



REPORT AND ACCOUNTS HY 2024

SUMMIT
Properties Ltd

Summit Properties Limited

INDEX	<u>Page</u>
Management overview	1
Independent auditor's review report	2
Condensed Interim Consolidated Statements of Financial Position	3-4
Condensed Interim Consolidated Statements of Profit or Loss and Comprehensive Income	5
Condensed Interim Consolidated Statements of Changes in Equity	6-8
Condensed Interim Consolidated Statements of Cash Flows	9
Notes to the Condensed Interim Consolidated Financial Statements	10-22



Residential Building in Brooklyn, NYC

Management Overview

Summit Properties Limited 2024 Half Year Results

We are pleased to present the interim unaudited results for the six months ended 30 June 2024 (“the Reporting Period”) of Summit Properties Limited (“the Company”) and its subsidiaries (“the Group”).

Results

- Net profit of €18.9 million (HY 2023: €15.3 million loss, FY 2023: €63.2 million loss)
Gross profit of €48.8 million (HY 2023: €51.7 million, FY 2023: €99.1 million)
- EBITDA of €31.4 million (HY 2023: negative EBITDA of €4.0 million, FY 2023: negative EBITDA of €62.6 million)
- Profit Before Tax of €20.1 million (HY 2023: €20.0 million loss, FY 2023: €87.4 million loss)

NAV

- EPRA NAV¹ of €1.1 billion (FY 2023: €1.0 billion)
- Group’s NAV of €1.0 billion (FY 2023: €0.9 billion)
- Total Assets of €1.9 billion (FY 2023: €1.9 billion)
- Shareholder Equity / Total Assets ratio of 51% (FY 2023: 48%)

Rent and Operations

- FFO¹ of €30.0 million (HY 2023: €32.4 million, FY 2023: €60.5 million)
- Rental income amounted to €88.9 million (HY 2023: €93.4 million, FY 2023: €185.7 million)

Portfolio

- €1.6 billion portfolio as of 30 June 2024 (FY 2023: €1.6 billion) includes:
 - €0.5 billion German properties well located in major cities with a net lettable area of ca. 327,000 sqm and an occupancy rate, excluding properties under development of ca. 90%
 - €1.1 billion US portfolio comprised of 90 residential buildings in NYC with net lettable area of 247,000 sqm and 27 commercial properties across the US with net lettable area of 1.2 million sqm
 - Full ownership of two NYC hotels (514 rooms) located near Times Square

Financing and Equity

- \$15 million US refinancing at 13-year term and an average annual interest of 7.75% fixed for 3 years
- €62 million financial investment in Paz Oil Company Ltd. in Q2 2024 reflecting 6.3% in the company

¹ Alternative performance measures

The Group prepares its financial statements using IFRS. However, it also uses a number of adjusted measures in assessing and managing performance of the business.

EPRA metrics:

Performance measures used by the Group include those defined by EPRA, are designed to enhance transparency and comparability across the European real estate sector. The Group considers these standard metrics to be the most appropriate method of reporting the value of the business.

Funds From Operations (‘FFO’):

The Group considers this measure to be most appropriate when considering its dividend policy as it is a cash measure and it is familiar to non-property and international investors. Funds From Operations is a measure determined by recurring operating profits, deducted by the Group’s interest expenses and excludes other one off expenses or fair value adjustments.



The Shoreham Hotel, NYC

Financial statements

INDEPENDENT REVIEW REPORT TO SUMMIT PROPERTIES LIMITED

Introduction

We have reviewed the condensed interim consolidated statement of financial position of Summit Properties Limited as of June 30, 2024 and the related condensed interim consolidated statements of profit or loss and other comprehensive income, the condensed interim consolidated statement of changes in equity and the condensed interim consolidated statement of cash flow for the six-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting," as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting," as adopted by the European Union.

Brightman Almagor Zohar & Co.

Certified Public Accountants

A Firm in the Deloitte Global Network

Haifa, Israel

18 September, 2024

Tel Aviv - Main Office

1 Azrieli Center Tel Aviv, 6701101 P.O.B. 16593 Tel Aviv, 6116402 Tel: +972 (3) 608 5555 | info@deloitte.co.il

Jerusalem

3 Kiryat Ha'Mada
Har Hotzvim Tower
Jerusalem, 914510

Tel: +972 (2) 501 8888
Fax: +972 (2) 537 4173
info-jer@deloitte.co.il

Haifa

5 Ma'aleh Hashichrur
P.O.B. 5648
Haifa, 3105502

Tel: +972 (4) 860 7333
Fax: +972 (4) 867 2528
info-haifa@deloitte.co.il

Eilat

The City Center
P.O.B. 583
Eilat, 8810402

Tel: +972 (8) 637 5676
Fax: +972 (8) 637 1628
info-eilat@deloitte.co.il

Nazareth

9 Marj Ibn Amer St.
Nazareth, 16100

Tel: +972 (73) 399 4455
Fax: +972 (73) 399 4455
info-nazareth@deloitte.co.il

Beit Shemesh

Yigal Alon 1 St.
Beit Shemesh, 9906201

Summit Properties Limited
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	30 June		31 December
		2024	2023	2023
		(Unaudited)		(Audited)
Euro (in thousands)				
ASSETS				
NON-CURRENT ASSETS:				
Investment properties	3	1,604,633	1,694,597	1,570,122
Other long-term assets	4	12,122	20,051	17,276
Properties for development		6,206	25,383	5,329
Total non-current assets		<u>1,622,961</u>	<u>1,740,031</u>	<u>1,592,727</u>
CURRENT ASSETS:				
Prepaid expenses and other current assets		88,848	23,097	24,941
Receivables from related parties	5	28,338	69,765	11,005
Trade receivables, net		8,884	9,120	8,682
Inventory of buildings under construction		25,632	-	25,562
Cash and cash equivalents		174,511	251,627	268,665
Total current assets		<u>326,213</u>	<u>353,609</u>	<u>338,855</u>
Total assets		<u>1,949,174</u>	<u>2,093,640</u>	<u>1,931,582</u>

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

Summit Properties Limited
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	30 June		31 December
		2024	2023	2023
		(Unaudited)		(Audited)
Euro (in thousands)				
EQUITY AND LIABILITIES				
EQUITY:				
Other reserve		180,517	172,908	162,691
Retained gain		804,997	820,251	755,500
Equity attributable to the owners of the Company		985,514	993,159	918,191
Non-controlling interests		95,651	147,436	129,902
Total equity		1,081,165	1,140,595	1,048,093
NON-CURRENT LIABILITIES:				
Interest-bearing loans and borrowings	6	494,981	753,156	700,781
Other long-term financial liabilities	4	11,331	11,443	10,639
Deferred tax liability		118,803	135,613	116,325
Total non-current liabilities		625,115	900,212	827,745
CURRENT LIABILITIES:				
Interest-bearing loans and borrowings	6	203,896	10,475	22,589
Payables to related parties	5	1,235	2,087	1,623
Current tax liabilities		315	299	495
Trade and other payables		37,448	39,972	31,037
Total current liabilities		242,894	52,833	55,744
Total liabilities		868,009	953,045	883,489
Total equity and liabilities		1,949,174	2,093,640	1,931,582

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

September 18, 2024

Date of approval of the
financial statements

Zohar Levy
Managing Director

Itay Barlev
Finance Director

Summit Properties Limited

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

	Note	Six months ended 30 June		Year ended 31 December
		2024	2023	2023
		(Unaudited)		(Audited)
Euro (in thousands)				
Rental income		88,855	93,404	185,733
Revenues from sale of apartments		3,867	1,637	5,161
Operating expenses		(41,085)	(42,182)	(87,831)
Cost of sale of apartments		(2,819)	(1,171)	(3,934)
Gross profit		<u>48,818</u>	<u>51,688</u>	<u>99,129</u>
General and administrative expenses		(4,436)	(3,702)	(8,111)
Fair value adjustments of investment properties	3	(10,142)	(52,286)	(151,910)
Other income (expense)		(2,762)	295	(1,481)
Operating profit (loss)		<u>31,478</u>	<u>(4,005)</u>	<u>(62,373)</u>
Financial income	8	5,444	3,901	11,600
Financial expenses	8	(16,829)	(19,845)	(36,599)
Total financial expenses		<u>(11,385)</u>	<u>(15,944)</u>	<u>(24,999)</u>
Profit (loss) before taxes on income		20,093	(19,949)	(87,372)
Tax income (expenses)		(1,157)	4,631	24,174
Profit (loss) for the period/year		<u>18,936</u>	<u>(15,318)</u>	<u>(63,198)</u>
Other comprehensive income (loss) ("OCI") and expenses:				
Items that may be reclassified subsequently to profit or loss:				
Foreign exchange differences on translation of foreign operations		21,023	(12,086)	(22,690)
		<u>21,023</u>	<u>(12,086)</u>	<u>(22,690)</u>
Items that will not be classified subsequently to profit or loss:				
Net (loss) gain arising on revaluation of financial assets through Other Comprehensive Income ("OCI")		-	-	(1,248)
		<u>21,023</u>	<u>(12,086)</u>	<u>(23,938)</u>
Total comprehensive income (loss) for the period/year		<u>39,959</u>	<u>(27,404)</u>	<u>(87,136)</u>
Profit (loss) for the period/year attributable to:				
Owners of the Company		16,476	(9,810)	(42,390)
Non-controlling interests		2,460	(5,508)	(20,808)
		<u>18,936</u>	<u>(15,318)</u>	<u>(63,198)</u>
Total (loss) comprehensive income attributable to:				
Owners of the Company		34,302	(19,776)	(62,573)
Non-controlling interests		5,657	(7,628)	(24,563)
		<u>39,959</u>	<u>(27,404)</u>	<u>(87,136)</u>
Earnings (loss) per share:				
Basic (Euro per share)	9	0.051	(0.030)	(0.132)
Diluted (Euro per share)		<u>0.051</u>	<u>(0.030)</u>	<u>(0.132)</u>

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

Summit Properties Limited
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity attributable to owners of the Company					Total equity
	Issued capital	Other Reserve (Note 10)	Retained Earnings	Total equity attributable to owners of the parent Company	Non-Controlling interests	
	Euro in thousands					
Balance at 1 January 2024 (audited)	(*) -	162,691	755,500	918,191	129,902	1,048,093
Profit for the period	-	-	16,476	16,476	2,460	18,936
Other comprehensive profit for the period, net of income tax	-	17,826	-	17,826	3,197	21,023
Total comprehensive profit	-	17,826	16,476	34,302	5,657	39,959
Transaction with non-controlling interest (Note10)	-	-	33,021	33,021	(39,908)	(6,887)
Balance at 30 June 2024 (unaudited)	(*) -	180,517	804,997	985,514	95,651	1,081,165

(*) No par value.

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

Summit Properties Limited
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity attributable to owners of the Company					Total equity
	Issued capital	Other Reserve (Note 10)	Retained Earnings	Total equity attributable to owners of the parent Company	Non- Controlling interests	
	Euro in thousands					
Balance at 1 January 2023 (audited)	(*) -	182,885	830,061	1,012,946	158,751	1,171,697
Loss for the period	-	-	(9,810)	(9,810)	(5,508)	(15,318)
Other comprehensive loss for the period, net of income tax	-	(9,966)	-	(9,966)	(2,120)	(12,086)
Total comprehensive loss	-	(9,966)	(9,810)	(19,776)	(7,628)	(27,404)
Transaction with non-controlling interest	-	-	-	-	(3,687)	(3,687)
Proceeds from issue of shares and buy back	-	(11)	-	(11)	-	(11)
Balance at 30 June 2023 (unaudited)	(*) -	172,908	820,251	993,159	147,436	1,140,595

(*) No par value.

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

Summit Properties Limited
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity attributable to owners of the Company					Total equity
	Issued capital	Other Reserve (Note 10)	Retained Earnings	Total equity attributable to owners of the parent Company	Non-Controlling interests	
	Euro in thousands					
Balance at 1 January 2023 (audited)	(*) -	182,885	830,061	1,012,946	158,751	1,171,697
Loss for the year	-	-	(42,390)	(42,390)	(20,808)	(63,198)
Other comprehensive loss for the year, net of income tax	-	(20,183)	-	(20,183)	(3,755)	(23,938)
Total comprehensive loss	(*) -	(20,183)	(42,390)	(62,573)	(24,563)	(87,136)
Dividend distribution	-	-	(32,171)	(32,171)	-	(31,171)
Buy back	-	(11)	-	(11)	-	(11)
Transactions with non-controlling interests (note 10)	-	-	-	-	(4,286)	(4,286)
Balance at 31 December 2023 (audited)	(*) -	162,691	755,500	918,191	129,902	1,048,093

(*) No par value.

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

Summit Properties Limited
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended		Year ended
	30 June		31 December
	2024	2023	2023
	(Unaudited)		(Audited)
	Euro (in thousands)		
Cash flows from operating activities:			
Profit (loss) for the period/year	18,936	(15,318)	(63,198)
Adjustments for:			
Deferred taxes	918	(5,239)	(23,756)
Financial expenses, net	11,385	15,944	24,999
Fair value adjustment of investment properties	10,142	52,286	151,910
Depreciation of property, plant and equipment	70	102	202
Other long-term assets	(653)	(642)	729
	<u>21,862</u>	<u>62,451</u>	<u>154,084</u>
Changes in operating assets and liabilities:			
Decrease (Increase) in trade receivables and contract assets	2,148	(3,080)	(2,842)
Increase (Decrease) in trade and other payables	667	(9,663)	(15,341)
Decrease in payables to related parties and shareholders	(388)	(1,188)	(980)
Increase in properties for developments and Inventory of buildings under construction	(648)	(4,682)	(9,902)
Decrease (Increase) in prepaid expenses and other current assets	(553)	1,210	(1,084)
Increase in other non-current liabilities	367	1,962	1,313
	<u>1,593</u>	<u>(15,441)</u>	<u>(28,836)</u>
Net cash flows from operating activities	<u>42,391</u>	<u>31,692</u>	<u>62,050</u>
Cash flows from (used in) investing activities:			
Additions of intangible assets	(42)	(102)	(262)
Payments in respect to acquisition of Investment Properties and related assets and liabilities	-	(11,830)	(11,827)
Change in loan to related parties	(16,719)	(43,382)	(15,102)
Investment in shares of traded company	(61,363)	-	-
Additions to properties for development	(877)	-	-
Change in deposits and designated cash	301	(29)	(140)
Change in loan to third party	65	1,793	389
Investments in investment properties	(11,093)	(9,999)	(19,014)
Interest received and proceeds from financial participations	2,802	1,362	3,463
Proceeds from sale of investment property	10,883	32,602	46,150
Net cash flows from (used in) investing activities	<u>(76,043)</u>	<u>(29,585)</u>	<u>3,657</u>
Cash flows used in financing activities:			
Proceeds from borrowings from banks	13,556	41,125	70,871
Repayment of borrowings	(49,661)	(31,998)	(38,605)
Interest paid	(14,893)	(15,740)	(31,282)
Repayment of third parties loans	-	(100)	-
Buy back of bonds	(6,320)	(15,610)	(68,032)
Proceeds from issue of shares and buy back	-	(11)	(11)
Dividend distribution	(52)	-	(229)
Transaction with non-controlling interest	(6,293)	(3,538)	(7,060)
Net cash flows used in financing activities	<u>(63,663)</u>	<u>(25,872)</u>	<u>(74,348)</u>
Effect of change in exchange rates on cash balances hold in foreign currency	3,161	(3,367)	(1,453)
Decrease in cash and cash equivalents	(94,154)	(27,132)	(10,094)
Cash and cash equivalents at the beginning of period/year	268,665	278,759	278,759
Cash and cash equivalents at the end of period/year	<u>174,511</u>	<u>251,627</u>	<u>268,665</u>

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

Summit Properties Limited
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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. The parent company of the Group is Summit Real Estate Holdings Ltd (hereinafter: “SHL”), a company registered in Israel.

The Group owns a portfolio of investment properties in Germany and in the US. In Germany, the Group owns, enhances and operates commercial real estate assets 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 and multi-tenant residential properties in New York City.

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

NOTE 2: ACCOUNTING POLICIES

Basis of preparation:

The annual financial statements of Summit Properties Limited are prepared in accordance with IFRS as adopted by the European Union. The same accounting policies and methods of computation have been applied to the Unaudited Condensed Interim Financial Statements as in the Annual Financial Report at 31 December 2023. The presentation of the Unaudited Condensed Interim Financial Statements is consistent with the Annual Financial Report.

The Group does not operate in an industry where significant or cyclical variations, as a result of seasonal activity, are experienced during any particular financial period.

The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ as adopted by the European Union.

Going concern

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

Valuation of investment properties

For the purpose of determining the fair value of the investment properties, the Company relies on a valuation performed by independent external appraisers. In addition, at each interim reporting date, the Company examines the need to update the estimation of the fair value of its investment properties in relation to the fair value that was determined when last valuation was conducted, in order to examine whether the estimate represents an accurate estimate of fair value as of the interim reporting date. This examination is done by reviewing changes in the relevant real estate market, lease agreements, the macroeconomic environment of the investment properties, new information regarding material transactions made in the properties` environment and similar properties and any other information that may indicate changes in the fair value of the properties. If, according to the Company's estimation, there are signs with respect to certain investment properties that the fair value as of the reporting date differs materially from the fair value estimated at the last date on which the last valuation was conducted, the Company estimates the fair value of these investment properties at the interim reporting date.

Summit Properties Limited
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: ACCOUNTING POLICIES (cont.):

Valuation of investment properties (cont.)

As at 30 June 2024, the Company examined whether there were any indications that the fair value of the investment properties was materially different from the value estimated by an external appraiser during 2023. The company estimates that there were no significant changes in the value of its investment properties comparing to the last date on which the valuation was conducted.

Taxation

The tax expense for the period is based on an estimated annual effective rate, which requires management to make its best estimate of annual pre-tax income for the year. During the year, management regularly updates its estimates based on changes in various factors.

Amendments to standards affecting the current period and/or previous reporting periods that did not have a material impact on financial statements:

Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1

The amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date. The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. These amendments have no effect on the measurement of any items in the financial statements of the Company.

Summit Properties Limited
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: INVESTMENT PROPERTIES

A. Movements in the balance of investment properties

	Euro in thousands
Balance at 1 January 2023 (audited)	1,759,847
Additions during the year	54,304
Disposals during the year	(46,150)
Foreign currency translation reserve	(42,039)
Fair value adjustments during the year	(151,910)
Other	(3,930)
Balance at 31 December 2023	1,570,122
Additions during the period	17,572
Disposals during the period (B)	(10,883)
Foreign currency translation reserve	37,964
Fair value adjustments during the period	(10,142)
Balance at 30 June 2024 (unaudited)	1,604,633

B. Disposals:

During the period, certain subsidiaries of the Company sold a shopping centre and US outparcels in the amount of \$12.3 million. The total annual NOI generated by the sold properties was approximately \$0.4 million. Approximately \$2.1 million of the proceeds were used to repay the financial liabilities associated with the sold properties.

C. For additional information about investment properties and movement in the balance during the year 2023, see Note 5 of the consolidated financial statements as of 31 December 2023.

Summit Properties Limited
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4: OTHER LONG-TERM ASSETS AND LIABILITIES

	30 June		31 December
	2024	2023	2023
Euro in thousands			
<u>Other long-term financial assets:</u>			
Financial assets measured at fair value through OCI (1)	2,100	3,495	2,100
Long-term loans receivable measured at amortised cost (2)	3,093	2,579	3,086
Financial assets measured at fair value through profit and loss (3)	3,072	9,451	7,572
Other financial assets	1,726	2,207	2,391
Total long-term financial assets	<u>9,991</u>	<u>17,732</u>	<u>15,149</u>
<u>Other long-term non-financial assets:</u>	<u>2,132</u>	<u>2,320</u>	<u>2,127</u>
<u>Other long-term financial liabilities:</u>			
Other Financial liabilities (4)	<u>11,331</u>	<u>11,443</u>	<u>10,639</u>

- (1) See Note 6 of the consolidated financial statements as of 31 December 2023.
- (2) Long-term loans receivable including loans to third parties.
- (3) The Group is engaged in agreements to provide financing to several residential construction projects in Berlin. The projects are for the 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 June 30, 2024 the fair value of the loans is approximately €9.1 million, out of which, €6 million included in short term assets.
- (4) As of 30 June 2024, the balance mainly comprises of €5.7 million of tenant security deposits and €1.4 million of lease liability.

Summit Properties Limited
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: BALANCES AND TRANSACTIONS WITH RELATED PARTIES

	Receivables from related parties		Payables to related parties			
	30 June		31 December			
	2024	2023	2023		2023	
	(unaudited)		(audited)		(audited)	
	Euro in thousands					
Related parties	28,338	69,765	11,005	1,235	2,087	1,623

As of June 30, 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 Mr. Zohar Levy, was appointed as an Asset Manager on 19 May 2006.

The balance of receivables from related party as of 30 June 2024 comprised of a loan to SHL. The loan is unsecured and bears an interest rate of 3-month Libor plus a margin of 1%.

Terms and conditions of the management agreements

See note 13b of the consolidated financial statements as of 31 December 2023 for terms and conditions of the management agreements.

As of 30 June 2024, the performance criteria were met and a pro-rata provision in the amount of €375,000 was made during the period. The payment of the performance-based bonus is subject to the approval of the board of directors of the Company after the end of the respective accounting year.

NOTE 6: INTEREST - BEARING LOANS AND BORROWING

- 1) During the period, the Company obtained debt facilities secured by one of the commercial properties in the United States in the amount of approximately \$15 million for a period of 13 years, at an interest rate of approximately 7.75% fixed for the first three years of the loan.
- 2) During the period, loans in the amount of approximately \$43 million were repaid. After the end of the reporting period, additional loans in the amount of approximately \$12 million were repaid.
- 3) During the period, a subsidiary of the Company acquired approximately €6.7 million of senior fixed rate notes issued by the Company for approximately €6.3 million. The balance of the senior fixed rate notes issued, as of 30 June 2024, is approximately €182 million.

As of 30 June 2024 and to the date of this report, the borrowing entities comply with all the covenants set in their financing agreements.

Summit Properties Limited
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7: FAIR VALUE

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 fair value measurements are 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 (swaps transactions) are derived from inputs other than quoted prices that are observable for those instruments directly (i.e. as prices).
- Level 3 fair value measurements (certain long term loans receivable and unquoted equity shares) are derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). See Note 5 of the consolidated financial statements as of 31 December 2023 for the valuation approach adopted on investment properties.

	30 June 2024			
	Level 1	Level 2	Level 3	Total
	Euro in thousands			
Non-financial assets				
Investment properties (Note 3)	-	-	1,604,633	1,604,633
Financial assets				
Financial assets measured at fair value through profit and loss (Note 4)	-	-	9,072	9,072
Financial assets at FVTOCI			2,100	2,100
Ordinary shares traded in public market at fair value through profit and loss (1)	57,846	-	-	57,846
Total	57,846	-	1,615,805	1,673,651

(1) During the period, 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.

Summit Properties Limited
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7: FAIR VALUE (Cont.)

Fair value measurements recognised in the statement of financial position (Cont.):

	30 June 2023			
	Level 1	Level 2	Level 3	Total
	Euro in thousands			
Non-financial assets				
Investment properties (Note 3)	-	-	1,694,597	1,694,597
Financial assets				
Financial assets measured at fair value through profit and loss (Note 4)	-	-	10,951	10,951
Financial assets at FVTOCI	-	-	3,495	3,495
Total	-	-	1,709,043	1,709,043

	31 December 2023			
	Level 1	Level 2	Level 3	Total
	Euro in thousands			
Non - Financial assets:	-	-	1,570,122	1,570,122
Investment properties (note 5)				
Financial assets				
Financial assets measured at fair value through profit and loss (a)	-	-	9,072	9,072
Financial assets at FVTOCI	-	-	2,100	2,100
Total	-	-	1,581,294	1,581,294

NOTE 8: FINANCIAL EXPENSES (INCOME)

	Six months ended 30 June		Year ended 31 December
	2024	2023	2023
	Euro in thousands		
Financial expenses:			
Interest on borrowings	14,418	15,516	30,527
Amortization of cost of raising loans	1,372	1,704	3,116
Other (*)	1,039	2,625	2,955
Total financial expenses	16,829	19,845	36,599
Financial income:			
Total financial income	5,444	3,901	11,600

(*) Including currency exchange expenses, net

Summit Properties Limited

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9: EARNINGS PER-SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Six months ended 30 June		Year ended 31 December
	2024	2023	2023
	Euro in thousands		
Earnings (loss)			
Earnings (loss) for the purposes of basic earnings per share being net (loss) profit attributable to owners of the Company	16,476	(9,810)	(42,390)

Number of shares

Weighted average number of ordinary shares for the purposes of the basic earnings per share

	Six months ended 30 June		Year ended 31 December
	2024	2023	2023
	in thousands		
	321,715	321,720	321,722

NOTE 9: EARNINGS PER-SHARE (cont):

	Six months ended 30 June		Year ended 31 December
	2024	2023	2023
	(Unaudited)		(Audited)
Earnings (loss) per share:			
Basic (Euro per share)	0.051	(0.030)	(0.132)
Diluted (Euro per share)	0.051	(0.030)	(0.132)

There is no difference between basic and diluted earnings per share over the periods.

NOTE 10: EQUITY

- A. The authorized share capital of the Company is represented by an unlimited number of ordinary shares with no par value.

	Issued and outstanding Number of shares
At 1 January 2023	321,722,372
Change in the period	-
At 30 June 2023	321,722,372
Change in the period	(7,777)
At 31 December 2023	321,714,595
Change in the period	-
At 30 June 2024	321,714,595

Summit Properties Limited
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10: EQUITY (Cont.)

B. Distributable reserve:

The directors have elected to transfer the premium arising from the issue of ordinary shares by the Company to a distributable reserve, which is included in other reserves.

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.

C. Transaction with non-controlling interest:

Further to the information included in Note 5C.1.b and Note 11D of the consolidated financial statements as of 31 December 2023, during 2024, the US Subsidiary and the Local Manager have agreed to amend the Agreements, in a way that the assets will be directly self-managed by a subsidiary of the US Subsidiary, while the scope of services provided by the Local Manager will be solely limited to legal and marketing consultancy services.

In addition, 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 resulted in an increase of approximately \$35 million in the equity attributable to the owners of the Company.

Summit Properties Limited
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11: 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 investment properties- Leasing property for rental income in the US.

Segment E – Other.

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.

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.

Six months ended 30 June 2024:

	Investment Properties Germany	Commercial Investment Properties USA	Residential Investment Properties USA	Hotel Investment Properties USA	Other	Total
	Euro in thousands					
Income	11,647	43,756	25,349	8,103	3,867	92,722
Segment profit (*)	4,036	21,223	5,172	-	1,047	31,478
Expenses not allocated to the segment						-
Operating Profit						31,478
Finance expenses, net	2,337	(7,776)	(5,235)	-	(711)	(11,385)
Profit (Loss) before taxes on income	6,373	13,447	(63)	-	336	20,093
(*) Includes revaluation loss of investment properties	(3,128)	(2,686)	(4,328)	-	-	(10,142)

Summit Properties Limited
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11: OPERATING SEGMENTS (Cont.):

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

30 June 2024:

	Investment Properties Germany	Commercial Investment Properties USA	Residential Investment Properties USA	Hotel Investment Properties USA	Other	Total
	Euro in thousands					
Segment assets	645,766	638,742	535,322	32,718	96,626	1,949,174
Assets not allocated to the segment						-
Total assets						<u>1,949,174</u>
Segment liabilities	239,743	155,245	347,683	6,535	-	749,206
Liabilities not allocated to the segment						118,803
Total Liabilities						<u>868,009</u>

Six months ended 30 June 2023:

	Investment Properties Germany	Commercial Investment Properties USA	Residential Investment Properties USA	Hotel Investment Properties USA	Other	Total
	Euro in thousands					
Income	11,029	47,617	24,461	10,297	1,637	95,041
Segment (loss) profit (*)	(43,274)	30,536	8,267	-	466	(4,005)
Expenses not allocated to the segment						-
Operating loss						<u>(4,005)</u>
Finance expenses, net	(1,766)	(8,939)	(5,239)	-	-	<u>(15,944)</u>
(Loss) Profit before taxes on income	(45,040)	21,597	3,028	-	466	<u>(19,949)</u>
(*) Includes revaluation (loss) gain of investment properties	(49,968)	214	(2,532)	-	-	<u>(52,286)</u>

Summit Properties Limited
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11: OPERATING SEGMENTS (Cont.):

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

30 June 2023:

	Investment Properties Germany	Commercial Investment Properties USA	Residential Investment Properties USA	Hotel Investment Properties USA	Other	Total
	Euro in thousands					
Segment assets	801,926	699,294	535,439	26,110	30,781	2,093,640
Assets not allocated to the segment						-
Total assets						<u>2,093,640</u>
Segment liabilities	275,150	193,603	341,587	7,092	-	817,432
Liabilities not allocated to the segment						135,613
Total Liabilities						<u>953,045</u>

Year ended 31 December 2023:

	Investment Properties Germany	Commercial Investment Properties USA	Residential Investment Properties USA	Hotels Investment Properties USA	Other	Total
	Euro in thousands					
Income	22,609	91,045	48,567	23,513	5,161	190,895
Segment profit (loss) (*)	(71,621)	7,029	972	-	1,247	(62,373)
Expenses not allocated to the segment						-
Operating loss						<u>(62,373)</u>
Finance expenses, net	1,800	(16,236)	(10,563)	-	-	<u>(24,999)</u>
Profit (loss) before taxes on income	(69,821)	(9,207)	(9,591)	-	1,247	<u>(87,372)</u>
(*) Includes revaluation gain of investment properties	<u>(83,568)</u>	<u>(49,662)</u>	<u>(18,680)</u>	-	-	<u>(151,910)</u>

Summit Properties Limited
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11: OPERATING SEGMENTS (Cont.):

Year ended 31 December 2023:

	Investment Properties Germany	Commercial Investment Properties USA	Residential Investment Properties USA	Hotels Investment Properties USA	Other	Total
	Euro in thousands					
Segment assets	744,941	631,064	517,572	28,185	9,820	1,931,582
Assets not allocated to the segment						-
Total assets						<u>1,931,582</u>
Segment liabilities	245,673	183,094	332,559	5,848	-	767,174
Liabilities not allocated to the segment						116,315
Total Liabilities						<u>883,489</u>