



Factsheet Q2 2022

Data as of 30/06/2022 unless otherwise stated

Fund objective

Baltic Horizon's primary focus is to invest directly into commercial real estate located in Estonia, Latvia and Lithuania with a particular focus on the capitals – Tallinn, Riga and Vilnius.

Financial goals

- 10-12% return on equity p.a.
- 55% leverage target

Structure and governance

- As of Q2 2022, Baltic Horizon Fund is one of the biggest real estate Fund listed in the Baltics.
- Baltic Horizon Fund is also the first AIF on the alternative investment funds list of Nasdaq Stockholm.
- Baltic Horizon Fund operates under the REIF concept where vast majority of Fund's cash earnings are paid out quarterly to investors.
- Baltic Horizon Fund has declared approx. 43.69 mEUR dividend distribution to investors since first listing.
- The Fund was the first issuer listed on the Nasdaq Baltic Stock Exchange that has been rated by a global rating agency - S&P Global Ratings. On 12 April 2021, the mid-market evaluation rating on Baltic Horizon remained at 'MM3', despite the pandemic. The indicative corresponding rating for "MM3" on the global rating scale is "BB+/BB".

Fund overview

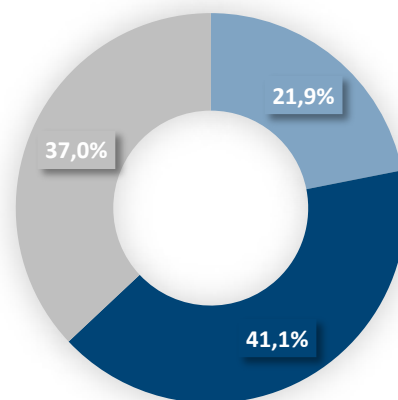
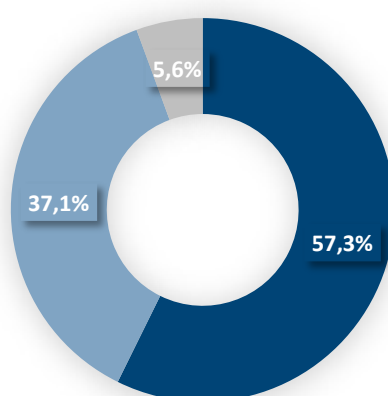
| | |
|---|--|
| Ticker (TLN/STO) | NHCBHFFT/NHCBFS |
| Fund manager | Northern Horizon Capital AS |
| Number of units | 119 635 429 |
| Type | closed-end contractual evergreen |
| Unit Net Asset Value, EUR | 1.1215 |
| Size | 347 495 EUR thousand |
| Equity | 134 176 EUR thousand |
| LTV | 59.1% |
| Distribution to investors since first listing | approx. 43.69 mEUR |
| Focus | direct investments to Baltic countries, particular focus on capital cities |

Dividend capacity (dividend distribution continued during COVID-19 restrictions)

| EUR ' 000 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 |
|---|---------|---------|---------|---------|---------|
| Generated net cash ow (GNCF) | 2 203 | 2 505 | 2 007 | 1 897 | 2 250 |
| GNCF per weighted unit | 0.018 | 0.021 | 0.017 | 0.016 | 0.019 |
| 12-months rolling GNCF yield ¹ | 7.0% | 7.0% | 6.8% | 7.6% | 8.0% |
| Dividends declared per weighted unit | 0.011 | 7.0% | 0.019 | 0.013 | 0.013 |
| 12-months rolling dividend yield ¹ | 5.0% | 5.0% | 5.4% | 6.3% | 6.9% |

¹ 12-month rolling GNCF and dividend yields are based on the closing market price of the unit as at the end of the quarter (Q2 2022: closing market price of the unit as of 30 June 2022).

Properties by NOI (Q2 2022)



Main portfolio financial covenants

1 2 3 4 5 6 7

Lower risk
Potentially lower reward

Higher risk
Potentially higher reward

Fund management



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Portfolio

| | |
|--------------------------------------|---------------------|
| Cost of debt ² | 2.80% |
| NOI for H1 2022 | 8 675 EUR thousand |
| NOI for H1 2021 | 8 530 EUR thousand |
| NOI 2021 | 17 004 EUR thousand |
| NOI for 2020 | 19 934 EUR thousand |
| Weighted debt financing average time | 1.3 years |
| Portfolio yield ¹ | 5.1% |
| Vacancy ² | 6.7% |

¹ As of Q2 2022 ² As of June 30, 2022



| Owned properties | | | |
|--|-------------------|-----------------------|----------------|
| Property name | City | NLA (m ²) | % of Total NOI |
| Lincona BC | Tallinn | 10 871 | 6.34% |
| CC Plaza | Tallinn | 8 664 | 5.64% |
| Pirita SC | Tallinn | 5 444 | 3.44% |
| Postimaja SC | Tallinn | 9 242 | 6.46% |
| Sky SC | Riga | 3 244 | 2.40% |
| Upmalas Biroji BC | Riga | 10 459 | 10.40% |
| Vainodes I BC | Riga | 8 052 | 8.22% |
| LNK Centre BC | Riga | 7 452 | 6.53% |
| Galerija Centrs SC | Riga | 20 075 | 13.59% |
| Domus Pro SC | Vilnius | 11 226 | 7.46% |
| Europa SC | Vilnius | 16 844 | 3.77% |
| Duetto I BC | Vilnius | 8 587 | 6.74% |
| Domus Pro Office | Vilnius | 4 831 | 3.15% |
| Duetto II BC | Vilnius | 8 674 | 8.12% |
| North Star BC | Vilnius | 10 550 | 7.76% |
| Meraki BC | Vilnius | *Under construction | |
| SC - Shopping centre BC - Business centre | Total LNA: | 144 215 | 100% |

| Top tenants |
|---------------------------------|
| Rimi |
| SEB |
| Latvian State Forestry |
| Apollo |
| Intrum Group |
| EMERGN |
| Lithuania Tax Inspectorate |
| Vilnius heating network company |
| New Yorker Eesti |
| Swedbank |

| Top 6 investors |
|------------------------------------|
| Svenska kyrkans pensionskassa |
| SEB Baltic Pensions |
| Skandinaviska Enskilda Banken S.A. |
| Vienna Insurance Group |
| VP Bank S.A. |
| EIKOS AB |

Gross & Net Asset Value

At the end of H1 2022, the Fund's GAV was EUR 347.5 million (31 December 2021: EUR 346.3 million), 0.3% higher than at the end of the previous period. The increase is mainly related to a positive property revaluation of EUR 0.2 million and capital investments (EUR 4.1 million) in the Meraki office building development project during H1 2022. The Fund aims to carry on with the construction of the Meraki office building throughout 2022-2023. An additional EUR 3.3 million was invested in other (re)development projects.

At the end of H1 2022, the Fund's NAV slightly increased to EUR 134.2 million (31 December 2021: EUR 132.6 million). Compared to the year-end 2021 NAV, the Fund's NAV increased by 1.2%. The increase in operational performance, portfolio valuations and positive cash flow hedge reserve movement of EUR 1.2 million over the period was partially offset by a EUR 3.8 million dividend distribution to the unitholders. As of 30 June 2022, IFRS NAV per unit rose to EUR 1.1215 (31 December 2021: EUR 1.1082), while EPRA net tangible assets and EPRA net reinstatement value grew to EUR 1.2016 per unit (31 December 2021: EUR 1.1884). EPRA net disposal value was EUR 1.1177 per unit (31 December 2021: EUR 1.1086).

Net profit and net rental income

The Group recorded a net profit of EUR 4.2 million for H1 2022 against a net loss of EUR 9.2 million for H1 2021. The net result was mainly driven by strong recovery of the Galerija Centrs operating performance as fewer COVID-19 rent reliefs have been granted to tenants in 2022 and increased rent indexation. The net result for H1 2021 was significantly impacted by the one-off negative valuation result of EUR 14.3 million. Meanwhile in H1 2022, the valuation resulted in a net fair value gain of EUR 0.2 million (+0.1% of portfolio value). The positive impact of the increase in net rental income was also supplemented by a decrease in administrative expenses and a grant of EUR 0.3 million received from the Latvian government. Earnings per unit for H1 2022 were EUR 0.04 (H1 2021: EUR -0.08).

The Group earned net rental income of EUR 8.7 million in H1 2022 compared to 8.5 million in H1 2021. The results for H1 2021 still included EUR 0.6 million of net rental income from G4S Headquarters, which was sold in Q4 2021 and did not contribute to H1 2022 results. Rent indexations and recovery of income improved the net rental income of the same portfolio mix (like-for-like portfolio).