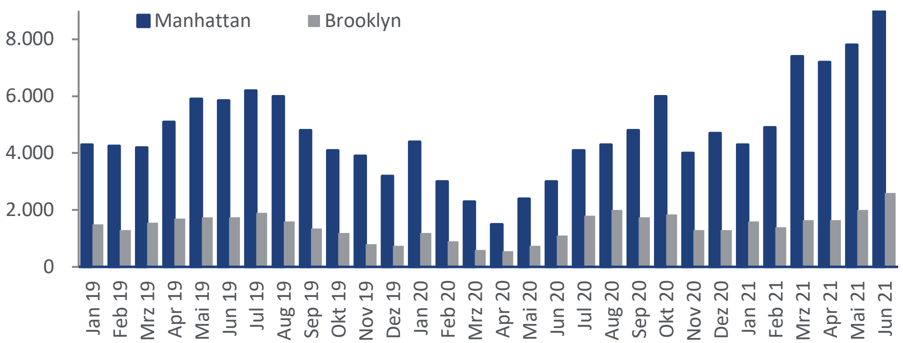
…with tighter cap rates, expected to stabilise at record low levels

New York City nominal cap rates



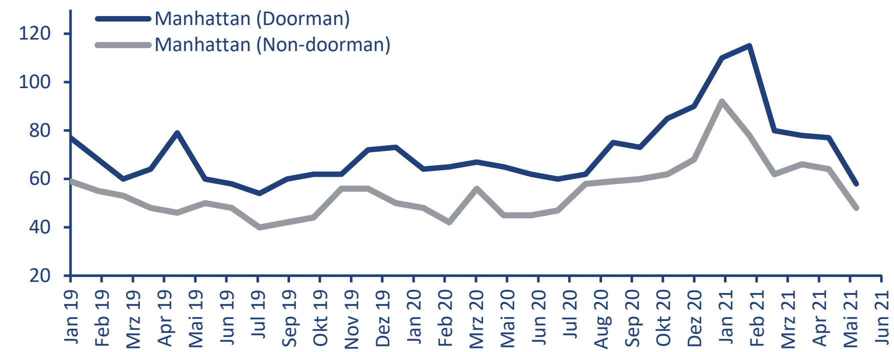
Upward trajectory in signed leases post COVID volatility

Signed leases



Increased options for renters to choose from resulting in fewer days on the market in Manhattan

Days on market



Source: Green Street; Corcoran Report

1. Changes in rent adjusted for changes in occupancy

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New York residential – rental regulation

New York residential rental regulation

- The residential market in New York is regulated by the Housing Stability and Tenant Protection Act (HSTPA) (June 2019)
- Rent regulation include **Rent Stabilization** and **Rent Control** programs, which protect tenants in privately-owned buildings from illegal rent increases and allow owners to maintain their buildings while realizing a reasonable profit
- All municipalities in the state can opt-in to **Rent Stabilization**

Rent Stabilization

- **Provides protections** to tenants, **including limitations on the amount of rent increases**
- Tenants are **entitled to receive required services** and **have their leases renewed** for a term of one or two years, at the tenant's choice. Furthermore, tenants **can not be evicted** except on specific grounds allowed by law
- If a **tenant's rights are violated**, the Division of Housing and Community Renewal (DHCR) can **reduce rents or levy civil penalties** on the owner

HSTPA – what is allowed?

- Apartments can **no longer be deregulated** due to high rent / high income
- Landlords can **only increase legal rents by the Rent Guidelines Board**
- **Preferential rent** operates as the **legal rent for the entire tenancy**

Rent increases / regulated by Rent Guidelines Board (RGB)

- The **highest amount** a landlord can increase rents is the lower of: (i) the **average of the five most recent RGB annual rent increases** for one-year renewals, or (ii) **7.5%**
- If the owner makes **individual apartment improvements** or installs appliances, the owner may be entitled to a rent increase, if tenant consents in writing for the improvement and rent increase
- Owner is permitted to increase rents to recover the costs of building-wide **major capital improvements** through an application to DHCR

Breaking a lease

- If tenant leaves a rental home before the end of the lease, the **landlord has to make a good-faith effort to fill the vacancy**. If the landlord finds a new tenant, whose rent is equal or higher than the previous tenant, the previous tenant's lease is considered terminated

Rent collection

- Rents can be paid in **cash / money order / cheque** and the landlord must **provide the tenant with a receipt** if requested
- Landlords must keep **proof of cash rent receipts** for 3 years

In June 2019, New York state approved a set of new rent laws to give strong protections to maintain affordability and stability in a market where majority of households are rented

Source: New York Homes and Community Renewal

Detailed German portfolio overview

Selected office properties

1


Friedrichstraße, Berlin

- ✓ **GLA**: 5,861 sqm
- ✓ **Net rent:** €1.1mm / €16.2 per sqm
- ✓ **ERV**: €1.75mm
- ✓ **Occupancy**: 99%
- ✓ 5-storey office building in Berlin's prime location
- ✓ Well maintained with high flexibility and potential from conversation to residential

2


Osterfeldstraße, Hamburg

- ✓ **GLA**: 10,990 sqm
- ✓ **Net rent**: €1.2mm / €10.7 per sqm
- ✓ **Occupancy**: 88%
- ✓ Strategically located on a main traffic road with proximity to the city centre and airport

3


Mendelssohnstraße, Hamburg

- ✓ **GLA**: 13,859 sqm
- ✓ **Net rent**: €0.8mm / €7.7 per sqm
- ✓ **Occupancy**: 67%
- ✓ Development potential of a mixed-use building with offices (~8,000 sqm) and apart-hotel (~7,000 sqm)

4


Rosensteinstraße, Stuttgart

- ✓ **GLA**: 6,466 sqm
- ✓ **Net rent**: €0.9mm / €12.4 per sqm
- ✓ **Occupancy**: 99%
- ✓ Modern office building with adequate fit-out offering high-quality amenities
- ✓ High occupancy due to strong demand
- ✓ Further upside from continued increase in the assets' rent rate

Selected logistics properties

5


Storkower Strasse, Berlin

- ✓ **GLA**: 2,803 sqm (additional 2,400 sqm open area)
- ✓ **Net rent**: €0.5mm / €16.7 per sqm
- ✓ **Occupancy**: 96%
- ✓ New development of office space (30,076 sqm) and underground parking (8,260 sqm)
- ✓ ~€160mm value upon completion (upside of more than €80mm)

6


Waldecker Strasse, Frankfurt Mörfelden

- ✓ **GLA**: 15,668 sqm
- ✓ **Net rent**: €1.9mm / €11.4 per sqm
- ✓ **Occupancy**: 90%
- ✓ 350 parking spaces (of which 190 underground parking)
- ✓ Excellent building condition with very good location near Frankfurt airport – letting of vacancy expected at rent rate of €12-14 per sqm

Source: Company information

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Detailed New York City residential portfolio overview

Selected residential properties

1

508 East 13th St, Manhattan
29 apartments

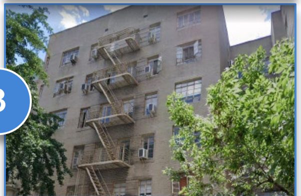
- **Well located** in the well developing East Village in Manhattan
- The Subway, supermarkets, school, cafes, restaurants are within a block from the residential building
- The Tompkins Square Park is several blocks away
- **Stable rental income** from **rent-stabilized apartments** with **5% rent increase potential**

2

1344 University Ave. Bronx
52 apartments

- Located in the **Bronx** several blocks away from the Yankee Stadium, 12 min to the next subway station, a minute away from the Highway 87 and the next bus stop
- Nearby the residential building there are grocery shops, drug stores, schools, hospitals, cafes and restaurants
- **Stable rental income** from **rent-stabilized apartments** with **rent increase potential of currently over 5%**

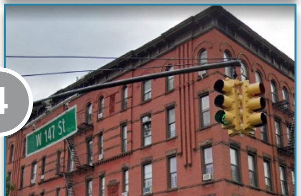
3



66 West 88th St, Manhattan
46 apartments

- **Excellent location** on the Upper West Side of Manhattan – only a block away from Central Park. The Subway for A, B, C lines is reachable within 3 min and a bus stop is across from the building
- In close proximity, there are schools, grocery stores, cafes, restaurants, museums and many more shopping possibilities
- **Stable rental income** from **rent-stabilized apartments** with **rent increase potential of currently 18%**

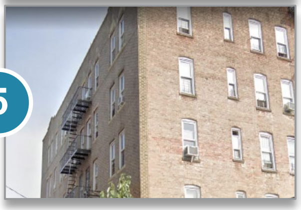
4



501 West 147th St, Manhattan
36 apartments

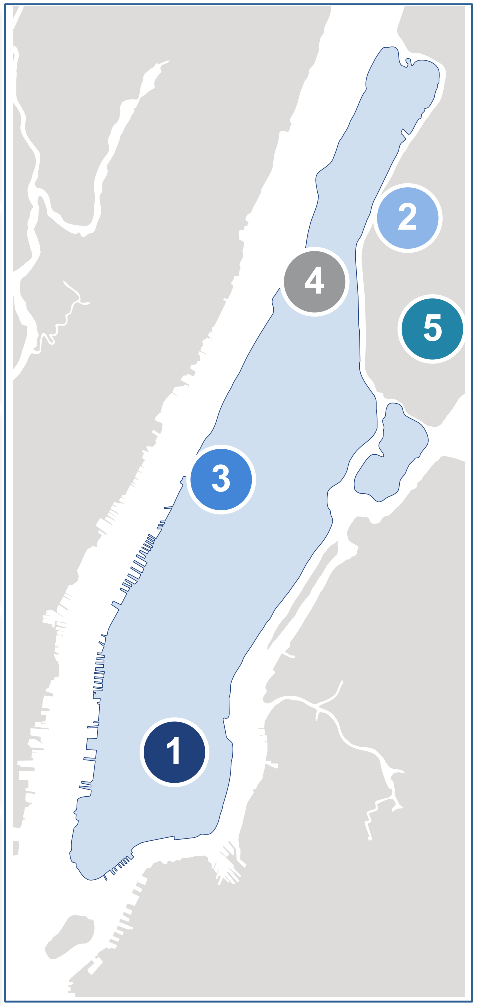
- Located in **Upper Manhattan** in the **Hamilton Heights** within minutes from the subway stations (A, B, C, D and 1)
- In close proximity there are supermarkets, schools (Hamilton Heights is across the building) and within walking distance you have The City College of New York and various departments of Columbia University
- **Stable rental income** from **rent-stabilized apartments** with **rent increase potential of currently 7%**

5



600 Trinity Ave, Bronx
50 apartments

- Located in the **Bronx** right **next to St.Mary's Park** within minutes from the Subway stations for lines 2,5 and 6
- Schools, supermarkets, hospitals, cafes and restaurants are in the near surroundings
- **Stable rental income** from **rent-stabilized apartments**



Source: Company information

Detailed US retail portfolio overview

1

McKinley Center

- A **well located super regional mall** in Blasdell, NY and strategically situated adjacent to heavily travelled I-90 (over 37,000 VPD) within an **active retail corridor**
- **Strong tenant base** (including JCPenney, Barnes & Noble, Bed Bath & Beyond, Best Buy) and **introduction of non-retail uses** (e.g. expanded Sports Academy) has funnelled significant traffic
- **Lease-up potential** through existing vacancy and slow management
- **Further potential** is being realized through the ongoing **outparcelling strategy**

2

Lansing Center

- **Well located in Lansing, Michigan's western market**, on 3 major highways and with over **300,000 residents** within a 10-mile radius
- **Diverse line-up of tenants** including JC Penny, Regal Cinemas, Barnes & Noble, TJ Maxx and Shoe Carnival. **Lease-up potential** through existing vacancy
- Further potential is being realized through the **ongoing outparcelling strategy**

3


Birchwood Center

- **Well located in the retail center of gravity in the submarket** and with an average daily traffic count of nearly **31,000 vehicles**
- **Significant in place income** through a **diverse line-up of tenants** including AMC, Dunham's Sports, Planet Fitness, Shoe Dept Encore and Five Belos
- **Strong leasing momentum and potential** due to new letting activity

4

River Hills

- **Well-located in Mankato**, **Minnesota** and is a **one stop destination** which draws **8.5 million visits a year**. It has over **75,000 residents** within a 10-mile radius
- **Significant in place income** through a diverse line-up of tenants including Scheels, Barnes & Noble Bookseller, Cinemark, Finish Line, H&M, PetSmart, etc'.
- **Strong leasing momentum and potential** due to existing vacancy

5

Eastridge

- Well-located in Casper, Wyoming and at the base of Casper Mountain. It has over **1.29mm residents** within a 10-mile radius and is the **largest regional shopping center in the state**
- **Significant in place income** through a **diverse line-up of tenants** including Best Buy, Maurice's, Ross Dress for less, Shoe Dept. Encore, etc.
- **Strong leasing momentum and potential** due to existing vacancy

6

Spring Hills

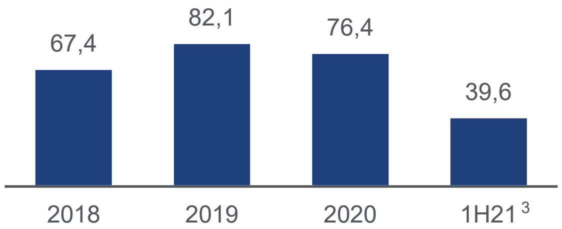
- **Well-located in West Dundee**, Illinois, in the **fastest growing north-western Chicago area suburb**. It has over 156,722 residents within a 5-mile radius with over 40 unique national retailers within the trade area.
- **Significant in place income** through a **diverse line-up of tenants** including Home Depot, Lenscrafters, Dragon Gill Buffet, Fitness Equipment Special, etc and **strong leasing momentum and potential** due to existing vacancy

Source: Company information

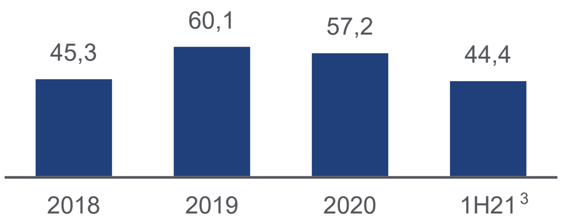
Summary historical financials and KPIs

P&L

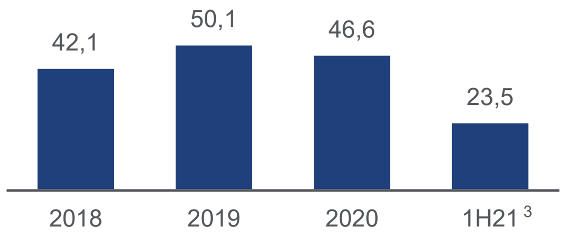
Rental income (€mm)



Adjusted EBITDA[1] (€mm)

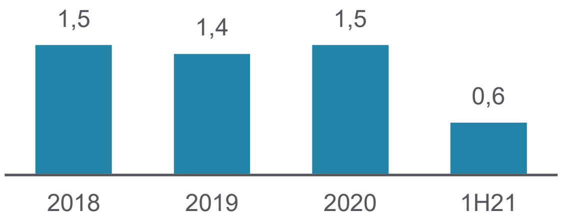


Adjusted FFO[2] (€mm)

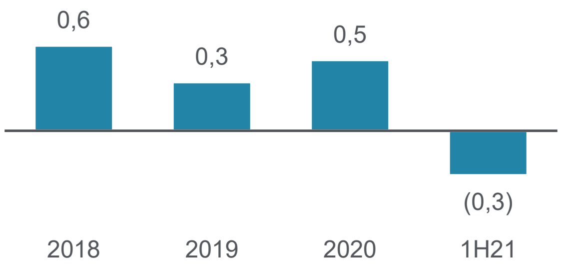


Balance Sheet

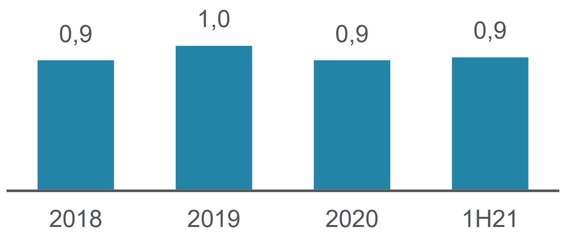
NMV (€bn)



Net debt / (net cash) (€bn)

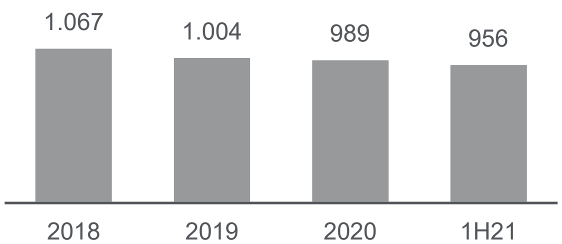


EPRA NAV (€bn)

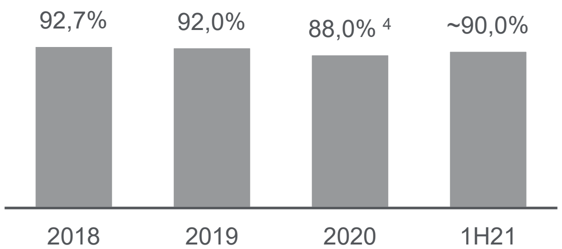


Portfolio

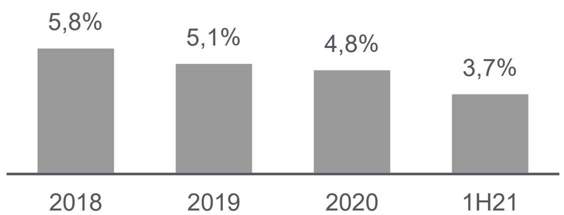
Total Lettable Area ('000 sqm)



EPRA Occupancy (%)



NOI yield (%)



Source: Company information

1. From Investment Properties, calculated as gross profit excluding sale of residential less general and administrative expenses
2. From Investment Properties, calculated as adjusted EBITDA less net financial expenses
3. 1H21 financials as reported, not adjusted for sale of assets in June 2021
4. Due to vacancy in Dietzenbach, Waldstr. 29, following the insolvency of its tenant Galeria Kaufhof.

SUMMIT Properties Ltd

Income statement

Market

Portfolio overview

Financials

Consolidated Income statement

€mm

		2018	2019	2020	H121
Rental income		**67.4**	**82.1**	1 **76.4**	**39.6**
Revenues from Sale of Apartments	2	9.9	14.0	4.5	0.0
Operating Expenses		(5.4)	(6.4)	(6.0)	(3.8)
Cost of Sale of Apartments		(7.1)	(11.1)	(4.0)	0.0
Gross Profit		**64.8**	**78.6**	**70.9**	**35.8**
General and Administrative Expenses	3	(9.3)	(11.4)	(10.2)	(4.9)
Fair Value Adjustments of Investment Properties	4	296.8	117.8	72.6	(3.8)
Other Income (Expenses)		(7.5)	(4.4)	(3.3)	13.4
Operating Profit		**344.9**	**180.7**	**130.0**	**40.5**
D&A		0.1	0.2	0.3	0.1
EBITDA		**345.4**	**180.9**	**130.3**	**40.6**
Financial Income		3.1	1.7	1.7	0.5
Financial Expenses	5	(13.7)	(15.9)	(15.3)	(8.0)
Net Financial Expenses		(10.7)	(14.2)	(13.6)	(7.5)
Profit Before Taxes on Income		**334.2**	**166.5**	**116.4**	**33.0**
Tax Expenses	6	(44.6)	(29.0)	(18.5)	(2.6)
Net Income		**289.6**	**137.5**	**97.8**	**30.4**
Owners of the Company		263.3	126.7	90.4	28.6
Non-controlling Interests		26.3	10.8	7.4	1.8

Comments

1. Decrease in **rental income** in 2020 due to sale of an office building in Berlin at the end of 2019. No material change on a like-for-like basis
2. Relates to the **sale of apartments from residential development**
3. Comprises mainly **salaries**, **professional and administration fees and office expenses**
4. Includes the **adjustments** made atleast **once a year** or when **indications of value changes arise** based on **various factors** including tenant profile, market rent, uses, ages and condition of properties, among others
5. Includes primarily **interest on borrowings and amortisation** of **cost of raising loans**
6. Tax expenses are **non-cash deferred taxes**

Source: Company information

1. Calculated as gross profit excluding sale of residential less general and administrative expenses

SUMMIT Properties Ltd

Balance Sheet

Consolidated Balance Sheet

€mm

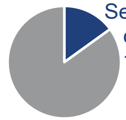
		2018	2019	2020	H121
ASSETS					
Investment Properties	1	1,489.0	1,393.9	1,457.7	613.2
Investment Properties Held for Sale		0.0	0.0	20.8	0.0
Other Assets	2	57.8	50.0	48.8	68.1
Cash and Cash Equivalents		19.5	262.1	109.8	659.1
Total Assets		**1,566.3**	**1,706.0**	**1,637.1**	**1,340.5**
EQUITY					
Equity Attributable to the Company's Owners		782.0	894.5	813.4	839.1
Non-controlling Interests		59.3	69.9	67.2	48.9
Total Equity		**841.3**	**964.4**	**880.6**	**887.9**
LIABILITIES					
Non-current Financial Debt	3	576.8	585.1	525.9	329.2
Current Financial Debt	3	26.3	10.3	67.9	1.1
Deferred Tax Liability	4	83.5	111.2	128.2	82.9
Other Liabilities		38.4	35.0	34.4	39.3
Total Liabilities		**725.0**	**741.6**	**756.5**	**452.6**
Total Equity & Liabilities		**1,566.3**	**1,706.0**	**1,637.1**	**1,340.5**

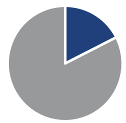
Comments

1. Relates to the **fair value of investment properties** owned by the Company **valued at fair/market value**

2. Includes inventory of building under construction, prepaid expenses, contract assets, receivables, other short and long term assets and deferred tax assets

3. Relates to **interest bearing loans and borrowings**[1]





4. Comprise the **taxable temporary differences** arising on investments in subsidiaries and associates

Source: Company information
1. Secured debt and encumbered assets split based on 1H21 as reported

SUMMIT Properties Ltd

Cash Flow statement

Cash Flow Statement

€mm

	2018	2019	2020	H121
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income	289.6	137.5	97.8	30.4
Deferred Taxes	43.3	28.4	17.2	2.3
Transactions With The Company's Shareholders	0.0	3.6	0.0	0.0
Profit from Sale of Subsidiaries	0.0	0.0	0.0	2 (10.8)
Financial Expenses, Net	10.7	14.2	13.6	7.5
Adjustment of Investment Properties 1	(296.8)	(117.8)	(72.6)	3.8
D&A and Impairment of Intangible Assets	0.1	0.2	0.3	0.1
Changes in Operating Assets and Liabilities	0.7	2.4	(3.4)	(4.3)
Operating Cash Flow	**47.5**	**68.4**	**53.0**	**29.0**
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for Acquisitions of Investment Properties	(31.9)	(12.1)	(13.2)	(3.8)
Proceeds on disposal of subsidiaries	0.0	0.0	0.0	2 571.1
Short term loan to related parties	0.0	0.0	0.0	(20.0)
Net cash outflow on business combination 3	(44.1)	0.0	0.0	0.0
Proceeds from Sale of Investment Property	54.9	225.0	1.5	20.8
Others	(13.2)	2.7	4.5	(31.6)
Investing Cash Flow	**(34.3)**	**215.6**	**(7.2)**	**536.5**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Borrowings	300.0	29.2	8.2	4.9
Repayment of Borrowings	(258.0)	(38.9)	(13.1)	(17.0)
Interest Expense Paid	(10.2)	(13.7)	(13.3)	(7.2)
Buy Back of Shares	(9.5)	(15.5)	4 (179.9)	0.0
Dividend Distribution	(14.0)	(2.3)	(0.0)	0.0
Other	(24.8)	(0.2)	0.0	3.2
Financing Cash Flow	**(16.4)**	**(41.4)**	**(198.1)**	**(16.1)**
Increase in Cash and Cash Equivalents	**(3.2)**	**242.6**	**(152.3)**	**549.4**

Comments

1. Relates to the **revaluation gains / losses** on investment properties

2. Relates to the **sale of portfolio of German assets** and the corresponding profit from that sale

3. In 2018, **acquisition of a 77.21% stake and subsequently an additional 5.01% stake in GxP German Properties** was completed, which was treated as a **business combination** and accounts of GxP were consolidated

4. In 2020, the company announced a **proposed tender offer** and **cancellation of the admission of its ordinary shares** trading on AIM
   - Following the tender offer and the cancellation of the repurchased shares, the company's share capital reduced from c.445mm ordinary shares to c. 321mm

Source: Company information

UNAUDITED CONDENSED PRO-FORMA FINANCIAL INFORMATION

To: Summit Properties Limited (the "**Company**")

Report on the Compilation of Pro Forma Condensed Consolidated Financial Information

We have completed our assurance engagement to report on the compilation of the Pro-Forma Financial Information (as defined herein) of Summit Properties Limited. The **"Pro-Forma Financial Information"** consists of the pro-forma condensed consolidated statement of financial position as of 30 June 2021, the pro-forma condensed consolidated statement of profit and loss for the six-month period ended on 30 June 2021, and related Notes 1-4. The applicable criteria on the basis of which the Company's management has compiled the Pro-Forma Financial Information are described in Notes 1 and 3.

The Pro-Forma Financial Information has been compiled by the Company's management to illustrate the impact of the Pro-Forma Events as defined and set out in Note 1 as if the Pro-Forma Events had taken place at the earliest period presented. As part of this process, information about the Company's financial position, and financial performance has been extracted by the Company's management from the Company's condensed consolidated financial statements as of and for the six months period ended June 30, 2021, on which a review report has been published on September 29, 2021.

Management Responsibility for the Pro-Forma Financial Information
Company's management is responsible for compiling the Pro-Forma Financial Information on the basis of the accounting policies which are consistent with the accounting policies applied by the Company in its latest annual financial statements, and on the basis of the of the pro-forma assumptions described in Notes 1 and 3.

Our Independence and Quality Control
We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.
The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities
Our responsibility is to express an opinion about whether the Pro-Forma Financial Information has been compiled, in all material respects, by the Company's management on the basis of the pro-forma assumptions detailed in Notes 1 and 3.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro-Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether the Company's management has compiled, in all material respects, the Pro-Forma Financial Information on the basis of the pro-forma assumptions.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro-Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro-Forma Financial Information.

The purpose of Pro-Forma Financial Information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2021 or as at the date of approval of this Pro-Forma Financial Information would have been as presented.

A reasonable assurance engagement to report on whether the Pro-Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by Company's management in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro-forma adjustments give appropriate effect to those criteria; and
- The Pro-Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the Pro-Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro-Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion, Pro-Forma Financial Information has been properly compiled on the basis of pro-forma assumptions detailed in Notes 1 and 3.

Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network
Haifa, January 13, 2022.

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Pro-Forma Condensed Consolidated Statement of Financial Position

	As of June 30, 2021		
	As previously reported (Note 2B)	**Adjustments (Notes 3B, 3C)**	**Pro-Forma Financial Information**
		(€ thousands)	
		(unaudited)	
ASSETS			
Non-Current Assets			
Investment properties	613,219	379,065	992,284
Other long-term assets	25,924	18,074	43,998
Investment in equity securities	803	—	803
Properties for development	9,615	—	9,615
Total non-current assets	**649,561**	**397,139**	**1,046,700**
Current Assets			
Prepaid expenses and other current assets	10,028	51	10,079
Receivables from related parties (Note 4)	20,175	(3,965)	16,211
Trade receivables, net	1,574	18	1,592
Cash and cash equivalents	659,148	(161,816)	497,332
Total current assets	**690,925**	**(165,712)**	**525,213**
Total assets	**1,340,486**	**231,427**	**1,571,913**
EQUITY AND LIABILITIES			
Equity			
Share capital	(*) —	—	(*) —
Other reserve (Note 3C2)	155,138	(12,760)	142,378
Retained gain	683,919	11,345	695,264
Equity attributable to the owners of the Company	839,057	(1,416)	837,642
Non-controlling interests	48,859	23,061	71,920
Total equity	**887,916**	**21,645**	**909,562**
Non-Current Liabilities			
Interest-bearing loans and borrowings	329,215	201,773	530,988
Other long-term financial liabilities	2,689	—	2,689
Shareholders loans	—	2,761	2,761
Deferred tax liability	82,914	2,867	85,781
Total non-current liabilities	**414,818**	**207,401**	**622,219**
Current Liabilities			
Interest-bearing loans and borrowings	1,138	4,180	5,318
Payables to related parties	2,030	(2,030)	-
Current tax liabilities	380	-	380
Trade and other payables	34,204	231	34,435
Total current liabilities	**37,752**	**2,381**	**40,133**
Total liabilities	**452,570**	**209,782**	**662,352**
Total equity and liabilities	**1,340,486**	**231,427**	**1,571,913**

(*) less than thousand

January 13, 2022		
Date of approval of the Pro–Forma Financial Information	**Zohar Levy Managing Director**	**Itay Barlev Finance Director**

The accompanying notes are an integral part of the Unaudited Condensed Pro–Forma Financial Information.

Pro-Forma Condensed Consolidated Statement of Profit and Loss

	For the six months period ended on June 30, 2021				
	As previously reported (Note 2B)	**Adjustments (Note 3A)**	**Subtotal**	**Adjustments (Notes 3B,3C)**	**Pro-Forma Financial Information**
			(€ thousand)		
			(unaudited)		
Rental income	39,615	(26,708)	12,907	30,638	43,545
Operational expenses	3,766	(2,382)	1,384	8,382	9,766
Gross Profit	**35,849**	**(24,326)**	**11,523**	**22,256**	**33,779**
General and administration expenses	4,931	(2,119)	2,812	574	3,386
Other (income) expense	(9,570)	5,953	(3,617)	(420)	(4,037)
Profit before finance expenses	**40,488**	**(28,160)**	**12,328**	**22,102**	**34,430**
Financial expenses - net	7,482	(4,318)	3,164	4,420	7,584
Profit (Loss) before tax	**33,006**	**(23,842)**	**9,164**	**17,681**	**26,845**
Income tax - (income) expense	2,561	(1,782)	779	1,664	2,443
Profit (Loss) for the period	**30,446**	**(22,061)**	**8,385**	**16,017**	**24,402**
Profit for the period/year attributable to:					
Owners of the Company	28,618	(21,576)	7,042	14,364	21,406
Non-controlling interests	1,828	(485)	1,343	1,653	2,996
	30,446	**(22,061)**	**8,385**	**16,017**	**24,402**

The accompanying notes are an integral part of the Unaudited Condensed Pro–Forma Financial Information.

NOTES TO THE UNAUDITED CONDENSED PRO-FORMA FINANCIAL INFORMATION

NOTE 1: GENERAL

"**Company**"..	Summit Properties Limited.
"**Parent Company**"...................................	Summit Real Estate Holdings Limited, the parent company of the Company.
"**Pro-Forma Events**".................................	1) A partial sale of the Company's German portfolio: At the end of June 2021, the Company sold part of its investment properties in Germany. For further details, see note 3.C.2 of condensed interim financial statements of the Company as of June 30, 2021. 2) The Company has acquired investment properties in the United States during the period of July 1, 2021 to December 1, 2021. 3) The Parent Company is in the process of transferring its 94.8% stake in the Transferred Entity which holds a property in Germany (which is financed by a bank loan) to the Company.
"**Transferred Entity**"................................	Summit Real Estate Sigma GmbH

NOTE 2: ACCOUNTING POLICIES

A. The interim condensed consolidated Pro-Forma Financial Information includes Pro-Forma Condensed Consolidated Statement of Financial Position as at June 30, 2021 and Pro-Forma Condensed Consolidated Profit and Loss for the six-month period then ended (the "**Pro-Forma Financial Information**").

B. This Pro-Forma Financial Information should be read in conjunction with the interim condensed consolidated financial statements of the Company as of June 30, 2021 and for the six months then ended. The accounting policies applied in this Pro-Forma Financial Information, subject to the pro-forma assumptions included in Note 3 hereto, are consistent, in all material respects, with the policies applied in the condensed Interim Financial Statements of the Company as of June 30, 2021 and for the six-month period then ended.

NOTE 3: PRO-FORMA ASSUMPTIONS

With regard to the Pro-Forma Events detailed in Note 1 above, the following pro-forma assumptions were applied to this Pro-Forma Financial Information:

A. Assumptions that relate to the partial sale of the Company's German portfolio:

The Pro-Forma Condensed Consolidated Profit and Loss was prepared under assumption as if the sale of the Company's properties in Germany, which occurred in June 2021, has occurred at the earliest period presented in this financial information - as such, the sold assets and their results of operations were excluded, as part of pro-forma adjustments as follows:

- Profit that resulted from the sale of the Company's properties in Germany was excluded from Pro-Forma Condensed Consolidated Profit and Loss.
- Pro-Forma Rental Income, Pro-Forma Operating Expenses, Pro-Forma General and Administrative expenses, Pro-Forma Financial Expenses, Pro-Forma other expenses and Pro-Forma tax expenses exclude revenues and expenses which were attributed to the assets sold.

NOTES TO THE PRO-FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

NOTE 3: PRO-FORMA ASSUMPTIONS (cont.)

B. Assumptions that relate to the acquisitions of investment properties in the US between July 1, 2021 and December 1, 2021:

1. The Pro-Forma Condensed Consolidated Statement of Financial Position include assets acquired and related liabilities incurred, with regard to the acquisitions of properties in the US which were completed between July 1, 2021 and December 1, 2021 (the **"Acquisitions"**), under the assumption that these Acquisitions occurred, and related liabilities incurred, on January 1, 2021.

   The Acquisitions include 32 residential real estate properties, 10 commercial real estate properties (malls) and certain notes backed by real estate properties.

2. It was assumed that the fair value of the acquired real estate properties on January 1, 2021 was the purchase price of such properties plus the related acquisition costs (including title costs, title insurance, legal and banks fees, technical review expenses, and capex invested up until 1 December 2021 amounting to in aggregate to less than 3% of the purchase price) (the "**Related Acquisition Costs**"). It was further assumed that the fair value of such properties as of June 30, 2021, based on management internal assessment, equalled the purchase price of such properties and the Related Acquisition Costs, and totalled approximately €349.4 million (USD 415.9 million, at exchange rate of 1.19 €/USD). It was also assumed that the fair value of the notes backed by real estate properties was their acquisition price (approximately €18 million, classified in Other Long Term Assets line item).

3. Capital expenses (CAPEX) were assessed based on budgeted CAPEX for the year and normalized to six months (January 1, 2021 to June 30, 2021). Such CAPEX was recognized in the Other Expenses line item in the profit and loss given no property appraisals were prepared at the date of preparation of this Pro-Forma Financial Information.

4. Pro-Forma Rental Income, Pro-Forma Operating Expenses, Pro-Forma General and Administrative expenses and Pro-Forma tax expenses include such income and expenses which are attributed to the Acquisitions. In this regard, it was also assumed that:

   - Lease agreements which were in place as of the acquisition dates were already in place as of January 1, 2021 (at exchange rate of 1.19 €/USD).
   - Monthly operating expenses and general and administrative expenses per budgets approved on acquisition dates were assumed to have incurred starting from January 1, 2021 (at exchange rate of 1.19 €/USD).
   - Tax expenses were recalculated based on the tax rates prevailing as at the date of the review report on the Pro-Forma Financial Information (at exchange rate of 1.19 €/USD).

5. Pro-Forma Financial Expenses include interest expenses on new loans of €186.2 million (USD 221.7 million, at exchange rate of 1.19 €/USD), taken to finance the Acquisitions, at the interest rates set forth in the related loan agreements.

C. Assumptions regarding transfer of an asset company from the Parent Company to the Company:

1. The Pro-Forma Condensed Consolidated Statement of Financial Position includes assets (including real estate property of €29.7 million) and related liabilities (including bank loan of €19.8 million) of the Transferred Entity, under the assumption that all required approvals were obtained, and all covenants were met as of June 30, 2021.

2. The transfer of the entity from the Parent Company to the Company occurred, at arm's length, on January 1, 2021.

3. As the Transferred Entity held shares of the Company, such shares were classified to Other Reserves upon pro forma consolidation.

4. Pro-Forma Revenues, Pro-Forma Operating Expenses, Pro-Forma General and Administrative expenses, Pro-Forma Finance Expenses, Pro-Forma other expenses and Pro-Forma tax expenses include such income and expenses which are attributed to the Transferred Entity.

NOTE 4: RELATED PARTY TRANSACTIONS

On December 15, 2021, the loan to the Parent Company as borrower (see note 5 to the condensed interim financial statements of the Company as of June 30, 2021) was prolonged until June 2022 and an additional amount of up to €5 million was agreed to be granted.