

 FRIDAY, 05/09/2025 - Scope Ratings GmbH

Scope affirms BB/Stable issuer rating on Summus Capital OÜ

The affirmation reflects Summus' solid operating performance and successful expansion into Poland, without credit metrics moving beyond Scope's expectations.

The latest information on the rating, including rating reports and related methodologies, [is available on this LINK.](#)

Rating action

Scope Ratings GmbH (Scope) has today affirmed its BB/Stable issuer rating on Summus Capital OÜ (Summus). Scope has also affirmed the senior unsecured debt rating of BB.

The full list of rating actions and rated entities is at the end of this rating action release.

Key rating drivers

Business risk profile: BB (unchanged). The business risk profile is underpinned by Summus' balanced and high-quality commercial property portfolio, which has expanded beyond the Baltics into Poland.

Summus remains modest in scale in the European context, with Scope-adjusted total assets* of EUR 537m (up 32% YoY) and a net leasable area of 257,931 sq m as of end-December 2024. The growth was primarily driven by the acquisition of two office properties in Poland, with a combined value of EUR 102m.

The company benefits from a more balanced diversification profile, with properties

spanning across the Baltics (Estonia, Latvia and Lithuania, which together account for 80% of the portfolio total value) and Poland. Segment-wise, the portfolio remains skewed towards retail (51%), office (42%), and industrial (7%) properties. Geographic expansion has broadened the footprint, reducing dependence on the Baltic capitals, while tenant diversification is underpinned by a base of over 435 tenants, with the top 10 contributing 37% of rental income.

The occupancy rate stood strong at 98% (up 1.5pp YoY), and the weighted average unexpired lease term increased to approximately 5 years (2023: 4.3 years), evidencing sustained tenant demand and ensuring solid near-term visibility.

Profitability, as measured by the EBITDA margin, reached 88% in 2024 (up 1.2pp YoY). Summus' profitability remains above that of comparable real estate peers, supported by its disciplined cost control, lean cost structure and energy efficiency measures taken. Scope expects profitability to sustain above 85%, driven by continued strong operating performance, high occupancy rates and the high share of CPI-linked lease contracts.

Financial risk profile: BB (unchanged). The financial risk profile reflects Summus' moderate credit metrics, although with reduced headroom in light of planned portfolio expansion in the near term.

Leverage, measured by the loan/value ratio, stood at 57% at YE 2024, reflecting the debt-financing associated with the Polish properties acquisitions, and temporarily inflated by a short-term VAT facility. Excluding this VAT facility, which was repaid

in Q1 2025, leverage was closer to 54%.

Scope's base case assumes that leverage will approach 60% in connection with the company's planned portfolio expansion.

While new acquisitions, if executed, could momentarily lead to an increase in leverage, Scope does not expect this level to persist on a sustained basis. Moreover, Scope does not expect material downward pressure from property revaluations in its base case.

Debt protection, as measured by EBITDA interest cover, stood at 2.1x in 2024 (2023: 2.4x), reflecting the impact of debt-funded acquisitions and higher funding costs from refinancing transactions completed in Q2 2024. Scope notes the timing mismatch from the Polish acquisitions (closed in December 2024), which contributed only two weeks of rental income in that year.

Scope expects interest cover to remain around 2x going forward, supported by the full EBITDA contribution of properties acquired in December 2024 and rental growth expectations, partly offsetting the impact of higher funding costs from refinancing transactions and newly raised debt.

Thanks to reliable cash flow generation and moderate recurring capex requirements, Summus' reliance on external financing is moderate.

Liquidity: adequate (unchanged). Summus' liquidity is adequate, supported by cash sources (EUR 13.2m as of end-December 2024 and forecasted FOCF of EUR 33.7m), which sufficiently cover EUR 25.4m of debt due in the 12 months to end-2025. Notably, in Q1 2025, Summus repaid the acquisitions-related VAT facility of EUR 15.9m.

Summus demonstrates good access to debt capital markets and secured lending, as evidenced by recent transactions completed. The company's proactive refinancing stance and long-dated debt maturity profile supports Scope's view that liquidity and refinancing risks are manageable.

Supplementary rating drivers: credit-neutral (unchanged). Supplementary rating drivers have no impact on the issuer rating.

Outlook and rating sensitivities

The **Stable Outlook** reflects Scope's expectation that Summus will continue to deliver solid operating performance and maintain moderate credit metrics, with loan/value ratio not exceeding 60% on a sustained basis and EBITDA interest cover remaining above 2x. This view is supported by Summus' resilient operating cash flows, high occupancy rates and predictable recurring rental income.

The Stable Outlook also reflects Summus' regional expansion strategy, supported by the EUR 30m bond issuance in June 2025 and the potential for additional debt. While these initiatives are expected to strengthen the company's scale and diversification over time, Scope assumes that expansion will be pursued without compromising current credit metrics. Scope expects the issuer to adhere to its implicit deleveraging financial policy, funding acquisitions through a balanced mix of equity and debt. Furthermore, the company is anticipated to maintain a high proportion of fixed-rate debt and minimise negative carry from undeployed funds.

The **upside scenarios** for the ratings and Outlook are (collectively):

1. Loan/value ratio reducing towards 50% (remote for the time being), supported by a more stringent financial policy.
2. Significant improvement in Summus' business risk profile, i.e. increase in size, reduced portfolio and tenant concentration, while maintaining moderate credit metrics.

The **downside scenarios** for the ratings and Outlooks are (individually):

1. Loan/value ratio above 60% on a sustained basis.
2. EBITDA interest cover below 2x on a sustained basis.

Debt rating

Scope has affirmed the BB senior unsecured debt rating, in line with the issuer rating. Scope's recovery analysis suggests an 'above-average' recovery for outstanding senior unsecured debt in a hypothetical default scenario in 2026, based on Summus' distressed estimated liquidation value. This includes a 35% market value decline on Summus' investment properties (equivalent to a 'BB' category stress) and a 10% deduction for liquidation costs. However, the debt rating is capped at the issuer level, given the high sensitivity to property advance rates, with recovery expectations falling to 'average' under slightly higher implied haircuts.

Environmental, social and governance (ESG) factors

Overall, ESG factors have no impact on this credit rating action.

All rating actions and rated entities

Summus Capital OÜ

Issuer rating: BB/Stable, affirmation

Senior unsecured debt rating: BB, affirmation

**All credit metrics refer to Scope-adjusted figures.*

Stress testing & cash flow analysis

No stress testing was performed. Scope Ratings performed its standard cash flow forecasting for the company.

Methodology

The methodologies used for these Credit Ratings and/or Outlook, (General Corporate Rating Methodology, 14 February 2025; European Real Estate Rating Methodology, 2 June 2025), are available on scoperatings.com/governance-and-policies/rating-governance/methodologies.

Information on the meaning of each Credit Rating category, including definitions of default, recoveries, Outlooks and Under Review, can be viewed in 'Rating Definitions – Credit Ratings, Ancillary and Other Services', published on scoperatings.com/governance-and-policies/rating-governance/definitions-and-scales. Historical default rates of the entities rated by Scope Ratings can be viewed in the Credit Rating performance report at scoperatings.com/governance-and-policies/regulatory/eu-regulation. Also refer to the central platform (CEREP) of the European Securities and Markets Authority (ESMA): registers.esma.europa.eu/cerep-publication/. A comprehensive clarification of Scope Ratings' definitions of default and Credit Rating notations can be found at scoperatings.com/governance-and-policies/rating-governance/definitions-and-scales. Guidance and information on how environmental, social or governance factors (ESG factors) are incorporated into the Credit Rating can be found in the respective sections of the methodologies or guidance documents provided on scoperatings.com/governance-and-policies/rating-governance/methodologies.

The Outlook indicates the most likely direction of the Credit Ratings if the Credit Ratings were to change within the next 12 to 18 months.

Solicitation, key sources and quality of information

The Rated Entity and/or its Related Third Parties participated in the Credit Rating process.

The following substantially material sources of information

were used to prepare the Credit Ratings: public domain, the Rated Entity and Scope Ratings' internal sources. Scope Ratings considers the quality of information available to Scope Ratings on the Rated Entity or instrument to be satisfactory. The information and data supporting these Credit Ratings originate from sources Scope Ratings considers to be reliable and accurate. Scope Ratings does not, however, independently verify the reliability and accuracy of the information and data.

Prior to the issuance of the Credit Rating action, the Rated Entity was given the opportunity to review the Credit Ratings and/or Outlook and the principal grounds on which the Credit Ratings and/or Outlook are based. Following that review, the Credit Ratings and/or Outlook were not amended before being issued.

Regulatory disclosures

These Credit Ratings and/or Outlook are issued by Scope Ratings GmbH, Lennéstraße 5, D-10785 Berlin, Tel +49 30 27891-0. The Credit Ratings and/or Outlook are UK-endorsed.

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The Credit Ratings/Outlook were first released by Scope Ratings on 3 September 2021. The Credit Ratings/Outlook were last updated on 4 September 2024.

Potential conflicts

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