



# ANNUAL REPORT AND ACCOUNTS 2025

**SUMMIT**  
Properties Ltd

# SUMMIT Properties Ltd

SUMMIT PROPERTIES LTD.

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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**INDEPENDENT AUDITOR'S REPORT**  
To the Shareholders of Summit Properties Limited

**Opinion**

We have audited the consolidated financial statements of Summit Properties Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

**Brightman Almagor Zohar & Co.**  
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**A Firm in the Deloitte Global Network**

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# Financial statements

**SUMMIT PROPERTIES LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>As of 31 December</b>		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<i>Euro (in thousands)</i>	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS:</b>			
Investment properties	<i>5</i>	1,427,005	1,598,519
Other long-term assets	<i>6</i>	174,419	11,524
Properties for development		6,654	6,128
Total non-current assets		<u>1,608,078</u>	<u>1,616,171</u>
<b>CURRENT ASSETS:</b>			
Prepaid expenses and other current assets	<i>9</i>	72,924	112,013
Trade receivables, net	<i>8</i>	13,582	10,086
Inventory of buildings under construction	<i>20</i>	21,756	22,918
Cash and cash equivalents	<i>10</i>	89,141	215,127
Total current assets		<u>197,403</u>	<u>360,144</u>
Total assets		<u>1,805,481</u>	<u>1,976,315</u>

The accompanying notes are an integral part of the consolidated financial statements.

**SUMMIT PROPERTIES LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>As of 31 December</b>		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<i>Euro (in thousands)</i>	
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Other reserve	<i>11</i>	169,177	196,705
Retained earnings		860,812	834,823
Total equity attributable to the owners of the Company		<u>1,029,989</u>	<u>1,031,528</u>
Non-controlling interests		72,168	86,582
Total equity		<u>1,102,157</u>	<u>1,118,110</u>
<b>NON-CURRENT LIABILITIES:</b>			
Interest-bearing loans and borrowings	<i>7</i>	422,349	491,519
Other long-term financial liabilities	<i>6</i>	89,165	10,784
Deferred tax liability	<i>16</i>	100,824	110,521
Total non-current liabilities		<u>612,338</u>	<u>612,824</u>
<b>CURRENT LIABILITIES:</b>			
Interest-bearing loans and borrowings	<i>7</i>	25,129	204,090
Payables to related parties	<i>12</i>	20,279	6,306
Trade and other payables	<i>13</i>	45,578	34,985
Total current liabilities		<u>90,986</u>	<u>245,381</u>
Total liabilities		<u>703,324</u>	<u>858,205</u>
Total equity and liabilities		<u>1,805,481</u>	<u>1,976,315</u>

April 15 2026

Date of approval of the  
financial statements

Zohar Levy  
Managing Director

Itay Barlev  
Finance Director

The accompanying notes are an integral part of the consolidated financial statements.

**SUMMIT PROPERTIES LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**

<b>For The Year ended 31 December</b>		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<i>Euro (in thousands)</i>	
Rental income		176,088	180,122
Revenues from sale of apartments		1,692	7,659
Operating expenses		(92,270)	(87,520)
Cost of sale of apartments		(1,262)	(5,917)
Gross profit		<u>84,248</u>	<u>94,344</u>
General and administrative expenses	14	(12,793)	(9,473)
Fair value adjustments of investment properties	5	(86,164)	(54,639)
Other (expenses) income		1,830	(3,357)
Operating (loss) profit		<u>(12,879)</u>	<u>26,875</u>
Financial income	15	41,705	36,426
Financial expenses	15	(30,460)	(28,944)
Total financial income		<u>11,245</u>	<u>7,482</u>
Profit (loss) before taxes on income		<u>(1,634)</u>	<u>34,357</u>
Tax income	16	20,645	7,628
<b>Profit for the year</b>		<b><u>19,011</u></b>	<b><u>41,985</u></b>
<b>Other comprehensive income (expenses):</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange differences on translation of foreign operations		(75,590)	38,518
		<u>(75,590)</u>	<u>38,518</u>
Items that will not be reclassified subsequently to profit or loss:			
Gains on Property, Plant and Equipment revaluation, net of taxes		42,934	-
Net loss arising on revaluation of financial assets		(93)	-
		<b><u>(32,748)</u></b>	<b><u>38,518</u></b>
<b>Total comprehensive income (expenses) for the year</b>		<b><u>(13,737)</u></b>	<b><u>80,503</u></b>
<b>Profit (loss) for the year attributable to:</b>			
Owners of the Company		25,989	40,692
Non-controlling interests		(6,978)	1,293
		<u>19,011</u>	<u>41,985</u>
<b>Total comprehensive income (loss) attributable to:</b>			
Owners of the Company		(1,539)	74,706
Non-controlling interests		(12,198)	5,797
		<u>(13,737)</u>	<u>80,503</u>

The accompanying notes are an integral part of the consolidated financial statements.

**SUMMIT PROPERTIES LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Issued capital (note 11)	Other Reserves (note 11)	Retained Earnings	Total equity attributable to owners of the parent Company	Non- Controlling interests	Total equity
	<i>Euro (in thousands)</i>					
<b>Balance at 31 December 2023</b>	(*) -	162,691	755,500	918,191	129,902	1,048,093
Profit for the year	-	-	40,692	40,692	1,293	41,985
Other comprehensive Profit for the year, net of income tax	-	34,014	-	34,014	4,504	38,518
<b>Total comprehensive profit</b>	(*) -	<b>34,014</b>	<b>40,692</b>	<b>74,706</b>	<b>5,797</b>	<b>80,503</b>
Transaction with non-controlling interests (note 11C)	-	-	38,631	38,631	(49,117)	(10,486)
<b>Balance at 31 December 2024</b>	(*) -	<b>196,705</b>	<b>834,823</b>	<b>1,031,528</b>	<b>86,582</b>	<b>1,118,110</b>
Profit (loss) for the year			25,989	25,989	(6,978)	19,011
Other comprehensive loss for the year, net of income tax	-	(27,528)	-	(27,528)	(5,220)	(32,748)
<b>Total comprehensive profit (loss)</b>		<b>(27,528)</b>	<b>25,989</b>	<b>(1,539)</b>	<b>(12,198)</b>	<b>(13,737)</b>
Transaction with non-controlling interests (note 11C)	-	-	-	-	(2,216)	(2,216)
<b>Balance at 31 December 2025</b>	(*) -	<b>169,177</b>	<b>860,812</b>	<b>1,029,989</b>	<b>72,168</b>	<b>1,102,157</b>

(\*) No par value.

The accompanying notes are an integral part of the consolidated financial statements

**SUMMIT PROPERTIES LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

**For The Year ended 31 December**

**2025**

**2024**

*Euro (in thousands)*

<b><u>Cash flows from operating activities:</u></b>	<b>2025</b>	<b>2024</b>
Profit for the year	19,011	41,985
Adjustments for:		
Deferred taxes	(29,279)	(8,320)
Financial income, net	(11,245)	(7,482)
Fair value adjustment of investment properties	86,164	54,639
Depreciation of property, plant and equipment	1,578	139
Other long-term Assets	340	(563)
	<u>47,558</u>	<u>38,413</u>
<b><u>Changes in operating assets and liabilities:</u></b>		
Increase in trade receivables and contract assets	(2,961)	(166)
Increase (decrease) in trade and other payables	4,159	(2,247)
Increase (decrease) in payables to related parties and shareholders	715	(205)
Decrease in inventory of buildings under construction	1,162	2,067
Increase in prepaid expenses and other current assets	(5,907)	(2,718)
Increase (decrease) in other non-current liabilities	909	(127)
	<u>(1,923)</u>	<u>(3,396)</u>
Net cash flows from operating activities	64,646	77,002
<b><u>Cash flows from (used in) investing activities:</u></b>		
Additions of tangible assets	(1,174)	(4)
Additions to other long term assets	-	(6)
Change in loan to related parties	-	11,754
Dividend inflows	5,976	6,347
Investment in shares of traded company	-	(61,363)
Proceeds from sale of shares of traded company measured at fair value	24,751	-
Additions to properties for development	(527)	(799)
Change in deposits and designated cash	-	490
Proceeds from loans to third party	2	466
Additions in investment properties	(91,338)	(20,783)
Proceeds from sale of investment property	26,973	12,777
Interest received and proceeds from financial assets	1,169	6,097
Net cash flows from (used in) investing activities	<u>(34,168)</u>	<u>(45,024)</u>
<b><u>Cash flows used in financing activities:</u></b>		
Proceeds from borrowings from banks	-	13,547
Repayment of borrowings	(14,854)	(66,196)
Interest paid	(20,180)	(26,637)
Receiving of borrowing from related parties and shareholders	67,898	5,006
Repayment and buy back of bonds	(181,621)	(6,320)
Dividend distribution	(93)	(52)
Payments in respect of lease liabilities	(2,848)	-
Transaction with non-controlling interest	(555)	(9,268)
Net cash flows used in financing activities	<u>(152,253)</u>	<u>(89,920)</u>
Effect of change in exchange rates on cash balances hold in foreign currency	(4,211)	4,404
Decrease in cash and cash equivalents	(125,986)	(53,538)
Cash and cash equivalents at beginning of the year	215,127	268,665
Cash and cash equivalents at end of the year	<u>89,141</u>	<u>215,127</u>

**Non-cash transactions-** During the period, borrowings from shareholders in amount of approximately €53 million were offset as part of Paz Oil Company Ltd shares transaction as mentioned as mentioned in note 9(1) and note 12. The accompanying notes are an integral part of the consolidated financial statements.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2025**

**NOTE 1: GENERAL**

Summit Properties Ltd. (the “Company”) and its subsidiaries (together: the “Group”) is a property specialist company. The Company was incorporated and registered in Guernsey on 19 April, 2006 and its principal place of business is at Ground Floor, Plaza House, Admiral Park, St Peter Port, GY1 2HU, Guernsey. The parent company of the Group is Summit Real Estate Holdings Ltd (hereinafter: “SHL”), a company registered in Israel.

The Group owns, enhances and operates commercial real estate assets in Germany including office buildings, logistic centres and others, which are leased to numerous commercial and industrial tenants. The US portfolio comprises commercial properties throughout the US leased to numerous tenants, multi-tenant residential properties in New York City, one office building in New York and two centrally located hotels in Manhattan.

The Group invests primarily in such properties that provide substantial income flows and potential for value increase through asset management.

**NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES**

**Basis of accounting**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS<sup>®</sup> Accounting Standards). The financial statements have also been prepared in accordance with IFRS Accounting Standards adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation.

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain properties and certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The principal accounting policies adopted are set out below.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2025**

**NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)**

**Going concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Basis of consolidation:**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- Has the power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of a subsidiary acquired or disposed of during the year are included in profit or loss and from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2025**

**NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)**

**Basis of consolidation (Cont.):**

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

In cases where the company has contractual arrangements that include "waterfall" mechanisms for profit sharing, i.e. the profit distribution rate is carried out according to different rates from the rate of holding of equity rights (Members) in the subsidiaries, the company implements the "hypothetical liquidation at book value" method. In accordance with this method, the share of the company and the non-controlling interests over the results of the subsidiary are determined on the assumption that at the end of the reporting period, the subsidiary would have sold or divided its assets and repaid its liabilities according to their book value taking into account further distributions and investments made by the other equity rights holders.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2025**

**NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)**

**Revenue recognition:**

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of a product or service to a customer. The following specific recognition criteria must also be met before revenue is recognised:

Rental income (*The Group as lessor*):

The Group enters into lease agreements as a lessor with respect to its investment properties. Such leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Municipal charges that the Group collects from the tenants and transfers to the local authorities are presented on a net basis in the financial statements, since these amounts are paid by the lessee for a service provided by the local authorities and without the Group being involved in any way in providing the service. Utility charges are recognized on a net basis since the Group is not primarily responsible for providing these services and the services are provided to the tenants without any material involvement of the Group.

Revenues from the sale of apartments:

The Group constructs and sells residential properties under long-term contracts with customers. Such contracts are entered into before construction of the residential properties begins. Under the terms of the contracts, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue from construction of residential properties is therefore recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Group considers that this method is an appropriate measure of the progress towards completion of these performance obligations under IFRS 15.

The Group becomes entitled to invoice customers for construction of residential properties based on achieving a series of performance-related milestones. When a particular milestone is reached the customer is sent an invoice for the related milestone payment. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue under the cost-to-cost method and the milestone payment is always less than one year.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2025**

**NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)**

**Foreign currencies:**

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency, which is Euro, are recognised at the rates of exchange prevailing at the dates of the transactions. At each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation or a disposal involving loss of control over a subsidiary that includes a foreign operation, all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the parent company are reclassified to profit or loss. When a subsidiary of the Company (hereinafter: the "Holding Company"), whose functional currency is different from the functional currency of the Company, holds a number of companies whose functional currency is identical to the functional currency of the Holding Company (hereinafter: the "Held Subsidiaries"), the exchange differences accumulated in a foreign exchange translation reserve in respect of these companies (including in respect of loans that are part of the net investment in the companies) are reclassified to profit or loss upon the disposal of all the Held Subsidiaries.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2025**

**NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)**

**Taxation:**

The income tax expense represents the sum of tax currently payable and deferred tax.

Current Taxes:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax:

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2025**

**NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)**

**Taxation (Cont.)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**Financial instruments**

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or at fair value through other comprehensive income (FVTOCI), unless they don't meet the criteria required for the measurement at amortised cost or FVTOCI then they are measured at fair value through profit or loss.

In addition, on initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2025**

**NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)**

**Financial instruments (Cont.)**

**Financial assets (Cont.)**

*Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost - trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime expected credit losses (ECL) for trade receivables and contract assets. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and the economic environment. This is further enhanced with specific provisions where this is deemed appropriate by management.

For other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

*Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

**Financial liabilities and equity**

*Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)**

**Financial instruments (Cont.)**

**Financial liabilities and equity (Cont.)**

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**Financial liabilities**

All of the Group financial liabilities are presented and measured at amortised cost.

Financial liabilities are initially recognised at fair value less transaction costs. After initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

**Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2025**

**NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)**

**Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

**Revaluation Model Applied to the Company's Hotels**

During the period, the Company changed its accounting policy for the measurement of two hotels held through a subsidiary from the cost model to the revaluation model. Management believes that measurement under the revaluation model provides more reliable and relevant information regarding the Company's financial position and equity and enhances the comparability of its financial statements with those of other companies operating in the industry. The change in policy to the revaluation model for the hotels will be applied prospectively.

Accordingly, the Company revalued the carrying amount of its hotels to their fair value as of 30 June 2025, and recognized a revaluation, net of tax effect, in the amount of approximately €42.9 million, which was recorded in other comprehensive income. In subsequent periods, the hotels will be presented at fair value, less accumulated depreciation and impairment losses, if any. Revaluations will be performed regularly to ensure that the carrying amount does not differ materially from the fair value at each reporting date.

**Inventory of buildings under construction and properties for development**

Inventory of buildings under construction and properties for development are measured at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated selling costs.

Cost of inventories of apartments under construction and inventories of real estate comprises identifiable direct costs of land such as taxes, fees and duties and construction costs.

**Leases - The Group as lessee**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2025**

**NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)**

**Leases- The Group as lessee (Cont.)**

Lease payments included in the measurement of the lease liability comprise: 1) fixed lease payments (including in-substance fixed payments), less any lease incentives receivable. 2) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date. 3) the amount expected to be payable by the lessee under residual value guarantees. 4) the exercise price of purchase options, if the lessee is reasonably certain to exercise the options. 5) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of use asset. The depreciation starts at the commencement date of the lease.

**Impairment of assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

**Cash and cash equivalents**

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 10. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Cont.)**

**Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In applying the Group's accounting policies, which are described in Note 2 above, management is required to make judgements that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

- **Valuation of investment properties**

The Group carries its investment properties at fair value, with changes in fair values being recognised in the profit or loss. The Group engages independent valuation specialists to determine fair value of investment properties at least on an annual basis. The valuation technique used to determine fair value of investment properties is based on a discounted cash flow model as well as comparable market data.

The determined fair value of the investment properties is sensitive to the estimated yield as well as market rents and the long-term vacancy rate. The key assumptions used to determine the fair value of the investment properties are further explained in Note 5.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont.)**

**Key sources of estimation uncertainty (Cont.):**

- **Taxation**

Uncertainties might exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the Group's international business relationships and the nature of contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

Deferred taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits (See also Note 17).

**Critical accounting judgements:**

The following are the critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

- **Business combination or acquisition of assets**

The Group acquires subsidiaries that hold real estate assets. At the time of acquisition, the Group exercises discretion in examining whether it is a business combination or acquisition of assets, in order to determine the accounting treatment of the transaction. In examining whether a property company constitutes a business, the Company examines, inter alia, the nature of the existing processes in the acquired Property company, including the scope and nature of management, security, cleaning and maintenance services provided to tenants. In transactions in which the acquired company is a business, the transaction is treated as a business combination. On the other hand, in transactions in which the acquired company is not a business, the acquisition cost, including the transaction costs, are allocated proportionally to the identified assets and liabilities purchased, based on their relative fair value at the time of acquisition. In this case, neither goodwill nor deferred taxes are recognised for the temporary difference existing at the time of purchase. The Group may choose to apply the concentration test to determine whether the acquisition constitutes a business combination or not. According to this test, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, then the acquisition will not be treated as a business combination. If the test is not met (or Group has chosen not to implement it) - the regular test will be conducted as to whether it is a business as detailed above.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 4: ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS**

**New and revised IFRS Accounting Standards issued by the IASB but not yet adopted by the EU**

**IFRS 18 Presentation and Disclosures in Financial Statements**

(Version issued by the IASB is effective for annual periods beginning on or after 1 January 2027 with earlier application permitted.)

IFRS 18 replaces IAS 1 Presentation of Financial Statements, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. Furthermore, the IASB has made minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings Per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Company examines the requirements introduced by the new and revised accounting standards, as well as their implementation impact, if any, on the Group's financial statements.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 5: INVESTMENT PROPERTIES**

**A. Changes in years 2024 and 2025**

	<b>Euro in thousands</b>
Balance at 1 January 2024	1,570,122
Additions during the year	27,726
Disposals during the year (G)	(12,777)
Foreign currency translation reserve	68,087
Fair value adjustments during the year	(54,639)
Balance at 31 December 2024	1,598,519
Additions during the year (F)	91,338
Disposals during the year (G)	(26,973)
Foreign currency translation reserve	(124,758)
Fair value adjustments during the year	(86,164)
Other	(24,957)
Balance at 31 December 2025	1,427,005

**B. Fair value measurement of investment properties (Level 3 classification)**

1. The fair value of investment property is determined at least once a year or when indications of value changes arise, based on a valuation performed by independent reputable experts.

The valuation is performed using the income capitalisation method, which is a valuation model based on the present value of expected Net Operating Income per property. Real estate valuations are based on the net annual cash flows after capitalisation on discounted rates that reflect the specific risks inherent in property activity.

The valuations consider the profile of the tenants, which are legally committed to lease agreements, and the remaining economic life of the asset.

The market rents used in the valuation vary per location, uses and condition of the property, age and level of finishing of various assets, even in the same building.

Average rent in respect of office spaces can range from €7-268 per month per square meter (2024: €7-31); for retail properties, between €2-59 per month per square meter (2024: €3-78); for logistics properties between €4-19 per month per square meter (2024: €4-19); for residential properties between €11-35 per month per square meter (2024: €10-36). The discount rate range for German properties, in the office, commercial and logistics sectors is between 4.5%-8.0% (2024: 4.5%-9.2%). For US commercial centers the discount rate range is between 11.5%-15.3% (2024: 11.8%-16.3%). For US residential assets, the average discount rate is 6.8% (2024: 5.9%).

A number of factors contribute to the value of retail properties, such as national and local economic development, investment demand created by property investors, and interest rates.

While changes in the fair value of investment properties have an effect on the Group's profit for the financial year, they do not have an immediate impact on cash flow.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 5: INVESTMENT PROPERTIES**

**B. Fair value measurement of investment properties (Level 3 classification)**

**1. (Cont.)**

The significant unobservable inputs used in the fair value measurement of the entity's investment properties are rents achieved at market (when these increase, an increase in properties value may occur) and discount rates (when these increase, a decrease in properties value may occur). Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement. Sensitivity to change in the properties' fair value, or the risk associated with fair value, can be tested by altering the above key parameters. Furthermore, the effect of the change in each parameter is not necessarily similar – as such, changes in the rents and discount rates might have a more significant effect on the properties' value than similar change of the occupancy rates. In addition, it is noted that changes in different parameters might occur simultaneously. For example, a change in occupancy may connect to a change in market rents when they impact fair value simultaneously.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2025**

**NOTE 5: INVESTMENT PROPERTIES (Cont.)**

**B. Fair value measurement of investment properties (level 3 classification) (Cont.)**

**2. Supplemental information**

**Lettable area**

	As 31 December 2025						As 31 December 2024					
	Offices	Logistic	Retail	Residential	Other	Total	Offices	Logistic	Retail	Residential	Other	Total
	Sqm						Sqm					
	205,397	147,737	1,071,862	247,342	27,826	1,700,164	160,110	147,737	1,150,986	247,342	27,827	1,734,002
Percent of total assets	12%	9%	63%	14%	2%	100%	9%	9%	66%	14%	2%	100%

**Fair value – analysis by use**

	As 31 December 2025						As 31 December 2024					
	Offices (*)	Logistic	Retail	Residential	Other	Total	Offices (*)	Logistic	Retail	Residential	Other	Total
	Euro in thousands						Euro in thousands					
	296,875	147,040	559,866	384,787	38,437	1,427,005	257,230	152,110	660,677	497,836	30,666	1,598,519
Percent of total assets	21%	10%	39%	27%	3%	100%	16%	10%	41%	31%	2%	100%

(\*) Including fair value of associated building rights.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2025**

**NOTE 5: INVESTMENT PROPERTIES (Cont.)**

**B. Fair value measurement of investment properties ( level 3 classification) (Cont.)**

**2. Supplemental information (Cont.)**

**Net Operating Income (NOI) – analysis by use**

	As 31 December 2025						As 31 December 2024				
	Offices	Logistic	Retail	Residential	Other	Total	Offices	Logistic	Retail	Residential	Total
	Euro in thousands						Euro in thousands				
	9,689	7,052	43,248	22,686	1,144	83,819	9,649	7,653	53,200	22,100	92,602
Percent of total assets	12%	8%	52%	27%	1%	100%	10%	8%	58%	24%	100%

**Adjustment to fair value – analysis by use**

	As 31 December 2025					As 31 December 2024					
	Offices	Logistic	Retail	Residential	Total	Offices	Logistic	Retail	Residential	Total	
	Euro in thousands					Euro in thousands					
	(4,605)	(6,488)	(9,506)	(65,565)	(86,164)	(9,742)	(3,778)	(18,036)	(23,083)	(54,639)	
Percent of total assets		5%	8%	11%	76%	100%	18%	7%	33%	42%	100%

**Average rent**

	Offices		Logistic		Retail		Residential	
	As 31 December							
	2025	2024	2025	2024	2025	2024	2025	2024
€/sqm/month	20.6	10.2	6.2	6.0	7.6	7.4	17.5	19.1
Range €	(7.1 – 268.4)	(6.8 - 30.9)	(3.5-18.9)	(4.3 - 18.8)	(1.8 – 59)	(2.8 - 77.6)	(10.5 – 34.7)	(10.1 - 36.1)

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 5: INVESTMENT PROPERTIES (Cont.):**

**C. Residential properties in the USA:**

The acquisitions of residential properties for rent in New York City were carried out during the years 2021 and 2022 through US subsidiaries under the control of the Company, which are held together with a local partner (the "Local Partner"). The local partner is responsible for the ongoing operation of the properties. The Company funded 85% -95% of the capital required for each transaction, and the local partner funded the remaining 5% -15% of required capital. The available cash flow of the asset companies is distributed between the parties in proportion to their capital investment.

As of 31 December 2025, the Company holds 90 residential properties across New York City that include approximately 3,000 housing units for rent with a total lettable area of approximately 250 thousand square meters.

After the reporting period, the Company acquired additional residential properties in New York City, as further detailed in note 23.

**D. Commercial properties**

The acquisitions of commercial properties were carried out through US subsidiaries under the control of the Company (the "US Subsidiaries"), which are held together with a local asset manager, who is not affiliated with the company and / or its controlling shareholders (the "Local Manager"). During 2024, the US Subsidiaries and the Local Manager have agreed to amend the agreements, in a way that the assets will no longer be managed by the Local Manager but will be directly self-managed by a US subsidiary of the Company (see also note 11).

As of the date of approval of these financial statements, the Company holds 26 commercial properties across the United States, with a total lettable area of approximately 1.1 million square meters over sqm 5.4 million of land.

**E. Hotels**

The Company owns two hotels in prime locations in Manhattan, comprising a total of 514 rooms. As the hotels are classified as operating assets under other long-term assets, see Note 6(3) for further details.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 5: INVESTMENT PROPERTIES (Cont.):**

**F. Additions**

- (1) In September 2025, a subsidiary of the Company acquired a 42-story office tower comprising approximately 500,000 square feet of leasable area. The property is located in a prime area of Manhattan, along Madison Avenue between 49th and 50th Streets. The purchase price was approximately \$42 million, reflecting a cost of about \$86 per square foot, and was financed through the Company's liquid resources. The property generates annual rental income of approximately \$17 million, and the land lease on which the tower is built has about 28 years remaining, with extension options available.
- (2) After the reporting period, the Company acquired additional residential properties in New York City (see note 23).

**G. Disposals:**

1. During 2024, certain subsidiaries of the company sold a shopping center and US outparcels in amount of approximately \$14 million. The total annual NOI generated by the sold properties was approximately \$0.5 million. Approximately \$2.8 million of the proceeds were used to repay the financial liabilities associated with the sold properties.
2. In October 2025, the Company sold a shopping center for \$27.5 million. The asset's carry amount was approximately \$20 million and it generated annual net income of approximately \$1.5 million. The gain on the sale, net before tax, amounted to approximately \$6 million. There was no debt on the asset and the full sale proceeds were available as free cash flow to the Company.
3. During the reporting period, certain subsidiaries of the Company sold outparcels in other shopping centers across the United States for a total consideration of approximately \$4.4 million. These outparcels generated annual net income of approximately \$0.2 million.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 6: OTHER LONG-TERM ASSETS AND LIABILITIES**

	<b>31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>Euro in thousands</b>	
<b><u>Other long-term financial assets:</u></b>		
Financial assets measured at fair value through OCI	1,997	2,100
Long-term loans receivable measured at amortised costs (1)	3,116	3,101
Financial assets measured at fair value through profit and loss (2)	-	2,703
Other financial assets	1,090	1,526
Total long term financial assets	6,203	9,430
<b><u>Other long-term non-financial assets:</u></b> (3)	168,216	2,094
<b><u>Other long-term financial liabilities:</u></b> (4)	89,165	10,784

(1) Long-term loans receivable including loans to third parties.

(2) The Group is engaged in agreements to provide financing to several residential construction projects in Berlin. The projects are for construction of residential units and are at different stages of planning and construction. The loans are secured by liens and guarantees of the construction companies and their shareholders and will be payable from the projects' proceeds. As of the end of the reporting period, the fair value of the loans is €5.1 million and it is included in short-term assets.

**SUMMIT PROPERTIES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 6: OTHER LONG-TERM ASSETS AND LIABILITIES (Cont.)**

- (3) The Company owns two hotels in prime locations in Manhattan, comprising a total of 514 rooms. The hotels span approximately 27,000 square meters of built area and the company has full leasehold rights on the land for periods ranging from 21 to 81 years.

The two hotels were revaluated during the period and their fair value as of 31 December 2025 is €94,216 thousand (see also Note 2 regarding Revaluation Model Applied to the Company's Hotels). The right-of-use assets in relation to the leasehold rights amounted to €73,606 thousand as of 31 December 2025.

**Other long-term non-financial assets:**

	<b>Hotels</b>	<b>Right of use assets</b>	<b>Other</b>	<b>Total</b>
	<b>Euro in thousands</b>			
<b>Cost or valuation:</b>				
<b>Balance at 1 January 2024</b>	-	-	<b>2,367</b>	<b>2,367</b>
Additions	-	-	72	72
Disposals	-	-	(29)	(29)
Exchange differences	-	-	57	57
<b>Balance at 31 December 2024</b>	-	-	<b>2,467</b>	<b>2,467</b>
Additions	30,697	73,662	153	104,512
Revaluation increase	70,786	-	-	70,786
Disposals	-	-	(166)	(166)
Exchange differences	(7,267)	(56)	(70)	(7,393)
Balance at 31 December 2025	<b>94,216</b>	<b>73,606</b>	<b>2,384</b>	<b>170,206</b>
<b>Accumulated depreciation:</b>				
<b>Balance at 1 January 2024</b>	-	-	<b>(240)</b>	<b>(240)</b>
Depreciation for the period	-	-	(133)	(133)
Disposals	-	-	-	-
Exchange differences	-	-	-	-
<b>Balance at 31 December 2024</b>	-	-	<b>(373)</b>	<b>(373)</b>
Depreciation for the period	(976)	(463)	(178)	(1,617)
Disposals	-	-	-	-
Exchange differences	-	-	-	-
Balance at 31 December 2025	<b>(976)</b>	<b>(463)</b>	<b>(551)</b>	<b>(1,990)</b>
<b>Carrying amount:</b>				
<b>at 31 December 2025</b>	<b>93,240</b>	<b>73,143</b>	<b>1,833</b>	<b>168,216</b>
<b>at 31 December 2024</b>	-	-	<b>2,094</b>	<b>2,094</b>

- (1) The Group leases several assets including building and land with lease terms ranging from 10 to 81 years (see also Note 2 – Leases – The Group as lessee). As of 31 December 2025, the balance of other long-term financial liabilities comprises mainly of lease liabilities of approximately €74.3 million in relation to hotels and approximately €5.4 million in relation to offices. The remaining balance comprises mainly of tenant security deposits in the amount of approximately €5.3 million.

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**NOTE 7: INTEREST - BEARING LOANS AND BORROWING**

**Interest-bearing loans and borrowings (net of cost of raising loans):**

	<u>Effective interest rate</u> %	<u>31 December</u>	
		<u>2025</u>	<u>2024</u>
		<u>Euro in thousands</u>	
<b>Current:</b>			
Current maturities of long-term loans	1.75-7.75%	<u>25,129</u>	<u>204,090</u>
<b>Non-current:</b>			
Long term loans and borrowings	1.75-7.75%	<u>422,349</u>	<u>491,519</u>

- A. The outstanding costs of raising loans as of 31 December 2025 are €2.6 million (2024: €6.2 million). These are presented net of interest-bearing loans and borrowings and amortised over the period of the loans.
- B. During 2024, a \$15 million credit facility was obtained for the refinancing of a US property on a 13-year term and bearing an average annual interest rate of 7.75% fixed for the first three years.
- C. During 2024, approximately \$55 million of bridge loans were repaid using the Company's own resources.
- D. As of 31 December 2024, the outstanding balance included senior fixed-rate notes in the amount of approximately €182 million. During the reporting period, the Company fully redeemed its senior fixed rate notes.
- E. Some of the financing agreements include a Debt Service Cover Ratio (DSCR) covenant of 100%-125%. As of 31 December 2025, and to the date of this report, the borrowing entities comply with all the covenants set in their financing agreements.
- F. It is noted that certain debt facilities are secured by real estate properties of the Group. The fair value of the unsecured real estate properties as of 31 December 2025 amounts to approximately €788 million.

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**NOTE 8: TRADE RECEIVABLES**

	31 December	
	2025	2024
	Euro in thousands	
Trade receivables	32,866	31,410
Trade receivables from sale of apartments	55	55
Provision for doubtful debts	(19,339)	(21,379)
	13,582	10,086

Movements in the provision for doubtful debts:

	Euro in thousands
At 1 January 2024	15,488
Utilised (1)	6,066
Released	(175)
At 31 December 2024	21,379
Utilised (1)	(1,925)
Released	(115)
At 31 December 2025	19,339

(1) Includes exchange rate differences of €2.4 million gain in 2025 and €1.1 million loss in 2024

**NOTE 9: PREPAID EXPENSES AND OTHER CURRENT ASSETS**

	31 December	
	2025	2024
	Euro in thousands	
Prepaid expenses and other (1)	64,286	103,391
Designated cash	8,638	8,622
	72,924	112,013

(1) During 2024, a subsidiary of the Company acquired approximately 6.3% in the equity and voting rights of Paz Oil Company Ltd. for a total consideration of approximately €62 million. The investment in these shares is measured at fair value through profit and loss and amounted to €80.2 million as of 31 December 2024. The income related to this investment is included in financial income (see Note 15).

In July 2025, a subsidiary of the Company sold approximately 70 percent of the shares of Paz Oil Company Ltd. at a price of approximately €167 per share for a total consideration of approximately €78 million. In addition, a six-months option has been granted to the buyers to purchase the remaining approximately 30 percent of the shares at a price of approximately €170 per share.

As of 31 December 2025, the fair value of the remaining approximately 30 percent of the shares amounted to €39.4 million.

After the end of the reporting period, the option was fully exercised for a total consideration of approximately €35 million.

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**NOTE 10: CASH AND CASH EQUIVALENTS**

	31 December	
	2025	2024
	Euro in thousands	
Cash at banks	89,141	215,127

**NOTE 11: EQUITY**

**A. Share capital:**

The authorised share capital of the Group is represented by an unlimited number of ordinary shares with no par value:

	Issued and outstanding Number of shares
At 1 January 2024	321,714,595
Change in the period (note 11D)	-
At 31 December 2024	321,714,595
Change in the period	-
At 31 December 2025	<b>321,714,595</b>

**B. Other reserves:**

	Distributable Reserves (1)	Property, Plant and Equipment revaluation Reserve	Foreign exchange differences Reserve	Other Reserves	Total Reserves
	<i>Euro (in thousands)</i>				
<b>Balance at 31 December 2023</b>	<b>151,194</b>	-	<b>8,604</b>	<b>2,893</b>	<b>162,691</b>
Foreign exchange differences on translation of foreign operations	-	-	34,014	-	34,014
<b>Balance at 31 December 2024</b>	<b>151,194</b>		42,618	2,893	<b>196,705</b>
Foreign exchange differences on translation of foreign operations	-	-	(70,369)	-	(70,369)
Gains on Property, Plant and Equipment revaluation	-	42,934		(93)	42,841
<b>Balance at 31 December 2025</b>	<b>151,194</b>	<b>42,934</b>	<b>(27,751)</b>	<b>2,800</b>	<b>169,177</b>

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**NOTE 11: EQUITY (Cont.)**

**B. Other reserves: (cont.)**

The directors have elected to transfer all premiums arising from the issue of ordinary shares by the Company to a distributable reserve, the balance of which as of 31 December 2025 is €151.2 million (2024: €151.2 million). In accordance with the Companies (Guernsey) law, 2008, any distribution is subject to a solvency test to determine whether the Company is able to distribute funds to shareholders.

The balance included in Property, Plant and Equipment revaluation Reserve relates to the revaluation of the hotels (see Note 6).

**C. Non-controlling interests:**

In respect of the non-controlling interest in the US residential properties see note 5. In respect of the US commercial properties, according to the agreement with the Local Manager, the company provided approximately 90% of the equity required for the transactions, and the local manager provided approximately 10% of the required equity. The positive cash flow of the property companies is divided between the parties according to the equity investment ratio until the return on investment plus 12% per annum. Thereafter, all the surplus of the property companies will be distributed in such a way that 50% of the surplus will be distributed among the shareholders in the US Subsidiaries while 50% will be paid as success fees to a related entity of the local manager, until the shareholders of the US subsidiaries enjoy an IRR of 20% on their investment. Any excess surplus will be divided in such a way as to ensure that the total cumulative divisions from the property companies will be divided equally between a party related to the Local Manager and the shareholders in the US subsidiaries.

Based on the above, the profit distribution rate is carried out according to rates that differ from the rates of holding of equity rights in the subsidiaries. The share of the company and the non-controlling interests over the results of the subsidiary are determined on the assumption that at the end of the reporting period, the subsidiary would have sold or divided its assets and repaid its liabilities according to their book value while taking into account further distributions and investments made by the other equity rights holders.

During 2024, the US Subsidiary purchased from the Local Manager approximately 3% of Local Manager's share in the capital of the property companies and 41% of the Local Manager's rights in the success fees for a total consideration of approximately \$10 million. It has also been agreed, that the Local Manager's entitlement to success fee is subject to the US Subsidiary's achievement of IRR of at least 20% with respect to the its aggregated capital investment. The US Subsidiary was also given options to acquire the Local Manager's remaining share in the capital of the property companies and success fee described above. The impact of the above amendments and transactions was recognised in 2024 and resulted in an increase of approximately \$40 million in the equity attributable to the owners of the Company.

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**NOTE 12: BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

	<b>Payables to related parties</b>	
	<b>31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>Euro in thousands</b>	
Related parties	20,279	6,306

As of 31 December 2024, Summit Real Estate Holdings Ltd ("**SHL**") holds approximately 99.16% of the Ordinary shares of Summit Properties limited. SHL is under the control of Mr. Zohar Levy. Summit Management CO S.A. ("**SMC**"), a company controlled by Zohar Levy, was appointed as an Asset Manager on 19 May 2006.

The balance of payables to related parties includes provisions for performance-based compensation to SMC of €750 thousand (2024: €715 thousand).

The balance of payables to related parties as of 31 December 2025 includes borrowing from SHL in amount of approximately €20 million (2024: approximately €6 million). During the period, approximately €68 million, net, were received from SHL and approximately €53 million were offset as part of Paz Oil Company shares transaction mentioned in note 9(1).

**A. Compensation of key management personnel:**

	<b>2025</b>	<b>2024</b>
	<b>Euro in thousands</b>	
Directors' fees	291	285
Management fees	1,513	1,510
Total compensation paid to key management personnel	1,804	1,795

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**NOTE 12: BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Cont.)**

**B. Terms and conditions of the management agreement**

According to the management agreement, SMC is responsible for providing certain corporate and advisory services to the Group and is entitled to an advisory fee equal to €750,000 per annum, payable quarterly, plus the potential to receive a performance-based bonus of up to €750,000 per annum, depending on certain performance criteria.

The performance-based bonus is based on hurdles and is calculated based on the aggregate return to the shareholders of the Company at the end of each accounting year, whether as a result of dividends received and/or an increase in the net asset value of the Group (excluding any increase due to revaluations) (the "Return"). The performance-based bonus is calculated on a pro-rata basis for any increase in the Return up to and including 5.5%.

The annual performance-based bonus entitlement of SMC is capped at a maximum of €750,000 per annum.

In addition to the performance-based bonus detailed above, SMC shall be entitled to receive a "Special Bonus" if, at any time within the three year term of the agreement, there is a qualifying sale or series of sales of any properties of the Group. A qualifying sale or series of sales is one, which alone or in aggregate, results in the proceeds received by the Summit Group, (net of any costs and expenses incurred in connection with the relevant sale(s)) and less the IFRS value as at 30 September 2022 of the properties sold, being greater than €50 million (the whole of such amount being the "Qualifying Amount"). The Special Bonus would also apply in relation to a partial sale of properties that would meet the profitability conditions described above. The Special Bonus shall be an amount equal to five per cent of the Qualifying Amount and is subject to a total aggregate cap of €10 million over the three year term of the agreement.

As at 31 December 2024 the criteria for the performance-based bonus was met and a provision in the amount of €750,000, was made during the period. The bonuses are subject to the approval of the board of directors of the Company after the end of the accounting year. Consequently, in 2024 the above was approved by the board.

As at 31 December 2025 the criteria for the performance-based bonus was met and a provision in the amount of €750,000, was made during the reporting period.

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**NOTE 12: BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Cont.)**

**B. Terms and conditions of the management agreement (Cont.):**

Any Bonus which SMC is entitled to receive in any relevant accounting year shall be reduced by an amount equal to any carried interest amount paid to SMC pursuant to the articles of incorporation of Summit Finance Ltd ("SFL") in respect of the same accounting year, provided that any bonus shall not be reduced to less than zero.

The articles of association of SFL ("SFL Articles") contain certain provisions which relate to SMC's carried interest entitlement in respect of their services provided under the initial Portfolio Management Agreement from 2006. SMC holds special B shares in SFL, a Group subsidiary, which will give it the right to receive a carried interest if the Company distributes a cash return on shareholders' equity of at least 8% in any financial year ("the Hurdle").

SMC will be entitled to receive 25% of the cash return in that year in excess of the Hurdle after deducting the carried interest entitlement. If the Company has not achieved a cash return on shareholders' equity of at least 8% in any previous year ("a Shortfall"), the carried interest will not be paid until the Shortfall has been made up. Where such fees arise, they are charged to the consolidated statement of comprehensive income. No amounts were ever due in respect of the aforementioned. As of 31 December 2025, the Shortfall is approximately €162 million (2024: €143 million). Therefore, the likelihood that SMC would be entitled to receive any carried interest is low.

SFL articles were amended so SMC's entitlement to receive any carried interest payable is by virtue of its ownership of B shares in SFL. The SFL Articles and the amended Portfolio Management Agreement provide that the B shares may be held by whoever is the appointed asset manager under the Portfolio Management Agreement or any other asset or portfolio management agreement to which the Group is a party from time to time.

**NOTE 13: TRADE AND OTHER PAYABLES**

	<b>31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>Euro in thousands</b>	
Accrued expenses	8,937	7,030
Accrued interest	1,299	3,008
Current tax liabilities	9,193	638
Provisions	9,621	9,686
Trade accounts payable	4,646	5,557
Other	11,882	9,066
	<b>45,578</b>	<b>34,985</b>

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**NOTE 14: GENERAL AND ADMINISTRATIVE EXPENSES**

	Year ended 31 December	
	2025	2024
	Euro in thousands	
Management and directors' fees (a)	1,804	1,795
Professional fees (b)	2,146	1,502
Salaries	6,558	4,504
Administration fees	55	63
Office expenses	1,102	798
Other expenses	1,128	811
	12,793	9,473

- (a) See note 12 for details of the management agreement.  
(b) Professional fees include closing and audit fees in the amount of €238 thousand (2024: €242 thousand).

**NOTE 15: FINANCIAL EXPENSES (INCOME)**

	Year ended 31 December	
	2025	2024
	Euro in thousands	
<b>Financial expenses:</b>		
Interest on borrowings	18,280	25,914
Amortisation of cost of raising loans	1,507	2,526
Interest on lease liabilities (IFRS 16)	3,426	23
Other (1)	7,247	481
Total financial expenses	30,460	28,944
<b>Financial income:</b>		
Interest on short-term deposits	(1,168)	(3,096)
Interest loan from related parties	-	(868)
Dividend from investment in shares of a traded company	(4,515)	(7,664)
Fair value adjustment of investment in shares of a traded company	(34,747)	(14,510)
Other (2)	(1,275)	(10,288)
Total financial income	(41,705)	(36,426)

- (1) The other financial expenses during the reporting period include €3,528 thousand fair value adjustment of short-term financial assets measured at fair value through profit and loss (see also note 6(3)). The remaining balance comprised mainly of currency exchange rate differences.  
(2) The other financial income comprised mainly of currency exchange differences.

The net financial income from investment in shares of traded company, including the related currency exchange rate differences classified to other financial expenses and other financial income, recognised during the periods ended 31 December 2025 and 31 December 2024 were €35,859 thousand and €26,506 thousand, respectively

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**NOTE 16: TAXATION**

**A) Taxes on income recognized in the consolidated statement of profit and loss:**

	Year ended 31 December	
	2025	2024
	Euro in thousands	
<u>Current expenses tax:</u>		
Current income tax charge	8,635	693
<u>Deferred income tax (See B and C below):</u>		
Relating to origination and reversal of temporary differences	(29,280)	(8,321)
Income tax expense reported in the statement of profit and loss	(20,645)	(7,628)

- B)** The Company is subject to taxation under the laws of Guernsey. The subsidiaries are subject to income taxes in their country of domicile in respect of their income. The ordinary corporate income tax rate in Germany as of 31 December 2025 is 15.825% (31 December 2024: 15.825%). Companies operating in Guernsey are taxable in Guernsey at 0%.

During the reporting period, the German government approved a tax law amendment providing for a gradual reduction of the corporate tax rate until the year 2032. Accordingly, the corporate tax rate applicable to the Group's operations in Germany will decrease by 1% per year starting 2028 reaching 10% in 2032.

The gradual reduction in tax rate affected the measurement of the Group's deferred tax liabilities in Germany. Following the remeasurement of deferred tax assets and liabilities at the amended tax rates during the reporting period, the Group recognised income of approximately €17 million within income taxes.

The Group's subsidiaries operating in Germany are subject to Real Estate Transfer Tax (RETT) on property transactions, where applicable. Under German law, the RETT tax burden at a rate of 5.5% to 6.5% of the purchase price is imposed on both seller and buyer if a transfer to third parties of 90% or more of the rights owned by a German entity occurred within a period of 10 years.

- C)** The Group operates in the United States ("US") through a US resident holding company (hereinafter: "US Holding Company"), which holds rights in real estate partnerships through partnerships (LLCs). The real estate partnerships and the LLCs are considered transparent for US tax purposes, so the US Holding Company is the taxpayer for the US taxable income. The Group's investments in the US Holding Company and the US Holding Company's investments in the LLCs are done by capital investments and / or inter-company loans. The activity in the US is subject to federal and state taxes, as well as to local government tax, where applicable. The total tax rate ranges from 25% to 29%. The deduction of interest expenses for US tax purposes is subject to the thin financing rules under US law. In accordance with US domestic law, dividend payments outside the US are subject to withholding tax in the US at a rate of 30%. Subject to compliance with the rules of the US-German Tax Treaty, dividend payments made to a German resident company will be at a reduced withholding tax rate of 5%.

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**NOTE 16: TAXATION (Cont.)**

**C) (Cont.)**

A reconciliation between the tax benefit in the consolidated statement of comprehensive income and the profit before taxes multiplied by the current tax rate can be explained as follows:

	Year ended 31 December	
	2025	2024
	Euro in thousands	
Profit (loss) before taxes on income	(1,655)	34,357
Tax at the statutory tax rate in Germany (15.825%)	(262)	5,437
Decrease in respect of:		
Losses for which deferred taxes were not recorded	561	(10)
Effect of different tax rate	(20,985)	(6,590)
Non-deductible expenses, net	21	(181)
Difference between tax and reporting GAAP	220	(6,259)
Other	(200)	(25)
Tax income	(20,645)	(7,628)

**D) Deferred income tax:**

	Consolidated statement of financial position	
	2025	2024
	Euro in thousands	
<u>Deferred tax asset (liability)</u>		
Revaluations of investment properties to fair value	(109,343)	(154,494)
Revaluations of Property, Plant and Equipment	(26,874)	-
Losses carried forward	37,827	42,770
Due to IFRS 16	(3,072)	-
Provisions	475	1,045
Other	163	158
Deferred tax liabilities, net	(100,824)	(110,521)

	Consolidated statement of comprehensive loss (income)	
	2025	2024
	Euro in thousands	
<u>Deferred tax expense (income)</u>		
Revaluations of investment properties to fair value	(33,360)	(6,447)
Losses carried forward	574	(1,868)
Other	3,506	(5)
Decrease in deferred tax liabilities, net	(29,280)	(8,320)

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**NOTE 16: TAXATION (Cont.)**

**D) Deferred income tax: (Cont.)**

	<b>Other comprehensive income</b>	
	<b>2025</b>	<b>2024</b>
	<b>Euro in thousands</b>	
<u>Deferred tax (income) expense</u>		
Change in deferred tax due to foreign currency translation differences	(5,598)	2,516
Revaluations of Property, Plant and Equipment	25,180	-
Increase in deferred tax liabilities, net	19,582	2,516

- E)** Deferred tax assets on loss carry forward are recognised by the Group according to the applicable tax laws, to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

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**NOTE 17: FINANCIAL INSTRUMENTS**

The Group's principal financial liabilities, comprise mainly bank loans, and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Company has various financial assets such as trade receivables, loans to third parties and cash and cash equivalents. The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk as summarised below.

**Market risk:**

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices. Market prices comprise two types of risks that are relevant to the Company: Interest rate risk and Price risk.

- **Interest rate risk:**

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's policy is to fix the interest rate of its bank loans by entering into fixed interest rate loan agreements and/or by entering into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 December 2025, the majority of the Group's borrowings are at a fixed rate of interest and the Group has no swaps deals.

- **Price risk:**

The Group's financial instruments measured at FVTOCI and at FVTPL are susceptible to price risk arising from uncertainties about future values of the investment in those instruments. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. The Company's senior management monitors value and extent of such investments on an ongoing basis.

For such financial instruments see notes 6 and 9.

- **Credit risk:**

Credit risk is the risk that counterparty will not meet its obligations, as reflected as of the period end in the Group's financial statements, under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities.

The Group performs ongoing credit evaluations of its lessees and the financial statements include specific allowances for doubtful accounts, which, in management's estimate, adequately reflect the underlying loss of debts whose collection is doubtful.

The Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

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**NOTE 17: FINANCIAL INSTRUMENTS (Cont.)**

- **Credit risk: (Cont.)**

The carrying amount of financial assets recognised in financial statements net of impairment losses represents Group's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

Collateral and other credit enhancements are obtained in most cases, pursuant to management assessment of the client's credit quality and an assignment of its credit limits. The Group does not invest its cash with banks that have a low credit rating. As such, the Group does not have significant credit risk exposure.

- **Foreign currency risk:**

The foreign currency risk arises from recognised assets and liabilities, which are denominated in a foreign currency other than the Company's operating currency. The Group is mainly exposed to the foreign currency risk of the US Dollar.

<b>Sensitivity test for changes in the US Dollar/EUR exchange rates</b>		
<b>Impact on other comprehensive income</b>		
	<b>By 5% exchange rate appreciation</b>	<b>By 5% exchange rate depreciation</b>
	<b>Euro in thousands</b>	
2025	29,404	(29,404)
2024	29,034	(29,034)

**Liquidity risk:**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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**NOTE 17: FINANCIAL INSTRUMENTS (Cont.)**

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	As at 31 December 2025					Total
	Up to 1 year	1-2 years	2-3 years	3-4 years	> 4 years	
	Euro in thousands					
Interest bearing loans and borrowings	43,644	31,977	35,375	32,683	474,051	617,730
Trade and other payables	35,923	2,363	-	-	-	38,286
Tenants Security Deposit	-	5,377	-	-	-	5,377
Other liabilities	5,863	5,713	5,651	5,844	1,070,261	1,093,332
Payables to related parties and shareholders	20,279	-	-	-	-	20,279
	<u>105,709</u>	<u>45,430</u>	<u>41,026</u>	<u>38,527</u>	<u>1,544,312</u>	<u>1,775,004</u>

	As at 31 December 2024					Total
	Up to 1 year	1-2 years	2-3 years	3-4 years	> 4 years	
	Euro in thousands					
Interest bearing loans and borrowings	227,354	40,219	36,123	39,516	564,892	908,104
Trade and other payables	20,348	2,709	-	-	-	28,009
Tenants Security Deposit	-	6,138	-	-	-	6,138
Other liabilities	260	165	156	159	1,197	1,937
Payables to related parties and shareholders	6,306	-	-	-	-	6,306
	<u>254,268</u>	<u>49,231</u>	<u>36,279</u>	<u>39,675</u>	<u>566,089</u>	<u>945,542</u>

**Capital management:**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group is not subject to any externally imposed capital requirements.

No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024.

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**NOTE 17: FINANCIAL INSTRUMENTS (Cont.)**

The gearing ratios at 31 December 2025 and 31 December 2024 were as follows:

	<b>2025</b>	<b>2024</b>
	<b>Euro in thousands</b>	
Non-current interest-bearing loans and borrowings	422,349	491,519
Current loans and borrowings	25,129	204,090
Less cash and cash equivalents	(89,141)	(215,127)
Net debt	358,337	480,482
Equity	1,102,157	1,118,110
Total capital	1,460,494	1,598,592
Gearing ratio	25%	30%

**Fair value of financial instruments and non-financial instruments:**

**Fair value of financial instruments carried at amortised cost:**

The directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

**Fair value measurements recognised in the statement of financial position:**

The financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1, 2 and 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements marketable securities are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from price)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	<b>31 December 2025</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Euro in thousands</b>			
<b>Non - Financial assets:</b>				
Investment properties (note 5)	-	-	1,388,568	1,388,568
Property, Plant and Equipment (note 6(3))	-	-	93,240	93,240
<b>Financial assets</b>				
Financial assets measured at fair value through profit and loss (note 6(3))	-	-	5,084	5,084
Financial assets at FVTOCI (note 6(1))	-	-	1,997	1,997
Ordinary shares traded in public market at fair value through profit and loss (note 9(1))	39,381	-	-	39,381
Total	39,381	-	1,488,889	1,528,270
<b>Financial liabilities:</b>				
Financial assets measured at fair value through profit and loss – option (note 9(1))	-	-	3,709	3,709

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**NOTE 17: FINANCIAL INSTRUMENTS (Cont.)**

	31 December 2024			
	Level 1	Level 2	Level 3	Total
	Euro in thousands			
<b>Non - Financial assets:</b>				
Investment properties (note 5)	-	-	1,598,519	1,598,519
<b>Financial assets</b>				
Financial assets measured at fair value through profit and loss (note 6(3))	-	-	8,703	8,703
Financial assets at FVTOCI (note 6(1))	-	-	2,100	2,100
Ordinary shares traded in public market at fair value through profit and loss (note 9(1))	80,216	-	-	80,216
<b>Total</b>	80,216	-	1,609,322	1,689,538

**NOTE 18: CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The table below details changes in the Group's liabilities arising financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

	1 January 2025	Financing cash flows	Other changes	31 December 2025
Interest-bearing loans and borrowings	695,609	(14,854)	(233,277)	447,478
Payables to related parties and shareholders	6,306	67,898	(53,925)	20,279
	1 January 2024	Financing cash flows	Other changes	31 December 2024
Interest-bearing loans and borrowings	723,370	(52,649)	24,888	695,609

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**NOTE 19: OPERATING LEASE**

Operating Lease – Group as Lessor

The Group has entered into commercial property leases on its investment property portfolio. These non-cancellable leases have remaining average terms of between 1 and 18 years (the average non-cancellable lease length in Germany and the US is approximately 4 and 2 years, respectively). The majority of the leases include extension options with a clause to enable upward revision of the rental charge on an annual basis according to the price index or a fixed increase rate.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Germany:

	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>Euro in thousands</b>	
Within one year	21,033	22,825
After one year but not more than five years	56,032	58,273
More than five years but not more than ten years	19,087	19,717
More than ten years but not more than fifteen years	1,895	1,901
More than fifteen years	1,136	1,452
	<u>99,183</u>	<u>104,168</u>

US:

	<b>For the year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>Euro in thousands</b>	
Within one year	131,357	125,030
After one year but not more than five years	202,572	155,883
More than five years but not more than ten years	30,950	-
	<u>364,879</u>	<u>280,913</u>

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**NOTE 20: INVENTORY OF BUILDINGS UNDER CONSTRUCTION**

During 2022 a subsidiary of the Company began construction of 68 residential units on its existing property located in Frankfurt. Most of the units were developed as part of a newly constructed building. The remaining units were developed by conversion of currently vacant office spaces, with no major impact on the current rent. The project was completed during 2024 and approximately 50% of the apartments were sold. As of 31 December 2025, the total investment in the project included under Inventory of buildings under construction amounted to €21.8 million (2024: €22.9 million).

**NOTE 21: OPERATING SEGMENTS:**

**A. General**

Information reported to management for the purposes of resource allocation and assessment of segment performance is focused on the category of customer for each type of activity. The Group's reportable segments under IFRS 8 are therefore as follows:

Segment A - investment properties - Leasing property for rental income in Germany.

Segment B - commercial investment properties - Leasing property for rental income in the US.

Segment C - residential investment properties - Leasing property for rental income in the US.

Segment D – hotels in the US.

The segment's assets include all of the operating assets used by the segment.

The segment's assets and liabilities do not include deferred taxes.

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**NOTE 21: OPERATING SEGMENTS: (Cont.)**

**B. Analysis of income and results by operating segments:**

Segment income and expenses include income and expenses arising from the operating activities of the segments that are directly attributable to business segments.

**Year ended 31 December 2025:**

	Investment Properties - Germany	Commercial investment properties - USA	Residential investment properties - USA	Hotels USA	Other	Total
Euro in thousands						
Income	22,311	74,274	49,804	25,139	6,252	177,780
Operating expenses	(20,758)	(44,813)	(95,443)	(24,000)	(5,645)	(190,659)
<b>Segment profit / (loss) (*)</b>	1,553	29,461	(45,639)	1,139	607	(12,879)
Expenses not allocated to the segment						-
Operating loss						(12,879)
Finance income (expenses), net	(7,700)	(7,788)	(10,198)	(3,331)	40,262	11,245
Profit (loss) before taxes on income	(6,147)	21,673	(55,837)	(2,192)	40,869	(1,634)
(*) Includes revaluation loss of investment properties	(12,100)	(8,434)	(65,565)	-	(65)	(86,164)

**Year ended 31 December 2025:**

	Investment Properties Germany	Commercial investment properties - USA	Residential investment properties - USA	Hotels USA	Other	Total
Euro in thousands						
Segment assets	514,816	540,884	455,550	174,746	119,485	1,805,481
Assets not allocated to the segment						-
<b>Total assets</b>						1,805,481
Segment liabilities	71,383	122,748	307,537	82,109	18,719	602,500
Liabilities not allocated to the segment						100,824
<b>Total Liabilities</b>						703,324

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**NOTE 21: OPERATING SEGMENTS (Cont.):**

**B. Analysis of income and results by operating segments (Cont.):**

**Year ended 31 December 2024:**

	Investment Properties - Germany	Commercial investment properties - USA	Residential investment properties - USA	Hotels USA	Other	Total
Euro in thousands						
Income	23,092	83,906	50,836	22,288	7,659	187,781
Operating expenses	(23,252)	(54,622)	(54,827)	(22,288)	(5,917)	(160,906)
<b>Segment profit / (loss) (*)</b>	(160)	29,284	(3,991)	-	1,742	26,875
Expenses not allocated to the segment						-
Operating profit						<u>26,875</u>
Finance expenses, net	3,707	(12,181)	(10,491)	-	26,447	<u>7,482</u>
Profit (loss) before taxes on income	3,547	17,103	(14,482)	-	28,189	<u>34,357</u>
(*) Includes revaluation loss of investment properties	(13,513)	(18,043)	(23,083)	-	-	(54,639)

**Year ended 31 December 2024:**

	Investment Properties Germany	Commercial investment properties - USA	Residential investment properties - USA	Hotels USA	Other	Total
Euro in thousands						
Segment assets	651,565	641,002	531,434	37,804	114,510	1,976,315
Assets not allocated to the segment						-
<b>Total assets</b>						<u>1,976,315</u>
Segment liabilities	242,695	142,622	355,323	7,044	-	747,684
Liabilities not allocated to the segment						110,521
<b>Total Liabilities</b>						<u>858,205</u>

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**NOTE 22: THE COMPANY'S HOLDINGS AS OF 31 DECEMBER 2025**

	<u>Principal activity</u>	<u>Country of incorporation</u>	<u>Direct holdings %</u>
Summit Finance Limited	Intermediate holding company	Guernsey	100.00%
Neston S.à r.l.	Intermediate holding company	Luxemburg	100.00%
Summit Real Estate Hirundo GmbH	Real Estate company	Germany	94.80%
Summit US Holdings GmbH*	Intermediate holding company	Germany	100.00%
Summit Luxco s.a.r.l.*	Intermediate holding company	Luxembourg	100.00%

\* These entities hold holding companies and subsidiaries, which own real estate assets of the Group in Germany and the US

**NOTE 23: SUBSEQUENT EVENTS**

During the reporting period a subsidiary of the Company submitted an offer for the acquisition of a portfolio of residential properties in New York for a total purchase price of approximately \$451 million. After the end of the reporting period, the court in New York approved the submitted bid and the Company completed the acquisition.

The acquired portfolio comprises 5,150 residential units in 98 residential buildings, as well as 52 commercial units, 326 parking spaces and a parking facility. The properties are leased at an occupancy rate of approximately 95% and are located in central boroughs of New York City, with approximately 50% in Brooklyn, approximately 25% in Manhattan and approximately 18% in Queens.

The purchase price reflects cost of approximately \$87 thousand per unit, or approximately \$1,030 per square meter. The annual NOI generated by the portfolio reflects a net yield of approximately 8.0%.

To secure completion of the transaction, the Company deposited in escrow an amount equal to 25% of the purchase price. The remaining balance of the purchase price was financed through a credit facility provided by a financial institution for a term of three years, with an option to extend the term by an additional year. The credit facility bears fixed interest at a rate of 5.25%, with no principal repayments due during the first three years.