

Unaudited condensed consolidated interim financial statements for the 6-month period ended 30 June 2025

# Interim report H1 2025



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# Management report



# Challenges in Executing our Strategy

Over the past years, our focus has been on reshaping our strategy to foster sustainable value in a very demanding environment, concentrating efforts on avenues that promise reliable and consistent growth for our investors.

Our strategy emphasizes developing governmental and social tenant concepts and centrally located, multi-functional properties with adaptable spaces designed to inspire, uplift, and enhance the lives of modern citizens and communities that holds potential for long-term value appreciation. Our value proposition is built on quality, flexibility, sustainability, and professional relations, supported by strategic locations that cater to the evolving needs of our tenants, visitors and neighbours. We believe, that central locations represent a sound long-term investment, as their strategic positioning ensures sustained demand and strong potential for capital appreciation over time.

The Fund management team has implemented and specified its key performance indicators (KPIs) as a means to effectively measure and track performance because we acknowledge that clear and measurable benchmarks are essential for evaluating progress towards the Fund's objectives.

Review of the KPIs:

- Occupancy target of 90% has been more difficult to achieve, as both leasing to new tenants and retaining existing ones have become increasingly challenging. At the end of Q2, occupancy rate (based on handover date) was 84.2%. However, despite the progress made, we continue facing more expiries than new letting in some of our properties, such as Upmalas and Lincona.
- We have made some progress with NOI per sq. m., increasing from 107 in Q1 to 109 in Q2. However, achieving an NOI per sq. m. of EUR 130 remains a medium-term challenge, given the rising triple net surcharges and pressure on rent levels due to strong competition for tenants across the markets.
- Loan-To-Value (LTV) ratio of 50% could only be attainable short-term in combination of significant property disposals and/or new equity. Mid-year valuations have been postponed whereas the valuations at year-end remain uncertain and highly depend on leasing activity and investment market.
- Given the lack of potential buyers at acceptable price levels, we will continue the disposal of non-strategic assets – primarily the smaller properties in the portfolio – as there may still be greater liquidity for such assets.

The Fund management team will communicate adjusted strategic plans and measures to achieve those during the course of 2025.

## KPI goals

Occupancy

**>90%\***

Portfolio actual occupancy, tenants moved in, by the end 2025

NOI/sq. m.

**EUR 130\*\***

Clear ESG/refurbishment strategy with an aim to reach portfolio NOI per square meter potential by 2027

Loan-To-Value

**=<50%**

=<50%

Portfolio composition

**12 months**

Consider disposing of non-strategic assets over the next 12 months

## Progress update as of 30 June 2025

Occupancy

**84.2%**

Portfolio actual occupancy, tenants moved in

NOI/sq. m.

**EUR 109**

Loan-To-Value

**60.7%**

Portfolio composition

**Disposals**

On 13 March 2025 the sale of Meraki office building was completed.

\* While in 2024 the management focused on getting several new anchor leases signed, from 2025 onwards the focus shall be on actual occupancy target.

\*\* Due to possible divestments, from 2025 the management has a new target of NOI/sq.m. rather than total NOI p.a.

# Outlook for 2025

**In 2025 the Fund will focus on flexible and sustainable solutions to meet tenant demands and market conditions. Our key goals are increasing the occupancy of the portfolio and decreasing the LTV by finding solutions to repay the bonds.**

In 2025, the Baltic commercial real estate market is anticipated to navigate both considerable challenges and emerging opportunities. Persisting economic uncertainty is expected to keep demand for commercial spaces subdued. Key factors influencing this trend include evolving consumer preferences, the continued expansion of e-commerce, and the shift toward remote work, all of which are reshaping the need for office and retail properties.

While economic forecasts cautiously suggest potential market stabilization in the coming year, a rapid recovery remains unlikely due to geopolitical uncertainties and evolving tenant and consumer needs. Recognizing these challenges, the Fund management has taken proactive measures to enhance financial stability by reducing leverage through partial bond repayment. This strategy aims to alleviate financial pressure, positioning the Fund for more sustainable financial performance. As part of this initiative, several options are being explored, including refinancing the bond, divesting non-strategic assets and capital raising.

On 13 March 2025, the Fund sold Meraki business centre for EUR 16 million. Due to anticipated vacancies in the office sector and an increasing supply, the Fund decided not to proceed with the development of a second tower, for which the permit remains valid. Proceeds of the disposals were used to repay outstanding loan and early repay part of the bonds in the amount of EUR 3 million.

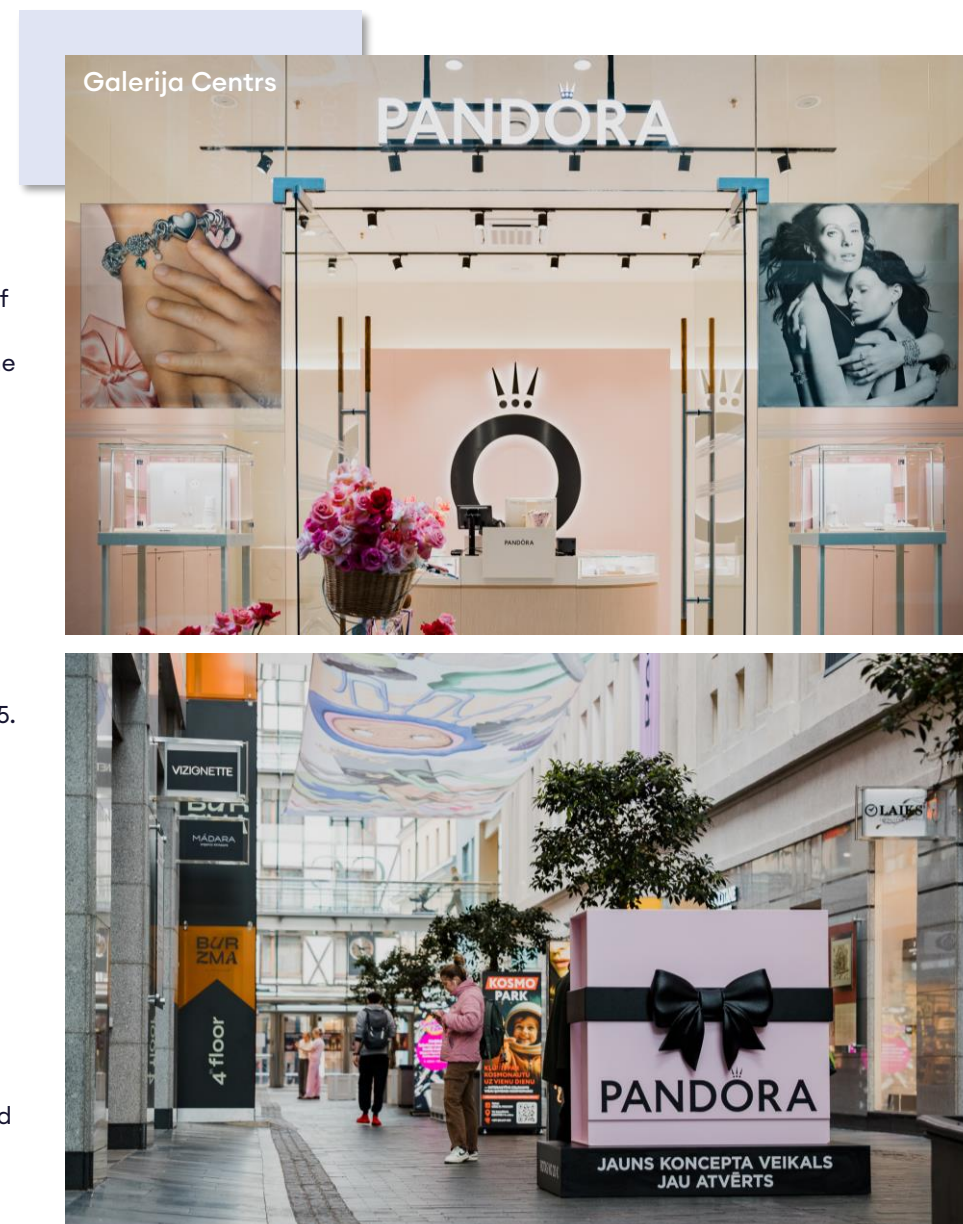
Further property disposal attempts have been undertaken during H1, including Postimaja and Apollo Plaza, as well as some non-core assets. However, given prevailing market conditions, for many of our properties there is a lack of potential buyers overall, and lack of buyers willing and able to pay prices at or around the current valuations not reflecting the long-term value especially of our strongest assets.

As a result, a public offering mainly targeting our current investor base is being considered as an alternative means of raising capital in the second half of 2025, which would be used for full or partial repayment of bonds and/or further investment in existing properties. Management will carefully assess the potential benefits and risks associated with this approach and will proceed only if there is sufficient interest from the investor market.

Management also continues to evaluate the possibility of refinancing part or all of the outstanding bond at more favourable terms. This option may be pursued independently or in combination with other previously mentioned measures to reduce leverage and alleviate the Fund's financial burden.

In response to a challenging leasing environment, Baltic Horizon Fund is prioritizing the reduction of administrative expenses to counterbalance decreased income levels. The Fund has initiated the delisting process of its Swedish Depository Receipts (SDRs) from Nasdaq Stockholm by October 2025. In addition, the management team has conducted multiple tenders and evaluated various cost-saving measures related to audit, legal, translation, and other administrative services. Through ongoing reviews of overhead expenses, investments in technology upgrades, and strategic fee negotiations, the Fund is working to improve operational efficiency and enhance long-term investment performance. These additional initiatives are vital to sustaining financial stability and optimizing outcomes in an environment of limited income-generating opportunities and will benefit the Fund starting from Q4 2025.

In alignment with the broader cost-saving focus and due to significant uncertainty around valuation parameters as well as ongoing leasing work in the majority of our assets, the Fund management with the consent of the Fund Supervisory Board opted not to undertake interim property valuations. New revaluations are to be undertaken by the end of 2025.





The boundaries between the office and retail sectors are increasingly converging, as both are now targeting similar tenant categories - particularly in the areas of services, healthcare, and education. This growing overlap is positioning the sectors as emerging competitors in the pursuit of diversified, experience-driven occupiers.

To achieve our goal of increasing portfolio occupancy, we are adapting to the evolving needs of our tenants and customers. The rise of e-commerce and online shopping has transformed the traditional concept of shopping centres. Visitors now seek not only to try on and purchase goods but also to enjoy entertainment and experiences.

This trend is evident in the success of our food courts, such as Burzma and Dialogai, as well as brand new MyFitness opened in Galerija Centrs in Q1 2025, attracting numbers of sport and healthy lifestyle enthusiasts. Entertainment pop-ups and interactive exhibitions introduced at Europa and Galerija Centrs generated significant public interest. In response to this positive market reception, new entertainment areas of more than 3,000 sq. m. in total are set to open in both shopping centres in the upcoming months. Furthermore, we will continue hosting a diverse range of events and temporary pop-up concepts to engage the local community and enhance visitor experience.

In line with our strategic goal to increase occupancy, we are reviewing the concept in Europa and seeking still the best tenant mix. In the second quarter, a newly developed restaurant zone was opened on the first floor, facing Konstitucijos Avenue, featuring renovated Fortas and Miyako concepts. With these new additions, visitors now have access to 13 distinct dining establishments. With the relocation and change of tenants the occupancy of SC has temporarily decreased, however it is expected to improve in the upcoming quarters. Lease agreement was recently signed with a sports facility operator for a 2,316 sq. m space on the third floor with a strong pipeline for approx. 800 sq. m. of sport and related activity operators anticipated to be signed in Q3. We believe that the combination of entertainment, health and wellness services and a wide range of catering options along with strategic changes to the tenant mix on the second and third floors, will maximize visitor flow and fully exploit the potential of the shopping centre.

While the traditional shopping centre concept continues to perform well for Galerija Centrs, as demonstrated by rising footfall and turnover, we are actively exploring new concepts to utilize currently vacant spaces. We have recently signed a 500 sq. m. lease agreement with Sinsay, which will enhance our tenant mix. In addition, we are evaluating further entertainment options to broaden the range of services available to our visitors. Moreover, in the coming months Rimi grocery store will be expanded increasing the sales proposition and NLA of the shopping centre.

As of the end of Q2 2025, the Postimaja and Apollo Plaza (former Coca Cola Plaza) complex is fully leased. Through the collaboration with Apollo Group, Apollo plaza has been recently renovated and now the complex has to offer even a wider range of entertainment, dining, and retail experiences. At the same time, we continue to assess opportunities and refine our tenant strategy to further enhance the complex's appeal to visitors.

Office tenants are currently looking not just for a place to work during the day, but rather for hybrid working spaces or built-to-suit solutions with increased expectation over ESG, workplace wellbeing features and easily reachable services, which become increasingly important. We continue to adapt to market demands by diversifying our office tenant mix beyond traditional occupiers, integrating catering operators, medical clinics, and even kindergartens into our office buildings. This approach not only enhances tenant diversification but also meets the needs of both our customers and the surrounding communities.

Our commitment to supporting existing and prospective tenants, along with our ability to tailor office spaces to individual requirements, positions us well to lease the remaining areas in North Star BC. Recently we extended the lease agreement with Lithuanian Tax Inspectorate for more than 3,000 sq. m. in North Star for a 5-year term with the prolongation option. This extension highlights the attractiveness and strategic importance of the North Star.

A significant milestone in 2024 was securing a lease agreement for approximately 3,680 sq. m. in S27 with the International School of Riga, a leading provider of international education serving students from preschool through high school, which already took over the premises in June 2025. We have additionally secured over 500 square meters of lease agreements with synergy tenants, reinforcing the building's unique positioning as a destination for educational, healthcare, and sports-related services. This tenant mix is actively shaping a strong and differentiated value proposition for the property.



**Our efforts are designed to create long-term value for investors while ensuring the Fund remains resilient in a dynamic market environment not being forced to sell its stronger properties for cents on the dollar and lose its valuable assets permanently.**

Galerija Centrs



In the office sector, our primary challenge and focus in 2026 will be addressing the remaining and upcoming vacancies in our business centres.

We have already developed several strategic options in preparation for the upcoming vacancy at Lincona, following Swedbank's planned departure at the beginning of 2026, even though there are no new tenants signed up yet. In parallel, we have negotiated and extended our long-term partnership with Latvian State Forestry by signing and prolonging the unbreakable contract until 2034, however leased area will decrease from 2026 Q4 due to governmental saving measures. We have proactively initiated the search for new tenants to fill the anticipated vacancy, in order to ensure continuity in occupancy and income stability.

In H1 2025, we continued advancing our social and environmental commitments. All our assets have been BREEAM-certified, and by the end of Q2 2025, we achieved 95% green leases across our portfolio, with a target to further increase this share in the coming year.

From Q1 2025, all our properties in Latvia and Lithuania transitioned to using electricity from remote solar panels and wind farms. The Fund will closely monitor the electricity consumption covered by these new arrangements. In Estonia, we are actively exploring solutions in our properties to reduce the reliance to gas. Additionally, we are evaluating new technologies and sustainability initiatives that align with our ESG strategy, however due to cost saving focus, some more costly initiatives are temporarily postponed.

The Fund is also planning further investments to its existing portfolio, including tenant fit-outs in various properties and replacement of the fire safety system in Europa SC, the latter estimated to amount to approx. EUR 2 million during the next few years.

By focusing on increasing occupancy rates and optimizing property concepts, we aim to enhance asset performance and maximize net operating income. In a challenging rental market adaptive leasing strategies, property repositioning, and targeted investments in high-demand segments will remain key challenges and priorities.

These initiatives are designed to create long-term value for investors while ensuring that the Fund remains resilient in this dynamic market environment, not being forced to sell its stronger properties for cents on the dollar and lose its valuable assets permanently.

Given the requirements for capital expenditure into the ongoing turnaround of the properties and the level of debt, the net cash flow of the Fund has remained negative. Therefore, the management is developing a new refinancing strategy which may involve a combination of selling an appropriate asset and raising additional funds from other sources in order to find a definitive solution for strengthening its capital structure in the second half of 2025.

# Key figures H1 2025

Key earnings figures	Unit	H1 2025	H1 2024	H1 2023
Rental income	EUR '000	7,528	7,667	10,095
Net rental income	EUR '000	6,078	5,983	8,495
Net rental income margin <sup>1</sup>	%	80.7	78.0	84.2
Valuation gains (losses) on investment properties	EUR '000	(9)	(12,524)	(14,623)
EBITDA	EUR '000	4,104	(8,204)	(11,333)
EBITDA margin	%	54.5	(107.0)	(112.3)
EBIT	EUR '000	3,930	(8,118)	(11,278)
EBIT margin <sup>2</sup>	%	52.2	(105.9)	(111.7)
Net profit (loss)	EUR '000	(891)	(12,849)	(15,005)
Net profit (loss) margin	%	(11.8)	(167.6)	(148.6)
Earnings per unit	EUR	(0.01)	(0.11)	(0.13)
Generated net cash flow <sup>3</sup>	EUR '000	(740)	(2,079)	2,686
Generated net cash flow per unit <sup>4</sup>	EUR/unit	(0.005)	(0.017)	0.022

Key financial position figures	Unit	30.06.2025	31.12.2024	31.12.2023
Total assets	EUR '000	238,789	256,048	261,138
Return on assets (TTM)	%	(2.0)	(6.5)	(7.6)
Total equity	EUR '000	97,139	98,095	109,532
Equity ratio	%	40.7	38.3	41.9
Return on equity (TTM)	%	(5.0)	(16.2)	(18.9)
Interest-bearing loans and borrowings	EUR '000	135,895	149,227	143,742
Total liabilities	EUR '000	141,650	157,953	151,606
LTV	%	60.7	61.8	57.3
Average cost of debt	%	6.3	6.7	5.2
Weighted average duration of debt	years	2.7	2.8	2.3
Current ratio	times	0.4	0.2	0.1
Quick ratio	times	0.4	0.2	0.1
Cash ratio	times	0.3	0.2	0.1
IFRS NAV per unit	EUR	0.6766	0.6833	0.9156

1. Net rental income as a % of rental income.

2. EBIT (earnings before interest and taxes) as a % of rental income.

3. Generated net cash flow is calculated based on net rental income less administrative expenses, less external interest expenses, less CAPEX expenditure. Listing related expenses and acquisition related expenses are added back in GNCF calculation.

4. Generated net cash flow per numbers of units at the end of the period.



# Key figures H1 2025

Key property portfolio figures	Unit	30.06.2025	31.12.2024	31.12.2023
Fair value of portfolio	EUR '000	227,474	241,158	250,385
Properties <sup>5</sup>	number	11	12	12
Total Net leasable area	sq. m	111,154	118,269	119,714
Occupancy rate	%	84.2	82.1	81.1

Key property portfolio figures	Unit	H1 2025	H1 2024	H1 2023
Direct property yield	%	4.0	3.9	5.0
Net initial yield	%	5.2	4.8	5.5

Key unit figures	Unit	30.06.2025	31.12.2024	31.12.2023
Number of units outstanding	units	143,562,514	143,562,514	119,635,429
Closing unit price	EUR	0.2341	0.2521	0.3150
Closing unit price	SEK	2.46	2.76	3.30
Market capitalisation <sup>6</sup>	EUR	33,607,985	36,192,110	37,685,160

Key EPRA figures	Unit	H1 2025	H1 2024	H1 2023
EPRA Earnings	EUR '000	24	(282)	2,762
EPRA Earnings per unit	EUR	0.00	0.00	0.02

Key EPRA figures	Unit	30.06.2025	31.12.2024	31.12.2023
EPRA NRV (Net Reinstatement Value)	EUR '000	103,690	104,333	114,205
EPRA NRV per unit	EUR	0.7223	0.7267	0.9546
EPRA NTA (Net Tangible Assets)	EUR '000	103,690	104,333	114,205
EPRA NTA per unit	EUR	0.7223	0.7267	0.9546
EPRA NDV (Net Disposal Value)	EUR '000	96,706	97,585	109,131
EPRA NDV per unit	EUR	0.6736	0.6797	0.9122
EPRA LTV	%	56.4	58.5	55.5

5. Properties includes 11 established cash flow properties.

6. Based on the closing prices units on the Nasdaq Tallinn Stock Exchange.

## Early redemption of the part of the bonds

On 10 April 2025 the Fund redeemed early bonds in the amount of EUR 3,000,001.20. The total nominal amount of the bonds before the redemption was EUR 21,999,999 and after the redemption is EUR 18,999,997.8. The partial redemption of the bonds entailed a change in the nominal value, the new nominal value being EUR 45,238.09 per bond.

## Amendment of terms and conditions of outstanding bonds

The Fund has initiated a written procedure to amend the terms and conditions of Baltic Horizon Fund EUR 42 million 5-year floating rate bonds maturing in 2028 (ISIN EE3300003235, the Bonds). The current outstanding nominal amount of the Bonds is EUR 18,999,997.80 as Baltic Horizon Fund has redeemed Bonds in nominal amount of EUR 23,000,002.20 in accordance with the terms and conditions of the Bonds. Following the approval of the amendments, the Baltic Horizon Fund will have the right to carry out voluntary early redemptions in tranches of at least EUR 3 million.

## Interim property valuations

In alignment with recently implemented various cost-saving measures, and due to significant uncertainty around valuation parameters as well as ongoing leasing work in the majority of our assets, the Fund management with the consent of the Fund Supervisory Board opted not to undertake interim property valuations and the valuations at year-end remain uncertain and highly depend on leasing activity and investment market.

## Delisting of SDRs

In connection with the planned termination of the Swedish Depositary Receipts („SDR“) of Baltic Horizon Fund, the management board of Northern Horizon Capital AS submitted a delisting application to Nasdaq Stockholm on 8 July 2025. Nasdaq Stockholm approved the application on 14 July 2025 with the last day of trading in SDRs on Nasdaq Stockholm being 8 October 2025.

# Property report

## Leasing and tenant update

The real estate market remained cautious in H1 2025. While a few larger transactions were completed, overall vacancy rates remained unchanged, indicating that activity was primarily driven by relocations rather than new market entrants or increased demand for office or retail space. With continued growth in supply—particularly in the office segment—the outlook for landlords remains challenging in the coming quarters.

Despite this difficult environment, Baltic Horizon Fund maintained a stable vacancy rate during the first two quarters of 2025 by renewing key leases and securing new agreements. Notably, the Fund signed a five-year lease extension with Lithuanian State Tax Inspectorate for more than 3,000 sq. m. in North Star BC and handed over premises to International School of Riga in S27.

In the retail segment, the Fund signed a few agreements with well-known international tenants., including Sinsay in Galerija Centrs and Lindex in Europa as well as other entertainment and sport brands.

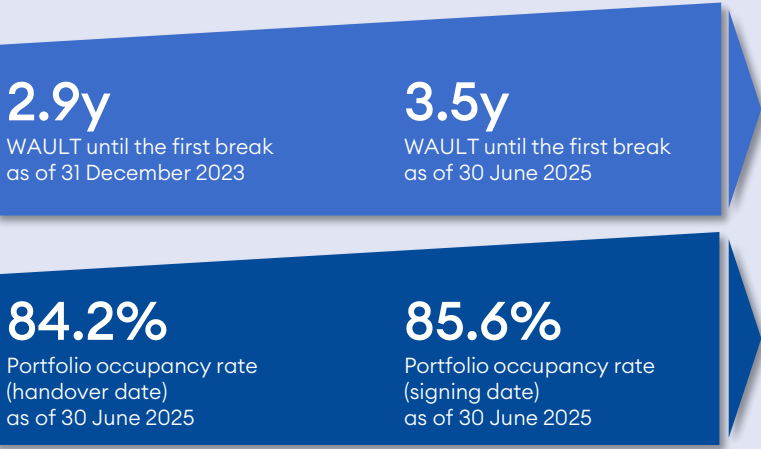
Overall, during the 6 months of 2025, the Fund signed new leases for approx. 9,250 sq. m. Moreover, leases of approx. 6,600 sq. m. were prolonged. 30 new tenants have been attracted to our buildings, in many cases to replace more problematic ones, while 22 existing tenants have decided to continue their cooperation with us.

As of the end of June 2025, the portfolio occupancy rate based on handover date stood at 84.2%, while occupancy calculated according to lease signing date reached 85.6%.

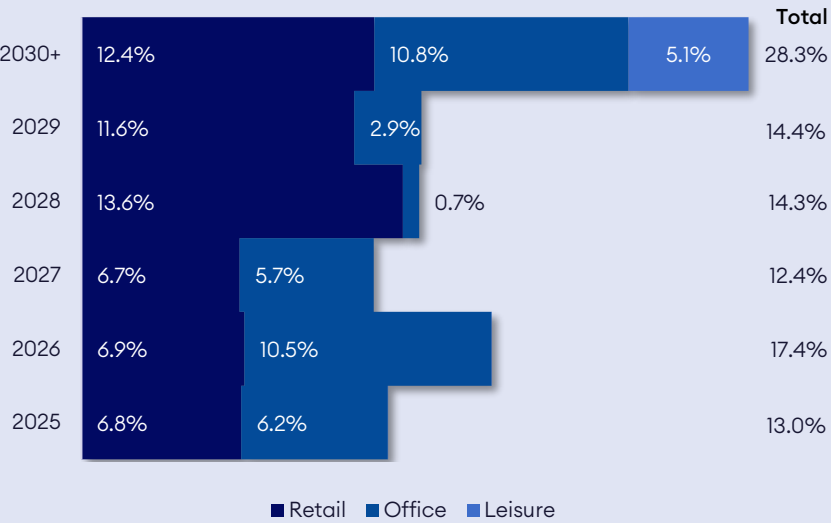
Notably, 13% of leases are set to expire during the next 6 months, while the vast majority expire in 2026 and later. We aim to spread our lease terms evenly so that no more than 20% of our leases expire each year.

Recent successful leasing activity is reflected in the increase in the weighted average unexpired lease term until the first break option, which was 3.5 years as of 30 June 2025 (compared to 3.4 and 2.9 years as of 31 December 2024 and 2023).

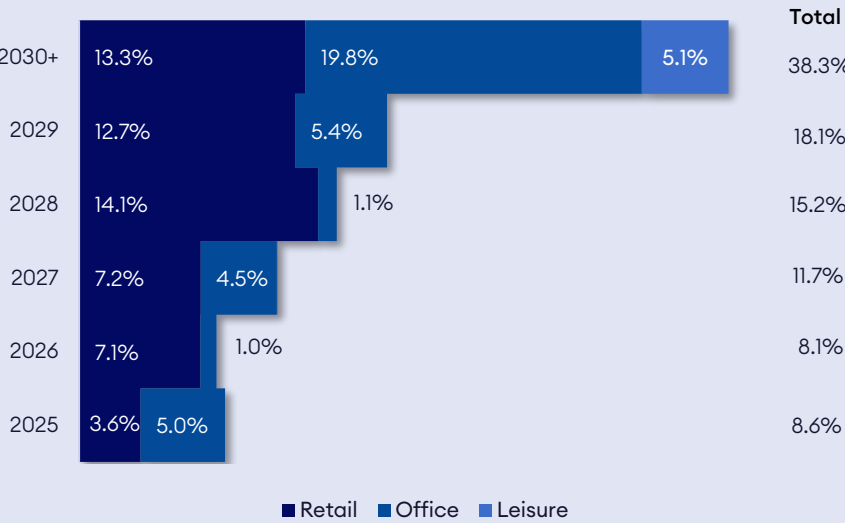
### Confirmation of active leasing efforts and client trust



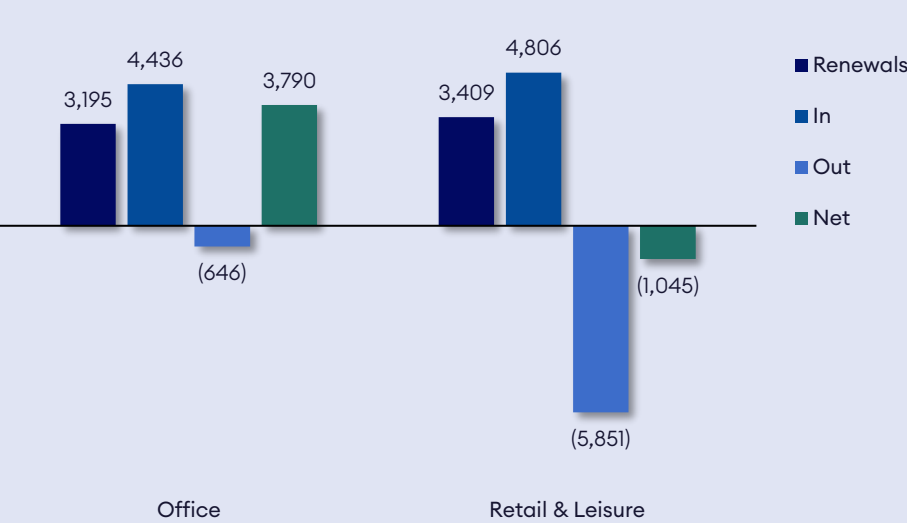
**Lease maturity profile as of 30 June 2025**  
% of contractual rent to first break option



**Lease maturity profile as of 30 June 2025**  
% of contractual rent to end of contract



**Leasing activity in H1 2025**  
sq. m.





# Portfolio facts

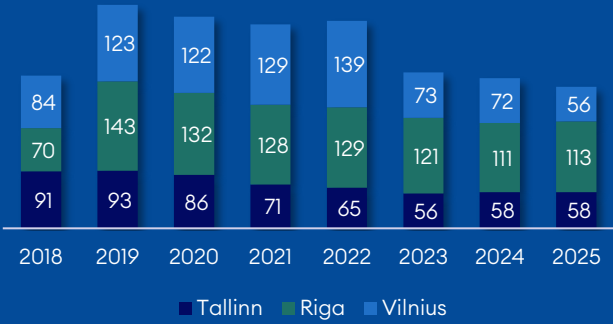
As of 30 June 2025

**227.5m EUR**  
portfolio value

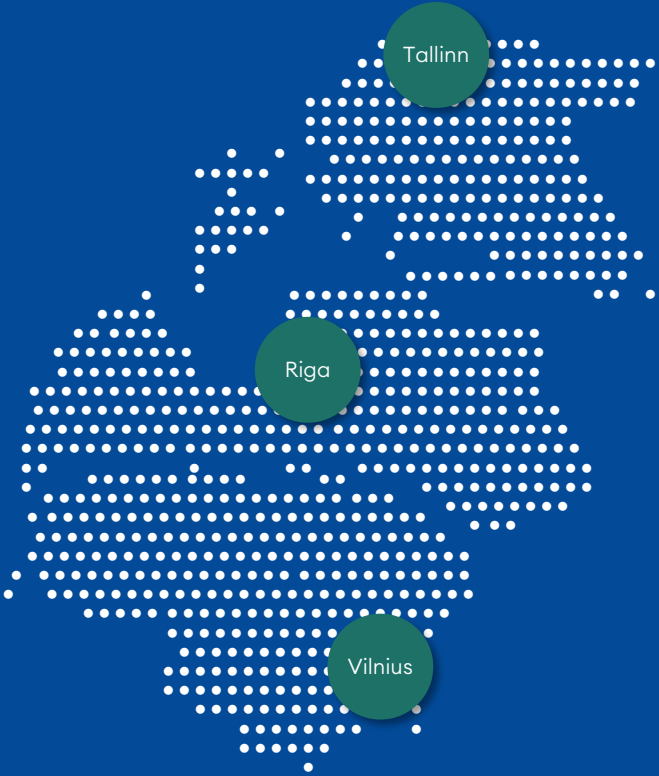
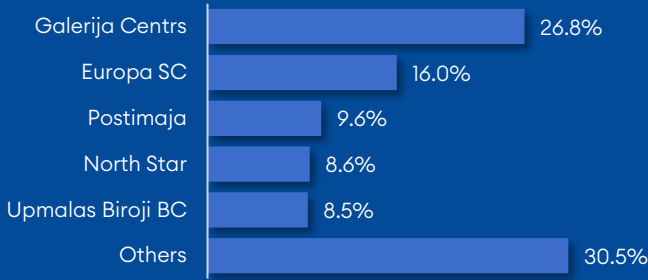
**11 income**  
generating properties

**111,154 sq.m.**  
leasable area

Portfolio value (EURm)



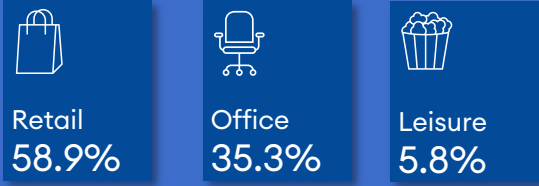
TOP 5 properties



Portfolio by countries



Portfolio by segments



## Portfolio and market overview

**At the end of Q2 2025, the property portfolio of Baltic Horizon Fund consisted of 11 properties in the Baltic capitals. Baltic Horizon Fund has developed a portfolio of centrally located and neighbourhood retail and office properties that cater to the needs of different tenants, including local commercial leaders and government agencies, as well as local communities.**

In the first half of 2025, investment activity in the Baltic capitals remained cautious with retail assets, particularly grocery, anchored and fully leased properties, attracting the most interest, while office transactions were limited and largely confined to smaller, end-user or sale-and-leaseback deals. Lithuania led the region in overall volumes, driven by strong retail investment, while Estonia and Latvia saw more subdued activity focused on smaller-ticket assets.

In the office segment, development pipelines remain active in Tallinn and Riga, though tenant demand is cautious and vacancies remain elevated due to slow pre-leasing. Vilnius is also experiencing growing vacancy rates and increased lease negotiation pressure. Rental rates have largely stabilized, but landlords are offering more flexible fit-out incentives and lease terms to attract tenants.

The retail sector held steady across all three capitals, with low vacancy rates and stable rents, though tenant demand shifted toward discount and essential retail formats, prompting space optimization and renegotiations. Demand from discounters, fitness operators, and catering sector is expanding. Spending patterns remain cautious due to inflation and economic uncertainty. Major retail projects are progressing, but overall expansion is modest and cautious, reflecting changing shopping habits.

For the remainder of 2025, office vacancies in the Baltics are expected to rise, particularly in older and non-central properties, while retail and central locations remain stable. The Baltic Horizon Fund maintains a prudent approach and will continue striving to enhance portfolio occupancy by offering multiuse spaces and aligning with the evolving needs of tenants and local communities.

### Retail portfolio development and future focus

In recent years, shopping centres have evolved from purely retail-focused spaces into multifunctional lifestyle destinations. Visitors now seek more than just shopping—they expect experiences, entertainment, and social engagement. Adapting to this shift, the Fund has been introducing not only new retail names but also dining areas, wellness facilities and even entertainment exhibitions and cultural events in its retail properties.

The introduction of new retail, dining, and entertainment offerings at Galerija Centrs including recently opened 2,000 sq. m. MyFitness, which features not only a traditional gym but also recovery zones and hot class facilities has contributed to a growth of over 4% in both visitor numbers and turnover. During Q2, the main lease agreement terminated was with Massimo Dutti, who will be replaced by expanding Mango, Gant and other tenants. Upcoming additions to the tenant mix also include a newly signed 500 sq. m. Sinsay store and a laser entertainment area exceeding 1,900 sq. m., both scheduled to open in summer 2025. In parallel, we remain focused on leasing the remaining available units and are actively working to replace underperforming tenants with more suitable concepts that align better with the shopping centre's positioning and customer expectations.

Over the past few years, our efforts have been focused on identifying the optimal strategy and tenant mix for Europa Shopping Centre, with the aim of leveraging its prime CBD location and the growth of the surrounding residential area. Although attracting tenants has proven challenging and vacancy levels remain elevated, recent activity has brought a number of new openings. These include a redesigned restaurant zone on the first floor featuring a unique concept by Caffeine, as well as renewed locations for Miyako and Fortas. Upcoming additions include the launch of a new entertainment concept, Danger Park, and the arrival of Lindex, both set to open this autumn. Additionally, a lease agreement has been signed for a new sports facility exceeding 2,300 sq. m. Our current priority remains on refining the tenant mix to better meet visitor needs and successfully lease the remaining vacant spaces.

Europa Shopping Center



As of the end of Q2 2025, the Postimaja and Apollo Plaza complex (formerly Coca Cola Plaza) is fully occupied. Following a recent renovation of Apollo Plaza in collaboration with Apollo Group, the complex now offers an expanded selection of entertainment, dining, and retail options—including newly opened venues such as a bookstore, Lido, and MySushi. Concurrently, we continue to evaluate strategic opportunities and refine our tenant mix in Postimaja to further enhance the complex's attractiveness to visitors.

**Office portfolio development and future focus**

In recent years the work landscape has notably shifted towards hybrid models, blending remote and on-site work. As a result, more and more tenants are looking for smaller office spaces and flexible leases. To address the evolving office reality, Baltic Horizon has been revitalizing larger vacant office areas, transforming them into flexible working spaces to adapt to tenant needs as well as looking for ways to adapt the office space for other use.

The long-term focus in the office segment is on modern buildings and long-term cooperation with both public (e.g. government or municipal) and private organizations. While the rental levels may not always be at the top end of the market, there are other benefits that contribute positively, such as stable rental income, longer leases and lower tenant turnover.

Accomplishment in the leasing of the office premises is mainly attributable to North Star in Vilnius, where we managed to prolong a more than 3,000 sq. m agreement with our long term partner Lithuanian State Tax Inspectorate, which selected North Star as their second home for another 5-year period with an option to extend. The business centre is also a great example of the Fund’s efforts to better meet the needs of the surrounding neighbourhoods and communities, as evidenced by the signing of new leases with Antēja and Inmedica clinic, which opened their doors in Q2 2025.

In Q2 2025, the Fund handed over an area of 3,689 sq. m of S27 to the International School of Riga, a leading provider of international education serving students from preschool through high school. This marks a significant milestone for the Fund, recognising its efforts to stand out in the market by adapting to tenant needs and thinking beyond the traditional use of the office space . With the school occupying approximately half of the building, we have been actively developing several concepts for the remaining vacant space. While leasing is challenging, we are making some progress with a number of smaller lease agreements have recently been finalized.

Aside from Latvian State Police, leasing activity at Upmalas has presented challenges. While the building continues to attract interest from potential tenants, the decision-making process has been notably slow—likely impacted by ongoing geopolitical instability and broader market uncertainty. Despite this, securing tenants for the remaining vacant spaces remains one of our top priorities.

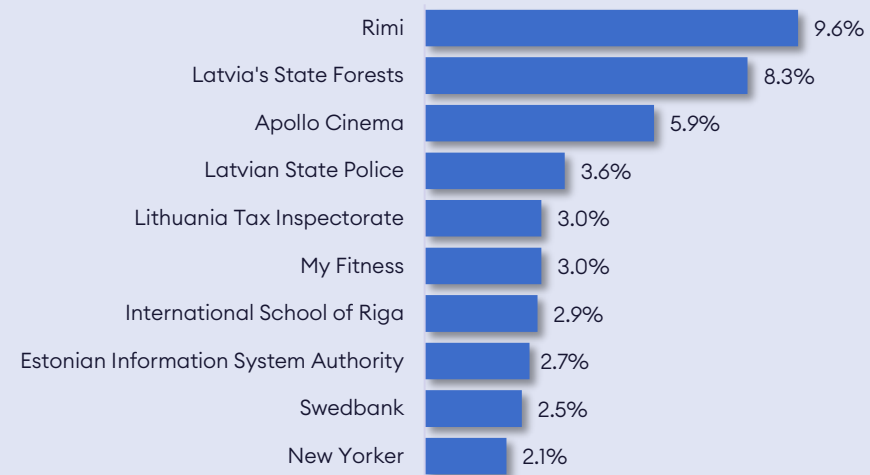
We are currently engaged in intensive negotiations aimed at optimizing occupancy in the Lincona building. The expansion of premises by the existing tenant, the Estonian Information System Authority, in 2024, along with the signing of two new lease agreements in Q1 2025, has resulted in an increase in occupancy to 92.5%. At the same time, we are proactively preparing for the anticipated departure of Swedbank at the beginning of 2026. In response, we have already begun developing several concepts for the vacated premises however, there are no new tenants signed up yet.

After intensive negotiations, we have also extended our long-term partnership with Latvian State Forestry by renewing the irrevocable lease through 2034. Despite strong competition from Riga’s A-class office market, the tenant reaffirmed their commitment, valuing our partnership and high standards in property and asset management. The property cash-flows are being affected already from Q3 2025 and starting Q4 2026, the leased area will be reduced to 5,300 sq. m in line with government cost-saving measures and global office downsizing trends. The building will be refurbished, with 2,600 sq. m allocated for a second anchor tenant. We’ve already begun active negotiations with private schools and healthcare providers for the future vacant area.

While progress has been achieved in leasing activities, both the current vacancies and anticipated ones are expected to continue impacting the performance of the office portfolio. This is primarily due to the challenging leasing environment, which remains affected by rising vacancy levels in the office sectors of Riga and Tallinn. Nevertheless, this effect is anticipated to be partially offset by the stable income from existing lease agreements across the rest of the portfolio, along with the commencement of newly signed leases in 2025 and 2026.

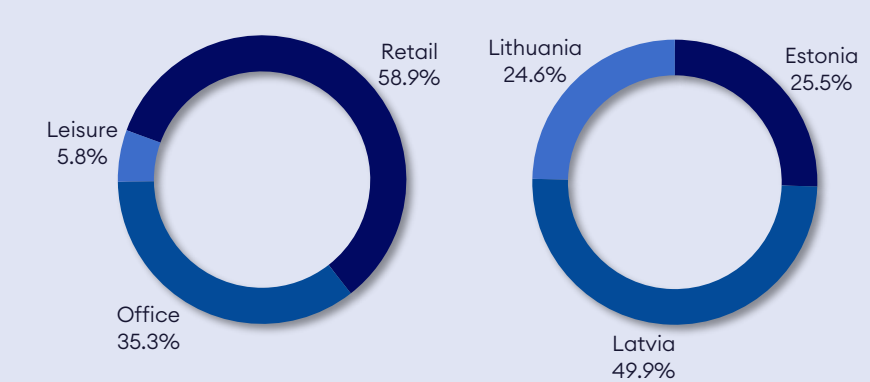
The Fund will continue trying different concepts and reshaping its properties in order to meet the evolving needs of the tenants, customers and the surrounding communities.

**Rental concentration of the Fund’s subsidiaries as of 30 June 2025**



Other tenants represent 56.4%

**Fund segment and country distribution as of 30 June 2025**





The management of the Fund provides two different yield calculations in this management review section. Direct property yield (DPY) is calculated by dividing NOI by the acquisition value and subsequent capital expenditure of the property. The net initial yield (NIY) is calculated by dividing NOI by the market value of the property.

During Q2 2025, the average actual occupancy of the portfolio was 82.6% (Q1 2025: 82.7%). The occupancy rate increased to 84.2% as of 30 June 2025 (31 March 2025: 82.3%). The increase was mostly related to the 3,679.7 sq.m. area hand over in the S27 building to the anchor tenant, the International School of Riga, which will open the premises for the new school year already in September.

In alignment with recently implemented various cost-saving measures, and due to significant uncertainty around valuation parameters as well as ongoing leasing work in the majority of our assets, the Fund management with the consent of the Fund Supervisory Board opted not to undertake interim property valuations.

Overview of investment properties as of 30 June 2025

Property	Sector	Acqui- sition year	Fair value <sup>1</sup> (EUR '000)	NLA (sq. m)	Direct property yield H1 2025 <sup>2</sup>	Net initial yield H1 2025 <sup>3</sup>	Occu- pancy rate	NOI development				
								H1 2025	H1 2024	2024	2023	2022
Europa SC	Retail	2015	36,374	17,252	2.8%	3.2%	71.0%	581	572	1,010	1,508	1,028
North Star	Office	2019	19,628	10,705	5.6%	6.2%	92.2%	608	750	1,374	1,495	1,371
Total Vilnius			56,002	27,957	3.7%	4.5%	79.1%	1,189	1,322	2,384	3,003	2,399
Upmalas Biroji	Office	2016	19,253	11,175	3.7%	4.7%	64.3%	449	423	823	1,318	1,763
Vainodes I	Office	2017	15,940	8,128	6.4%	8.8%	100.0%	699	706	1,432	1,431	1,383
S27	Office	2018	12,447	7,318	(2.0%)	(2.9%)	51.9%	(173)	65	(85)	814	1,132
Sky SC	Retail	2013	4,910	3,260	8.7%	9.3%	100.0%	228	216	446	420	423
Galerija Centrs	Retail	2019	60,949	20,015	3.7%	4.9%	84.4%	1,495	1,228	2,536	2,139	2,193
Total Riga			113,499	49,896	3.6%	4.8%	78.7%	2,698	2,638	5,152	6,122	6,894
Postimaja & Apollo Plaza complex	Retail	2018	21,876	9,232	3.4%	5.7%	100.0%	1,023	980	1,926	2,126	2,044
Postimaja & Apollo Plaza complex	Leisure	2015	13,195	7,877	6.7%	6.0%	100.0%					
Lincona	Office	2011	13,110	10,767	6.8%	8.4%	92.4%	550	515	1,038	1,068	1,102
Pirita SC	Retail	2016	9,792	5,425	6.7%	8.6%	94.5%	421	419	839	761	664
Total Tallinn			57,973	33,301	5.2%	6.9%	96.6%	1,994	1,914	3,803	3,955	3,810
Total active portfolio			227,474	111,154	4.0%	5.2%	84.2%	5,881	5,874	11,339	13,080	13,103
Total disposed properties <sup>4-6</sup>								197	109	249	1,537	4,327
Total portfolio			227,474	111,154	4.0%	5.2%	84.2%	6,078	5,983	11,588	14,617	17,430

1. Based on the latest valuation as of 31 December 2024, recognized right-of-use assets and subsequent capital expenditure.  
2. Direct property yield (DPY) is calculated by dividing annualized NOI by the acquisition value and subsequent capital expenditure of the property.  
3. The net initial yield (NIY) is calculated by dividing annualized NOI by the market value of the property.  
4. The Fund completed the disposal of the Duetto I and Duetto II properties on 6 June 2023.  
5. The Fund completed the disposal of the Domus Pro Retail and Office complex on 6 March 2023.  
6. The Fund completed the disposal of Meraki property on 13 March 2025.

The Fund’s portfolio produced EUR 6.1 million of net operating income (NOI) during H1 2025 (H1 2024: EUR 6.0 million). Like-for-like net rental change provides a more comparable view on the performance of the underlying assets, as these calculations exclude the impact of net rental growth or decline due to acquisitions, developments, or disposals.

During the first six months of 2025, the net rental income of the portfolio on a like-for-like basis remained at similar level compared to the similar period of the prior year. Meraki business centre, disposed in March 2025, is shown separately. The property contributed EUR 197 thousand to the total NOI of the year.

The retail sector delivered a mixed performance during the period. Europa, SKY and Pirita recorded results in line with the previous year, while Galerija Centrs delivered an exceptional performance, with results increasing by 22%, driven primarily by successful leasing efforts that substantially reduced vacancy rates, alongside lower property operating costs.

Postimaja results decreased by 6%, while Apollo Plaza had NOI higher by 25% due to property being fully leased out to Apollo.

Within the office sector, a few properties showed improved performance. Lincona results exceeded the comparable period by 7%. This growth was primarily driven by a reduction in vacancies, as average occupancy rose to 92.4% in Q2 2025 compared to 83.7% in Q2 2024. Upmalas Biroji also had an improvement in NOI compared to last year by 6% due to a reduction in vacancies, as average occupancy rose to 64.3% in Q2 2025 compared to 58.8% in Q2 2024. At Upmalas Biroji, efforts are ongoing to identify and secure the most suitable tenants to fill the existing vacancies and fully capitalize on the property's potential.

The performance of Vainodes has remained consistent with the previous year. Vainodes is fully leased to our long-term partner, Latvia’s State Forests, ensuring stable occupancy.

North Star’s performance declined by approximately 19% during the period, primarily due to reduced rental income stemming from a lower occupancy rate—average of 91.5% in H1 2025 compared to 97.9% in H1 2024—as well as increased operating costs. Nevertheless, the property continues to attract interest from prospective tenants, supported by its central location and competitive rental rates. As a result, we anticipate a reduction in vacancies over the coming months.

**EPRA like-for-like net rental income by segment**

EUR ‘000	Fair value 30.06. 2025	Net rental income H1 2025	Net rental income H1 2024	Change (EUR ‘000)	Change
<b>Like-for-like assets</b>					
Retail	133,900	3,349	3,096	253	8.2%
Office	80,378	2,133	2,459	(326)	(13.3%)
Leisure	13,196	399	319	80	25.1%
<b>Total like-for-like assets</b>	<b>227,474</b>	<b>5,881</b>	<b>5,874</b>	<b>7</b>	<b>0.1%</b>
Disposed assets	-	197	109	88	80.7%
<b>Total portfolio assets</b>	<b>227,474</b>	<b>6,078</b>	<b>5,983</b>	<b>95</b>	<b>1.6%</b>

**EPRA like-for-like net rental income by country**

EUR ‘000	Fair value 30.06. 2025	Net rental income H1 2025	Net rental income H1 2024	Change (EUR ‘000)	Change
<b>Like-for-like assets</b>					
Estonia	57,973	1,994	1,914	80	4.2%
Latvia	113,499	2,698	2,638	60	2.3%
Lithuania	56,002	1,189	1,322	(133)	(10.1%)
<b>Total like-for-like assets</b>	<b>227,474</b>	<b>5,881</b>	<b>5,874</b>	<b>7</b>	<b>0.1%</b>
Disposed assets	-	197	109	88	80.7%
<b>Total portfolio assets</b>	<b>227,474</b>	<b>6,078</b>	<b>5,983</b>	<b>95</b>	<b>1.6%</b>

Information is provided on a Like-for-Like basis to provide consistent comparison of the performance of properties that have been held throughout the entire reporting period. It provides an understanding about the true performance of the portfolio by excluding the impact of disposals.

# Sustainability

## Certification

Our portfolio is 100% BREEAM certified.

## GRESB benchmarking

GRESB evaluation has become an integral self-evaluation tool and a guide for improvement and even contributes to the achievement of the sustainability goals for the Fund. GRESB Real Estate Assessment consists of two separate assessment modules: Management and Performance.

In 2024 the Fund received a 3-star GRESB rating. During 2024, the Fund has implemented a GRESB improvement plan and aims to receive 4-stars again in the year 2025.

## Renewable energy

One of the Fund's long-term targets is achieving the operational carbon neutrality target. A key aspect in achieving our target by 2030 is ensuring that our portfolio assets are powered by clean and renewable energy sources. In order to secure renewable electricity for our buildings, the Fund has entered into power purchase agreements (PPA) to acquire wind and solar energy. The PPA for the Fund's property, North Star, has been effective since Q2 2024 and the properties receive most of their electricity from solar and wind farms. During Q1 2025, Fund's properties Europa, Galerija, Vainodes, Upmalas, LNK Centre and Sky started to receive part of their electricity from wind and solar farms. The Fund will track the share of renewable electricity and report it annually as part of the annual financial statement.

## Green leases

Achieving our sustainability targets would be impossible without cooperation with our tenants. To ensure that our sustainability efforts will lead to a successful futureproofing of our real estate assets, we have started including green lease clauses in our standard lease agreements. Green lease clauses, which cover topics such as sustainable operations, information sharing, use of renewable energy sources, and other relevant topics, are important tools that enable long-term ESG oriented changes in our portfolio and facilitate collaboration with tenants on ESG matters. In the end of Q2 2025 our retail portfolio reached 98% coverage with green lease agreements. The office portfolio green lease coverage was 90%, making the total green lease coverage 95%.

## Community health and wellbeing

Retail and office assets are integral to everyday life – that is why the Baltic Horizon Fund is actively engaged in promoting healthier lifestyles and empowering communities. In H1 2025, the Fund's team implemented and supported various projects to forge partnerships and build community connections.

One of these events was the collaboration with Zuzeum and Latvian artist Lauma Muižarāja in Galerija Centrs, where a large-scale public artwork installation was presented above Rīdzenes Street, free and open to all, accompanied by a free public masterclass, promoting art accessibility and creative dialogue.

Another event that took place in Galerija Centrs was the blood donation initiative, hosting the State Blood Donor Center bus near the shopping center entrance as well as the awareness event on Rīdzenes street about fake brands and consumer fraud prevention done in collaboration with relevant institutions, educating the public about safe shopping and ethical fashion.



**Baltic Horizon Fund ESG report 2024**

## GRESB rating 2024



## BREEAM certifications



### BREEAM Very good

S27, North Star, Vainodes, Upmalas Biroji, Galerija Centrs, Europa

### BREEAM Good

Pirita, Apollo Plaza, Postimaja, SKY, Lincona



# Financial report

## Financial position and performance of the Fund

### Net result and net rental income

In H1 2025, the Group recorded a net loss of EUR 891 thousand compared with a net loss of EUR 12,849 thousand for H1 2024. Excluding last year’s interim valuation loss, net loss for the prior year period was EUR 325 thousand. The result was mainly driven by the losses on disposal of investment properties. Earnings per unit for H1 2025 were negative at EUR 0.01 (H1 2024: negative at EUR 0.11).

The Group earned consolidated net rental income of EUR 6.1 million in H1 2025 (H1 2024: 6.0 million). The results for H1 2025 include two months of net rental income of the Meraki office property (EUR 0.2 million), which was sold on 13 March 2025.

The portfolio net rental income in H1 2025 was 1.6% higher than in H1 2024, mainly due to higher occupancy in Galerija Centrs since the complex was undergoing a transition period of certain tenants in the buildings in H1 2024.

Portfolio properties in the retail segment contributed 55.2% (H1 2024: 51.7%) of net rental income in H1 2025, followed by the office segment with 38.3% (H1 2024: 42.9%) and the leisure segment with 6.5% (H1 2024: 5.3%).

Retail assets located in the central business districts (Postimaja, Europa and Galerija Centrs) accounted for 44.4% of total portfolio net rental income in H1 2025. Total net rental income attributable to neighbourhood shopping centres was 10.8% in H1 2025.

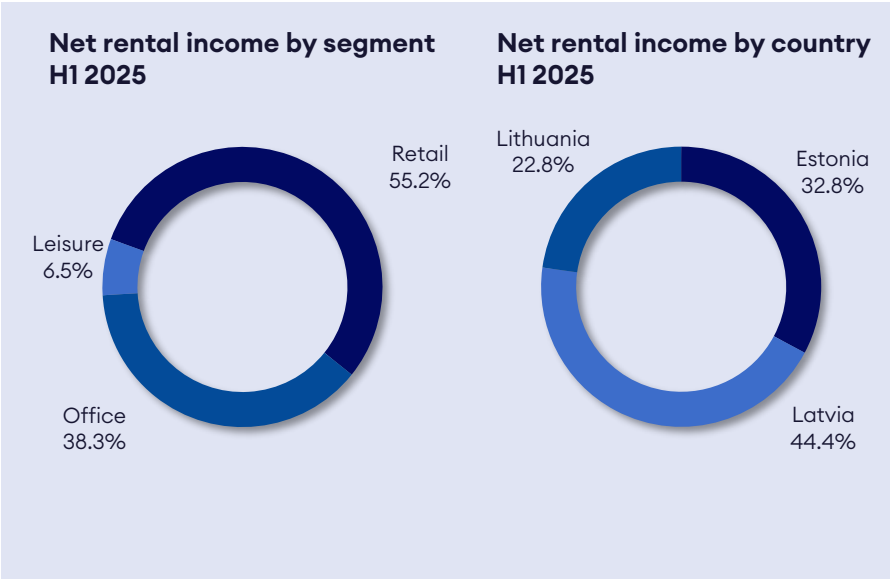
In H1 2025, investment properties in Latvia and Lithuania contributed 44.4% (H1 2024: 44.1%) and 22.8% (H1 2024: 23.9%) of net rental income, respectively, while investment properties in Estonia contributed 32.8% (H1 2024: 32.0%).

### Gross Asset Value (GAV)

As of 30 June 2025, the Fund’s GAV was EUR 238.8 million (31 December 2024: EUR 256.0 million). The decrease compared to the prior year was mainly related to the disposal of the Meraki office building, which had contributed approx. EUR 16.4 million to the GAV.

### Investment properties

At the end of H1 2025, the Baltic Horizon Fund portfolio consisted of 11 investment properties in the Baltic capitals. The fair value of the Fund’s portfolio was EUR 227.5 million at the end of June 2025 (31 December 2024: EUR 241.2 million) and incorporated a total net leasable area of 111.2 thousand sq. m. During H1 2025 the Group invested approximately EUR 2.7 million in tenant fit-outs.



### Interest-bearing loans and bonds

As of 30 June 2025, interest-bearing loans and bonds (excluding lease liabilities) were EUR 135.7 million (31 December 2024: EUR 149.0 million).

As of 30 June 2025, the Fund's consolidated cash and cash equivalents amounted to EUR 7.1 million (31 December 2024: EUR 10.1 million).

### Cash flow

Cash inflow from core operating activities in H1 2025 amounted to EUR 2.7 million (H1 2024: cash inflow of EUR 3.7 million). Cash inflow from investing activities was EUR 12.9 million (H1 2024: cash outflow of EUR 2.5 million) mainly due to the sale of Meraki in March 2025 for EUR 16 million and higher capital expenditure on investment properties. Cash outflow from financing activities was EUR 18.6 million (H1 2024: cash outflow of EUR 2.0 million). In H1 2025, the Fund repaid the BH Novus UAB (previously BH Meraki UAB) loan amounting to EUR 10.3 million, redeemed early bonds in the amount of EUR 3 million, prepaid EUR 0.6 million of loans, and paid interest on bank loans and bonds.

### Net Asset Value (NAV)

As of 30 June 2025, the Fund's NAV was EUR 97.1 million (31 December 2024: EUR 98.1 million). The NAV decrease was mainly due to losses on disposal of Meraki. As of 30 June 2025, IFRS NAV per unit amounted to EUR 0.6766 (31 December 2024: EUR 0.6833), while EPRA net tangible assets and EPRA net reinstatement value were EUR 0.7223 per unit (31 December 2024: EUR 0.7267). EPRA net disposal value was EUR 0.6736 per unit (31 December 2024: EUR 0.6797).

### Key earnings figures

EUR '000	H1 2025	H1 2024	Change (%)
<b>Net rental income</b>	<b>6,078</b>	<b>5,983</b>	<b>1.6%</b>
Administrative expenses	(1,069)	(1,114)	(4.0%)
Net other operating income (expenses)	26	(16)	262.5%
Losses on disposal of investment properties	(1,096)	(447)	145.2%
Valuation losses on investment properties	(9)	(12,524)	(99.9%)
<b>Operating profit (loss)</b>	<b>3,930</b>	<b>(8,118)</b>	<b>148.4%</b>
Net financial expenses	(5,008)	(5,135)	(2.5%)
<b>Loss before tax</b>	<b>(1,078)</b>	<b>(13,253)</b>	<b>(91.9%)</b>
Income tax	187	404	(53.7%)
<b>Profit (loss) for the period</b>	<b>(891)</b>	<b>(12,849)</b>	<b>(93.1%)</b>
Number of units outstanding (units)	143,562,514	119,635,429	20.0%
<b>Earnings per unit (EUR)</b>	<b>(0.01)</b>	<b>(0.11)</b>	<b>(90.9%)</b>

### Key financial position figures

EUR '000	30.06.2025	31.12.2024	Change (%)
Investment properties	227,474	241,158	(5.7%)
<b>Gross asset value (GAV)</b>	<b>238,789</b>	<b>256,048</b>	<b>(6.7%)</b>
Interest-bearing loans and bonds	135,660	148,989	(8.9%)
<b>Total liabilities</b>	<b>141,650</b>	<b>157,953</b>	<b>(10.3%)</b>
<b>IFRS NAV</b>	<b>97,139</b>	<b>98,095</b>	<b>(1.0%)</b>
<b>EPRA NRV</b>	<b>103,690</b>	<b>104,333</b>	<b>(0.6%)</b>
<b>Number of units outstanding (units)</b>	<b>143,562,514</b>	<b>143,562,514</b>	<b>-</b>
<b>IFRS NAV per unit (EUR)</b>	<b>0.6766</b>	<b>0.6833</b>	<b>(1.0%)</b>
<b>EPRA NRV per unit (EUR)</b>	<b>0.7223</b>	<b>0.7267</b>	<b>(0.6%)</b>
Loan-to-Value ratio (%)	60.7%	61.8%	(1.1%)
Average effective interest rate (%)	6.3%	6.7%	(0.4%)

# Financing

The Fund currently aims to use a 50% long-term leverage strategy. At no point in time may the Fund's leverage exceed 65%. The ability to borrow on attractive terms plays a major role in the investment strategy and cash distributions to unitholders.

## Bank loans and bonds

During H1 2025, regular bank loan amortisation was 0.0% p.a. As of the end of H1 2025, the LTV ratio decreased to 60.7%, compared to 61.8% as of 31 December 2024. The average interest rate as of 30 June 2025 decreased to 6.3% on a year-to-date basis (31 December 2024: 6.7%), with a further decline to 6.1% observed in the second quarter. The management team is actively engaged in initiatives aimed at reducing the LTV ratio to approx. 55% in the short-term and 50% in the long-term.

The table on the right provides a detailed breakdown of the structure of the Fund's consolidated financial debt as of 30 June 2025. Interest-bearing debt was comprised of bank loans with a total carrying value of EUR 117.2 million and bonds with a carrying value of EUR 19.0 million. 100% of the debt instruments were denominated in euros. Bank loans have been obtained by subsidiaries that hold the Fund's properties and the properties have been pledged as loan collateral. The parent entity holds the 5-year unsecured bonds. Loan arrangement costs are capitalised and amortised over the terms of the respective loans. As of 30 June 2025, the unamortised balance of loan arrangement costs for all loans and bonds was EUR 586 thousand.

On 13 March 2025, the Fund completed the sale of the Meraki office building. Consequently, the outstanding BH Novus UAB (previously BH Meraki UAB) loan, totalling EUR 10.3 million, was fully repaid.

At the end of March 2025, Vainodes I SIA (carrying amount: EUR 9.8 million) and BH S27 SIA (carrying amount: EUR 7.4 million) loans were prolonged until 31 March 2026.

The weighted average debt term to maturity was 2.7 years and the weighted average hedge term to maturity was 1.1 years as of 30 June 2025.

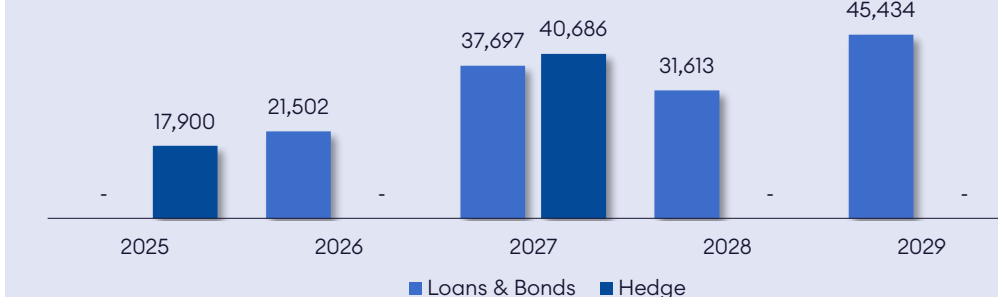
On 10 April 2025, the Fund redeemed early bonds in the amount of EUR 3 million. The total nominal amount of the bonds before the redemption was EUR 22 million and after the redemption is EUR 19 million.

On 22 April 2025, the maturity of BH Galerija Centrs SIA loan was extended to 26 August 2027.

## Financial debt structure of the Fund as of 30 June 2025

Property	Maturity	Currency	Carrying amount (EUR '000)	% of total	Hedged portion (%)
Galerija Centrs	26 August 2027	EUR	29,000	21.3%	91%
Apollo Plaza and Postimaja	15 November 2029	EUR	20,873	15.3%	0%
Europa SC	31 January 2029	EUR	15,610	11.5%	115%
Upmalas Biroji BC	2 August 2028	EUR	10,000	7.3%	0%
Vainodes I	31 March 2026	EUR	9,768	7.2%	0%
North Star	5 February 2029	EUR	8,951	6.6%	0%
Lincona	31 December 2027	EUR	8,697	6.4%	92%
S27	31 March 2026	EUR	7,365	5.4%	0%
Pirita SC	20 February 2026	EUR	4,369	3.2%	92%
Sky SC	31 January 2028	EUR	2,613	1.9%	90%
<b>Total bank loans</b>		<b>EUR</b>	<b>117,246</b>	<b>86.1%</b>	
Less capitalised loan arrangement fees <sup>1</sup>		EUR	(153)		
<b>Total bank loans recognised in the statement of financial position</b>		<b>EUR</b>	<b>117,093</b>		
5-year unsecured bonds (long-term) 8 May 2028		EUR	19,000		
<b>Total bonds</b>		<b>EUR</b>	<b>19,000</b>	<b>13.9%</b>	
Less capitalised bond arrangement fees <sup>1</sup>		EUR	(433)		
<b>Total bonds recognised in the statement of financial position</b>		<b>EUR</b>	<b>18,567</b>		
<b>Total debt recognised in the statement of financial position</b>		<b>EUR</b>	<b>135,660</b>	<b>100.0%</b>	

## Maturity terms of loans, bonds and hedges as of 30 June 2025



1. Amortised each month over the term of a loan/bond.



**Hedging policy and new hedges**

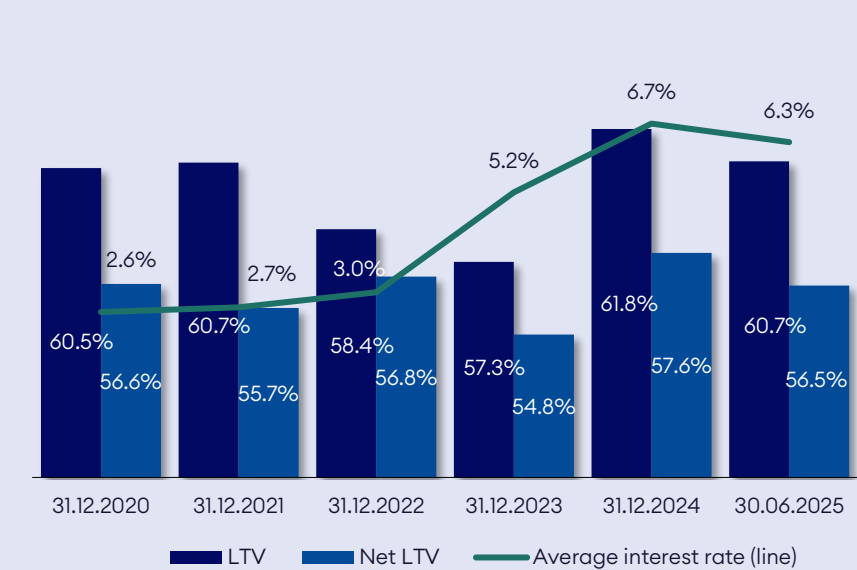
As of 30 June 2025, 43.0% of total debt was hedged against interest rate risk while the remaining 57.0% had floating interest rates. The Fund hedges interest rates on a portion of its debt by acquiring IRS-type hedging instruments or limits the impact of rising interest rates with interest rate cap instruments (CAP).

**Covenant reporting**

As of 30 June 2025, the Fund was in compliance with all the covenants set under the bond issue terms and conditions dated 8 May 2023 and amended on 26 September 2024.

As of 30 June 2025, the Fund was in compliance with all special conditions and covenants set under the bank loan agreements except for the Galerija Centrs, Vainodes, S27 and SKY properties, but this did not result in any consequences because the necessary waivers have already been secured for the loans of BH Galerija Centrs SIA, SIA Vainodes krasti, SIA BOF Sky, and BH S27 SIA.

**LTV and average interest rate as of 30 June 2025**



**Financial covenants of secured bonds issued at the Fund level as of 30 June 2025**

**Equity Ratio**  
Equity divided by total assets.

**Debt Service Coverage Ratio**  
EBITDA divided by the principal payments and interest expenses of interest-bearing debt obligations, on a rolling 12-month basis.

Covenant	Requirement	Ratio 30.06.2025
Equity Ratio	> 37.5%*	40.7%
Debt Service Coverage Ratio	> 0.75**	0.91

\* Equity ratio must be above 35.0% until the collateral has been released and thereafter above 37.5 %.

\*\* As stated in Bond Terms and Conditions amended on 26 September 2024, the DSCR of the Group must be above 0.75 for the period from 30 September 2024 to 30 June 2025, above 1.00 for the period from 1 July 2025 to 30 September 2026 and above 1.20 afterwards.

# EPRA performance measures

## EPRA performance metrics

The European Public Real Estate Association (EPRA) publishes recommendations for disclosing and defining the main financial performance indicators applicable to listed real estate companies. Baltic Horizon supports the standardisation of reporting designed to improve the quality and comparability of information to investors.

The Group reports EPRA Earnings, EPRA NRV, NTA, NDV and EPRA LTV measures on a quarterly basis, while other EPRA measures are reported semi-annually.

Europa Shopping Center



## EPRA Net asset value 30.06.2025

EUR '000	EPRA NRV	EPRA NTA	EPRA NDV
<b>IFRS NAV</b>	<b>97,139</b>	<b>97,139</b>	<b>97,139</b>
<i>Exclude:</i>			
V. Deferred tax liability on investment properties <sup>1</sup>	6,066	6,066	-
V. Deferred tax on fair value of financial instruments	(11)	(11)	-
VI. Fair value of financial instruments	496	496	-
<i>Include:</i>			
IX. Revaluation at fair value of fixed-rate loans	-	-	(433)
<b>NAV</b>	<b>103,690</b>	<b>103,690</b>	<b>96,706</b>
Fully diluted number of units	143,562,514	143,562,514	143,562,514
<b>NAV per unit (EUR)</b>	<b>0.7223</b>	<b>0.7223</b>	<b>0.6736</b>

1. All deferred taxes attributable to investment properties have been excluded from EPRA NTA calculations as the Fund intends to hold and does not intend to sell its investment properties in Lithuania.

## EPRA Net asset value 31.12.2024

EUR '000	EPRA NRV	EPRA NTA	EPRA NDV
<b>IFRS NAV</b>	<b>98,095</b>	<b>98,095</b>	<b>98,095</b>
<i>Exclude:</i>			
V. Deferred tax liability on investment properties <sup>1</sup>	5,818	5,818	-
V. Deferred tax on fair value of financial instruments	(18)	(18)	-
VI. Fair value of financial instruments	438	438	-
<i>Include:</i>			
IX. Revaluation at fair value of fixed-rate loans	-	-	(510)
<b>NAV</b>	<b>104,333</b>	<b>104,333</b>	<b>97,585</b>
Fully diluted number of units	143,562,514	143,562,514	143,562,514
<b>NAV per unit (EUR)</b>	<b>0.7267</b>	<b>0.7267</b>	<b>0.6797</b>

1. All deferred taxes attributable to investment properties have been excluded from EPRA NTA calculations as the Fund intends to hold and does not intend to sell its investment properties in Lithuania.

For EPRA indicators and definitions, please refer to the EPRA indicators and definitions overview in the [Definitions and abbreviations](#) section.

### Baltic Horizon wins EPRA Gold award

Baltic Horizon Fund received a prestigious award at the European Public Real Estate Association (EPRA) annual conference 2024 for the fifth year in a row.

The Fund scored a Gold Award for the adoption of EPRA Best Practices Recommendations (BPR) – widely accepted industry standards for the highest level of transparency, comparability and compliance in financial reporting. EPRA assessed the financial statements of 178 European listed real estate entities as part of its annual award process.

### EPRA Earnings H1 2025

EUR '000	Q2 2025	Q2 2024	H1 2025	H1 2024
<b>Net result IFRS</b>	<b>77</b>	<b>(12,225)</b>	<b>(891)</b>	<b>(12,849)</b>
<b>Exclude:</b>				
I. Changes in fair value of investment properties	4	12,520	9	12,524
II. Profits or losses on disposal of investment properties	191	80	1,096	447
VIII. Deferred tax in respect of EPRA adjustments	(12)	(379)	(190)	(404)
<b>EPRA Earnings</b>	<b>260</b>	<b>(4)</b>	<b>24</b>	<b>(282)</b>
Weighted number of units during the period	143,562,514	119,635,429	143,562,514	119,635,429
<b>EPRA Earnings per unit</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

### EPRA LTV as of 30 June 2025

EUR '000	30.06.2025	31.12.2024
<b>Net debt</b>		
<b>Include:</b>		
Borrowings from financial institutions	117,246	127,630
Bond loans	19,000	22,000
Net payables	(921)	1,463
<b>Exclude:</b>		
Cash and cash equivalents	(7,085)	(10,053)
<b>Net debt (A)</b>	<b>128,240</b>	<b>141,040</b>
<b>Property value</b>		
<b>Include:</b>		
Investment properties at fair value	227,474	241,158
<b>Total property value (B)</b>	<b>227,474</b>	<b>241,158</b>
<b>EPRA LTV (A/B)</b>	<b>56.4%</b>	<b>58.5%</b>

# Investor relations

Baltic Horizon Fund units are currently listed on the Fund List of the Nasdaq Tallinn Stock Exchange. Trading with Baltic Horizon units on the Nasdaq Tallinn Stock Exchange began on 6 July 2016. From 23 December 2016 until 31 October 2022 Baltic Horizon Fund units were also listed on the Nasdaq Stockholm Alternative Investment Funds market. Trading with the Swedish depository receipts (the “SDRs”) on the Nasdaq Stockholm Stock Exchange started on 31 October 2022.

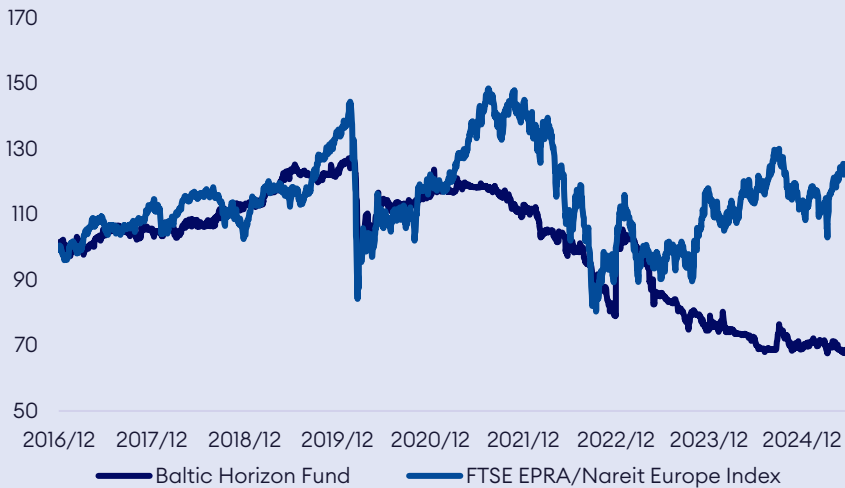
## Trading information

As of 30 June 2025, the market capitalisation for Baltic Horizon Fund was approx. EUR 33.6 million (31 December 2024: EUR 36.2 million) based on the closing unit market prices on the Nasdaq Tallinn Stock Exchange. During H1 2025, Baltic Horizon Fund units on the Nasdaq Tallinn Stock Exchange were trading at a discount compared to the net asset value per unit. At the end of June 2025, the closing unit price on the Nasdaq Tallinn Stock Exchange was EUR 0.2341.

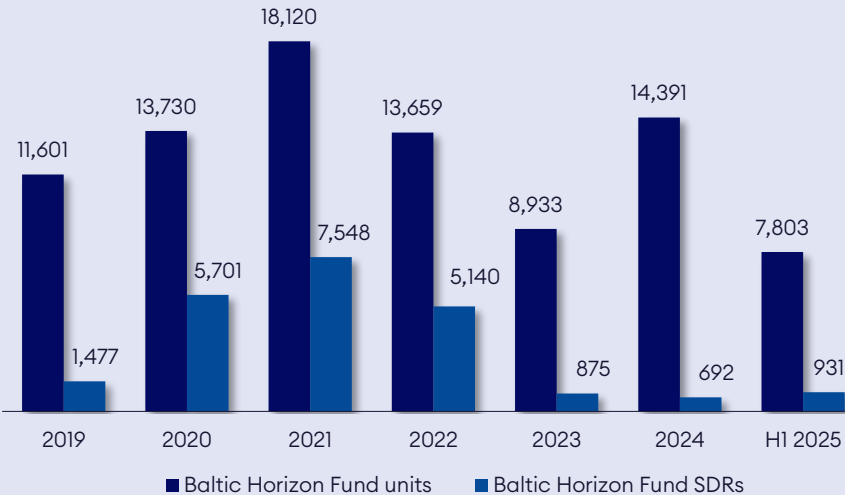
Baltic Horizon Fund’s total shareholder return on the unit during H1 2025 amounted to -7.1%. Total shareholder return for a given period is equivalent to the movement in the unit price on the Nasdaq Tallinn Stock Exchange over the period plus dividends paid, divided by the opening unit price.

The second graph shows the Baltic Horizon Fund units’ annual trading volume on the Nasdaq Tallinn and the Nasdaq Stockholm Stock Exchanges.

Development of the Baltic Horizon Fund total return on the Nasdaq Tallinn Stock Exchange (%)



Annual trading volume on Nasdaq Tallinn and Stockholm Stock Exchanges (‘000 Units)



## Key figures

EUR ‘000	30.06.2025	31.12.2024
Number of units issued (units)	143,562,514	143,562,514
Market capitalisation <sup>1</sup> (EUR)	33,607,985	36,192,110
IFRS NAV per unit (EUR)	0.6766	0.6833
Unit price discount from IFRS NAV per unit <sup>2</sup> (%)	(65.4%)	(63.1%)
EPRA NRV per unit (EUR)	0.7223	0.7267
Unit price discount from EPRA NRV per unit <sup>3</sup> (%)	(67.6%)	(65.3%)
Nasdaq Tallinn:		
Highest unit price during the period (EUR)	0.2799	0.3730
Lowest unit price during the period (EUR)	0.2330	0.2410
Closing unit price (EUR)	0.2341	0.2521
Nasdaq Stockholm:		
Highest unit price during the period (SEK)	2.54	3.58
Lowest unit price during the period (SEK)	2.02	2.48
Closing unit price (SEK)	2.46	2.76

1. Based on the closing prices and split between units on the Nasdaq Tallinn Stock Exchange.
2. Based on the closing price on the Nasdaq Tallinn Stock Exchange and the IFRS NAV per unit at the end of period.
3. Based on the closing price on the Nasdaq Tallinn Stock Exchange and the EPRA NRV per unit at the end of period.



During H1 2025, Baltic Horizon Fund units on the Nasdaq Tallinn Stock Exchange were trading at a discount compared to the net asset value per unit. At the end of June 2025, units were traded at a 65.4% discount compared to the IFRS NAV per unit and 67.6% discount compared to the EPRA NRV per unit. This presents a distinctive opportunity for investors, who may anticipate the share price to converge towards NAV levels, a pattern observed in the Fund’s trading history from 2016 to 2021. The first graph shows the Baltic Horizon Fund unit price in relation to its IFRS net asset value since 2020.

**Dividend capacity**

According to the Fund Rules issued as of 23 May 2016, a distribution to investors will be made if all of the following conditions are met:

- The Fund has retained such reserves as required for the proper running of the Fund;
- The distribution does not endanger the liquidity of the Fund;
- The Fund has made the necessary follow-on investments in existing properties, i.e. investments in the development of the existing properties of the Fund, and new investments. The total of the Fund’s annual net income that may be retained for making such investments is 20% of the Fund’s annual net income of the previous year.

The Fund sets a target of dividend distributions to its unitholders in the range between 80% of generated net cash flow (GNCF) and net profit after unrealized P&L items are adjusted. The distribution is based on the Fund’s short-term and long-term performance projections. Management has discretion to distribute lower dividends than 80% of generated net cash flow (GNCF) if the liquidity of the Fund is endangered.

The Management Company of Baltic Horizon Fund has approved changes to cash distribution frequency. Starting from July 2022, Baltic Horizon Fund’s quarterly cash distribution frequency was changed. At the Annual General Meeting the decision was announced to withhold the dividend payments in 2025 to strengthen the Fund and its asset performance.

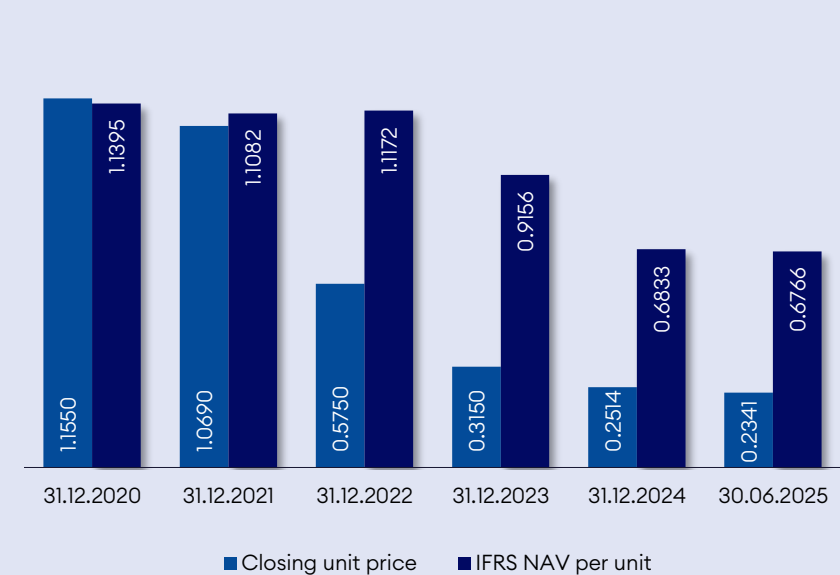
Dividend payments however are not likely until sustainable capital structure is restored and turnaround work on the properties is completed.

**Generated net cash flow (GNCF) calculation formula**

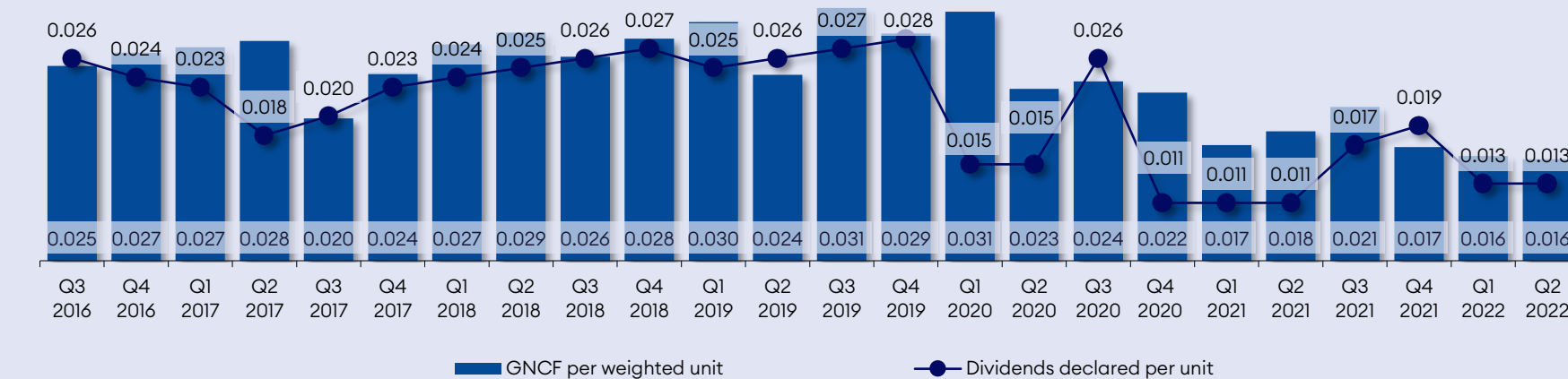
Item	Comments
(+) Net rental income	
(-) Fund administrative expenses	
(-) External interest expenses	Interest expenses incurred for bank loan financing
(-) CAPEX expenditure	The expenditure incurred in order to improve investment properties; the calculation will include capital expenditure based on annual capital investment plans
(+) Extraordinary income related to investment properties	
(+) Added back listing related expenses	
(+) Added back acquisition related expenses	Include the expenses for acquisitions that did not occur

**Generated net cash flow (GNCF)**

**Nasdaq Tallinn unit price compared with NAV (EUR)**



**Dividend per unit (EUR)**



# Structure and governance

Baltic Horizon Fund is a closed-end contractual investment fund registered in Estonia on 23 May 2016. The Fund is defined as a real estate fund under the Estonian Investment Funds Act. The Fund cannot enter into agreements on its own. The unitholders own all the Fund's assets. The Fund has no employees except for the general directors of Lithuanian subsidiaries (3 at the reporting date) as required by Lithuanian law.

The Fund is a tax transparent and cost-efficient vehicle. The management fee is linked to the market capitalisation of the tradable units. It is also embedded in the Fund Rules that the management fee will decrease from 1.5% to as low as 0.5% of the market capitalisation as the Fund's assets grow.

The Fund operates under the REIT concept whereby the vast majority of the Fund's cash earnings are paid out and only 20% can be reinvested.

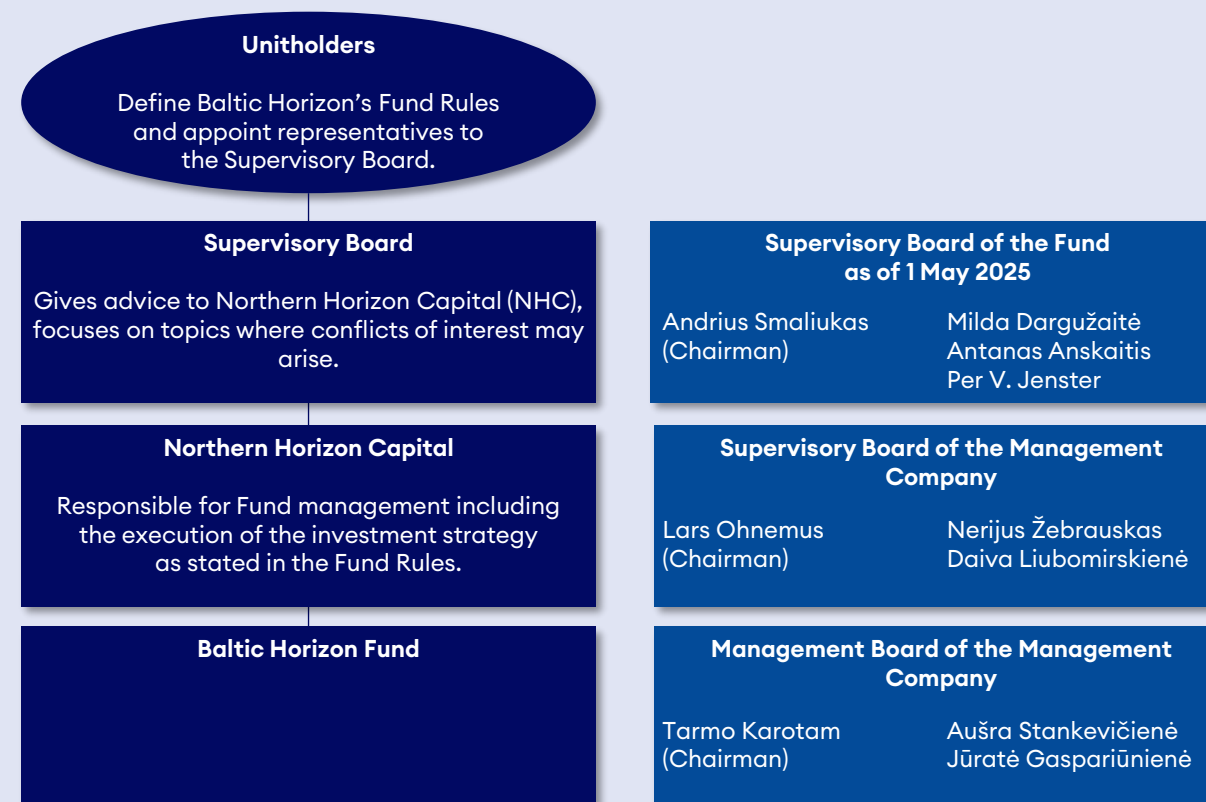
The Fund is managed by the Management Company, which is Northern Horizon Capital AS. The immediate team comprises of the Management Board, which is headed by the Fund Manager, and the Supervisory Board of the Management Company. The Fund also has its own Supervisory Board, which comprises of 4 independent board members.

Northern Horizon Capital AS is an experienced real estate asset manager. Northern Horizon Capital Group has proven itself as one of the leading real estate investors in the Baltic countries and elsewhere with an in-depth knowledge of the markets of operation.

Over the course of the organization's life, Northern Horizon Capital Group has been able to build a strong and cohesive team from diverse backgrounds with a focus on being conservative and thorough, yet dynamic in real estate acquisitions and management.

Commitment to corporate governance is rooted in the Management Company's focus on long-term business relations with investors, partners, and tenants. In all relations, the Management Company encourages a professional and open dialogue based on mutual trust and strives to earn the respect of its business partners through strong commitment, transparency and fair dealings.

## Governance structure



The investor's best interest is always considered by the Management Company to make sure that the investor is treated fairly. The Management Board ensures that conflicts of interests between related parties are avoided or are as small as possible.

The Management Company is obliged to establish, maintain and document procedures to identify, prevent and manage conflicts of interest and, when necessary, issue supplementing instructions to the policies, instructions and guidelines.

**Management Board and Supervisory Board of the Management Company**

The Management Board bears overall responsibility for the daily business of Baltic Horizon Fund. The Management Company’s Management Board is composed of three members. The Management Board is supervised and advised by the Supervisory Board of the Management Company.

**Supervisory Board of the Fund**

The Fund has a Supervisory Board which consists of qualified members with recognised experience in the real estate markets in Estonia, Latvia, and Lithuania, impeccable reputation and appropriate education. In accordance with the Fund Rules, members of the Supervisory Board are appointed by the General Meeting for a period of at least two years. The Supervisory Board consists of three to five members. The current Supervisory Board members have been elected for an indefinite period.

The Supervisory Board acts solely in an advisory capacity and the Management Company remains responsible for making the decisions in connection with the Fund’s management. The Supervisory Board members fulfil their consultation responsibilities collectively.

Supervisory Board members are entitled to remuneration for their service in the amount determined by the General Meeting. The former chairman of the Supervisory Board acting until 30 April 2025 was entitled to an annual remuneration of EUR 15,000 and a regular member was entitled to an annual remuneration of EUR 11,000, whilst the newly appointed chairman of the Supervisory Board acting from 1 May 2025 is entitled to an annual remuneration of EUR 36,000 and a regular member is entitled to an annual remuneration of EUR 11,000. On the basis of the agreements concluded with each Supervisory Board member, Supervisory Board members are not entitled to any benefits from the Fund or the Management Company upon termination of their term of office.

The Fund administration services are provided by the Management Company. Accounting and depository services have been outsourced to Swedbank AS.

**Bios of the members of the Management Board of the Management Company**

**Tarmo Karotam**  
Chairman of the Management Board /  
Fund Manager



Tarmo Karotam is the Fund Manager of Baltic Horizon Fund. He is a long-time member of Northern Horizon Capital’s investment management team and acted as the Fund Manager for BOF, which was the predecessor fund to Baltic Horizon Fund. Tarmo has many years of experience from the Baltic real estate sector. He graduated from École Hôtelière de Lausanne (B.Sc.) in 2005 and is a member of RICS (MRICS).

**Aušra Stankevičienė**  
Member of the Management Board /  
Fund Service Director



Aušra Stankevičienė holds the position of Fund Service Director. She has been with Northern Horizon for more than 15 years, first as Fund Treasurer and later as Head of Fund Administration. Prior to joining Northern Horizon, Aušra worked as a corporate finance consultant and senior credit analyst at Swedbank Lithuania. Aušra holds a master’s degree in banking as well as a CFA credential. She graduated from Vilnius University (MBA) in 1998.

**Jūratė Gaspariūnienė**  
Member of the Management Board /  
Head of Asset Management



Jūratė Gaspariūnienė is the Head of Asset Management of Baltic Horizon Fund. Her focus is on managing and enhancing the strategic value of the Fund’s asset portfolio. Jūratė has more than 10 years of experience in managing shopping centers in Lithuania and she possesses solid experience in expansions and refurbishment projects. Jūratė holds a bachelor’s degree in business, management, marketing, and related support services.

### Investment Committee

The Internal Investment Committee plays a crucial role in ensuring the quality and compliance of the portfolio management decisions within the organization. Its primary purpose is to review investment proposals made by the Portfolio Management Function and make recommendations to the Management Board for final decisions. The committee ensures that the investments are handled prudently, carefully, and in accordance with applicable rules and regulations. Member of the investment committee are Daiva Liubomirskienė, Aušra Stankevičienė, Jussi Rouhento, Kasper Wehner.

### Valuations

The real estate property valuation policies of the Fund are determined in the Fund Rules based on common market practice. Only a licensed independent real estate appraiser of high reputation and sufficient experience in appraising similar property and operating in the country where the relevant real estate property is located may evaluate real estate belonging to the Fund.

Each potential acquisition opportunity is subject to extensive commercial, legal, technical and financial/tax due diligence performed by the Management Company in cooperation with reputable local and international advisers.

### Audit

The auditor of the Fund is KPMG Baltics OÜ, which is a member of the Estonian Association of Auditors. In addition to statutory audit services, KPMG Baltics OÜ has provided the Fund with other assurance services. KPMG was selected as the auditor for another 3-year term through a rigorous public tendering process held in May 2025, ensuring that their values and expertise align with the commitment to excellence and transparency. Several reputable firms were considered, recognizing that their extensive experience, global reach, and high standards of professionalism make them well-suited to meet the auditing needs.

The Fund’s activities are monitored on a regular basis by the Estonian Financial Supervision and Resolution Authority and the Supervisory Board of the Fund.

### Bios of the members of the Supervisory Board of the Fund

#### Andrius Smaliukas Chairman of the Supervisory Board

Dr. Smaliukas is the Managing Partner at MMSP, a Lithuanian law firm focused on strategic corporate advisory and dispute resolution. He previously partnered at one of the leading Pan-Baltic firm, Valiunas Ellex, and holds nearly 20 years of experience as an arbitrator and international arbitration lead counsel. Dr. Smaliukas earned his Ph.D. and Master of Laws from Vilnius University, conducted postgraduate research at Oxford, and completed executive programs at Cambridge Judge Business School and Harvard Law School. Dr. Smaliukas serves on the boards of Staticus Group, Kesko Senukai, has extensive advisory experience in commercial real estate M&A and investment management across the Baltic countries.

#### Milda Dargužaitė Member of the Supervisory Board

Milda Dargužaitė is the former CEO of Northern Horizon Capital A/S, the shareholder of Northern Horizon Capital AS. She was responsible for managing the company’s operations and strategic direction, including the development of new funds and investment vehicles. Milda has significant experience in both the public and private sectors, locally and internationally. She joined the company in 2018 after roles as the Chancellor at the Lithuanian Prime Minister’s Office, Managing Director of Invest Lithuania, and advisor to the Lithuanian Minister of Economy. Milda has a wealth of experience in finance and portfolio management from her time at Goldman Sachs in New York and Barclays in London. Milda Dargužaitė was the supervisory board member of Northern Horizon Capital AS from July 2018 until September 2023.

#### Antanas Anskaitis Member of the Supervisory Board

Antanas Anskaitis is a partner at Grinvest which is a private investment company with interests in real estate and transportation. Antanas has over 20 years of real estate investment management experience (out of which 16 within Northern Horizon Capital group). Since 2015 until 2020 Antanas managed a successful Baltic-Polish investment portfolio on behalf of Partners Group and lead over 30 commercial property transactions in the Baltics and Poland having experience both on sell and buy side. Antanas has MSc in Management and Economics.

#### Professor Per V. Jenster Member of the Supervisory Board

Dr. Per V. Jenster, Danish, received his PH.D from University of Pittsburgh, has a life-long vocation in real estate (20 years in the Baltics), along side a career as business professor i.a. at IMD, Copenhagen Business School and CEIBS in Shanghai. Per V. Jenster is a Professor Emeritus and International Dean of China’s first National Interdisciplinary Institute for Aging Research, Southwest Jiaotong University, and is currently Chairman at Center for International Management & Industrial Development, Switzerland. Per V. Jenster has recently retired a Chairman at Niche Masters Fund after serving 10 years as head of the board of the investment company.



# Risk management

The risk management function of the Fund is responsible for identifying, measuring, managing, and monitoring the risks which the Fund is or might be exposed to.

The risk management function is overseen by a dedicated member of the Management Board (who is not performing Portfolio Management or Investor Relations functions) and partly delegated to a sister company of the Management Company: Northern Horizon Capital AIFM Oy, which is a licensed AIFM in Finland. The risk management function maintains a list of all risk management related instructions, monitors these compared to internationally recommended best practice, and initiates changes and improvements when needed. The risk management function reports to the Fund’s boards on a regular basis.

The risk management function assessed at the end of the reporting period that the Fund is currently in compliance with the intended risk management framework.

## Principal risks faced by the Fund

Risk	Risk description
Market risk	The Fund is exposed to the office and retail markets in Riga, Tallinn, and Vilnius through its indirect investments in investment property (through subsidiaries). Although the Fund’s portfolio is well-diversified across specified geographies and market segments, there remains a possibility of encountering risks that could impact multiple geographies or markets. This could have a negative impact on the properties’ occupancy rates, lease rates and the Fund’s rental income.
Liquidity risk	<p>The Fund is exposed to liquidity risk related to the renewal of its financing as it reaches maturity. Failure to renew the financing at acceptable terms or breaches of debt covenants could cause the need to dispose of the assets owned by the Fund. Please refer to note 14 for more information regarding the maturity dates of the loans and borrowings.</p> <p>Most financing agreements require additional loan amortisation when debt covenants deteriorate. Thus, a decrease in the performance or value of the Fund’s properties due to changes in real estate yields could cause the need for additional liquidity.</p> <p>Real estate investments have low liquidity and there can be no assurance that the Fund will be able to exit the investments in a timely manner. By their nature, real estate investments or interests in other non-public entities are subject to industry cyclicality, downturns in demand, market disruptions and the lack of available capital for potential purchasers and therefore often difficult or time consuming to liquidate.</p>

Risk	Risk description
Interest rate risk	The Fund is exposed to interest rate risk because of leverage (bank loans or bonds) used to finance its real estate investments. The Fund hedges against interest rate risk either by taking fixed rate loans or by using interest rate swaps or interest rate caps for the loans with variable interest rates. As 1) the Fund seeks to obtain financing on the best terms and conditions and 2) in the current market, fixed rate loans are often more expensive, the Fund hedges interest rate exposure by mainly using derivative instruments such as interest rate swaps, forwards and options. The Fund and its subsidiaries acquire swaps only for cash flow hedging purposes and not for trading.
General property related risks	<p>Real estate as an asset class has some typical risks, for example those caused by construction or property maintenance errors. An unforeseen event such as a technical system failure may arise despite comprehensive control and careful maintenance. A number of assets owned by the Fund are older than 10 years and, therefore, may require unplanned repairs or maintenance CAPEX.</p> <p>Investments may also be needed for buildings to meet changing tenants’ needs and regulatory or environmental requirements.</p>

# About Baltic Horizon

We aim to create value through actively managing commercial real estate. Our strategic focus is on catering to the ‘Modern City Life’ and on governmental and social tenant concepts in Vilnius, Riga, and Tallinn.

Baltic Horizon Fund is a regulated closed-end contractual investment fund registered in Estonia on 23 May 2016.

The Fund is a public fund with no particular lifetime (evergreen). Units of the Fund are made available to the public in accordance with the Fund Rules and applicable laws. The Fund is listed on the Fund List of the Nasdaq Tallinn Stock Exchange. The Fund’s Swedish depository receipts (the SDRs) are listed on the Nasdaq Stockholm Stock Exchange.

Northern Horizon Capital AS is the Management Company (AIFM) of the Fund. Both the Fund and the Management Company are supervised by the Estonian Financial Supervision and Resolution Authority.

The Fund’s primary focus is to invest directly in commercial real estate located in Estonia, Latvia and Lithuania, particularly in the capitals - Tallinn, Riga and Vilnius.

The Fund’s focus is on established cash flow generating properties with potential to add value through active management within the retail, office, leisure and public assets segments in strategic locations and strong tenants or a quality tenant mix and long leases.

The Fund aims to use a 50% long-term leverage strategy. At no point in time may the Fund’s leverage exceed 65%.

The Fund aims to grow through making attractive investments for its investors while diversifying its risks geographically, across real estate segments, tenants and debt providers.

## Our business model

We create value by investing in, managing, improving, and disposing of commercial real estate assets.



## The Modern City Life concept at a glance

Location and accessibility	Mixed-use communities	Sustainability and wellness
<ul style="list-style-type: none"><li>• Central locations</li><li>• Good transportation infrastructure</li><li>• Walkability and bikeability</li></ul>	<ul style="list-style-type: none"><li>• Multi-purpose spaces</li><li>• Live/work integration</li><li>• Food and entertainment</li></ul>	<ul style="list-style-type: none"><li>• Green lease and design elements</li><li>• Health and wellness facilities</li></ul>

# Financial calendar 2025



6 August	■ Interest rate applicable to the bonds for the next interest period
7 August	■ Interim Financial Statements for 6 months of 2025
15 August	■ NAV July
15 September	■ NAV August
15 October	■ NAV September
6 November	■ Interest rate applicable to the bonds for the next interest period
7 November	■ Interim Financial Statements for 9 months of 2025
17 November	■ NAV October
15 December	■ NAV November



#### Stay up to date with Baltic Horizon

Register on [www.baltichorizon.com](https://www.baltichorizon.com) to receive Nasdaq announcements and other news from Baltic Horizon Fund about projects, plans and more. You can also follow us on [www.baltichorizon.com](https://www.baltichorizon.com) and on [LinkedIn](#), [Facebook](#), [X](#), and [YouTube](#).

# Management Board's confirmation

Members of the Management Board of the Management Company Tarmo Karotam, Aušra Stankevičienė, and Jūratė Gaspariūnienė confirm that according to their best knowledge, the condensed consolidated interim financial statements for six months of 2025, prepared in accordance with IFRS as adopted by the European Union, present a correct and fair view of the assets, liabilities, equity, financial position, financial performance and cash flows of the Fund and its subsidiaries, taken as a whole, and the management report gives a true and fair view of the development, the results of the business activities and the financial position of the Fund and its subsidiaries, taken as a whole, as well as of the significant events which took place during the six months of 2025 and their effect on the condensed consolidated interim accounts.



# Consolidated financial statements



# Consolidated statement of profit or loss and other comprehensive income

EUR '000	Notes	01.04.2025 - 30.06.2025	01.04.2024 - 30.06.2024	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Rental income		3,734	3,821	7,528	7,667
Service charge income	5	1,217	1,315	2,549	2,363
Cost of rental activities	5	(1,843)	(1,947)	(3,999)	(4,047)
<b>Net rental income</b>	<b>4</b>	<b>3,108</b>	<b>3,189</b>	<b>6,078</b>	<b>5,983</b>
Administrative expenses	6	(521)	(529)	(1,069)	(1,114)
Other operating income (expenses)		8	(80)	26	(16)
Losses on disposal of investment properties		(191)	(26)	(1,096)	(447)
Valuation losses on investment properties	10	(4)	(12,520)	(9)	(12,524)
<b>Operating profit (loss)</b>		<b>2,400</b>	<b>(9,966)</b>	<b>3,930</b>	<b>(8,118)</b>
Financial income		18	15	60	19
Financial expenses	7	(2,353)	(2,653)	(5,068)	(5,154)
<b>Net financial expenses</b>		<b>(2,335)</b>	<b>(2,638)</b>	<b>(5,008)</b>	<b>(5,135)</b>
<b>Profit (loss) before tax</b>		<b>65</b>	<b>(12,604)</b>	<b>(1,078)</b>	<b>(13,253)</b>
Income tax charge	4, 9	12	379	187	404
<b>Profit (loss) for the period</b>	<b>4</b>	<b>77</b>	<b>(12,225)</b>	<b>(891)</b>	<b>(12,849)</b>

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

EUR '000	Notes	01.04.2025 - 30.06.2025	01.04.2024 - 30.06.2024	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
<b>Other comprehensive income that is or may be reclassified to profit or loss in subsequent periods</b>					
Net gains (losses) on cash flow hedges	13b	(109)	(110)	(58)	(319)
Income tax relating to net loss on cash flow hedges	13b, 9	(2)	17	(7)	34
<b>Other comprehensive loss, net of tax, that is or may be reclassified to profit or loss in subsequent periods</b>		<b>(111)</b>	<b>(93)</b>	<b>(65)</b>	<b>(285)</b>
<b>Total comprehensive loss for the period, net of tax</b>		<b>(34)</b>	<b>(12,318)</b>	<b>(956)</b>	<b>(13,134)</b>
<b>Basic and diluted earnings per unit (EUR)</b>	<b>8</b>	<b>0.00</b>	<b>(0.10)</b>	<b>(0.01)</b>	<b>(0.11)</b>



# Consolidated statement of financial position

EUR '000	Notes	30.06.2025	31.12.2024
<b>Non-current assets</b>			
Investment properties	4, 10	227,474	241,158
Intangible assets		1	4
Property, plant and equipment		1	5
Derivative financial instruments	19	-	1
Other non-current assets		875	1,225
<b>Total non-current assets</b>		<b>228,351</b>	<b>242,393</b>
<b>Current assets</b>			
Trade and other receivables	11	2,841	2,800
Prepayments		512	802
Cash and cash equivalents	12	7,085	10,053
<b>Total current assets</b>		<b>10,438</b>	<b>13,655</b>
<b>Total assets</b>	4	<b>238,789</b>	<b>256,048</b>
<b>Equity</b>			
Paid in capital	13a	151,495	151,495
Cash flow hedge reserve	13b	(485)	(420)
Retained earnings		(53,871)	(52,980)
<b>Total equity</b>		<b>97,139</b>	<b>98,095</b>

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

EUR '000	Notes	30.06.2025	31.12.2024
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	14	111,193	98,491
Deferred tax liabilities	9	1,732	1,898
Derivative financial instruments	19	427	-
Other non-current liabilities		1,164	1,446
<b>Total non-current liabilities</b>		<b>114,516</b>	<b>101,835</b>
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	14	24,702	50,736
Trade and other payables	15	2,097	4,473
Income tax payable		-	14
Derivative financial instruments	19	-	317
Other current liabilities		335	578
<b>Total current liabilities</b>		<b>27,134</b>	<b>56,118</b>
<b>Total liabilities</b>	4	<b>141,650</b>	<b>157,953</b>
<b>Total equity and liabilities</b>		<b>238,789</b>	<b>256,048</b>

# Consolidated statement of changes in equity

EUR '000	Notes	Paid in capital	Cash flow hedge reserve	Retained earnings	Total equity
<b>As of 1 January 2024</b>		145,200	531	(36,199)	109,532
<b>Comprehensive income (loss)</b>					
Net loss for the period		-	-	(16,781)	(16,781)
Other comprehensive loss		-	(951)	-	(951)
<b>Total comprehensive loss</b>		-	(951)	(16,781)	(17,732)
Capital increase		6,295	-	-	6,295
<b>As of 31 December 2024</b>		151,495	(420)	(52,980)	98,095
<b>As of 1 January 2025</b>		151,495	(420)	(52,980)	98,095
<b>Comprehensive income (loss)</b>					
Net loss for the period		-	-	(891)	(891)
Other comprehensive loss	13b	-	(65)	-	(65)
<b>Total comprehensive loss</b>		-	(65)	(891)	(956)
<b>As of 30 June 2025</b>		151,495	(485)	(53,871)	97,139

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



# Consolidated statement of cash flows

EUR '000	Notes	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
<b>Cash flows from core activities</b>			
Profit (loss) before tax		(1,078)	(13,253)
<b>Adjustments for non-cash items:</b>			
Value adjustment of investment properties	10	9	12,524
Losses on disposal of investment properties		1,096	447
Value adjustment of derivative finance instruments		111	-
Depreciation of property, plant and equipment		7	(7)
Change in impairment losses for trade receivables	11	21	(22)
Financial income		(60)	(20)
Financial expenses	7	5,068	5,154
<b>Working capital adjustments:</b>			
Change in trade and other accounts receivable		(62)	(229)
Change in other current assets		290	(243)
Change in other non-current liabilities		(282)	210
Change in trade and other accounts payable		(1,892)	(625)
Change in other current liabilities		(530)	(251)
Income tax paid		(16)	-
<b>Total cash flows from core activities</b>		<b>2,682</b>	<b>3,685</b>

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

EUR '000	Notes	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
<b>Cash flows from investing activities</b>			
Interest received		60	19
Proceeds from disposal of investment property		15,556	(447)
Capital expenditure on investment properties		(2,705)	(2,082)
<b>Total cash flows from investing activities</b>		<b>12,911</b>	<b>(2,510)</b>
<b>Cash flows from financing activities</b>			
Proceeds from bank loans		490	8,600
Repayment of bank loans		(10,903)	(1,205)
Repayment of bonds		(3,000)	(4,500)
Transaction costs related to loans and borrowings		(13)	(10)
Repayment of lease liabilities		(9)	(9)
Interest paid		(5,126)	(4,862)
<b>Total cash flows from financing activities</b>		<b>(18,561)</b>	<b>(1,986)</b>
<b>Net change in cash and cash equivalents</b>		<b>(2,968)</b>	<b>(811)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>10,053</b>	<b>6,182</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>7,085</b>	<b>5,371</b>

# Notes to the consolidated financial statements

## 1. Corporate information

Baltic Horizon Fund is a regulated closed-end contractual investment fund registered in Estonia on 23 May 2016. The Fund is managed by Northern Horizon Capital AS. Both the Fund and the Management Company are supervised by the Estonian Financial Supervision and Resolution Authority. The Depositary of the Fund is Swedbank AS. The Fund is the ultimate parent and controlling entity of the group comprising the Fund and its subsidiaries (the “Group” or the “Fund”).

The Fund is a public fund with no particular lifetime (evergreen). Units of the Fund are made available to the public in accordance with the Fund Rules and applicable laws. The Fund is listed on the Fund List of the Nasdaq Tallinn Stock Exchange. The Fund’s Swedish depository receipts (the SDRs) are listed on the Nasdaq Stockholm Stock Exchange.

The Fund’s registered office is at Roseni 7, 10111 Tallinn, Estonia.

The objective of the Fund is to combine attractive income yields with medium to long-term value appreciation by investing primarily in commercial real estate, portfolios of real estate, and/or real estate companies and making exits from these investments. The objective of the Fund is to provide its investors with consistent and above average risk-adjusted returns by acquiring and managing a portfolio of high-quality cash flow-generating commercial properties, thereby creating a stable stream of high yielding current income combined with capital gains at exit. Although the objective of the Fund is to generate positive returns to investors, the profitability of the Fund is not guaranteed to investors.

At the reporting date, the Fund held the following 100% interests in subsidiaries:

Name	30.06.2025	31.12.2024
BH Lincona OÜ	100%	100%
BOF SKY SIA	100%	100%
BH CC Plaza OÜ	100%	100%
BH Europa UAB	100%	100%
Kontor SIA	100%	100%
Pirita Center OÜ	100%	100%
Vainodes Krasti SIA	100%	100%
BH S27 SIA	100%	100%
BH Novus UAB (previously BH Meraki UAB)	100%	100%
BH Galerija Centrs SIA	100%	100%
BH Northstar UAB	100%	100%

## 2. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group’s latest consolidated annual financial statements as of and for the year ended 31 December 2024. These interim condensed consolidated financial statements do not include all of the information required in the complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are relevant to understanding the changes in the Group’s financial position and performance since the last annual financial statements.

### Going concern assessment

The management of the Fund has performed an assessment of the Fund’s future consolidated financial position, consolidated financial performance and cash flows and has concluded that the continued application of the going concern assumption is appropriate.

### New standards, amendments and interpretations

A number of new standards and amendments to standards are not effective for annual periods beginning on 1 January 2025 but their earlier application is permitted. However, the Group has not early adopted any of the new or amended standards in preparing these interim condensed consolidated financial statements.

### 3. Summary of significant account policies

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the reported item in the future. The assumptions and judgements applied in these interim condensed consolidated financial statements were the same as those applied in the Group's consolidated financial statements for the year ended 31 December 2024.

#### Material accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements for the year ended 31 December 2024.

#### Fair value measurements

The Group measures certain financial instruments such as derivatives, and non-financial assets such as investment property, at fair value at the end of each reporting period. Also, the fair values of financial instruments measured at amortised cost are disclosed in the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Group must be able to access the principal or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole:

**Level 1** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

**Level 2** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

**Level 3** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 4. Operating segments

The Group's reportable segments are as follows:

**Retail segment** includes Europa Shopping Centre (Lithuania), SKY Shopping Centre (Latvia), Pirita Shopping Centre (Estonia), Postimaja Shopping centre (Estonia), and Galerija Centrs Shopping Centre (Latvia) investment properties.

**Office segment** includes Lincona Office Complex (Estonia), Upmalas Biroji (Latvia), Vainodes I (Latvia), S27 (Latvia), Meraki (disposed property as of 13 March 2025; Lithuania) and North Star (Lithuania) investment properties.

**Leisure segment** includes Apollo Plaza (Estonia) investment property.

For management purposes, the Group is organized into three business segments based on the type of investment property. Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and assessing performance. Segment performance is evaluated based on net rental income and net profit/loss.

Information related to each reportable segment is set out on the next page. Segment net rental income is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

**Operating segments – 30 June 2025**

EUR '000	Retail	Office	Leisure	Total
<b>01.04.2025-30.06.2025:</b>				
External revenue <sup>1</sup>	3,054	1,537	360	4,951
<b>Segment net rental income</b>	<b>1,780</b>	<b>1,121</b>	<b>207</b>	<b>3,108</b>
Net loss from fair value adjustment	(1)	(3)	-	(4)
Interest expenses <sup>2</sup>	(928)	(532)	(111)	(1,571)
Income tax income (expenses)	13	(1)	-	12
<b>Segment net profit</b>	<b>816</b>	<b>441</b>	<b>97</b>	<b>1,354</b>
<b>01.01.2025-30.06.2025:</b>				
External revenue <sup>1</sup>	5,990	3,372	715	10,077
<b>Segment net rental income</b>	<b>3,349</b>	<b>2,330</b>	<b>399</b>	<b>6,078</b>
Net loss from fair value adjustment	(2)	(7)	-	(9)
Interest expenses <sup>2</sup>	(1,867)	(1,270)	(223)	(3,360)
Income tax income (expenses)	28	159	-	187
<b>Segment net profit (loss)</b>	<b>1,431</b>	<b>(47)</b>	<b>174</b>	<b>1,558</b>
<b>As of 30.06.2025:</b>				
<b>Segment assets</b>	<b>139,100</b>	<b>83,417</b>	<b>13,516</b>	<b>236,033</b>
Investment properties	133,900	80,378	13,196	227,474
<b>Segment liabilities</b>	<b>69,821</b>	<b>44,490</b>	<b>7,949</b>	<b>122,260</b>

1. External revenue includes rental income and service charge income. The segments do not have inter-segment revenue.
2. Interest expenses include only external bank loan interest expenses and interest expenses on lease liabilities.

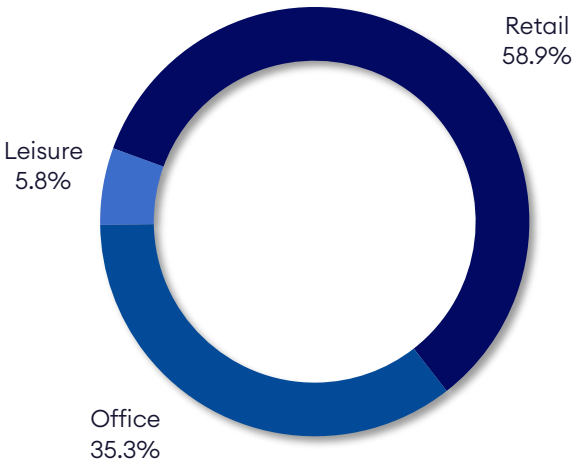
**Operating segments – 30 June 2024**

EUR '000	Retail	Office	Leisure	Total
<b>01.04.2024-30.06.2024:</b>				
External revenue <sup>1</sup>	3,121	1,727	288	5,136
<b>Segment net rental income</b>	<b>1,757</b>	<b>1,261</b>	<b>171</b>	<b>3,189</b>
Net loss from fair value adjustment	(5,592)	(6,741)	(187)	(12,520)
Interest expenses <sup>2</sup>	(822)	(680)	(92)	(1,594)
Income tax income (expenses)	147	232	-	379
<b>Segment net profit (loss)</b>	<b>(4,573)</b>	<b>(6,044)</b>	<b>(113)</b>	<b>(10,730)</b>
<b>01.01.2024-30.06.2024:</b>				
External revenue <sup>1</sup>	5,897	3,594	539	10,030
<b>Segment net rental income</b>	<b>3,096</b>	<b>2,568</b>	<b>319</b>	<b>5,983</b>
Net loss from fair value adjustment	(5,593)	(6,744)	(187)	(12,524)
Interest expenses <sup>2</sup>	(1,572)	(1,226)	(154)	(2,952)
Income tax income (expenses)	149	255	-	404
<b>Segment net profit (loss)</b>	<b>(4,069)</b>	<b>(5,657)</b>	<b>(32)</b>	<b>(9,758)</b>
<b>As of 30.06.2024:</b>				
<b>Segment assets</b>	<b>135,947</b>	<b>99,159</b>	<b>13,449</b>	<b>248,555</b>
Investment properties	131,251	95,609	13,067	239,927
<b>Segment liabilities</b>	<b>69,114</b>	<b>47,121</b>	<b>6,561</b>	<b>122,796</b>

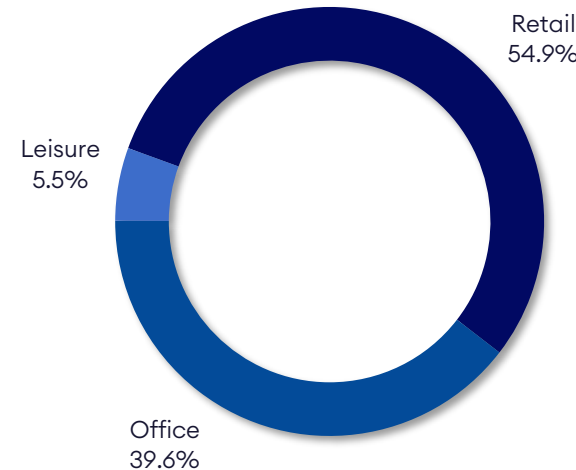
1. External revenue includes rental income and service charge income. The segments do not have inter-segment revenue.
2. Interest expenses include only external bank loan interest expenses and interest expenses on lease liabilities.



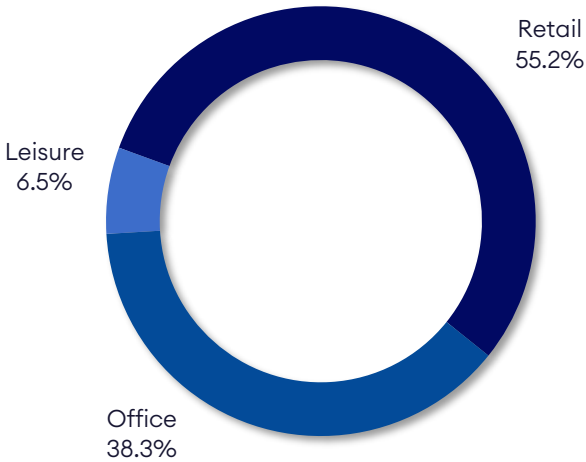
Investment properties as of 30 June 2025\*



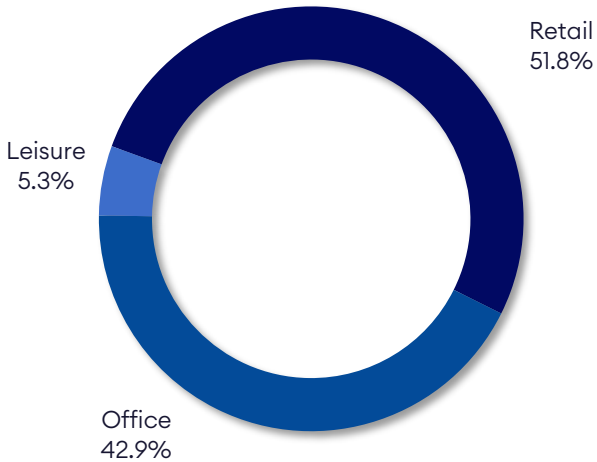
Investment properties as of 31 December 2024\*



Segment net rental income for H1 2025\*



Segment net rental income for H1 2024\*



\*As a percentage of the total for all reportable segments

## Reconciliation of information on reportable segments to IFRS measures

### Operating segments – 30 June 2025

EUR '000	Total reportable segments	Adjustments	Consolidated
<b>01.04.2025-30.06.2025:</b>			
Net profit (loss)	1,354	(1,277) <sup>1</sup>	77
<b>01.01.2025-30.06.2025:</b>			
Net profit (loss)	1,558	(2,449) <sup>2</sup>	(891)
<b>As of 30.06.2025:</b>			
Segment assets	236,033	2,756 <sup>3</sup>	238,789
Segment liabilities	122,260	19,390 <sup>4</sup>	141,650

1. Segment net loss for Q2 2025 does not include Fund management fee (EUR 304 thousand), bond interest expenses (EUR 497 thousand), bond arrangement fee amortisation (EUR 238 thousand), Fund custodian fees (EUR 11 thousand), losses on disposal (EUR 125 thousand) and other Fund-level administrative expenses (EUR 102 thousand).
2. Segment net loss for H1 2025 does not include Fund management fee (EUR 606 thousand), bond interest expenses (EUR 1,081 thousand), bond arrangement fee amortisation (EUR 276 thousand), Fund custodian fees (EUR 22 thousand), losses on disposal (EUR 244 thousand) and other Fund-level administrative expenses (EUR 220 thousand).
3. Segment assets do not include cash, which is held at the Fund level (EUR 2,465 thousand) and prepayment and other receivables at the Fund level (EUR 291 thousand).
4. Segment liabilities do not include liabilities related to a bond issue at the Fund level (EUR 18,567 thousand), accrued bond coupon expenses (EUR 280 thousand), management fee payable (EUR 463 thousand), and other short-term payables at the Fund level (EUR 80 thousand).

### Operating segments – 30 June 2024

EUR '000	Total reportable segments	Adjustments	Consolidated
<b>01.04.2024-30.06.2024:</b>			
Net profit (loss)	(10,730)	(1,495) <sup>1</sup>	(12,225)
<b>01.01.2024-30.06.2024:</b>			
Net profit (loss)	(9,758)	(3,091) <sup>2</sup>	(12,849)
<b>As of 30.06.2024:</b>			
Segment assets	248,555	1,609 <sup>3</sup>	250,164
Segment liabilities	122,796	30,970 <sup>4</sup>	153,766

1. Segment net loss for Q2 2024 does not include Fund management fee (EUR 310 thousand), bond interest expenses (EUR 914 thousand), bond arrangement fee amortisation (EUR 46 thousand), Fund custodian fees (EUR 13 thousand), losses on disposal (EUR 113 thousand) and other Fund-level administrative expenses (EUR 99 thousand).
2. Segment net loss for H1 2024 does not include Fund management fee (EUR 640 thousand), bond interest expenses (EUR 1,930 thousand), bond arrangement fee amortisation (EUR 69 thousand), Fund custodian fees (EUR 26 thousand), losses on disposal (EUR 180 thousand) and other Fund-level administrative expenses (EUR 246 thousand).
3. Segment assets do not include cash, which is held at the Fund level (EUR 1,294 thousand), advance payment (EUR 16 thousand) and other receivables at fund level (EUR 299 thousand).
4. Segment liabilities do not include liabilities related to a bond issue at the Fund level (EUR 29,638 thousand), accrued bond coupon expenses (EUR 496 thousand), management fee payable (EUR 503 thousand), and other short-term payables at the Fund level (EUR 333 thousand).

**Geographic information**

EUR '000	External revenue				Investment property value	
	01.04.2025 - 30.06.2025	01.04.2024 - 30.06.2024	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024	30.06.2025	31.12.2024
Lithuania	1,206	1,422	2,729	2,812	56,002	71,874
Latvia	2,308	2,382	4,556	4,662	113,499	111,404
Estonia	1,437	1,332	2,792	2,556	57,973	57,880
<b>Total</b>	<b>4,951</b>	<b>5,136</b>	<b>10,077</b>	<b>10,030</b>	<b>227,474</b>	<b>241,158</b>

**Major tenant**

No single lease accounted for more than 10% of the Group's total revenue.

**5. Cost of rental activities**

EUR '000	01.04.2025 - 30.06.2025	01.04.2024 - 30.06.2024	01.04.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Repair and maintenance	779	855	1,596	1,678
Utilities	206	243	647	662
Property management expenses	326	295	667	638
Real estate taxes	232	240	486	480
Sales and marketing expenses	128	168	263	339
Property insurance	37	39	75	74
Allowance (reversal of allowance) for bad debts	15	(2)	21	(22)
Other	120	109	244	198
<b>Total cost of rental activities</b>	<b>1,843</b>	<b>1,947</b>	<b>3,999</b>	<b>4,047</b>

Part of the total cost of rental activities (mainly utilities and repair and maintenance expenses) was recharged to tenants: EUR 2,549 thousand during the six-month period ended 30 June 2025 (EUR 2,363 thousand during the six-month period ended 30 June 2024).

**6. Administrative expenses**

EUR '000	01.04.2025 - 30.06.2025	01.04.2024 - 30.06.2024	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Management fee	304	310	606	640
Legal fees	44	22	60	61
Consultancy fees	9	22	19	53
Audit fees	42	48	84	79
Fund marketing expenses	7	14	25	33
Custodian fees	11	13	22	26
Supervisory board fees	16	15	28	27
Listing related expenses	25	-	71	-
VAT	6	-	12	-
Other administrative expenses	57	85	142	195
<b>Total administrative expenses</b>	<b>521</b>	<b>529</b>	<b>1,069</b>	<b>1,114</b>

The Management Company is entitled to receive an annual management fee which is calculated quarterly, based on the 3-month average market capitalisation of the Fund.

The Management Company is entitled to calculate the performance fee based on the annual adjusted funds from operations (AFFO) of the Fund. If AFFO divided by paid in capital during the year exceeds 8% per annum, the Management Company is entitled to a performance fee in the amount of 20% of the amount exceeding 8%. The performance fee based on this formula has been calculated starting from 1 January 2017. The performance fee first became payable in the fifth year of the Fund (i.e. 2020). Transactions with related parties are disclosed in note 17.

**7. Financial expenses**

EUR '000	01.04.2025 - 30.06.2025	01.04.2024 - 30.06.2024	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Interest on external loans and borrowings	2,066	2,505	4,436	4,877
Loan arrangement fee amortisation	67	36	185	76
Interest on lease liabilities	3	3	5	5
Other financial expenses	217	109	442	196
<b>Total financial expenses</b>	<b>2,353</b>	<b>2,653</b>	<b>5,068</b>	<b>5,154</b>

## 8. Earnings per unit

The calculation of earnings per unit is based on the following profit attributable to unitholders and weighted-average number of units outstanding.

Profit (loss) attributable to the unitholders of the Fund:

EUR '000	01.04.2025 - 30.06.2025	01.04.2024 - 30.06.2024	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Profit (loss) for the period, attributed to the unitholders of the Fund	77	(12,225)	(891)	(12,849)
<b>Profit (loss) for the period, attributed to the unitholders of the Fund</b>	<b>77</b>	<b>(12,225)</b>	<b>(891)</b>	<b>(12,849)</b>

Weighted-average number of units:

EUR '000	01.04.2025 - 30.06.2025	01.04.2024 - 30.06.2024	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Issued units at the end of period	143,562,514	119,635,429	143,562,514	119,635,429
<b>Weighted-average number of units</b>	<b>143,562,514</b>	<b>119,635,429</b>	<b>143,562,514</b>	<b>119,635,429</b>

Basic and diluted earnings per unit:

EUR '000	01.04.2025 - 30.06.2025	01.04.2024 - 30.06.2024	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
<b>Basic and diluted earnings per unit*</b>	<b>0.00</b>	<b>(0.10)</b>	<b>(0.01)</b>	<b>(0.11)</b>

\*There are no potentially dilutive instruments issued by the Group, therefore, the basic and diluted earnings per unit are the same.

## 9. Income tax

Real estate revenues, or capital gains derived from real estate are subject to taxes by assessment in the countries where the real estate is situated. The Fund's subsidiaries in Lithuania depreciate their historical property cost in accordance with applicable tax regulations. Depreciation is deducted from taxable profits in determining current taxable income.

The Group's consolidated effective tax rate in respect of continuing operations for the six-month period ended 30 June 2025 was minus 17.3% (Six-month period ended 30 June 2024: minus 3.5%).

As of 30 June 2025, the Group had tax losses of EUR 4,382 thousand (31 December 2024: EUR 3,935 thousand) that are available indefinitely for offset against future taxable profits of the Lithuanian companies in which the losses arose. The deferred tax liability arising from the revaluation of derivative instruments to fair value amounted to EUR 11 thousand as of 30 June 2025 (31 December 2024: liability of EUR 18 thousand). As of 30 June 2025, deferred tax liabilities on the difference between investment property fair and tax value and other deferred tax liabilities amounted to EUR 6,109 thousand (31 December 2024: EUR 5,851 thousand. Deferred tax is only applicable to the Fund's subsidiaries in Lithuania.

The major components of income tax for the periods ended 30 June 2025 and 2024 were as follows:

EUR '000	01.04.2025 - 30.06.2025	01.04.2024 - 30.06.2024	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
<b>Consolidated statement of profit or loss</b>				
Current income tax for the period	-	-	(3)	-
Deferred tax for the period	12	379	190	404
<b>Income tax income reported in profit or loss</b>	<b>12</b>	<b>379</b>	<b>187</b>	<b>404</b>

### Consolidated statement of other comprehensive income

Deferred income tax related to items charged or credited to equity:

Revaluation of derivative instruments to fair value	(2)	17	(7)	34
<b>Income tax reported in other comprehensive income</b>	<b>(2)</b>	<b>17</b>	<b>(7)</b>	<b>34</b>



**10. Investment property**

EUR '000	30.06.2025	31.12.2024
<b>Balance at 1 January</b>	<b>241,158</b>	<b>250,385</b>
Capital expenditure	2,705	6,354
Disposals	(16,380)	-
Net revaluation loss on investment property	-	(15,564)
Net revaluation loss on right-of-use assets	(9)	(17)
<b>Closing balance</b>	<b>227,474</b>	<b>241,158</b>
<b>Closing balance excluding right-of-use assets</b>	<b>227,245</b>	<b>240,920</b>

The fair value of the investment properties is approved by the Management Board of the Management Company, based on independent appraisals. Independent appraisals are performed in accordance with the Practice Statements and Relevant Guidance Notes of the RICS Valuation – Professional Standards approved by both the International Valuation Standards Committee (IVSC) and by the European Group of Valuers' Associations (TEGoVA). In accordance with that basis, the market value is an estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The appraisers derive the fair value by applying the methodology and valuation guidelines as set out by the Royal Institution of Chartered Surveyors in the United Kingdom and in accordance with IAS 40.

Fair value does not necessarily represent the liquidation value of the properties which would be dependent upon the price negotiated at the time net of selling costs. Fair value is largely based on estimates which are inherently subjective.

Valuation techniques used to derive Level 3 fair values

The values of the properties are based on the valuation of investment properties performed by Newsec as of 31 December 2024, increased by right-of-use assets and subsequent capital expenditure.

The table on the next pages presents the following for each investment property segment:

- A description of the valuation techniques applied;
- The inputs used in the fair value measurement;
- Quantitative information about the significant unobservable inputs used in the fair value measurement.

**As of 31 December 2024:**

Segment		Valuation technique	Key unobservable inputs	Range
<b>Retail</b>	Vilnius Lithuania Tallinn, Estonia Riga, Latvia	DCF	<b>Discount rate</b>	8.45% - 9.64%
<b>Net leasable area (NLA)</b>	54,432 sq. m.		<b>Rental growth p.a.</b>	1.4% - 5.14%
<b>Year of construction/renovation</b>	1939-2016/2006-2010		<b>Long-term vacancy rate</b>	2.0% - 5.0%
			<b>Exit yield</b>	7.0% - 8.25%
			<b>Average rent (EUR/sq. m)</b>	11.85 – 17.98
<b>Office</b>	Vilnius Lithuania Tallinn, Estonia Riga, Latvia	DCF	<b>Discount rate</b>	8.45% - 9.7%
<b>Net leasable area (NLA)</b>	55,967 sq. m.		<b>Rental growth p.a.</b>	0.0% - 4.65%
<b>Year of construction/renovation</b>	2002-2021/2008-2014		<b>Long-term vacancy rate</b>	2.0% - 30.0%
			<b>Exit yield</b>	7.0% - 8.5%
			<b>Average rent (EUR/sq. m)</b>	10.4 – 13.19
<b>Leisure</b>	Tallinn, Estonia	DCF	<b>Discount rate</b>	9%
<b>Net leasable area (NLA)</b>	7,869 sq. m.		<b>Rental growth p.a.</b>	2.0% - 4.3%
<b>Year of construction/renovation</b>	1999		<b>Long-term vacancy rate</b>	2.0% - 5.0%
			<b>Exit yield</b>	7%
			<b>Average rent (EUR/sq. m)</b>	11.29

The table in the next column sets out information about significant unobservable inputs used at 31 December 2024 in measuring investment properties categorised to Level 3 in the fair value hierarchy.

Type of asset class	Valuation technique	Significant unobservable input	Range of estimates	Fair value measurement sensitivity to unobservable inputs
Investment property	Discounted cash flow	Exit yield	2024: 7.0% - 8.5%	An increase in exit yield in isolation would result in a lower value of Investment property.
		Discount rate	2024: 8.45% - 9.7%	An increase in discount rate in isolation would result in a lower value of Investment property.
		Rental growth p.a.	2024: 0.0% - 5.14%	An increase in rental growth in isolation would result in a higher value of Investment property.
		Long-term vacancy rate	2024: 2.0% - 30.0%	An increase in long-term vacancy rate in isolation would result in a lower value of Investment property.

The book values of investment properties as of 30 June 2025 were as follows:

EUR '000	Total fair value Level 3
Latvia - Galerija Centrs (retail)	60,949
Lithuania – Europa (retail)	36,374
Estonia – Postimaja (retail)	21,876
Lithuania – North Star (office)	19,628
Latvia – Upmalas Biroji (office)	19,253
Latvia – Vainodes I (office)	15,940
Estonia – Apollo Plaza (leisure)	13,195
Estonia – Lincona (office)	13,110
Latvia – S27 (office)	12,447
Estonia – Piritä (retail)	9,792
Latvia – SKY (retail)	4,910
<b>Total</b>	<b>227,474</b>

**11. Trade and other receivables**

EUR '000	30.06.2025	31.12.2024
Trade receivables, gross	2,595	2,346
Less impairment allowance for doubtful receivables	(587)	(649)
Accrued income	422	537
Other accounts receivable	411	566
<b>Total</b>	<b>2,841</b>	<b>2,800</b>

Trade receivables are non-interest-bearing and are generally on 30-day terms.

As of 30 June 2025, trade receivables at a nominal value of EUR 588 thousand were fully impaired (EUR 649 thousand as of 31 December 2024).

Movements in the impairment allowance for doubtful receivables were as follows:

EUR '000	30.06.2025	31.12.2024
Balance as of 1 January	(649)	(625)
Charge for the period	(21)	(202)
Amounts written off	82	178
<b>Balance at end of period</b>	<b>(588)</b>	<b>(649)</b>

The ageing analysis of trade receivables not impaired is as follows (at the end of the period):

EUR '000	Total	Neither past due nor impaired	Past due but not impaired				
			<30 days	30-60 days	60-90 days	90-120 days	>120 days
<b>30.06.2025</b>	<b>2,008</b>	692	340	223	163	180	410
<b>31.12.2024</b>	<b>1,697</b>	712	385	221	151	85	143

**12. Cash and cash equivalents**

EUR '000	30.06.2025	31.12.2024
Cash at banks and on hand	7,085	10,053
<b>Total cash</b>	<b>7,085</b>	<b>10,053</b>

As of 30 June 2025, the Group had to keep at least EUR 1,000 thousand (31 December 2024: EUR 1,000 thousand) of cash in its bank accounts due to certain restrictions in bank loan agreements.

**13. Equity****13a. Paid in capital**

The units are currently listed on the Fund List of the Nasdaq Tallinn Stock Exchange. The Fund's Swedish depository receipts (the SDRs) are listed on the Nasdaq Stockholm Stock Exchange. As of 30 June 2025, the total number of the Fund's units was 143,562,429 (31 December 2024: 143,562,429). Units issued are presented in the table below:

EUR '000	Number of units	Amount
<b>As of 1 January 2025, and 30 June 2025</b>	<b>143,562,514</b>	<b>151,495</b>

A unit represents the investor's share in the assets of the Fund. The Fund has one class of units. The investors have the following rights deriving from their ownership of units:

- to own a share of the Fund's assets corresponding to the number of units owned by the investor;
- to receive, when payments are made a share of the net income of the Fund in proportion to the number of units owned by the investor (pursuant to the Fund Rules);
- to call a general meeting in the cases prescribed in the Fund Rules and the law;
- to participate and vote in a general meeting pursuant to the number of votes arising from units belonging to the investor and the number of votes arising from units which have been issued and not redeemed as of ten days before the general meeting is held.

Subsidiaries did not hold any units of the Fund as of 30 June 2025 and 31 December 2024.

The Fund did not hold its own units as of 30 June 2025 and 31 December 2024.

13b. Cash flow hedge reserve

This reserve represents the fair value of the effective part of the derivative financial instruments (interest rate swaps), used by the Fund to hedge the cash flows from interest rate risk in the periods ended on 30 June 2025 and 31 December 2024. Please refer to note 18 for more information.

EUR '000	30.06.2025	31.12.2024
Balance at the beginning of the year	(420)	531
Movement in fair value of existing hedges	(58)	(1,003)
Movement in deferred income tax (note 9)	(7)	52
Net variation during the period	(65)	(951)
Balance at the end of the period	(485)	(420)

14. Interest-bearing loans and borrowings

EUR '000	Maturity	Effective interest rate	30.06.2025	31.12.2024
Non-current borrowings				
Unsecured bonds	May 2028	3M EURIBOR + 8.00%	18,567	21,490
Bank 1	Jan 2028	3M EURIBOR + 2.25%	2,609	2,609
Bank 1 <sup>1</sup>	Feb 2026	6M EURIBOR + 1.90%	-	4,367
Bank 1	Dec 2027	6M EURIBOR + 2.25%	8,696	8,696
Bank 2 <sup>2</sup>	Aug 2027	6M EURIBOR + 3.80%	29,000	-
Bank 3	Jan 2029	6M EURIBOR + 2.80%	15,610	15,610
Bank 3	Feb 2029	6M EURIBOR + 3.00%	8,951	8,951
Bank 4	Nov 2029	6M EURIBOR + 3.00%	20,827	20,948
Bank 5	Aug 2028	6M EURIBOR + 2.50%	9,938	9,928
Bank 6	Jun 2029	6M EURIBOR + 4.10%	-	9,810
Lease liabilities			235	238
Less current portion of bank loans and bonds			(3,230)	(4,138)
Less current portion of lease liabilities			(10)	(18)
Total non-current debt			111,193	98,491

- 1. The loan was reclassified as short-term since the maturity of the loan is in February 2026.
- 2. The loan was reclassified as long-term since the maturity of the loan was extended to August 2027.

EUR '000	Maturity	Effective interest rate	30.06.2025	31.12.2024
<b>Current borrowings</b>				
Unsecured bonds	Nov 2025	3M EURIBOR + 8.00%	-	3,200
Bank 1 <sup>1</sup>	Feb 2026	6M EURIBOR + 1.90%	4,367	-
Bank 2 <sup>2</sup>	Aug 2027	6M EURIBOR + 3.80%	-	29,000
Bank 1	Mar 2026	3M EURIBOR + 1.90%	7,362	7,665
Bank 1	Mar 2026	3M EURIBOR + 1.60%	9,733	9,915
Current portion of non-current bank loans and bonds			3,230	938
Current portion of lease liabilities			10	18
<b>Total current debt</b>			<b>24,702</b>	<b>50,736</b>
<b>Total</b>			<b>135,895</b>	<b>149,227</b>

1. The loan was reclassified as short-term since the maturity of the loan is in February 2026.
2. The loan was reclassified as long-term since the maturity of the loan was extended to August 2027.

## Loan and bond securities

Borrowings received were secured with the following pledges and securities as of 30 June 2025:

	Mortgages of the property*	Second rank mortgages for derivatives	Cross-mortgage	Commercial pledge of the entire assets
<b>Bank 1</b>	Lincona, SKY, S27, Vainodes I, and Pirita		Pirita and Lincona for Pirita and Lincona bank loans, Vainodes I, SKY and S27 for Vainodes I, SKY and S27 bank loan	Vainodes I, S27
<b>Bank 2</b>	Galerija Centrs	Galerija Centrs		Galerija Centrs
<b>Bank 3</b>	Europa and North Star			
<b>Bank 4</b>	Apollo Plaza and Postimaja			
<b>Bank 5</b>	Upmalas Biroji			Upmalas Biroji

\*All properties are pledged as collateral for the bank loans. Please refer to note 10 for the carrying amounts of assets pledged at period end.

	Guarantee	Pledges of receivables	Pledge of land lease rights of the land plots	Pledges of bank accounts	Share pledge
<b>Bank 1</b>	Vainodes I and SKY for S27 bank loan; S27 and SKY for Vainodes I bank loan; Vainodes I and S27 for SKY bank loan; Baltic Horizon Fund for S27 up to 1,500,000			SKY, S27 and Vainodes I	Vainodes I, S27, SKY
<b>Bank 2</b>	Baltic Horizon Fund for Galerija Centrs up to EUR 1,500,000				Galerija Centrs
<b>Bank 3</b>				Europa, North Star	
<b>Bank 5</b>	Baltic Horizon Fund for Upmalas Biroji				Upmalas Biroji



**15. Trade and other payables**

EUR '000	30.06.2025	31.12.2024
Trade payables	726	1,963
Management fee payable	463	890
Accrued financial expenses	515	633
Accrued expenses	171	556
Tax payables	107	231
Other payables	115	200
<b>Total trade and other payables</b>	<b>2,097</b>	<b>4,473</b>

Terms and conditions of trade and other payables:

- Trade payables are non-interest-bearing and are normally settled on 30-day terms.
- Other payables are non-interest-bearing and have an average term of 3 months.

**16. Commitments and contingencies****16a. Litigation**

As of 30 June 2025, there was no ongoing litigation, which could materially affect the consolidated financial position of the Group.

**16b. Contingent assets**

The Group did not have any contingent assets as of 30 June 2025.

**16c. Contingent liabilities**

According to BH Duetto UAB Share Sale and Purchase agreement, the Group has issued the NOI and defects guarantee. The NOI guarantee is valid until 31 December 2025 and covers the shortfall between the rent calculated on the basis of the conditions stated in the sale and purchase agreement and the actual NOI. The maximum potential liability under the defects guarantee is limited to EUR 600 thousand. At the date of this report, no guarantee amounts have been paid under the defects guarantee scheme. At the date of this report, approximately 628 thousand EUR have been paid under the NOI guarantee scheme.

The Group did not have any other contingent liabilities as of 30 June 2025.

**17. Related parties**

During the reporting period, the Group entered into transactions with related parties. Those transactions and related balances are presented below. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. All transactions between related parties are priced on an arm's length basis.

**Northern Horizon Capital AS**

As set out in Baltic Horizon Fund Rules, Northern Horizon Capital AS (the Management Company) carries out asset manager functions on behalf of the Fund and the Fund pays management fees for it (note 6).

The Group's transactions with related parties during H1 2025 and 2024 were the following:

EUR '000	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
<b>Northern Horizon Capital AS group</b>		
Management fees	606	640

The Group's balances with related parties as of 30 June 2025 and 31 December 2024 were the following:

EUR '000	30.06.2025	31.12.2024
<b>Northern Horizon Capital AS group</b>		
Management fees payable	463	890

The Management Company is entitled to receive an annual management fee which is calculated quarterly, based on the 3-month average market capitalisation of the Fund. In case the market capitalisation is lower than 90% of the NAV of the Fund, the amount equal to 90% of the NAV of the Fund shall be used for the management fee calculation instead of the market capitalisation.

The fee is based on the following rates and in the following tranches:

- 1.50% of the market capitalisation below EUR 50 million;
- 1.25% of the part of the market capitalisation that is equal to or exceeds EUR 50 million and is below EUR 100 million;
- 1.00% of the part of the market capitalisation that is equal to or exceeds EUR 100 million and is below EUR 200 million;
- 0.75% of the part of the market capitalisation that is equal to or exceeds EUR 200 and is below EUR 300 million;
- 0.50% of the part of the market capitalisation that is equal to or exceeds EUR 300 million.

The Management Company is entitled to calculate the performance fee based on the annual adjusted funds from operations (AFFO) of the Fund. If AFFO divided by paid in capital during the year exceeds 8% per annum, the Management Company is entitled to a performance fee in the amount of 20% of the amount exceeding 8%. The performance fee based on this formula has been calculated starting from 1 January 2017. The performance fee first became payable in the fifth year of the Fund (i.e. 2020).

Northern Horizon Capital AS Group did not own any units of the Fund as of 30 June 2025.

### Supervisory Board of the Fund

As set out in Baltic Horizon Fund Rules, Supervisory Board members are entitled to remuneration for their service in the amount determined by the General Meeting. The remuneration of the Supervisory Board of the Fund amounted to EUR 28 thousand during H1 2025 (EUR 27 thousand during H1 2024). Please refer to note 6 for more information regarding the total expenses related to the Supervisory Board of the Fund.

### Entities having control or significant influence over the Fund

The holders of units owning more than 5% of the units in total as of 30 June 2025 and 31 December 2024 are presented in the tables below:

As of 30 June 2025	Number of units	Percentage
Gene Investments OÜ	42,904,638	29.9%
Swedbank AB, Lithuania clients	16,926,212	11.8%
Skandinaviska Enskilda Banken AB clients	13,023,666	9.1%
Raiffeisen Bank International AG clients	8,602,247	6.0%
Swedbank AB / Nordic Issuing AB clients	7,889,943	5.5%

As of 31 December 2024	Number of units	Percentage
Skandinaviska Enskilda Banken AB clients	19,918,261	13.9%
Gene Investments OÜ	19,059,220	13.3%
Swedbank AB, Lithuania clients	16,495,001	11.5%
Skandinaviska Enskilda Banken AB	15,686,825	10.9%
Raiffeisen Bank International AG clients	9,622,389	6.7%
Swedbank AB / Nordic Issuing AB clients	7,954,736	5.5%

**18. Financial instruments****Fair values**

Set out below is a comparison by category of the carrying amounts and fair values of all the Group's financial instruments carried in the consolidated financial statements:

EUR '000	Carrying amount		Fair value	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
<b>Financial assets</b>				
Trade and other receivables	2,841	2,800	2,841	2,800
Cash and cash equivalents	7,085	10,053	7,085	10,053
Derivative financial instruments	-	1	-	1
<b>Financial liabilities</b>				
Interest-bearing loans and borrowings				
Bank loans	(117,093)	(127,499)	(117,093)	(127,499)
Bonds	(18,567)	(21,490)	(19,000)	(22,000)
Trade and other payables	(2,097)	(4,473)	(2,097)	(4,473)
Derivative financial instruments	(427)	(317)	(427)	(317)

**Fair value hierarchy**

Quantitative disclosures of the Group's financial instruments in the fair value measurement hierarchy as of 30 June 2025 and 31 December 2024:

**As of 30 June 2025**

EUR '000	Level 1	Level 2	Level 3	Total fair value
<b>Financial assets</b>				
Trade and other receivables	-	-	2,841	2,841
Cash and cash equivalents	-	7,085	-	7,085
<b>Financial liabilities</b>				
Interest-bearing loans and borrowings				
Bank loans	-	-	(117,093)	(117,093)
Bonds	-	-	(19,000)	(19,000)
Trade and other payables	-	-	(2,097)	(2,097)
Derivative financial instruments	-	(427)	-	(427)

**As of 31 December 2024**

EUR '000	Level 1	Level 2	Level 3	Total fair value
<b>Financial assets</b>				
Trade and other receivables	-	-	2,800	2,800
Cash and cash equivalents	-	10,053	-	10,053
Derivative financial instruments	-	1	-	1
<b>Financial liabilities</b>				
Interest-bearing loans and borrowings				
Bank loans	-	-	(127,499)	(127,499)
Bonds	-	-	(22,000)	(22,000)
Trade and other payables	-	-	(4,473)	(4,473)
Derivative financial instruments	-	(317)	-	(317)

Management assessed that the carrying amounts of cash and short-term deposits, rent and other receivables, trade payables and other current liabilities approximate their fair values largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions are used to estimate the fair values:

- Trade and other receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer, and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses on these receivables. As of 30 June 2025, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The fair value of derivatives has been calculated by discounting the expected future cash flows at prevailing interest rates.
- The fair values of the Group's interest-bearing loans and borrowings are determined by discounting the expected future cash flows at prevailing interest rates. The estimated fair values of the Group's interest-bearing loans and borrowings were determined using effective agreements' interest rates which represent current market rate.
- Cash and cash equivalents are attributed to Level 2 in the fair value hierarchy.

## 19. Derivative financial instruments

The Group has entered into interest rate swaps (IRS) and interest rate cap (CAP) agreements with OP and SEB.

The purpose of derivative instruments is to hedge the interest rate risk arising from the interest rate fluctuations of the Group's non-current loans and some of the Group's current loans because the Group's policy is to have fixed interest expenses. According to the IRS agreements, the Group makes fixed interest payments to the bank and receives variable interest rate payments from the bank. An interest rate cap allows to limit the interest rate fluctuation to a certain level. IFRS 9 allows hedge accounting provided that the hedge is effective. In such cases, any gain or loss recorded on the fair value changes of the financial instrument is recognised in an equity reserve rather than the income statement. The ineffective part of the change in the fair value of the hedging instrument (if any) is recognised in the income statement. Specific documentation on each financial instrument is required to be maintained to ensure compliance with hedge accounting principles. Please refer to note 13b for more information.

EUR '000						Fair value	
Derivative type	Starting date	Maturity date	Notional amount	Variable rate (received)	Fixed rate (paid)	30.06.2025	31.12.2024
IRS	Dec 2024	Nov 2027	13,150	6M EURIBOR	2.45%	(137)	(103)
IRS	Dec 2024	Nov 2027	13,150	6M EURIBOR	2.39%	(120)	(82)
IRS	Dec 2024	Oct 2027	2,361	3M EURIBOR	2.33%	(23)	(15)
IRS	Dec 2024	Oct 2027	8,012	6M EURIBOR	2.5%	(100)	(78)
IRS	Dec 2024	Oct 2027	4,012	6M EURIBOR	2.5%	(47)	(39)
CAP	Aug 2024	Aug 2025	17,900	3M EURIBOR	3.0%	-	1
<b>Derivative financial instruments, assets</b>						-	1
<b>Derivative financial instruments, liabilities</b>						(427)	(317)
<b>Net value of financial derivatives</b>						(427)	(316)

Derivative financial instruments were accounted for at fair value as of 30 June 2025 and 31 December 2024. The maturity of the derivative financial instruments of the Group is as follows:

### Classification according to maturity

EUR '000	Liabilities		Assets	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
Non-current	(427)	(317)	-	-
Current	-	-	-	1
<b>Total</b>	<b>(427)</b>	<b>(317)</b>	<b>-</b>	<b>1</b>

## 20. Subsequent events

There have been no significant events after the reporting date.

**21. List of consolidated companies**

Name	Registered office	Registration Number	Date of incorporation / acquisition	Activity	Interest in capital
BH Lincona OÜ	Hobujaama str. 5, Tallinn, Estonia	12127485	20 June 2011	Asset holding company	100%
BOF SKY SIA	Audēju iela 16 – 1, Rīga, Latvia	40103538571	27 March 2012	Asset holding company	100%
BH CC Plaza OÜ (merged with BH P80 OÜ on 5 July 2023)	Hobujaama str. 5, Tallinn, Estonia	12399823	11 December 2012	Asset holding company	100%
BH Europa UAB	Konstitucijos ave. 7A-1, Vilnius, Lithuania	300059140	2 March 2015	Asset holding company	100%
Kontor SIA	Mūkusalas str. 101, Rīga, Latvia	40003771618	30 August 2016	Asset holding company	100%
Pirita Center OÜ	Merivälja str. 24, Tallinn, Estonia	12992834	16 December 2016	Asset holding company	100%
Vainodes Krasti SIA	Audeju str. 16, Rīga, Latvia	50103684291	12 December 2017	Asset holding company	100%
BH S27 SIA	Skanstes iela 27, Rīga, Latvia	40103810023	15 August 2018	Asset holding company	100%
BH Novus UAB (previously BH Meraki UAB)	Eitminių Str. 3-102, Vilnius, Lithuania	304875582	18 July 2018	Asset holding company	100%
BH Galerija Centrs SIA	Audeju str. 16, Rīga, Latvia	40003311422	13 June 2019	Asset holding company	100%
BH Northstar UAB	Ulonų str. 2, Vilnius, Lithuania	305175896	29 May 2019	Asset holding company	100%



# Management approval of consolidated financial statements

The interim condensed consolidated financial statements of Baltic Horizon Fund were approved for issue by the Management Board of the Management Company on 7 August 2025.

**Tarmo Karotam**  
Chairman of the Management Board

**Aušra Stankevičienė**  
Member of the Management Board

**Jūratė Gaspariūnienė**  
Member of the Management Board

# Appendices



# Definitions and abbreviations

## AIFM

Alternative Investment Fund Manager.

## AFFO

Adjusted Funds From Operations means the net operating income of properties less fund administration expenses, less external interest expenses and less all capital expenditures including tenant fit-out expenses invested into existing properties by the Fund. New investments and acquisitions and follow-on investments into properties are not considered to be capital expenditures.

## Cash ratio

The ratio is calculated as cash and cash equivalents divided by current liabilities.

## Current ratio

The ratio is calculated as current assets divided by current liabilities.

## Direct Property Yield

NOI divided by acquisition value and subsequent capital expenditure of the property.

## Discounted cash flows (DCF)

Under the DCF method, a property's fair value is estimated using explicit assumptions about the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This involves the projection of a series of cash flows and applying to this an appropriate, market-derived discount rate to establish the present value of the income stream. The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related lease up periods, re-letting, redevelopment, or refurbishment.

## Discount rate

Rate used to discount the net cash flows generated from rental activities during the period of analysis.

## Dividend

Cash distributions paid out of the cash flows of the Fund in accordance with the Fund Rules.

## Equity multiple

The ratio is calculated as total cash distribution received from investment divided by total equity invested.

## Equity ratio

The ratio is calculated as total equity divided by total assets.

## Exit yield

A rate used to estimate the resale value of a property at the end of the holding period. The expected net operating income per year is divided by the terminal cap rate to get the terminal value. The exit yield is calculated according to the growth rate of the stabilized net operating income or based on forecast.

## Fund

Baltic Horizon Fund.

## GAV

Gross Asset Value of the Fund.

## Highest and best use

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

## IFRS

International Financial Reporting Standards.

## IRR

Internal rate of return.

## LTV

Loan-to-value ratio. The ratio is calculated as the amount of the external bank loan debt less lease liabilities (IFRS 16) divided by the carrying amount of investment property (including investment property under construction).

## Management Company

Northern Horizon Capital AS, register code 11025345.

## NAV

Net asset value for the Fund.

## NAV per unit

NAV divided by the amount of units in the Fund at the moment of determination.

## Net Initial Yield

NOI divided by market value of the property.

## Net LTV

Net Loan-to-value ratio. The ratio is calculated as the amount of the external bank loan debt less lease liabilities (IFRS 16) and cash and cash equivalents divided by the carrying amount of investment property (including investment property under construction).

## NOI

Net operating income.

## Occupancy rate

The ratio is calculated as rented area divided by net leasable area.

## Quick ratio

The ratio is calculated as current assets less inventory and prepaid expenses divided by current liabilities.

## Rental growth

The estimated average increase in rent based on both market estimations and contractual indexations.

## Return on assets

The ratio is calculated as profit/loss for the period divided by average assets.

## Return on equity

The ratio is calculated as profit/loss for the period divided by average equity.

## Triple Net Lease

A triple net lease is a lease agreement that designates the lessee, i.e. the tenant, as being solely responsible for all the costs relating to the asset being leased, in addition to the rent fee applied under the lease.

## TTM

Trailing 12 months.

# EPRA indicators and definitions

EPRA Indicators	EPRA definition	EPRA purpose
<b>EPRA Earnings</b>	Earnings from operational activities	A key measure of a company's underlying results and an indication of the extent to which current dividend payments are supported by earnings.
<b>EPRA NRV</b>	Assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities of a real estate investment company, under different scenarios.
<b>EPRA NTA</b>	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	
<b>EPRA NDV</b>	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.	
<b>EPRA LTV</b>	Debt divided by market value of the property	Determines the percentage of debt compared to the appraised value of the properties.
<b>EPRA Net initial yield (NIY)</b>	Annualised rental income based on the cash rents passing at the reporting date, less non-recoverable property operating expenses, divided by the market value of the property, increased by (estimated) purchasers' costs.	A comparable measure for portfolio valuations. This measure should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.
<b>EPRA Topped-up NIY</b>	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	
<b>EPRA Vacancy rate</b>	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	A 'pure' (%) measure of investment property space that is vacant, based on ERV.
<b>EPRA Cost ratio</b>	Administrative & operating costs (including & excluding the costs of direct vacancy) divided by gross rental income.	A key measure to enable meaningful measurement of the changes in a company's operating costs.

# 5-year overview of key figures

Key earnings figures	Unit	H1 2025	H1 2024	H1 2023	H1 2022	H1 2021
Rental income	EUR '000	7,528	7,667	10,095	10,070	9,512
Net rental income	EUR '000	6,078	5,983	8,495	8,675	8,530
Net rental income margin	%	80.7	78.0	84.2	86.1	89.7
Valuation gains (losses) on investment properties	EUR '000	(9)	(12,524)	(14,623)	172	(14,259)
EBITDA	EUR '000	4,104	(8,204)	(11,333)	7,628	(7,309)
EBITDA margin	%	54.5	(107.0)	(112.3)	87.9	(76.8)
EBIT	EUR '000	3,930	(8,118)	(11,278)	7,740	(7,230)
EBIT margin	%	52.2	(105.9)	(111.7)	76.9	(76.0)
Net profit (loss)	EUR '000	(891)	(12,849)	(15,005)	4,239	(9,222)
Net profit (loss) margin	%	(11.8)	(167.6)	(148.6)	42.1	(97.0)
Earnings per unit	EUR	(0.01)	(0.11)	(0.13)	0.04	(0.08)
Generated net cash flow	EUR '000	(740)	(2,079)	2,686	4,147	4,237
Generated net cash flow per unit	EUR/unit	(0.005)	(0.017)	0.022	0.035	0.035
Key financial position figures	Unit	30.06.2025	31.12.2024	31.12.2023	31.12.2022	31.12.2021
Total assets	EUR '000	238,789	256,048	261,138	343,963	346,338
Return on assets (TTM)	%	(2.0)	(6.5)	(7.6)	1.1	0.4
Total equity	EUR '000	97,139	98,095	109,532	133,655	132,584
Equity ratio	%	40.7	38.3	41.9	38.9	38.3
Return on equity (TTM)	%	(5.0)	(16.2)	(18.9)	3.0	1.1
Interest-bearing loans and borrowings	EUR '000	135,895	149,227	143,742	195,111	199,147
Total liabilities	EUR '000	141,650	157,953	151,606	210,308	213,754
LTV	%	60.7	61.8	57.3	58.4	60.7
Average cost of debt	%	6.3	6.7	5.2	3.0	2.7
Weighted average duration of debt	years	2.7	2.8	2.3	1.8	1.5
Current ratio	times	0.4	0.2	0.1	0.1	0.4
Quick ratio	times	0.4	0.2	0.1	0.1	0.4
Cash ratio	times	0.3	0.2	0.1	0.1	0.3
IFRS NAV per unit	EUR	0.6766	0.6833	0.9156	1.1172	1.1082
Key property portfolio figures	Unit	H1 2025	H1 2024	H1 2023	H1 2022	H1 2021
Fair value of portfolio	EUR '000	227,474	239,927	255,734	335,649	328,449
Properties	number	11	12	12	15	16
Net leasable area	sq. m	111,154	118,751	119,065	144,215	153,351
Occupancy rate	%	84.2	79.1	84.6	93.3	93.7





Baltic Horizon Fund is managed by Alternative Investment Fund  
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Baltic Horizon Fund is committed to contribute to  
a greener future for generations to come.



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