

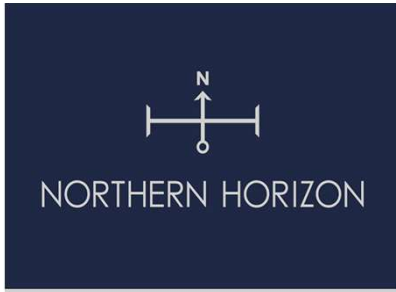


NORTHERN HORIZON

BALTIC HORIZON FUND ANNUAL GENERAL MEETING

26 May 2020





BALTIC HORIZON

SITUATION OVERVIEW IN BALTIC STATES

○ Lithuania:

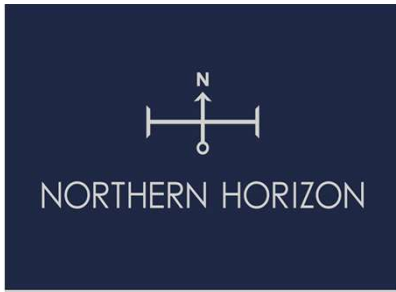
- First case of COVID-19: 28/02/2020
- Quarantine start and expected end: 16/03/2020 – 31/05/2020
- Start of rent compensation mechanism – 04/05/2020

○ Latvia:

- First case of COVID-19: 02/03/2020
- Quarantine start and expected end : 13/03/2020 – 09/06/2020
- No rent compensation mechanism announced yet

○ Estonia:

- First case of COVID-19: 27/02/2020
- Quarantine duration: 13/03/2020 – 17/05/2020
- Rent compensation mechanism announced for June – 25/04/2020



BALTIC HORIZON

RETAIL SITUATION OVERVIEW IN BALTIC STATES

○ Lithuania:

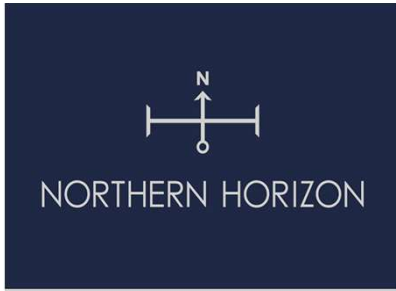
- Government has re-opened shopping centers on 23th April 2020
- Footfall decrease in Baltic Horizon shopping centers (YoY): March -44%; April -70%; 24 May -58%
- Turnover change in Baltic Horizon CBD shopping center (YoY): April -80%; neighborhood shopping center (YoY): April -35%

○ Latvia:

- Government has re-opened shopping centers on 12th May 2020
- Footfall decrease in Baltic Horizon shopping centers (YoY): March -41%; April -73%; 24 May -66%
- Turnover change in Baltic Horizon CBD shopping center (YoY): April -78%; neighborhood shopping center (YoY): April +3%

○ Estonia:

- Government has re-opened shopping centers on 11th May 2020
- Footfall decrease in Baltic Horizon shopping centers (YoY): March -43%; April -70%; 24 May -46%
- Turnover change in Baltic Horizon CBD shopping center (YoY): April -85%



BALTIC HORIZON

RENT COST COMPENSATION MECHANISMS IN BALTICS

○ Lithuania:

- Government is considering a compensation of 50% of monthly rent if landlord provides rental discount of at least 30%, resulting in minimum savings to tenant of 80%. Compensation will be paid directly to the landlord
- Duration of the program - during quarantine and 2 months afterwards
- Quantum of the program EUR 100m

○ Latvia:

- No rent compensation mechanism for private businesses is announced yet. Target is 40% coverage of rent.

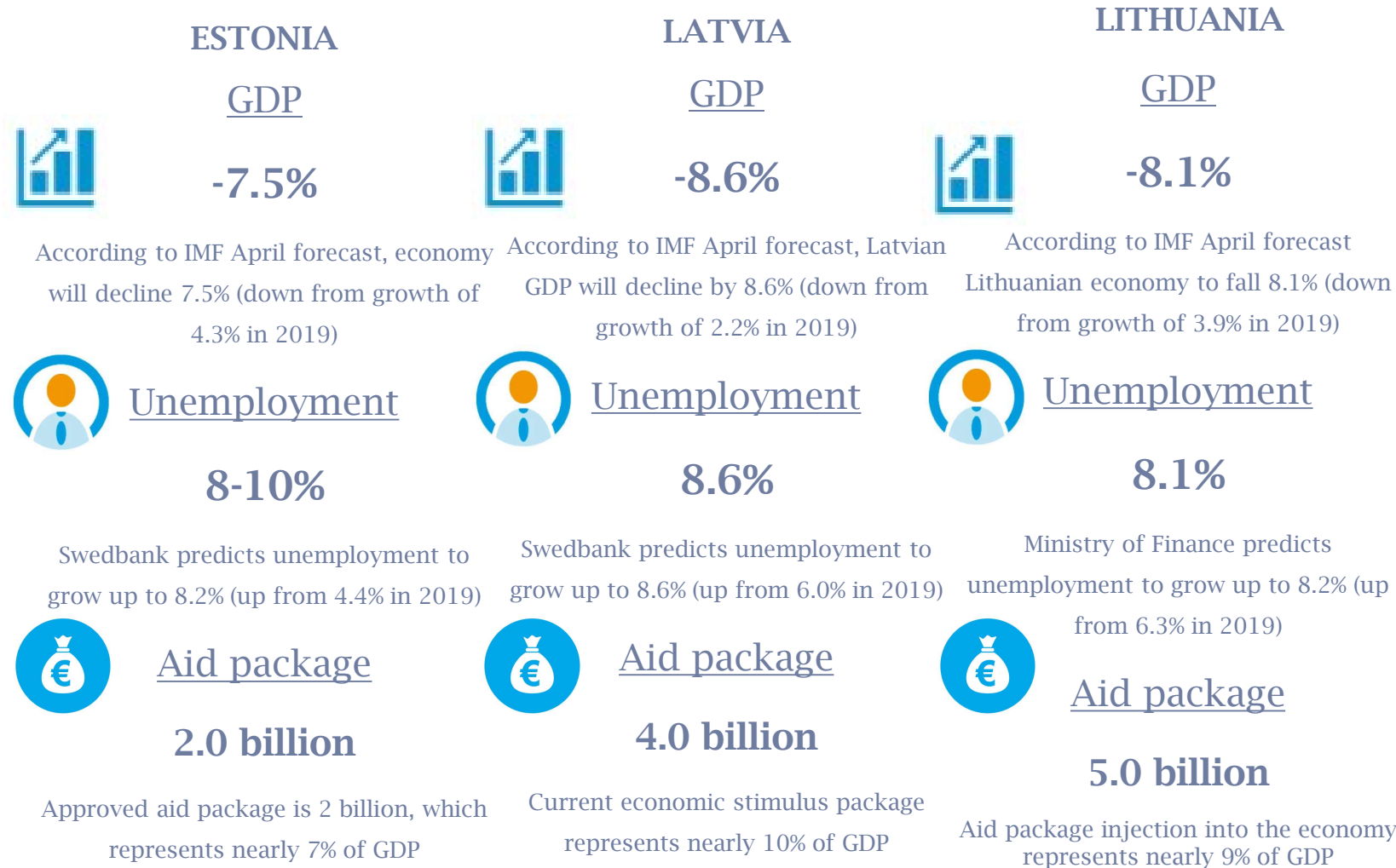
○ Estonia:

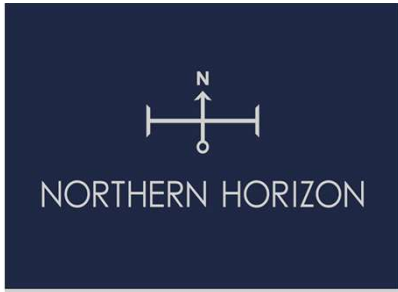
- Government support for a single affected tenant would be capped at 25% of monthly rent provided that landlord gives a rental discount of at least 25%, resulting in minimum savings of 50% to the tenant
- Program currently approved for the month of June

○ **Expected maximum monthly pay-out to Baltic Horizon would be equivalent to ca. EUR 140k (6.6% of total portfolio income)**



COVID-19 EFFECT ON BALTICS ECONOMY





ACTIVE ASSET MANAGEMENT



Vilnius, Lithuania

Number of properties	6
Investment portfolio fair value (EUR '000)	122,975
Net leasable area (sq. m.)	60,744
Direct property yield (%)	7.2%
Occupancy rate (%)	98.3%



Riga, Latvia

Number of properties	5
Investment portfolio fair value (EUR '000)	143,347
Net leasable area (sq. m.)	49,239
Direct property yield (%)	6.6%
Occupancy rate (%)	98.3%



Tallinn, Estonia

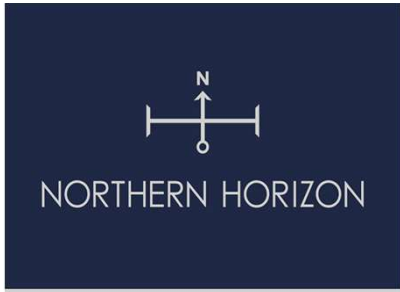
Number of properties	5
Investment portfolio fair value (EUR '000)	92,620
Net leasable area (sq. m.)	43,367
Direct property yield (%)	5.9%
Occupancy rate (%)	97.2%



Total Baltic Horizon Fund portfolio

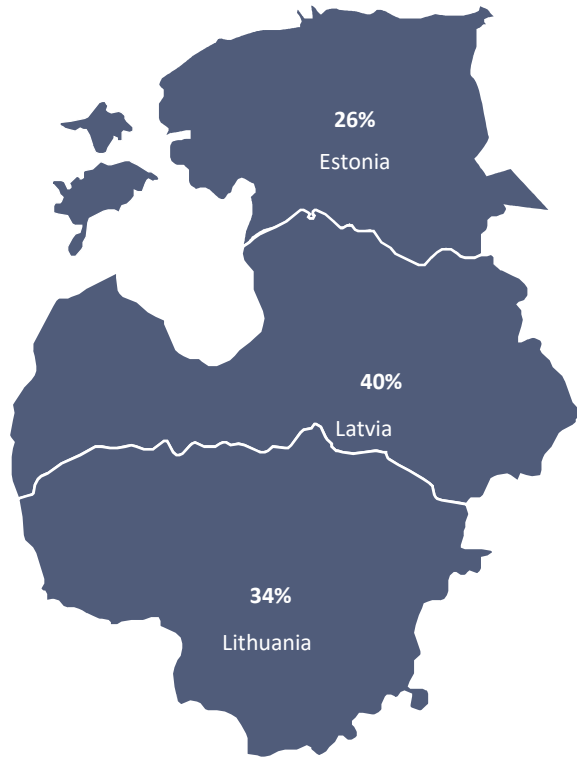
Number of properties	16
Investment portfolio fair value (EUR '000)	358,942
Net leasable area (sq. m.)	153,350
Direct property yield (%)	6.6%
Occupancy rate (%)	98.0%

Properties includes 15 established cash flow properties and Meraki development project.

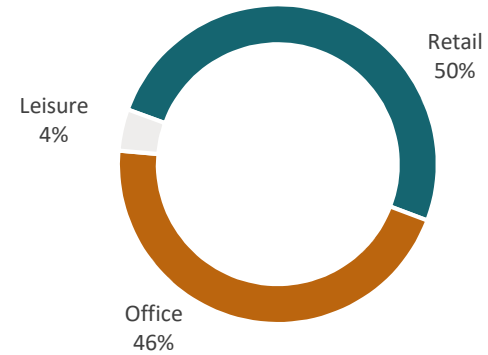


BALTIC HORIZON'S PROPERTY PORTFOLIO BREAKDOWN

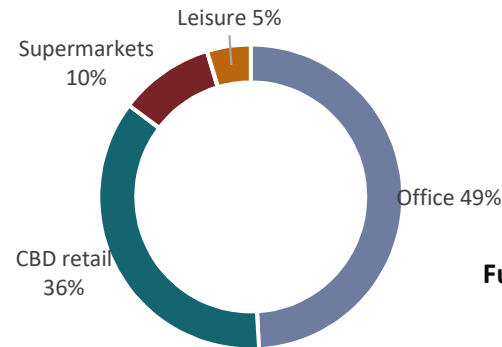
Fund country allocation as of 31 March 2020



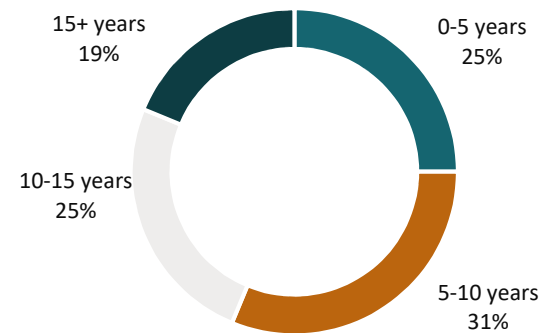
Fund segment allocation as of 31 March 2020



NOI breakdown



Fund portfolio by age as of 31 March 2020*

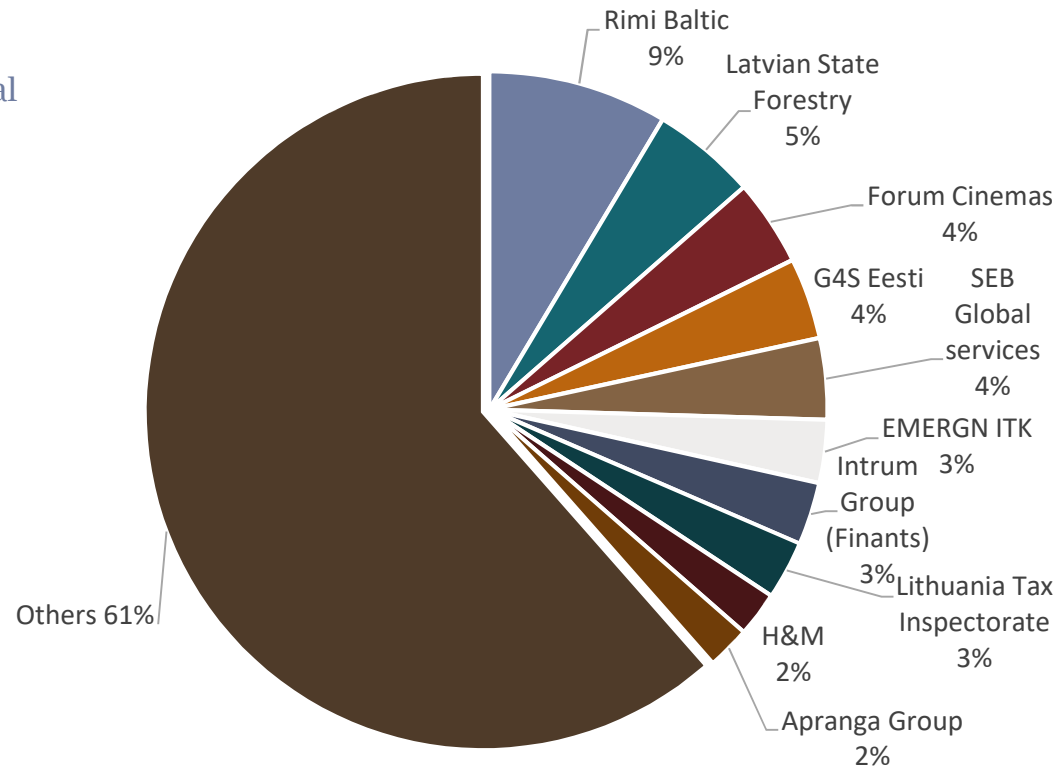


* The graph above shows the age of assets in the Fund's portfolio since construction or last major refurbishment



BALTIC HORIZON TOP TENANTS (% FROM RENTAL INCOME)

Top tenants are strong international anchors with a stable income

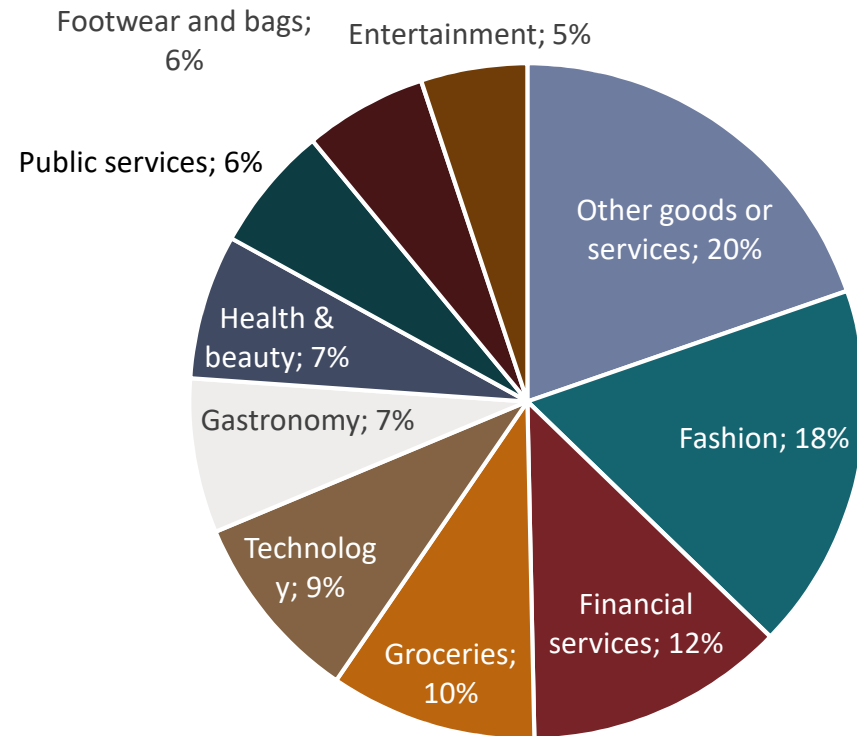


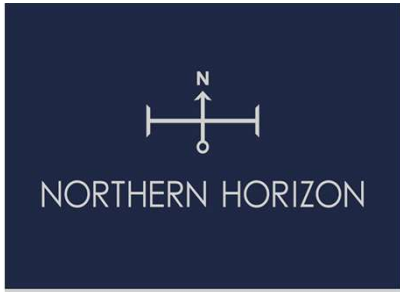


BALTIC HORIZON TOP TENANTS BY SEGMENT (% FROM RENTAL INCOME)

58% of rental income comes from private companies tenants, 30% from public and approximately 12% from government related companies.

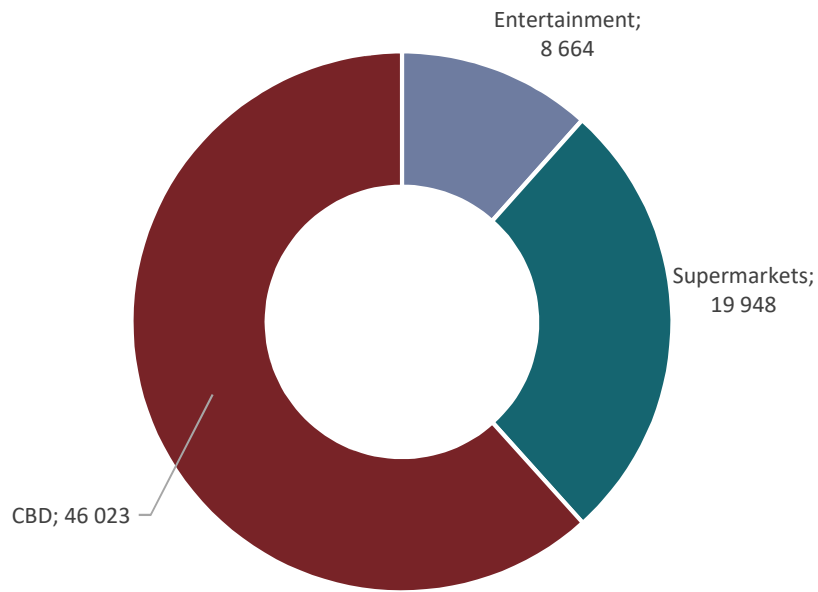
Tenants are well diversified amongst different segments.



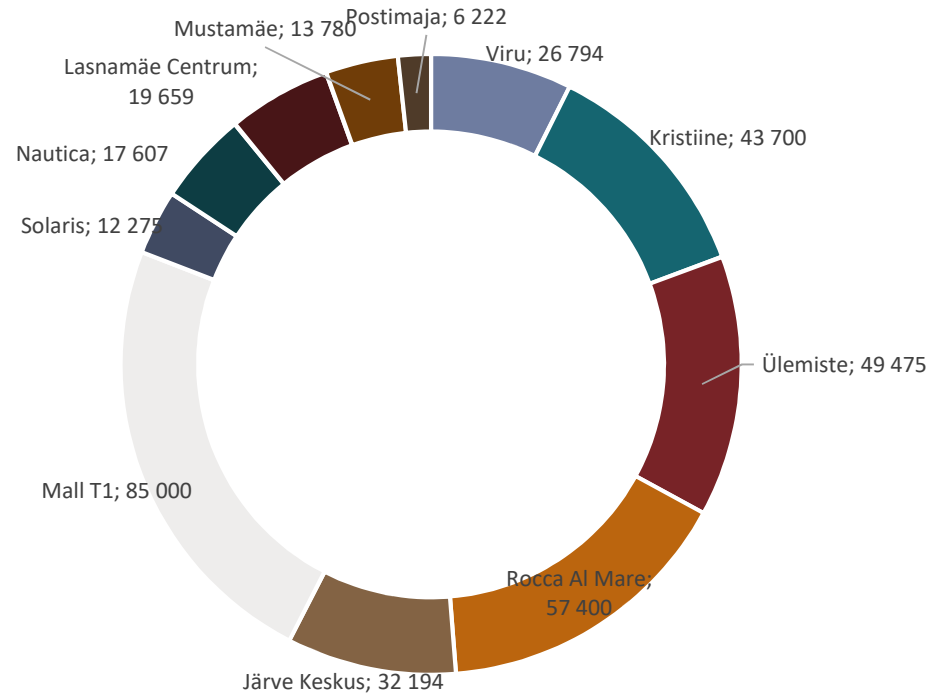


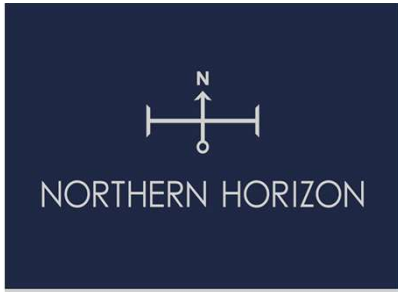
BALTIC HORIZON RETAIL PROPERTIES

Baltic Horizon retail, NLA (m²)



Shopping centers in Tallinn, GLA (m²)





GENERATED NET CASH FLOW (GNCF)

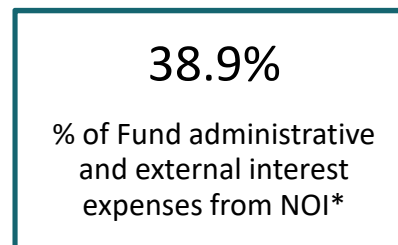
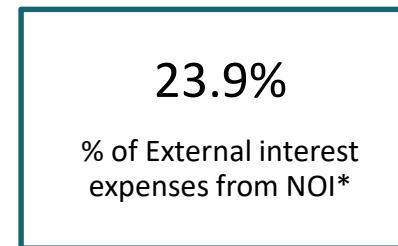
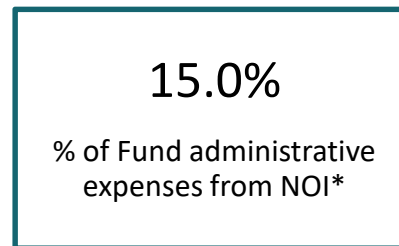
- Generated net cash flow is expected to be negatively affected in 2020 due to COVID-19 outbreak

- Situation is still uncertain and recovery is dependent on government support measures, consumer confidence levels and tourism rebound

- Like to like increase Q1 was 2,8%:

- 2,7% retail, 2,6% Office, 5,5% leisure

Item	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
(+) Net rental income (NOI)	3,916	4,256	5,412	5,635	5,772
(-) Fund administrative expenses	(709)	(817)	(879)	(846)	(889)
(-) External interest expenses	(869)	(1,043)	(1,295)	(1,346)	(1,335)
(-) CAPEX expenditure	(68)	(180)	(178)	(225)	(92)
(+) Added back listing related expenses	3	51	60	-	39
(+) Added back acquisition related expenses	63	39	16	-	-
Generated net cash flow (GNCF)	2,336	2,306	3,136	3,218	3,495



* Based on Q4 2019 financial results.

FINANCIAL RESULTS FOR Q1 2020

KEY FIGURES

IFRS NAV per unit

EUR 1.3452

31.12.2019: EUR 1.3451

EPRA NAV per unit

EUR 1.4349

31.12.2019: EUR 1.4333

Earnings per unit

EUR 0.03

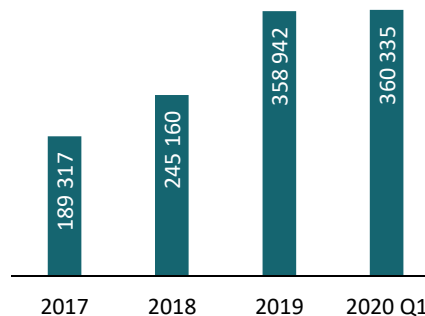
Q1 2019: EUR 0.03

Gross dividend yield (%)¹

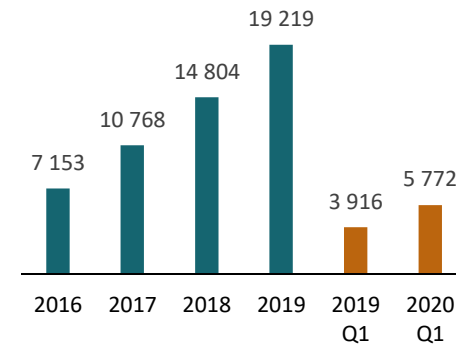
9.6%

31.12.2019: 8.0%

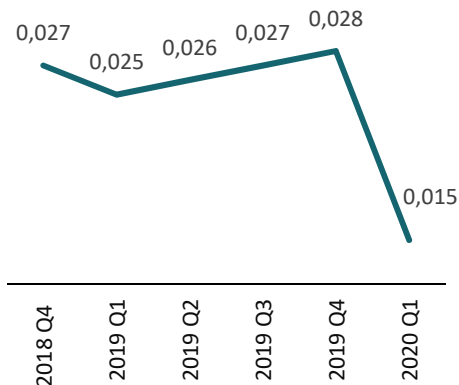
Investment portfolio value (EUR '000)



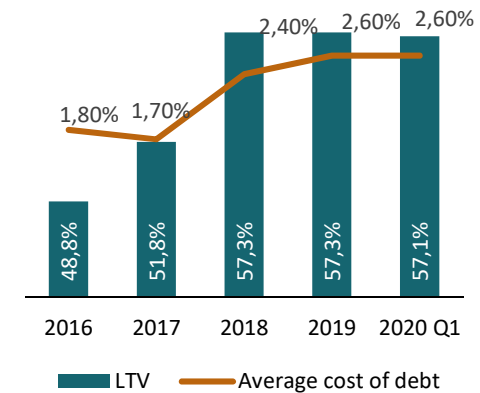
Net rental income (EUR '000)



Dividends (EUR per unit)



LTV and average cost of debt (%)



1. Gross dividend yield is based on the closing market price of the unit as at the end of the year (Q1 2020: closing market price of the unit as of 31 March 2020).

FINANCIAL RESULTS FOR Q1 2020

FINANCIAL PERFORMANCE

- During the quarter, the Group recorded net rental income of EUR 5.8 million against EUR 3.9 million in Q1 2019. The increase was achieved through new acquisitions that were made following the capital raisings in 2019.
- On an EPRA like-for-like basis, portfolio net rental income over the year increased by 2.8% mainly due to stronger performance in the Estonian and Latvia markets.

EUR '000	Q1 2020	Q1 2019	Change (%)
Rental income	6,209	4,151	49.6%
Service charge income	1,356	763	77.7%
Cost of rental activities	(1,793)	(998)	79.7%
Net rental income	5,772	3,916	47.4%
Administrative expenses	(889)	(709)	25.4%
Other operating income	8	6	33.3%
Valuation gains (losses) on investment properties	(4)	-	-
Operating profit	4,887	3,213	52.1%
Financial income	1	2	(50.0%)
Financial expenses	(1,377)	(899)	53.2%
Net financing costs	(1,376)	(897)	53.4%
Profit (loss) before tax	3,511	2,316	51.6%
Income tax charge	(157)	(143)	9.8%
Profit for the period	3,354	2,173	54.3%

FINANCIAL RESULTS FOR Q1 2020

ASSETS AS OF 31/03/2020

- Total investment value increased to EUR 360.3 million. During the quarter, the Group invested EUR 0.1 million in the existing property portfolio and an additional EUR 1.3 million in the Meraki development project.
- At the end of Q1 2020, the GAV increased to EUR 373.3 million which was a rise of 0.4% over the quarter.

EUR '000	31.03.2020	31.12.2019
Non-current assets		
Investment properties	356,666	356,575
Investment property under construction	3,669	2367
Derivative financial instruments	29	73
Other non-current assets	55	54
Total non-current assets	360,419	359,069
Current assets		
Trade and other receivables	2,291	1,794
Prepayments	358	301
Other current assets	893	734
Cash and cash equivalents	9,384	9,836
Total current assets	12,926	12,665
Total assets	373,345	371,734

FINANCIAL RESULTS FOR Q1 2020

EQUITY & LIABILITIES AS OF 31/03/2020

- At the end of Q1 2020, the Fund NAV was EUR 152.5, remaining stable as compared to the end of 2019.
- The increase in operational performance over the quarter was offset by a EUR 3.2 million dividend distribution to the unitholders and a negative cash flow hedge reserve movement of EUR 0.2 million.

EUR '000	31.03.2020	31.12.2019
Equity		
Paid in capital	138,064	138,064
Cash flow hedge reserve	-1,721	-1,556
Retained earnings	16,189	16,010
Total equity	152,532	152,518
Non-current liabilities		
Interest bearing loans and borrowings	205,661	205,718
Deferred tax liabilities	6,343	6,199
Derivative financial instruments	1,862	1,728
Other non-current liabilities	1,327	1,298
Total non-current liabilities	215,193	214,943
Current liabilities		
Interest bearing loans and borrowings	405	414
Trade and other payables	4,546	3,171
Income tax payable	-	8
Other current liabilities	669	680
Total current liabilities	5,620	4,273
Total liabilities	220,813	219,216
Total equity and liabilities	373,345	371,734

FINANCIAL RESULTS FOR Q1 2020

PROPERTY PERFORMANCE

EUR '000	Sector	Fair value ¹ EUR '000	Direct property yield ²	Net initial yield ³	Occupancy rate for Q1 2020
Duetto I	Office	16,460	7.5%	6.8%	100.0% ⁴
Duetto II	Office	18,935	7.3%	7.1%	100.0% ⁴
Europa SC	Retail	40,721	6.2%	5.7%	95.1%
Domus Pro Retail Park	Retail	16,670	7.7%	7.2%	97.5%
Domus Pro Office	Office	7,740	8.7%	7.3%	100.0%
North Star	Office	20,104	7.0%	7.3%	100.0%
Meraki Development	-	3,669	-	-	-
Total Vilnius		124,299	7.1%	6.6%	98.2%
Upmalas Biroji BC	Office	24,209	7.5%	7.4%	100.0%
Vainodes I	Office	20,902	6.8%	6.9%	100.0%
LNK Centre	Office	17,007	6.4%	6.5%	100.0%
Sky SC	Retail	4,851	7.7%	8.0%	98.4%
Galerija Centrs	Retail	76,408	6.0%	5.9%	93.0%
Total Riga		143,377	6.5%	6.4%	97.0%
Postimaja & CC Plaza	Retail	32,250	4.5%	4.8%	95.6%
Postimaja & CC Plaza	Leisure	15,150	9.0%	7.1%	100.0%
G4S Headquarters	Office	17,550	7.8%	6.9%	100.0%
Lincona	Office	17,820	8.2%	7.3%	100.0%
Pirita SC	Retail	9,889	6.0%	7.5%	86.5%
Total Tallinn		92,659	6.5%	6.3%	97.3%
Total portfolio		360,335	6.7%	6.5%	97.6%

1. Based on the latest valuation as at 31 December 2019 and recognised right-of-use assets.
2. Direct property yield (DPY) is calculated by dividing NOI by the acquisition value and subsequent capital expenditure of the property.
3. The net initial yield (NIY) is calculated by dividing NOI by the market value of the property.
4. Effective occupancy rate is 100% due to a rental guarantee.



FINANCING SUMMARY

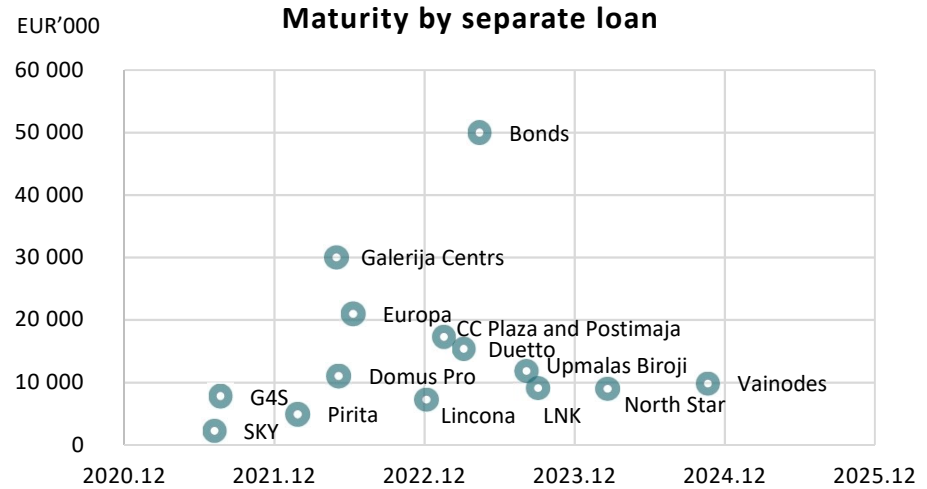
AS OF 31 MARCH 2020

57.1%
LTV

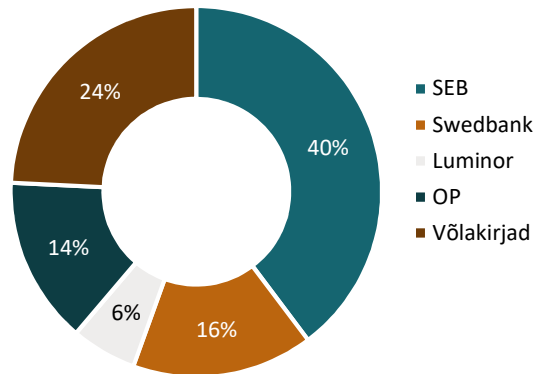
2.6%
Cost of debt

0.2%
Annual debt amortization

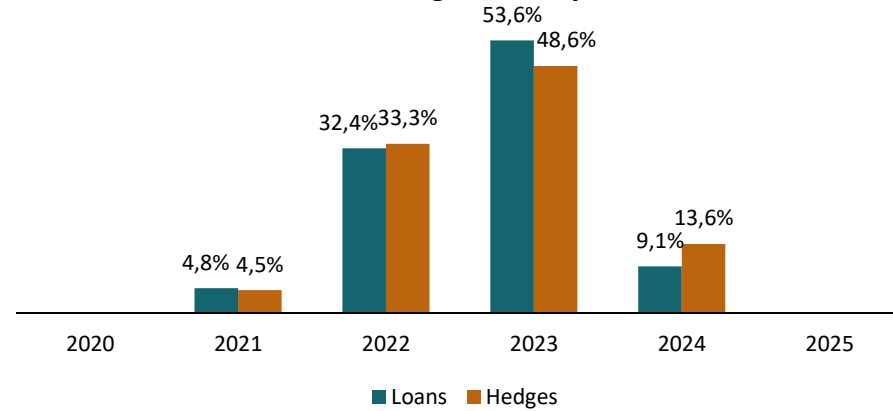
2.9 years
Weighted debt maturity



Diversification by creditor



Loan and hedge maturity terms

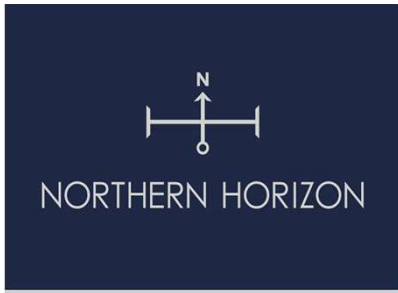


FINANCIAL DEBT STRUCTURE OF THE FUND AS OF 31/03/2020

- On 7 May 2020, S&P Global Ratings placed Baltic Horizon Fund “MM3” mid-market evaluation (MME rating) on CreditWatch with negative implications.

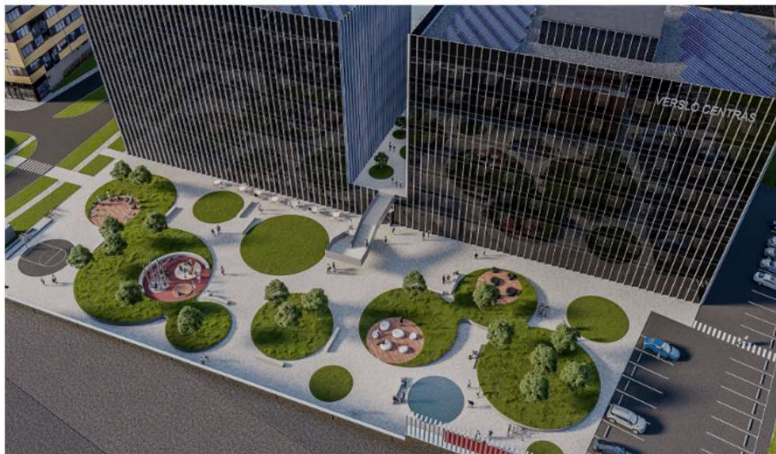
Property	Maturity	Carrying amount EUR'000	% of total	Fixed rate portion
Galerija Centrs	26 May 2022	30,000	14.5%	100%
Europa SC	5 July 2022	20,900	10.1%	88%
CC Plaza and Postimaja	12 February 2023	17,200	8.3%	100% ¹
Duetto I and II	31 March 2023	15,376	7.5%	47% ²
Upmalas Biroji BC	31 August 2023	11,750	5.7%	90%
Domus Pro	31 May 2022	11,000	5.3%	65%
Vainodes I	13 November 2024	9,842	4.8%	50%
LNK	27 September 2023	9,076	4.4%	64%
North Star	15 March 2024	9,000	4.4%	-%
G4S Headquarters	16 August 2021	7,750	3.8%	100%
Lincona	31 December 2022	7,188	3.5%	95%
Pirita SC	20 February 2022	4,944	2.4%	122%
Sky SC	1 August 2021	2,254	1.1%	-%
Total bank loans		156,280	75.8%	78%
Less capitalized loan arrangement fees ³		-302		
Total bank loans recognised in the statement of financial position		155,978		
5 year-unsecured bonds	08 May 2023	50,000	24.2%	100%
Less capitalized bond arrangement fees ³		-213		
Total debt recognised in the statement of financial position		205,765	100.0%	83%

1. CC Plaza and Postimaja loan has an interest rate cap at 3.5% for the variable interest rate part.
2. Duetto loan has an interest rate cap at 1% for the variable interest rate part.
3. Amortised each month over the term of a loan/bond.



DEVELOPMENT OPPORTUNITY

MERAKI PROJECT



- In 2018, the Fund completed the **acquisition 0.87 hectares of land** next to the Domus Pro complex. The plots were acquired with the goal to further expand the Domus Pro complex.
- The **building permit received in Q4 2019** allows to build approx. 15,800 sq. m. of leasable office space along with a parking house.
- The **construction preparations were started in Q4 2019** as the required level of pre-leases had been achieved.
- At the end of Q1 2020, **11% of net leasable area was pre-let to 3 local tenants** and the management team is in negotiations to find additional anchor tenants for the property.
- The building is expected to be **completed in Q1 2021**. Meraki total development costs amounted to EUR 3.7 million as of 31 March 2020, while the expected total development costs amount to EUR 26.5 million. The expected net rental income after completion amounts to EUR 2.2 million.



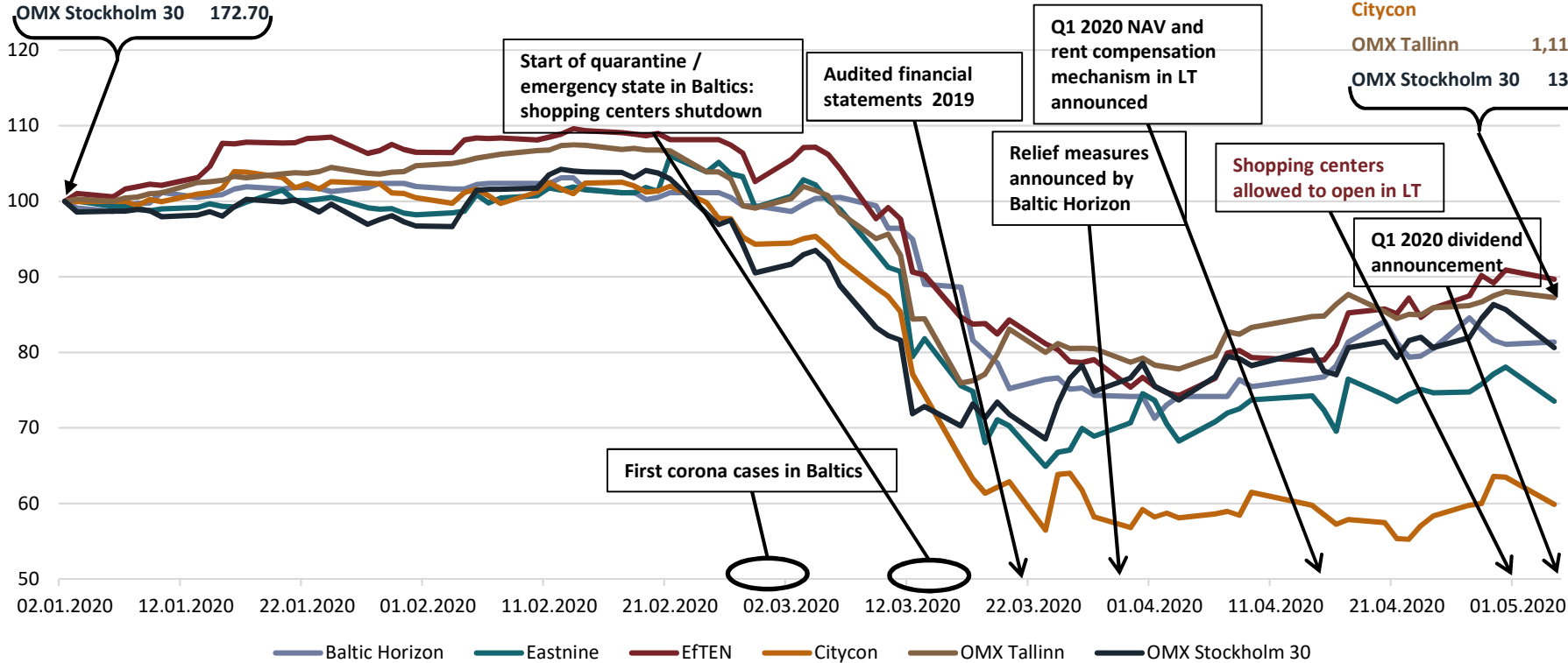
BALTIC HORIZON

STOCK PRICE DEVELOPMENT - PEER COMPARISON (AS AT 04/05/2020)

Fund / Index	Value
Baltic Horizon	1.35
Eastnine	13.41
EfTEN	1.67
Citycon	9.50
OMX Tallinn	1,278.76
OMX Stockholm 30	172.70

Stock Price Index – 2020 YTD (01/01/2020 =100)

Fund / Index	Value
Baltic Horizon	1.10
Eastnine	9.86
EfTEN	1.50
Citycon	5.69
OMX Tallinn	1,115.94
OMX Stockholm 30	139.23





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