

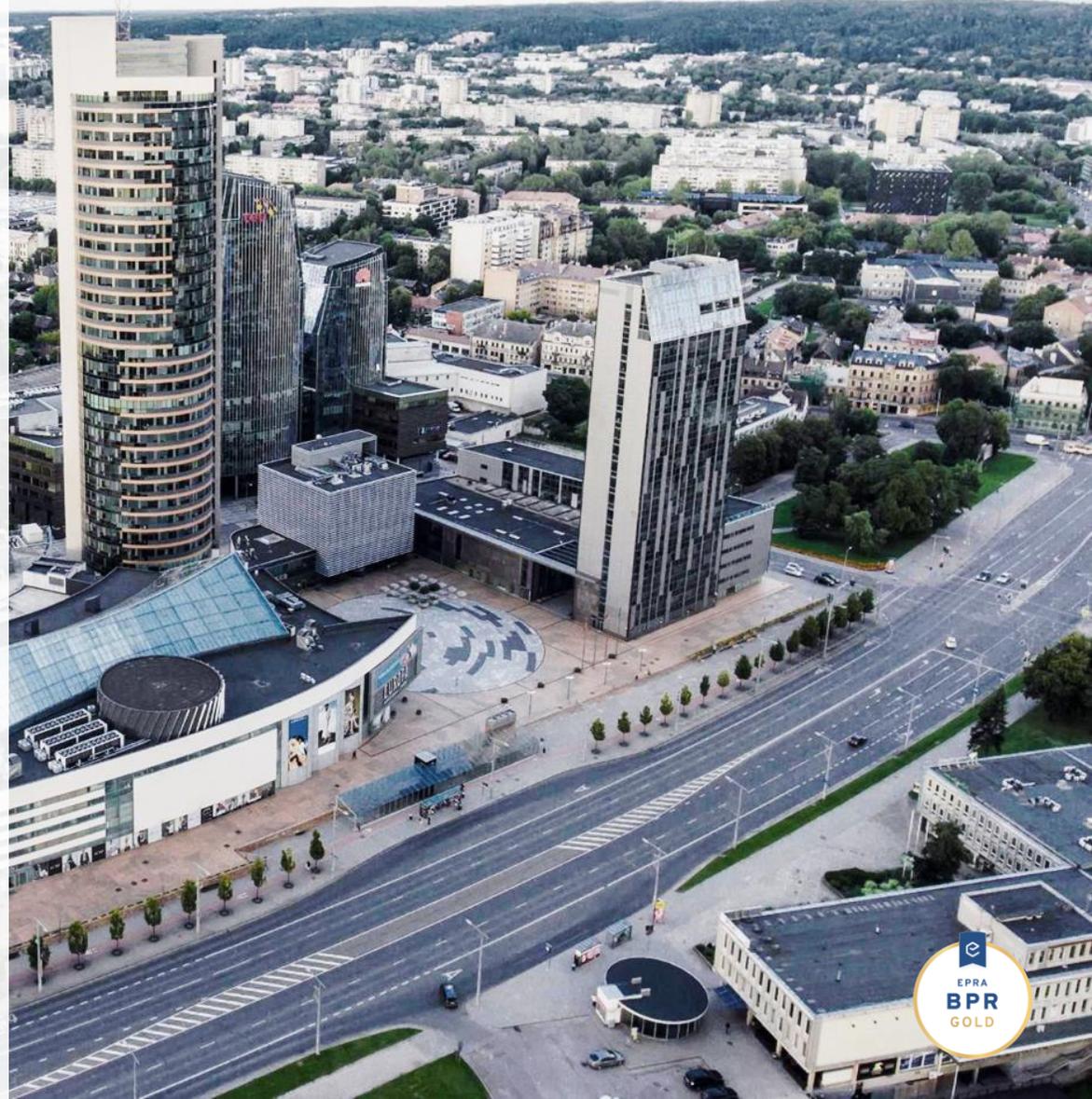


NORTHERN HORIZON

Baltic Horizon Fund

Annual General Meeting

7 June 2022



Agenda

- 1. Presentation of the FY2021 audited annual report of Baltic Horizon Fund, and interim report of Q1 2022;**
- 2. Presentation of the status with units traded on Nasdaq Stockholm due to Euroclear Sweden agreement termination on 30 September 2022;**
- 3. Resolution on establishment of Baltic Horizon Fund units buy-back program.**

Agenda

1. Presentation of the FY2021 audited annual report of Baltic Horizon Fund, and interim report of Q1 2022;

Portfolio performance

As of 31 March 2022

Property name	Sector	Fair value ¹ (EUR '000)	NLA (sq. m)	Direct property yield Q1 2022 ²	Net initial yield Q1 2022 ³	Occupancy rate
Vilnius, Lithuania						
Duetto I	Office	17,347	8,587	8.0%	6.9%	100.0%
Duetto II	Office	19,683	8,674	7.6%	7.1%	100.0%
Europa SC	Retail	38,951	16,844	1.3%	1.4%	81.8%
Domus Pro Retail Park	Retail	16,268	11,226	8.0%	7.8%	98.7%
Domus Pro Office	Office	7,823	4,831	8.3%	6.8%	100.0%
North Star	Office	20,031	10,550	6.2%	6.5%	97.1%
Meraki Development		13,393	-	-	-	-
Total Vilnius		133,496	60,712	5.3%	5.2%	94.2%
Riga, Latvia						
Upmalas Biroji BC	Office	21,959	10,459	7.6%	8.3%	100.0%
Vainodes I	Office	18,161	8,052	6.5%	7.8%	100.0%
LNK Centre	Office	16,840	7,452	6.4%	6.6%	100.0%
Sky SC	Retail	5,106	3,249	8.2%	8.2%	97.4%
Galerija Centrs	Retail	65,576	20,022	3.2%	3.6%	74.1%
Total Riga		127,642	49,234	5.0%	5.6%	89.3%
Tallinn, Estonia						
Postimaja & CC Plaza complex	Retail	29,775	9,147	2.6%	3.2%	93.9%
Postimaja & CC Plaza complex	Leisure	14,442	8,664	7.2%	5.9%	100.0%
Lincona	Office	16,996	10,870	6.6%	6.1%	90.8%
Pirita SC	Retail	9,472	5,444	4.5%	5.9%	89.2%
Total Tallinn		70,685	34,125	4.5%	4.8%	93.7%
Total portfolio		331,823	144,071	5.0%	5.3%	92.4%

1. Based on the latest valuation as at 31 March 2022, subsequent capital expenditure and recognised right-of-use assets.
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.

NOI development

As of 31 March 2022

Property	Date of acquisition	2017	2018	2019	2020	2021	Q1 2021	Q1 2022
Galerija Centrs	13 June 2019	-	-	2,552	3,023	1,448	284	597
Upmalas Biroji BC	30 August 2016	1,693	1,710	1,701	1,661	1,740	434	454
Postimaja & CC Plaza complex	8 March 2013 ¹	985	2,447	2,495	1,932	1,805	387	450
Vainodes I	12 December 2017	75	1,463	1,462	1,464	1,449	362	356
Duetto II	27 February 2019	-	-	1,090	1,354	1,353	341	352
North Star	11 October 2019	-	-	315	1,419	1,208	298	321
Domus Pro Retail	1 May 2014	1,185	1,160	1,132	1,092	1,145	238	315
Duetto I	22 March 2017	799	1,096	1,160	1,166	1,223	299	298
LNK Centre	15 August 2018	-	409	1,072	1,090	1,088	271	276
Lincona	1 July 2011	1,172	1,192	1,276	1,212	1,114	287	260
Pirita SC	16 December 2016	900	900	438	677	484	152	139
Europa SC	2 March 2015	2,365	2,332	2,467	1,681	1,006	280	137
Domus Pro Office	1 October 2017	35	499	562	538	537	123	133
Sky SC	7 December 2013	410	407	370	402	395	106	105
G4S Headquarters ²	12 July 2016	1,149	1,189	1,127	1,223	1,009	311	-
Total portfolio		10,768	14,804	19,219	19,934	17,004	4,173	4,193

1. The Fund completed the acquisition of Postimaja SC on 13 February 2018.
2. The Fund completed the disposal of G4S Headquarters on 8 November 2021.

Financial summary

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.

EUR 1.1114

IFRS NAV per unit, 31.03.2022

EUR 1.1902

EPRA NRV¹ per unit, 31.03.2022

EUR 1.1082

IFRS NAV per unit, 31.12.2021

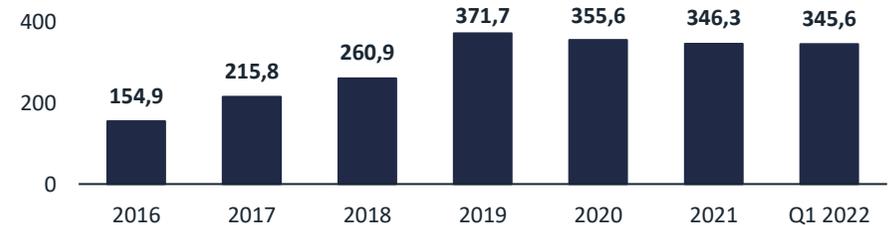
EUR 1.1884

EPRA NRV per unit, 31.12.2021

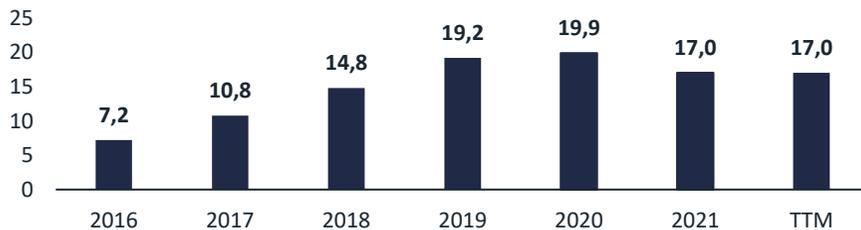
Investments made into properties, MEUR



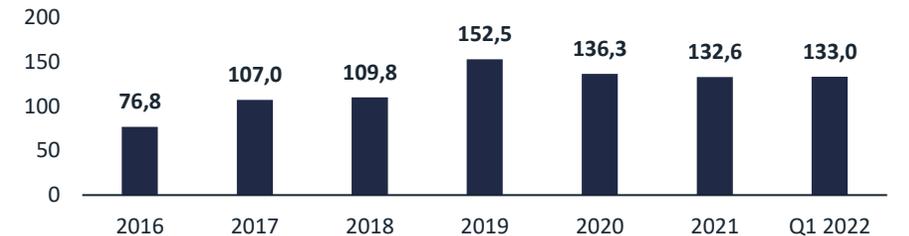
Gross asset value (GAV), MEUR



Net rental income, MEUR



Net asset value (NAV), MEUR



¹EPRA NRV is a measure of the fair value of net assets assuming a normal investment property company business model i.e. net assets on the balance sheet excluding the effect of hedges, debt adjustments associated with the hedges and deferred taxation.

*Trailing 12 months (Q2 2021 – Q1 2022)

Financial results for Q1 2022

Profit and loss

EUR '000	Q1 2022	Q1 2021	Change (%)
Rental income	4,959	4,677	6.0%
Service charge income	1,304	1,217	7.1%
Cost of rental activities	(2,070)	(1,721)	20.3%
Net rental income	4,193	4,173	0.5%
Administrative expenses	(659)	(745)	(11.5%)
Other operating income	7	-	-
Valuation losses on investment properties	(6)	(4)	50.0%
Operating profit	3,535	3,424	3.2%
Financial income	-	-	
Financial expenses	(1,442)	(1,390)	3.7%
Net financial expenses	(1,442)	(1,390)	3.7%
Profit before tax	2,093	2,034	2.9%
Income tax charge	(97)	(129)	(24.8%)
Profit for the period	1,996	1,905	4.8%

Key comments:

- The Group earned net rental income of EUR 4.2 million in both Q1 2022 and Q1 2021. The results for Q1 2021 still included EUR 0.3 million of net rental income from G4S Headquarters, which was sold in Q4 2021 and did not contribute to Q1 2022 results.
- Rent indexations and recovery of income improved the net rental income of the same portfolio mix (like-for-like portfolio).
- The Group recorded a net profit of EUR 2.0 million for Q1 2022 against a net profit of EUR 1.9 million for Q1 2021.
- The net result was significantly impacted by strong recovery of the Galerija Centrs operating performance as fewer COVID-19 rent reliefs have been granted to tenants in 2022.
- The positive impact of the increase in net rental income was also influenced by a decrease in administrative expenses.
- In Q1 2022, earnings per unit for were EUR 0.02 (Q1 2021: EUR 0.02).

Financial results for Q1 2022

Financial position

EUR '000	31.03.2022	31.12.2021
Investment properties	318,430	315,959
Investment property under construction	13,393	11,400
Intangible assets	8	9
Property, plant and equipment	2	2
Other non-current assets	23	23
Total non-current assets	331,856	327,393
Trade and other receivables	2,959	2,708
Prepayments	315	137
Cash and cash equivalents	10,462	16,100
Total current assets	13,736	18,945
Total assets	345,592	346,338
Paid in capital	145,200	145,200
Cash flow hedge reserve	(172)	(829)
Retained earnings	(12,064)	(11,787)
Total equity	132,964	132,584
Interest bearing loans and borrowings	152,806	157,471
Deferred tax liabilities	6,456	6,297
Derivative financial instruments	94	756
Other non-current liabilities	1,185	1,103
Total non-current liabilities	160,541	165,627
Interest bearing loans and borrowings	46,189	41,676
Trade and other payables	5,095	5,223
Income tax payable	8	5
Derivative financial instruments	50	109
Other current liabilities	745	1,114
Total current liabilities	52,087	48,127
Total liabilities	212,628	213,754
Total equity and liabilities	345,592	346,338

Key comments:

- At the end of Q1 2022, the Fund's GAV was EUR 345.6 million (31 December 2021: EUR 346.3 million), 0.2% lower than at the end of the previous period. The decrease is mainly related to a decrease in cash after the dividend payout in Q1 2022.
- The Fund made capital investments (EUR 1.9 million) in the Meraki office building development project during Q1 2022.
- The Fund aims to carry on with the construction of the Meraki office building throughout 2022 and 2023. An additional EUR 2.2 million was invested in other (re)development projects
- Cash inflow from core operating activities for Q1 2022 amounted to EUR 2.8 million (Q1 2021: cash inflow of EUR 2.8 million).
- At the end of Q1 2022, the Fund's consolidated cash and cash equivalents amounted to EUR 10.5 million (31 December 2021: EUR 16.1 million).
- Interest-bearing loans and bonds (excluding lease liabilities) were EUR 198.4 million, remaining at a level similar to year-end 2021 (31 December 2021: EUR 198.6 million).

Notable events for the Fund



On 24 January 2022, the Fund opened food hall Dialogai (approx. 900 sq. m) in Europa SC signaling the end of the first stage of the Europa SC reconstruction project. The Dialogai food hall is the first sizeable food hall in the CBD area of Vilnius, filled with greenery in the sitting area and different types of food.



Standard and Poor's rating has remained unchanged. On 22 April 2022, S&P Global Ratings affirmed Baltic Horizon Fund "MM3" mid-market rating.



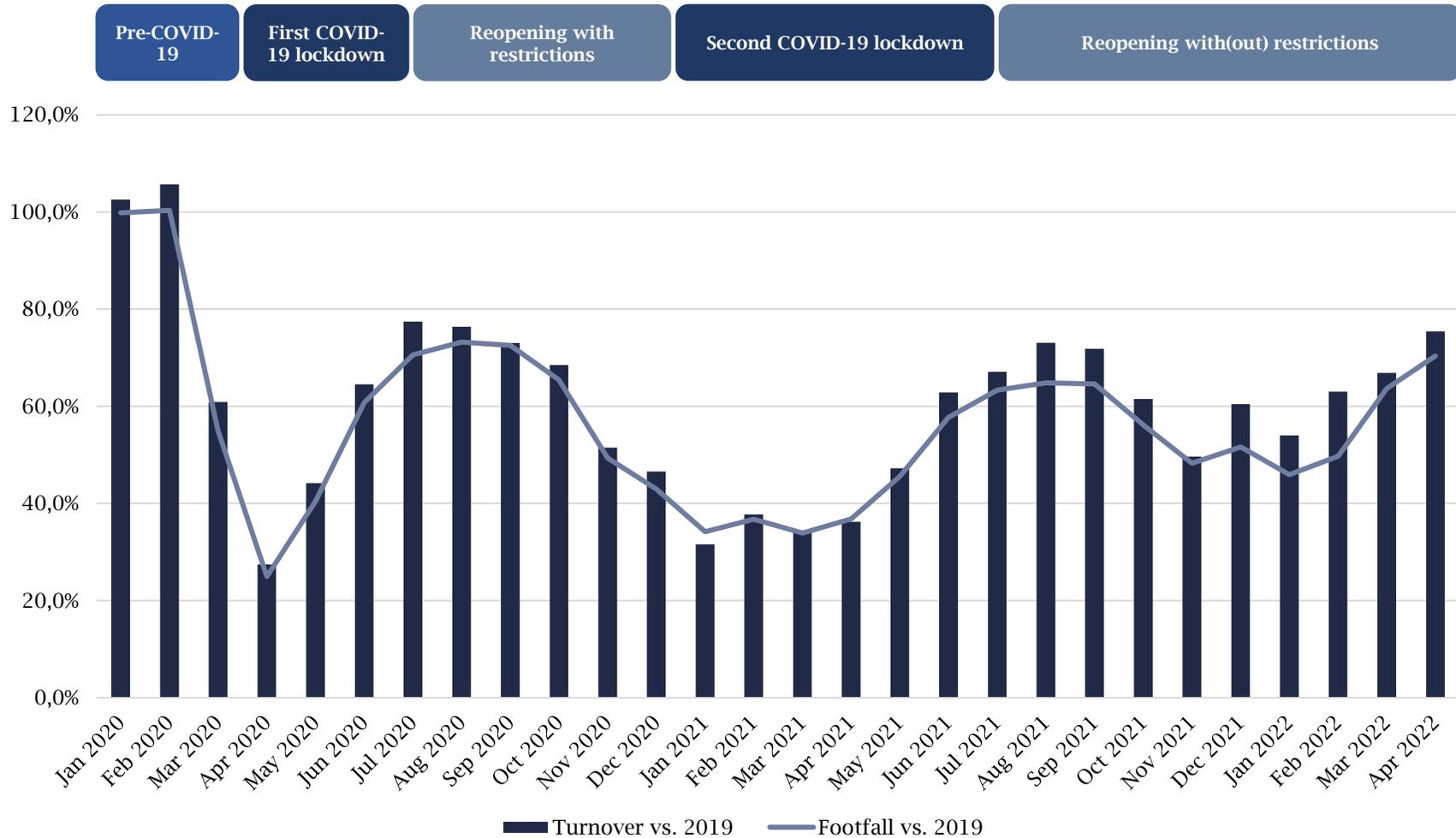
On 16 May 2022, the Fund announced invitation to the annual General Meeting of investors on 7 June 2022. **Among the other items, the Fund's management proposes to establish a buy-back program of Baltic Horizon Fund units in amount of EUR 10m.**



During Jan-May 2022, **the Group successfully extended its Europa SC, Galerija Centrs, Domus PRO, Pirita SC and SKY SC bank loans** with the same banks. In total, EUR 65.9m of loans were extended.

Retail portfolio January - April

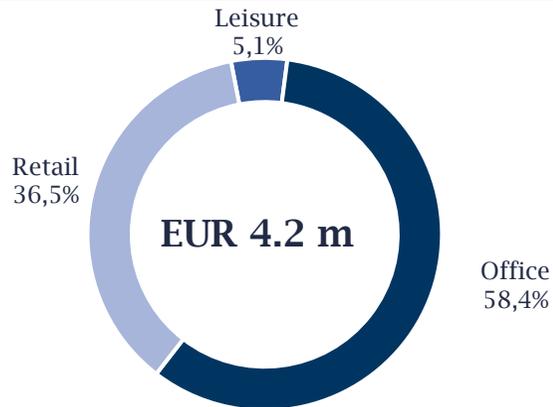
Footfall & turnover



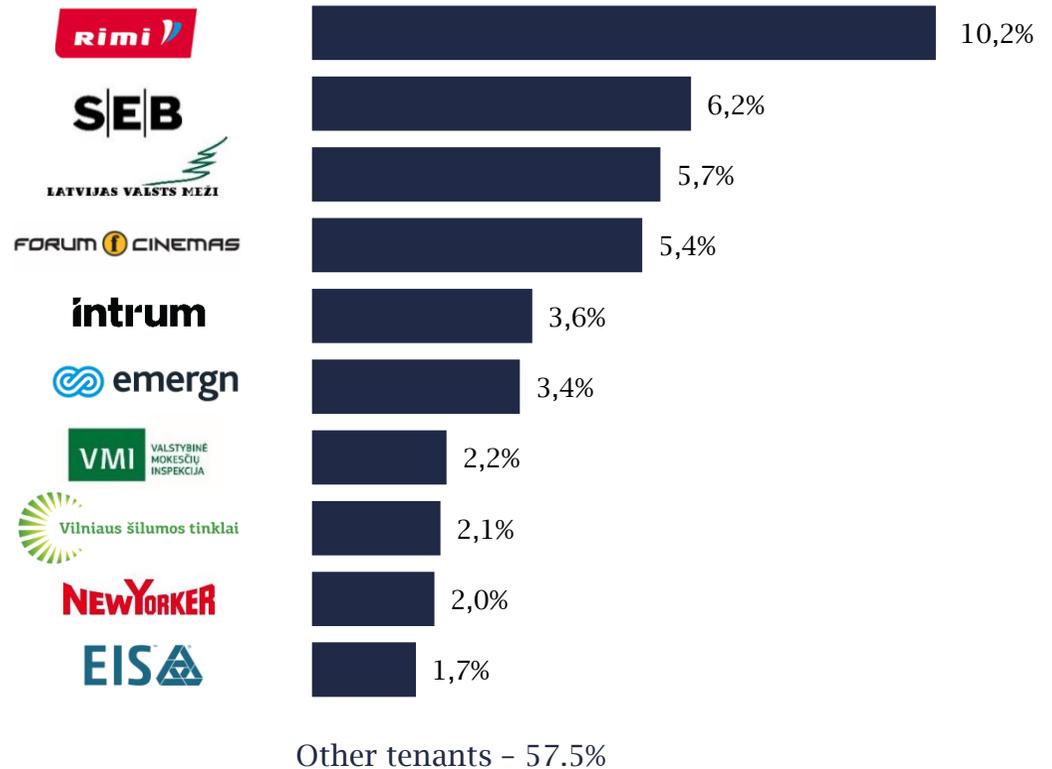
Baltic Horizon Fund portfolio summary

The Fund is minimizing concentration risk by diversifying the client base, segment, and geographical allocation

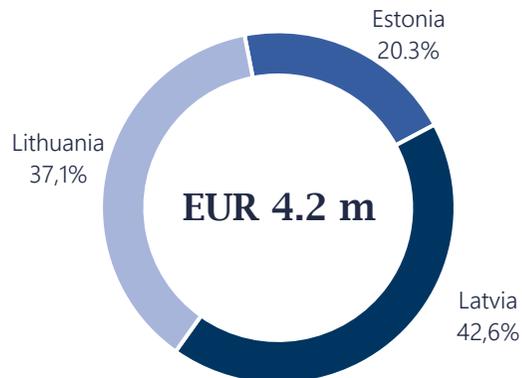
Net rental income by segment, Q1 2022



Rental concentration: 10 largest tenants as of 31 March 2022



Net rental income by country, Q1 2022



Baltic Horizon Fund's development projects

Developments in Estonia & Lithuania

Planning



CC Plaza and Postimaja, Tallinn

- The first stage of the reconstruction project - Reval Café terrace construction - has been separated from the overall project and has already started. The opening of the enhanced cafeteria is expected in August 2022 with a planned investment of EUR 0.2 million.
- Cinema lease agreement prolonged for 5 years. Replanning the ground floor for other tenants.
- The second stage - full connection of the two buildings - has been scheduled for 2023 or later depending on new anchor tenants.

Under construction



Europa, Vilnius

- Refurbishment project was initiated with the aim of introducing a new concept that would meet growing CBD and clients' post-COVID-19 needs.
- Approx. EUR 6m will be invested to create a food hall, upgrade interior design and install new vertical connections. Europa remains open during the whole reconstruction period.
- The first stage was completed with the opening of the fully leased out food hall Dialogai (900 sq. m) on 24 January 2022. Full opening summer 2022.

Under construction



Meraki, Vilnius

- The building permit allows building approx. 15,800 sq. m of leasable office space along with a parking house.
- The first tower is expected to be completed in Q2 2022 and the second one planned for 2023. Meraki development costs reached EUR 15.7 million as of 31 March 2022.
- At the end of Q1 2022, approx. 16.1% of the net leasable area of one tower was let to 4 tenants. Tendering for anchor tenants.

Retail portfolio

Europa SC new Foodhall Q1 2022



Retail portfolio

Galerija Centrs new Foodhall Q4 2022



Financial debt structure

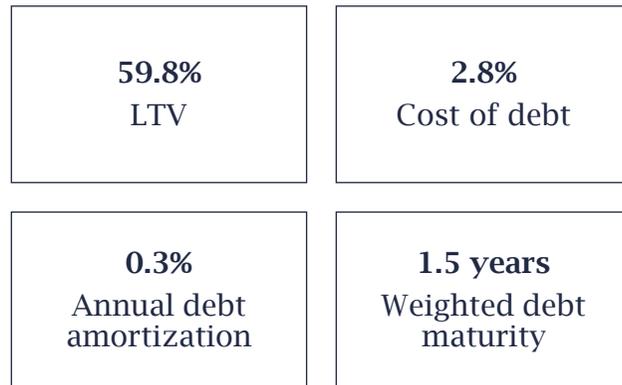
As of 31 March 2022

Property	Maturity	Carrying amount (EUR'000)	% of total	Fixed rate portion
Galerija Centrs	26 January 2024	30,000	15.1%	100.0%
Europa SC	15 March 2024	17,900	9.0%	102.8%
CC Plaza and Postimaja	12 February 2023	17,200	8.7%	100.0%
Duetto I and II	31 March 2023	15,352	7.7%	-%
Upmalas Biroji BC	31 August 2023	11,750	5.9%	90.0%
Domus Pro	15 March 2024	11,000	5.5%	62.0%
Vainodes I	13 November 2024	9,842	5.0%	50.0%
North Star	15 March 2024	9,000	4.5%	-%
LNK	27 September 2023	8,512	4.3%	68.1%
Lincona	31 December 2022	7,188	3.6%	95.4%
Pirita SC	20 February 2026	4,916	2.5%	-%
Sky SC	31 January 2023	2,042	1.0%	-%
Total bank loans		144,702	72.8%	69.5%
Less capitalized loan arrangement fees ²		(150)		
Total bank loans recognised in the statement of financial position		144,552		
5 - year unsecured bonds	8 May 2023	50,000	25.2%	100.0%
1.5 - year secured bonds	19 November 2022	4,000	2.0%	100.0%
Total bonds		54,000	27.2%	100.0%
Less capitalized bond arrangement fees ²		(127)		
Total bonds recognized in the statement of financial position		53,873		
Total debt recognised in the statement of financial position		198,425	100.0%	77.8%

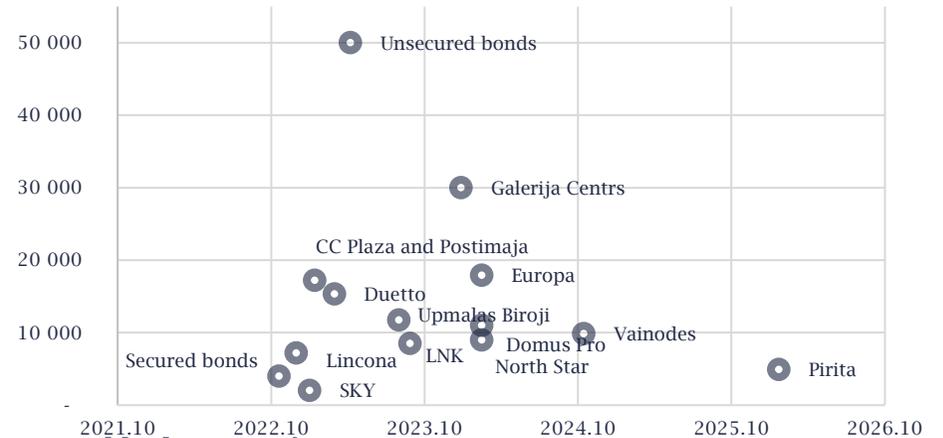
Financing summary

As of 31 March 2022

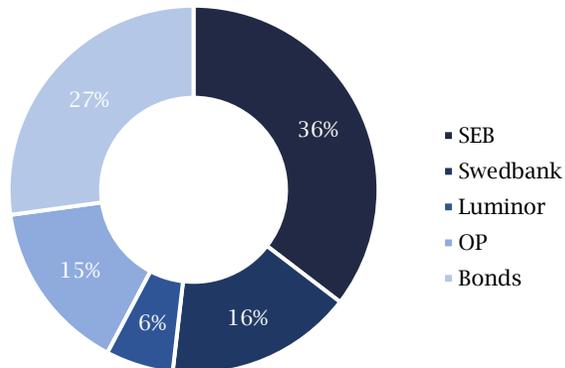
Summary of financing terms



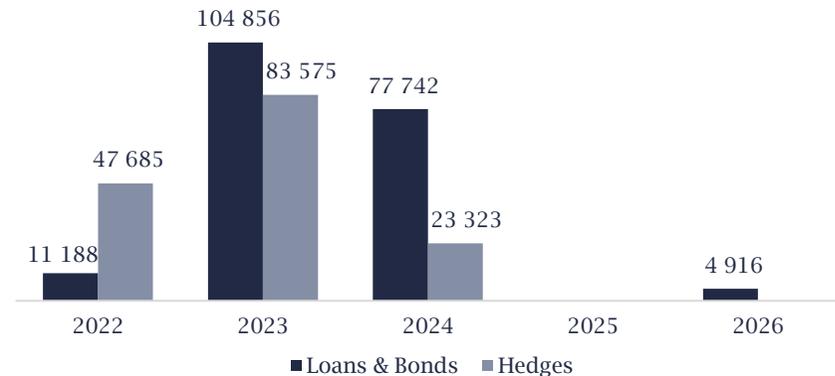
Maturity by separate loan (EUR '000)



Diversification by creditor



Loan and hedge maturity



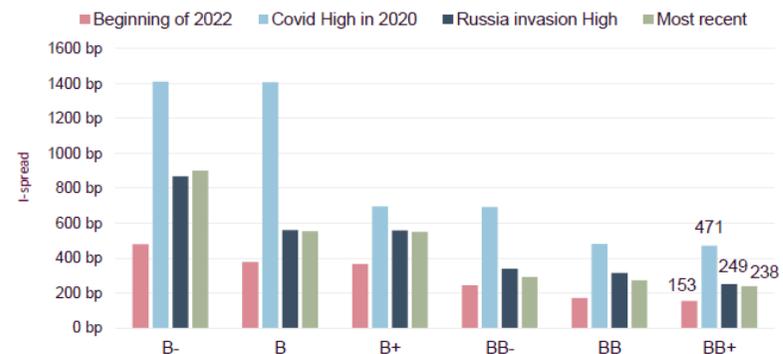
Debt capital markets

high volatility due to the war and inflation



- EUR swap rates are peaking
- **The iTraxx Xover index** (reflects the performance of debt of sub-investment grade corporates in Europe) is going up
- **Credit premiums** are significantly higher now compared to the beginning of the year

EUR credit premiums for sub-IG credits



• Source: Luminor/Bloomberg

Dividend payment

The Fund holds a total dividend reserve of EUR 6.5 million from the pandemic period

GNFC and paid-out dividend, 2016-Q1 2022, TEUR



Distributable cash flow and paid dividends over time

	2017		2018				2019				2020				2021				2022
	Q3	Q4	Q1	Q2	Q3	Q4	Q1												
Reported weighted number of units, million	64.7	69.0	78.2	79.2	78.9	78.5	79.2	94.9	100.5	112.7	113.4	113.4	113.4	119.6	119.6	119.6	119.6	119.6	119.6
GNCF per weighted unit, EUR	0.020	0.024	0.027	0.029	0.026	0.028	0.030	0.024	0.031	0.029	0.031	0.023	0.024	0.022	0.017	0.018	0.021	0.017	0.016
Distributed dividend per unit, EUR	0.020	0.023	0.024	0.025	0.026	0.027	0.025	0.026	0.027	0.028	0.015	0.015	0.026	0.011	0.011	0.011	0.017	0.019	0.013
NAV per unit period end, EUR	1.34	1.38	1.38	1.38	1.39	1.4	1.39	1.34	1.34	1.34	1.34	1.21	1.22	1.14	1.15	1.04	1.05	1.11	1.11
12-months rolling GNCF yield, %	7.6%	7.2%	7.2%	7.2%	7.7%	7.9%	8.1%	7.8%	8.4%	8.6%	11.5%	9.6%	9.4%	8.6%	7.4%	7.0%	7.0%	6.8%	7.6%
12-months rolling dividends per unit, %	6.3%	6.1%	6.2%	6.7%	7.1%	7.3%	7.4%	7.5%	7.8%	8.0%	9.6%	7.2%	7.5%	5.8%	5.4%	5.0%	4.5%	5.4%	6.3%

12-month rolling GNCF and dividend yields are based on the closing market price of the unit as at the end of the quarter (Q1 2022: closing market price of the unit as of 31 March 2022).

Agenda

2. Presentation of the status with units traded on Nasdaq Stockholm due to Euroclear Sweden agreement termination on 30 September 2022;

New solution to be found for Baltic Horizon

- Baltic Horizon listed in Nasdaq Stockholm from December 2016.
- Current partner Nordea Finland is not strategically interested in keeping their Baltic links and sub-custody services.
- As a result of Nordea's actions Euroclear Sweden has also decided to end (most likely due to a desire to refocus on their role as local issuer CSD due to regulatory burdens / CSDR) their service to Baltic Horizon and the Baltics in general.
- Therefore, the only option to remain listed in Nasdaq Stockholm is through a local solution which is Swedish SDB (Svensk Depåbevis / Swedish Depository Receipt) where a licensed financial institution would hold and service our Swedish fund units and issue SDB securities in Swedish market backed by fund units.
- Negotiations are ongoing with potential local partners for this service. Estimating to conclude topic by June 2022.

Agenda

3. Resolution on establishment of Baltic Horizon Fund units buy-back program.

Buy-back program

Northern Horizon Capital AS proposes that the General Meeting resolves to establish a buy-back program of Baltic Horizon Fund and authorises Northern Horizon Capital AS (or person acting under its mandate) to acquire the fund's own units, under the following conditions:

- i. The re-purchases of units are executed either on Nasdaq Tallinn and/or Nasdaq Stockholm in accordance with the rules of Nasdaq Tallinn and/or Nasdaq Stockholm applicable and strictly in line with applicable legislation;
- ii. The purpose of the re-purchase program is to strengthen the capital structure of Baltic Horizon Fund by purchasing units at the price lower than the NAV of the unit at the time;
- iii. Re-purchases are made at the price level lower than NAV of Baltic Horizon Fund unit at the time;
- iv. Maximum of 10,000,000 units may be repurchased during the period of 36 months starting from 30 June 2022 for the maximum amount of EUR 10,000,000;
- v. The aggregate number of units purchased and held by Baltic Horizon Fund shall not exceed 10% of the total number of fund units at any time;
- vi. Payment for the units shall be made in cash;
- vii. The units held by Baltic Horizon Fund shall not grant any unitholder rights to the fund or to Northern Horizon Capital AS;
- viii. Northern Horizon Capital AS shall cancel the units purchased within 3 months after the re-purchase.

Contact information

Management board message

We declare that, to the best of our knowledge, the information provided in this document is accurate and that the document is not subject to any omissions that may serve to distort the picture of the document provided.

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NORTHERN HORIZON

