

NORTHERN HORIZON
CAPITAL

BALTIC HORIZON
WEBINAR
PRESENTATION

23 August 2017

AGENDA

1. June 2017 capital increase
2. Fund overview – portfolio
3. Financial results update
4. Property loan overview
5. Stock price development
6. Future outlook



JUNE 2017 CAPITAL INCREASE

June 2017 capital increase

- Capital raising partners: Catella (with Avanza and Nordnet), LHV, Swedbank,
- Result: ~EUR 10 million
- Around EUR 2 million of units bought in secondary market during the offering (strong marketing campaign), support on unit price was very positive
- Current investment capacity of EUR 30-35 million (Cash at bank + Domus PRO new loan not currently drawn in)
- 4 institutional tickets of EUR 5-10 million expected to be available in subsequent capital raisings in Q4 (to directly match closing of pipeline properties)
- Expectation to have restrictions lifted on targeting Lithuanian retail market in Q1 2018



STRONG PORTFOLIO WITH A TOTAL VALUE OF EUR 157 MILLION



Europa Shopping Center

Upmalas Biroji

Domus Pro

G4S Headquarters

Lincona Office Complex

Duetto I

Coca-Cola Plaza

Piirita

Sky Supermarket

| Property | Europa Shopping Center | Upmalas Biroji | Domus Pro | G4S Headquarters | Lincona Office Complex | Duetto 1 | Coca-Cola Plaza | Piirita | Sky Supermarket | TOTAL |
|---------------------|---------------------------|----------------|--------------------|------------------|------------------------|------------------|---------------------------|------------------|-----------------|--------|
| City | Vilnius CBD ¹⁾ | Riga | Vilnius | Tallinn | Tallinn | Vilnius | Tallinn CBD ¹⁾ | Tallinn | Riga | - |
| Type | Retail | Office | Retail | Office | Office | Office | Other (cinema) | Retail | Retail | - |
| Rentable area, sq.m | 16,856 | 10,419 | 11,247 | 8,363 | 10,859 | 8,327 | 8,664 | 5,436 | 3,263 | 83,434 |
| Vacancy (H1) | 4,1% | 0.1% | 1.1% | 0% | 5.3% | 0% ²⁾ | 0.0% | 0% ²⁾ | 1.5% | 1.3% |
| Rent/sq.m. mo. EUR | 14.8 | 12.5 | 9.4 | 11.0 | 10.5 | 10.6 | 9.5 | 11.8 | 12.2 | 11.7 |
| NOI, EURm | 2.4 | 1.65 | 1.3 | 1.2 | 1.2 | 1.1 | 1.0 | 0.9 | 0.4 | 11.15 |
| Fair value, EURm | 38.8 | 24.1 | 17.2 ³⁾ | 16.1 | 15.9 | 14.9 | 13.2 | 11.6 | 5.6 | 157.4 |
| No. of leases | 69 | 13 | 28 | 1 | 14 | 5 | 1 | 23 | 21 | 175 |
| WAULT | 3.7 | 4.1 | 5.7 | 5.6 | 4.0 | 5.0 | 6.0 | 7.5 | 4.1 | 4.8 |
| Major tenants | | | | | | | | | | |

Source: Northern Horizon Capital

¹⁾ Central Business District ²⁾ Effective vacancy rate of Duetto I and Piirita center was zero since seller provided a 2 year rental guarantee



PORTFOLIO PERFORMANCE

Main events in Q2:

- Additional capital raised EUR 10 million
 - Refinancing of property loans to prolong maturity to approx. 4 years
- GAV: EUR 170,9 million
 - NAV: EUR 86,2 million
 - 7,2% direct property yield (6,9% net initial yield)
 - Actual occupancy today remains strong at ~98% – latest lease contract win with Vilniaus Vandenys (Vilnius Water) for 2000 sqm
 - Current investment capacity of EUR 30-35 million, i.e. EUR +2 to 2,5 million in NOI under existing capital structure



WELL-BALANCED TENANT MIX WITH MAJOR NORDIC AND MULTINATIONAL TENANTS

10 largest tenants

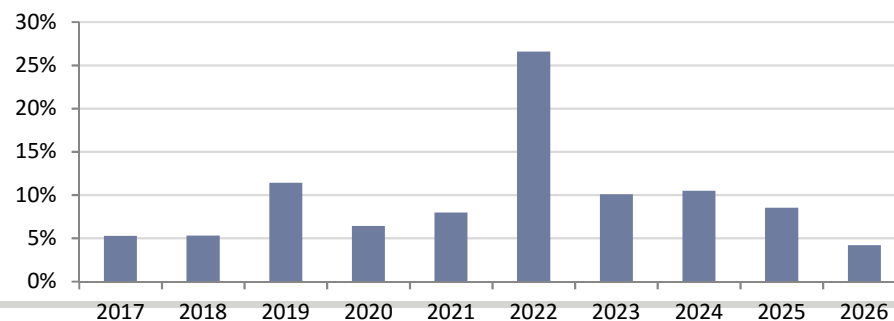
Strong tenants and long lease agreements

- Baltic Horizon has 175 tenants, mainly large Nordic and multinational firms.
- The fund aims to have strong tenants with long leases and has a WAULT of 4.8 years by 31 Mar 2017.
- The ten largest leases comprise 51.1 per cent of total annualised rental income.
- Duetto fully leased out in September with Vilnius vandenys as second anchor tenant
- Domus PRO III stage 60% preleased (+8% since last quarter), to be opened beginning of Q4
- Cabot lease agreement to be extended by 7 years
- Swedbank lease agreement under renegotiation
- Pirita satellite tenants in front of Rimi are being replaced with stronger ones, active marketing campaign in process
- Relaunch of Europa SC modernized concept is ongoing

| No | Tenant | Industry | Property | % of total annualised rental income | WAULT, years |
|------------------------------------|--|----------------------|--------------------|-------------------------------------|--------------|
| 1 |  | Security | G4S Headquarters | 10.0% | 5.6 |
| 2 |  (same owner as SF Bio) | Cinema | Coca-Cola Plaza | 8.9% | 6.0 |
| 3 |  | Grocery | Domus Pro, Piirita | 7.4% | 7.5 |
| 4 |  | Credit management | Duetto I | 6.0% | 4.9 |
| 5 |  | Banking | Upmalas Biroji | 5.1% | 5.8 |
| 6 |  | Banking | Lincona | 3.7% | 0.4 |
| 7 |  | Speciality chemicals | Upmalas Biroji | 2.9% | 2.3 |
| 8 |  | Fashion | Europa SC | 2.5% | 1.0 |
| 9 |  | Public institution | Lincona | 2.5% | 7.3 |
| 10 |  | Grocery | Sky Supermarket | 2.2% | 5.8 |
| Total of 10 largest tenants | | | | 51.1% | 5.2 |

Maturities of existing leases

% of total annualised rental income



FINANCIAL RESULTS FOR H1 2017

FINANCIAL PERFORMANCE

In Q2 2017 (NOI) amounted to EUR 2.7 million and was higher than in Q2 2016 (EUR 1.5 million).

During Q2 2017, the Fund incurred EUR 171 thousand of non-recurring costs related to the secondary public offering (EUR 373 thousand during H1 2017).

| Euro '000 | 01.04.2017- 30.06.2017 | 01.04.2016- 30.06.2016 | 01.01.2017- 30.06.2017 | 01.01.2016- 30.06.2016 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| Rental income | 2,940 | 1,657 | 5,667 | 3,276 |
| Service charge income | 919 | 572 | 1,843 | 1,193 |
| Cost of rental activities | (1,177) | (751) | (2,302) | (1,554) |
| Net rental income | 2,682 | 1,478 | 5,208 | 2,915 |
| Administrative expenses | (670) | (798) | (1,400) | (980) |
| Other operating income / (expenses) | - | 78 | 13 | 78 |
| Valuation gains / (loss) on investment properties | 382 | (441) | 382 | (441) |
| Valuation gains / (loss) on investment property under construction | (43) | - | (43) | - |
| Operating profit | 2,351 | 317 | 4,160 | 1,572 |
| Financial income | 2 | 4 | 43 | 8 |
| Financial expenses | (443) | (253) | (775) | (533) |
| Net financing costs | (441) | (249) | (732) | (525) |
| Profit before tax | 1,910 | 68 | 3,428 | 1,047 |
| Income tax charge | (368) | (60) | (936) | (175) |
| Profit for the period | 1,542 | 8 | 2,492 | 872 |



ASSETS H1 2017

Investment property
Under construction is
Domus Pro III stage

EUR 8,6 m in cash to
be invested together
with Domus Pro loan
(currently not
withdrawn)

| Euro '000 | 30.06.2017 | 31.12.2016 |
|--|------------|------------|
| Non-current assets | | |
| Investment properties | 157,274 | 141,740 |
| Investment property under construction | 3,390 | 1,580 |
| Derivative financial instruments | 6 | - |
| Other non-current assets | 77 | 288 |
| Total non-current assets | 160,747 | 143,608 |
| Current assets | | |
| Trade and other receivables | 1,282 | 1,269 |
| Prepayments | 210 | 178 |
| Cash and cash equivalents | 8,628 | 9,883 |
| Total current assets | 10,120 | 11,330 |
| Total assets | 170,867 | 154,938 |

EQUITY & LIABILITIES H1 2017

Domus PRO loan
fully repaid, new loan
signed (currently not
withdrawn)

Europa loan extended
at favorable terms

| Euro '000 | 30.06.2017 | 31.12.2016 |
|---------------------------------------|------------|------------|
| Equity | | |
| Paid in capital | 75,597 | 66,224 |
| Own units | - | (8) |
| Cash flow hedge reserve | (57) | (294) |
| Retained earnings | 10,688 | 10,887 |
| Total equity | 86,228 | 76,809 |
| Non-current liabilities | | |
| Interest bearing loans and borrowings | 65,932 | 58,981 |
| Deferred tax liabilities | 5,380 | 4,383 |
| Derivative financial instruments | 74 | 345 |
| Other non-current liabilities | 849 | 935 |
| Total non-current liabilities | 72,235 | 64,644 |
| Current liabilities | | |
| Interest bearing loans and borrowings | 9,004 | 10,191 |
| Trade and other payables | 3,039 | 2,876 |
| Income tax payable | 24 | 46 |
| Other current liabilities | 337 | 372 |
| Total current liabilities | 12,404 | 13,485 |
| Total liabilities | 84,639 | 78,129 |
| Total equity and liabilities | 170,867 | 154,938 |

FINANCIAL RESULTS FOR H1 2017

FINANCIAL POSITION SUMMARIZED

IFRS NAV per unit EUR
1.3337 (EUR 1.3414 as at
31/12/2016).

Revaluation was
performed conservatively
and had minimum
positive effect to NAV in
June 2017

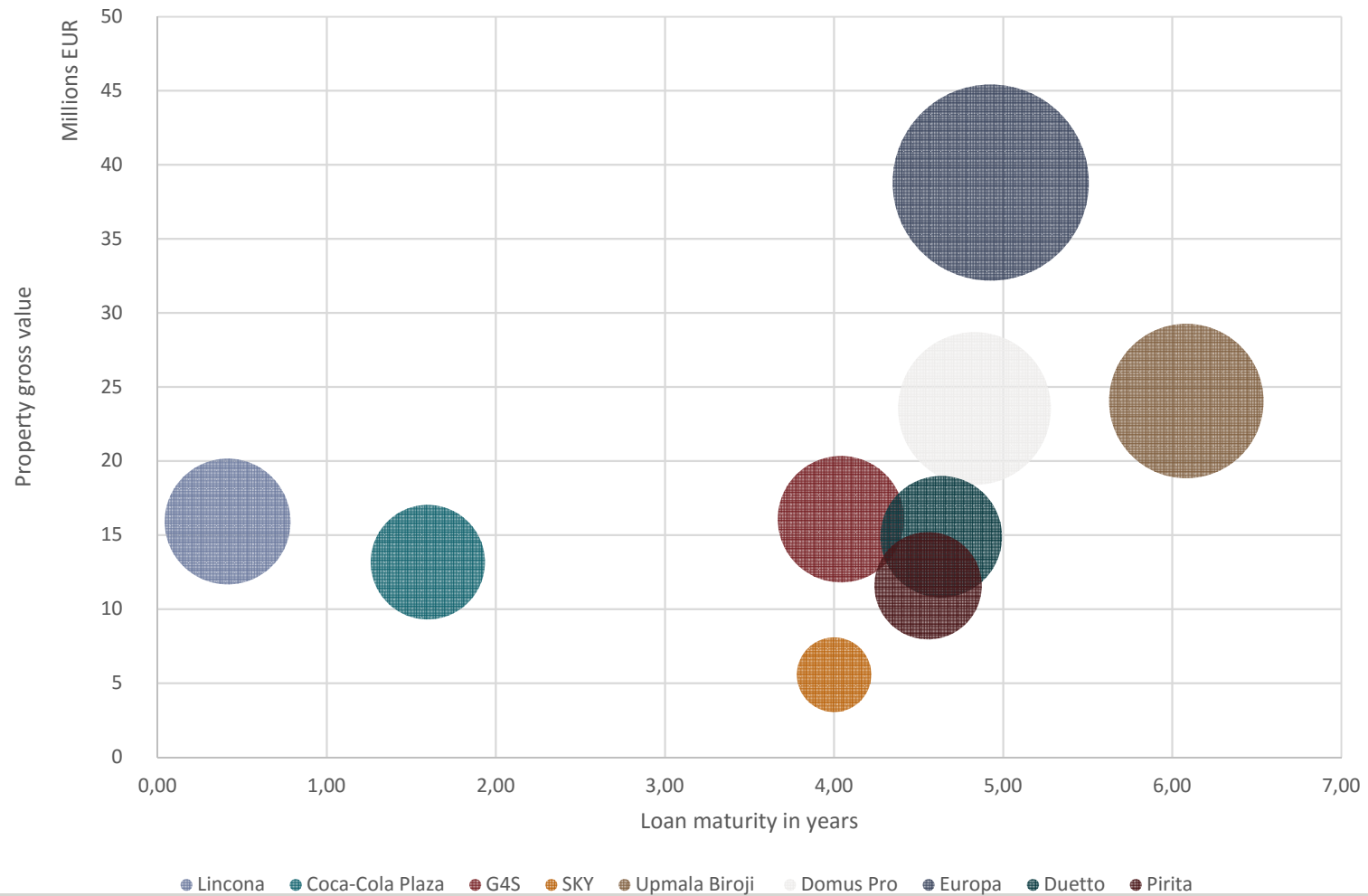
EPRA NAV per unit EUR
1.4660 (EUR 1.4834 as at
Q1 2017).

| Euro '000 | 30.06.2017 | 31.12.2016 | Change (%) |
|--------------------------------------|------------|------------|------------|
| Investment property in use | 157,274 | 141,740 | 11.0% |
| Gross asset value (GAV) | 170,867 | 154,938 | 10.3% |
| Interest bearing loans | 74,936 | 69,172 | 8.3% |
| Total liabilities | 84,639 | 78,129 | 8.3% |
| Net asset value (NAV) | 86,228 | 76,809 | 12.3% |
| Number of units outstanding | 64,655,870 | 57,264,743 | 12.9% |
| Net asset value (NAV) per unit (EUR) | 1.3337 | 1.3413 | (0.6)% |
| Loan-to-Value ratio (LTV) | 47.6% | 48.8% | |

| Euro '000 | 30.06.2017 |
|---|------------|
| IFRS NAV as of 30 June 2017 | 86,229 |
| Exclude deferred tax liability on investment properties | 8,504 |
| Exclude fair value of financial instruments | 68 |
| Exclude deferred tax on fair value of financial instruments | (11) |
| EPRA NAV* | 94,790 |
| Amount of units (approx 50% listed in Stockholm) | 64,655,870 |
| EPRA NAV per unit | 1.4660 |



LOAN PORTFOLIO MATURITY EXTENDED



BALTIC HORIZON LOAN SUMMARY

| Property | Loan outstanding 2017.06.30 EUR | LTV | Repayment per year from outstanding loan (%) | Repayment per year (EUR) | Hedged | Loan maturity | Swap maturity | Margin | Fixed rate |
|---------------|---------------------------------------|------------|--|-----------------------------|------------|---------------|------------------|--------------|------------|
| 1 | 6 942 000 | 52% | 2,2% | 156 000 | - | 2017-12-31 | - | 1,45% | - |
| 1 | 1 413 324 | | 5,7% | 80 004 | - | | - | 3,00% | - |
| 2 | 6 937 500 | 53% | 3,6% | 250 000 | - | 2019-03-08 | - | 1,90% | - |
| 3 | 7 750 000 | 48% | | - | 100% | 2021-08-16 | 2021-08-16 | 1,45% | 0,05% |
| 4 | 2 545 591 | 46% | 4,2% | 106 092 | - | 2021-08-01 | - | 1,75% | - |
| 5 | 10 575 000 | 44% | | - | 90% | 2023-08-31 | 2023-08-31 | 1,55% | 0,26% |
| 5 | 1 175 000 | | | - | - | | - | | - |
| 6 | 11 777 500 | 50% | | | 73% | 2022-05-31 | 2022-05-31 | 1,75% | 0,26% |
| 6 | | | 2,0% | 235 550 | - | | | | - |
| 7 | 18 401 848 | 54% | | - | 88% | 2022-07-05 | 2018-03-02 | 1,50% | 0,15% |
| 7 | 2 498 152 | | | - | - | | - | | - |
| 8 | 8 030 000 | 54% | 2,0% | 160 608 | - | 2022-03-20 | - | 1,75% | - |
| 9 | 6 655 332 | 57% | 2,0% | 134 004 | 94% | 2022-02-20 | 2022-02-20 | 1,55% | 0,31% |
| Total: | 84 701 248 | 52% | 1,29% | 1 092 408 | 61% | | | 1,74% | |

SWEDBANK'S ANALYSIS OF LISTED SECURITIES IN ALL BALTIC EXCHANGES

| | | | | Turnover, H1 2017, EURk | | |
|----|---------------------------------|--|--|-------------------------|-------------------|--------------|
| | Company | | | Primary listing | Secondary listing | Total |
| 1 | Olympic Entertainment Group | | | 22,244 | 12 | 22,255 |
| 2 | Šiaulių bankas | | | 18,525 | | 18,525 |
| 3 | Tallink Grupp | | | 10,693 | | 10,693 |
| 4 | Silvano Fashion Group | | | 9,540 | 487 | 10,027 |
| 5 | Tallinna Vesi | | | 8,578 | | 8,578 |
| 6 | Tallinna Kaubamaja Grupp | | | 7,354 | | 7,354 |
| 7 | Baltic Horizon | | | 2,598 | 3,374 | 5,972 |
| 8 | LHV Group | | | 5,921 | | 5,921 |
| 9 | Telia LT | | | 3,709 | | 3,709 |
| 10 | Harju Elekter | | | 3,283 | | 3,283 |
| 11 | Pieno žvaigždės | | | 3,177 | | 3,177 |
| 12 | Grindeks | | | 3,065 | | 3,065 |
| 13 | Klaipėdos nafta | | | 2,700 | | 2,700 |
| 14 | Merko Ehitus | | | 2,494 | | 2,494 |
| 15 | Energijos Skirstymo Operatorius | | | 2,488 | | 2,488 |
| 16 | Apranga | | | 2,437 | | 2,437 |
| 17 | Latvijas kuģniecība | | | 2,017 | | 2,017 |
| 18 | Olainfarm | | | 1,713 | | 1,713 |
| 19 | Nordecon | | | 1,229 | | 1,229 |
| 20 | Vilkyškių pieninė | | | 1,136 | | 1,136 |

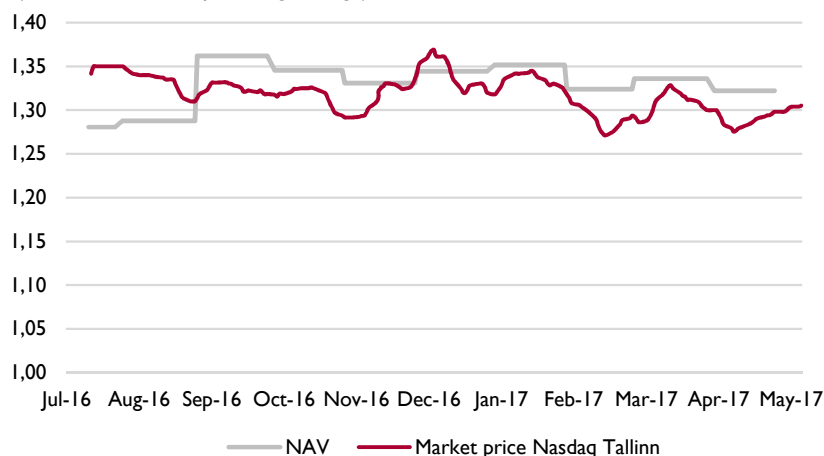


NAV AND MARKET PRICE DEVELOPMENT OF BALTIC HORIZON

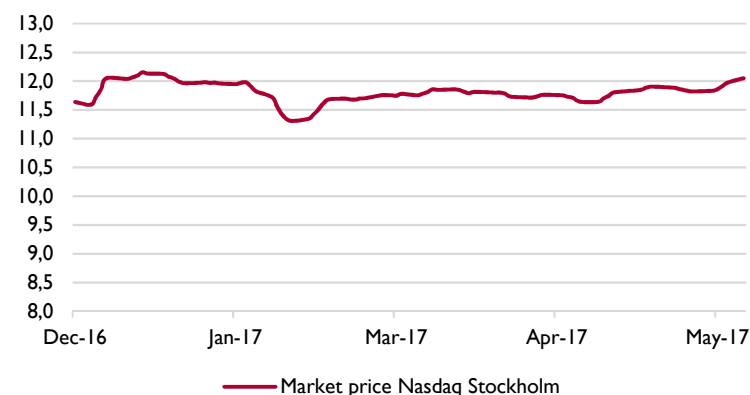
- Baltic Horizon total payout for 12 months is EUR 0.091 per fund unit (~7% on Tallinn issue price EUR 1,31 in June 2016).

- On 28th Oct. 2016 dividend of 0.026 EUR per unit.
- On 7th Feb. 2017 dividend of 0.024 EUR per unit.
- On 28th Apr. 2017 dividend of 0.023 EUR per unit
- On 4th Aug. 2017 announced a dividend of 0.018 EUR per unit that will be paid out on 24th of August.

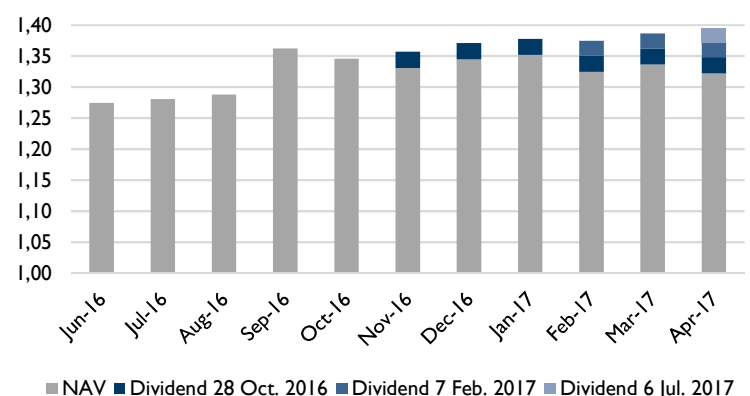
Market price development Nasdaq Tallinn
(EUR/fund unit, 5-days rolling average)



Market price development Nasdaq Stockholm
(EUR/fund unit, 5-days rolling average)



NAV per unit and dividends Baltic Horizon
(EUR/fund unit)





LIQUIDITY - HIGH LIQUIDITY FOLLOWING SPO, MARKET CAP TURN AROUND IN 4-5 YEARS

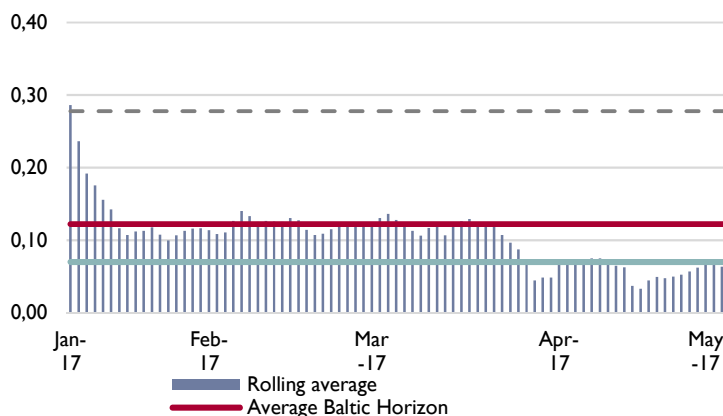
- On average, 15,400 fund units have been traded per day on Nasdaq Tallinn (~EURk 20/trading day), which corresponds to an annualized rate of approximately 11 per cent of the total listed fund units per year.
- On average, 25,300 fund units have been traded per day on Nasdaq Stockholm (~EURk 31/trading day), which corresponds to an annualized rate of approximately 31 per cent of the total listed fund units per year.

| Market | Number of listed units 2017-03-31 | Average no. of units traded per day after SPO | Share of total units traded per year (annualized) | Average volume traded per day after SPO ¹⁾ |
|------------------------------|-----------------------------------|---|---|---|
| Nasdaq Stockholm | 20,737,689 | 25,300 | 31% | EURk 31 |
| Nasdaq Tallinn ²⁾ | 36,521,154 | 15,400 | 11% | EURk 20 |
| Total | 57,258,843 | 57,300 | 25% | EURk 51 |

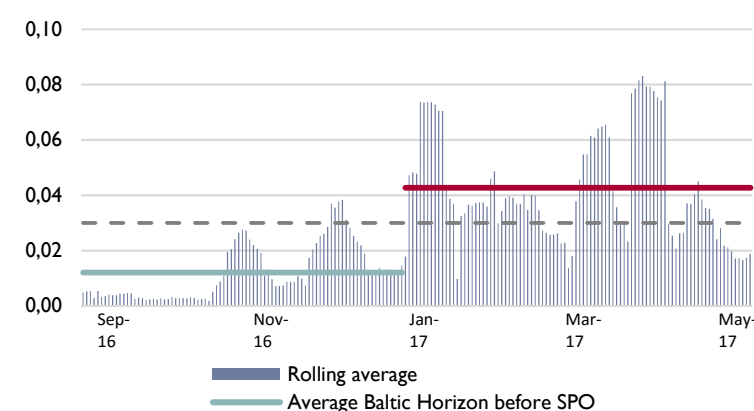
¹⁾ Average EURSEK rate 9.53

²⁾ No. of fund units before SPO 41,979,150

Liquidity Nasdaq Stockholm
(%, no. of units traded per day/total number of units)



Liquidity Nasdaq Tallinn
(%, no. of units traded per day/total number of units)





NORTHERN HORIZON
CAPITAL

UNIT PRICE MOVEMENT IN 2017

04/08/2017

■ Baltic Horizon Fund (STO) 12.60 ■ Baltic Horizon Fund (TLN) 1.34





FUTURE OUTLOOK

Key priority:

- Complete pipeline investments to maximize portfolio efficiency and results
- 3 properties in immediate pipeline (various phases in DD)
- Strong focus on unlocking value:
 - Domus PRO III stage
 - G4S new expansion
 - CC Plaza expansion
 - Europa SC repositioning
- Potential buyer of SKY standing by, waiting for facade reconstruction to finish in August – will be followed up





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