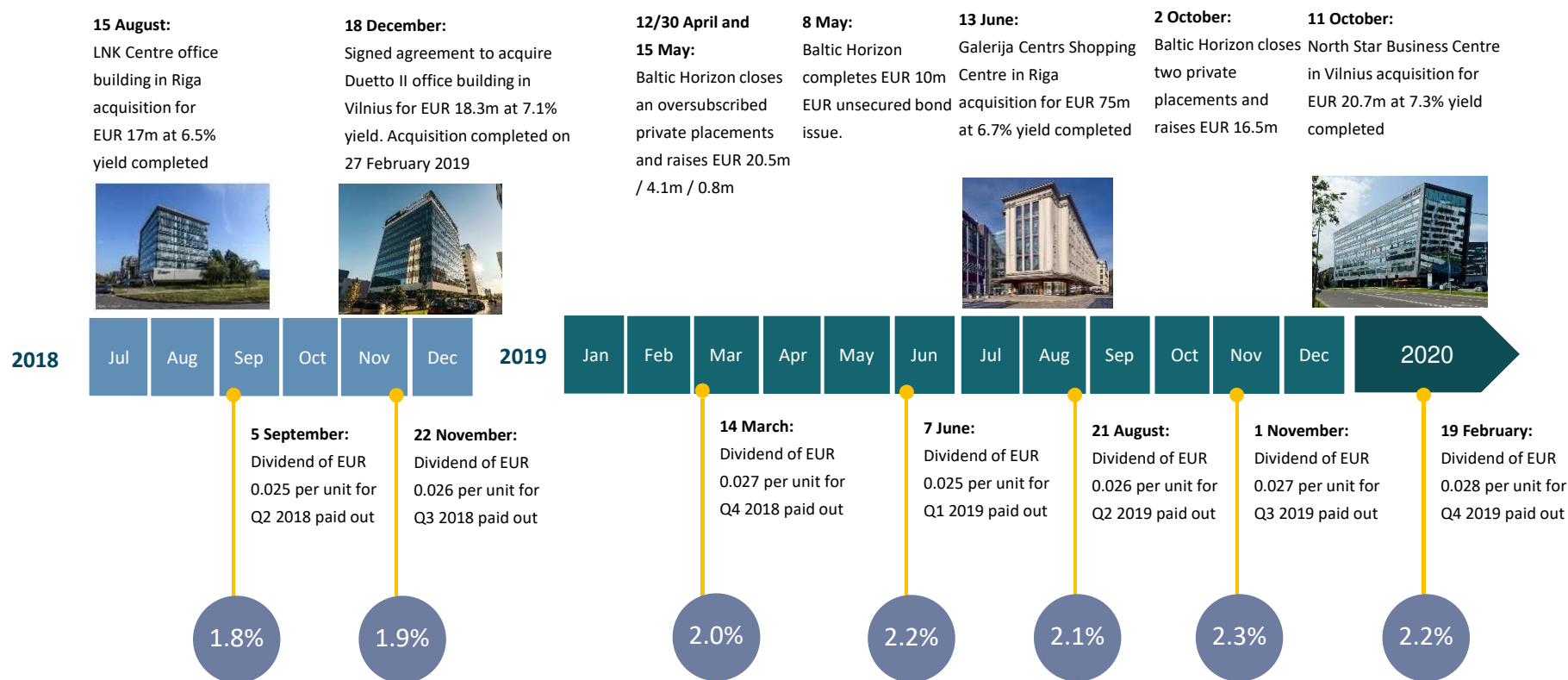


NORTHERN HORIZON

BALTIC HORIZON FUND WEBINAR

Financial results for 2019
(Covid-19 update)

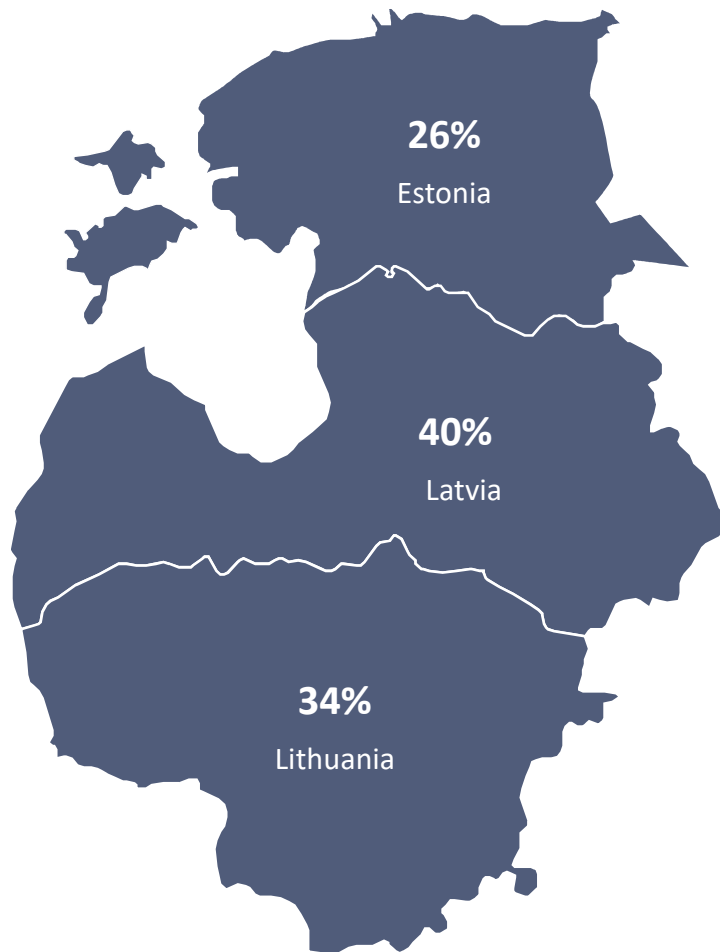
RECENT DEVELOPMENTS – 2018–2020



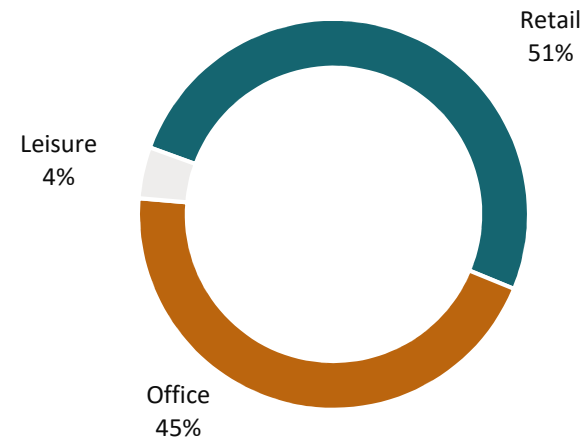
Paid out quarterly dividend as % of weighted average NAV

BALTIC HORIZON'S PROPERTY PORTFOLIO BREAKDOWN

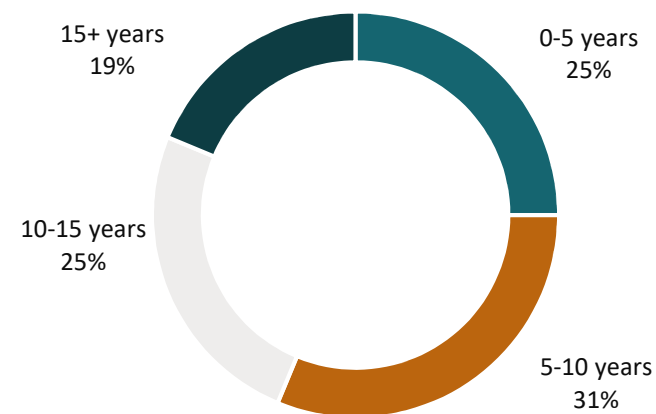
Fund country allocation as of 31 December 2019



Fund segment allocation as of 31 December 2019



Fund portfolio by age as of 31 December 2019*



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



ACTIVE ASSET MANAGEMENT



Vilnius, Lithuania

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



Riga, Latvia

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



Tallinn, Estonia

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



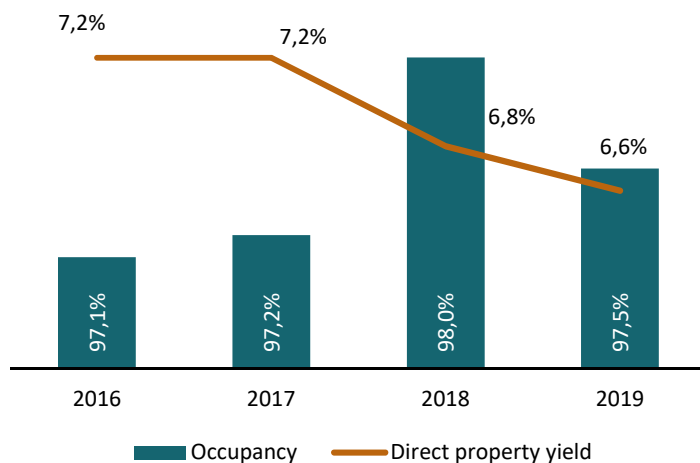
Total Baltic Horizon Fund portfolio

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

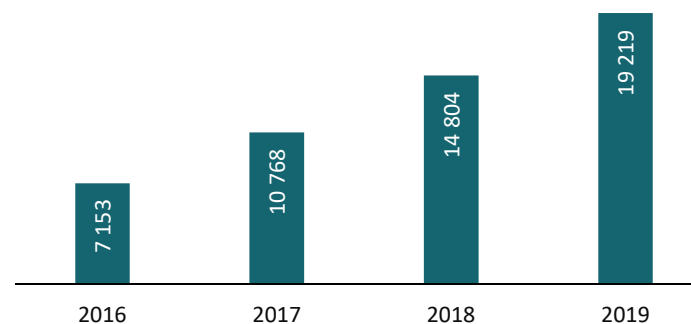
Properties includes 15 established cash flow properties and Meraki development project.

STRONG HISTORICAL PORTFOLIO PERFORMANCE

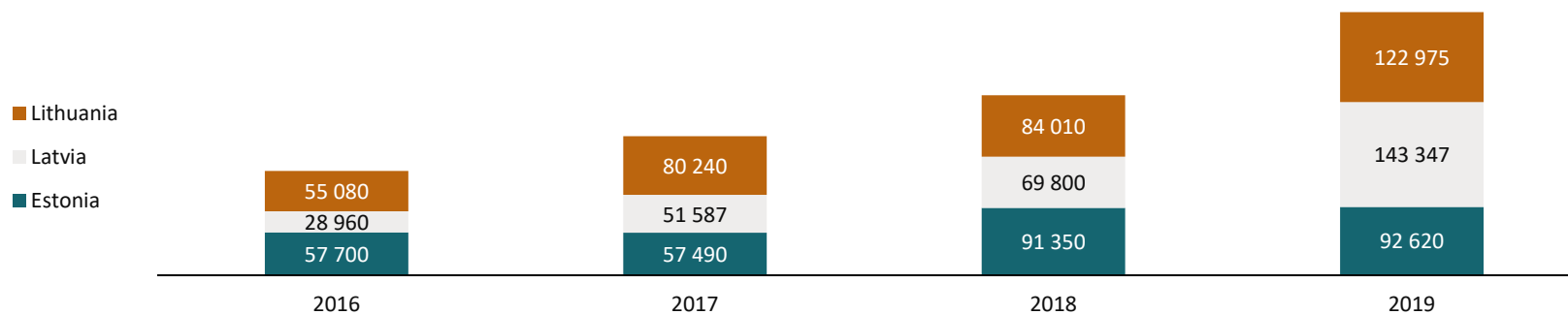
Occupancy and direct property yield (%)



Net rental income (EUR '000)



Portfolio value development (EUR '000)

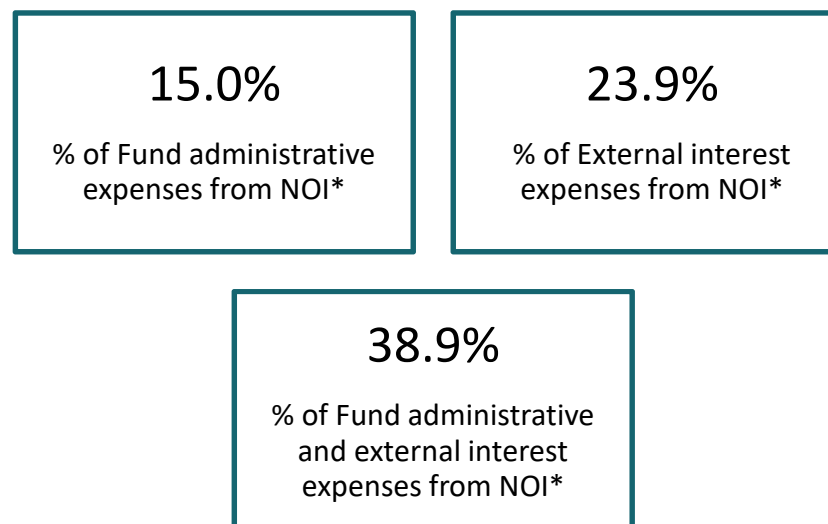


GENERATED NET CASH FLOW (GNCF)

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

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

- As the situation is uncertain and developing fast then the Fund management team at this point does not consider it to be practical to give a quantitative analysis of the potential impact of the virus outbreak.



* Based on Q4 2019 financial results.



BALTIC HORIZON FUND UPDATE ON COVID-19

While it is too early to evaluate the full economic impact of the pandemic, it is likely that it will have negative overall effect on the Fund's 2020 performance

Baltic Horizon Fund will keep all its stakeholders informed on the most important actions we have initiated

○ **The following measures are also in place to further mitigate the risks and protect the long-term interests of Baltic Horizon Fund and its investors:**

- We have active communication channels with our tenants and property managers who on a regular basis inform us on the measures they are taking to ensure their business continuity. We have agreed on regular updates on tenants' performance and any issues.
- There is a sufficient liquidity buffer in a form of cash balance to meet financial obligations in case of any temporary shortages in liquidity
- We have approached the developers and construction companies to inform us promptly of any potential delays in development projects.
- We are continuously performing stress testing of debt covenants to be able to take any necessary measures in due time.
- The management company has initiated additional measures to protect the key staff of the Fund and ensure continuity: all employees are working remotely, all business travel is suspended, and succession plan has been reviewed and updated.



RELIEF MEASURES TO SME TENANTS AFFECTED BY THE COVID-19 PANDEMIC

Relief measures are aimed primarily at the smaller most vulnerable tenant groups

The Fund will be maintaining an active dialogue with anchor and other tenants on individual basis

- **The following relief measures will be coming into effect on April 1, 2020:**
 - Rent payment deferral for the period of 90 days (3 months) which could be extended depending on the development of the pandemic and governmental restrictions. In case government has waived collection of certain service charges, those will also be taken into consideration.
 - In due course, tenants have a possibility to discuss and agree an individual payment schedule for the recovery of deferred rental payments after the deferral term.
 - Waiver of all penalties and interest arising from the rent deferral.
- The eligibility for the relief and preconditions will be determined individually for each tenant by fund management taking into account the changing nature of the restrictive measures and the financial stimulus being initiated by the Baltic governments.

FINANCING SUMMARY

AS OF 31 DECEMBER 2019

57.3%

LTV

2.6%

Cost of debt

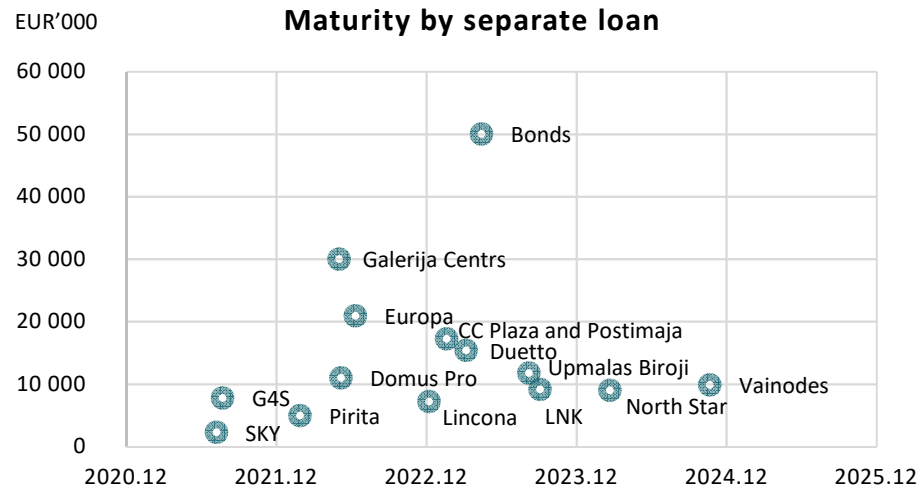
0.2%

Annual debt
amortization

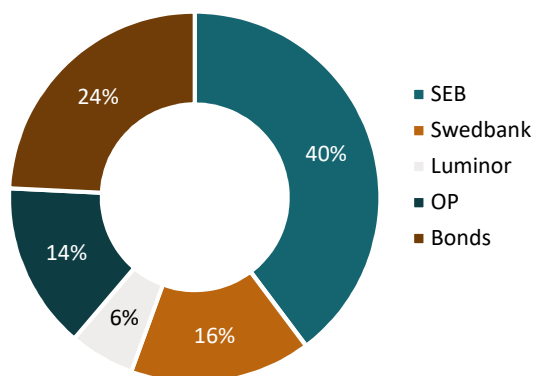
3.1 years

Weighted debt
maturity

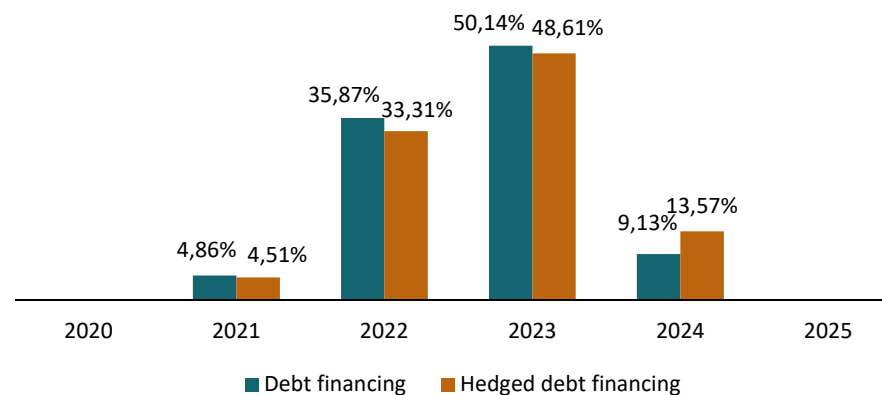
Maturity by separate loan



Diversification by creditor



Loan and hedge maturity terms



FINANCIAL DEBT STRUCTURE OF THE FUND AS OF 31/12/2019

- On 8 May 2019, the Fund completed a subsequent subscription for its 5-year unsecured bonds for the amount of EUR 10 million.
- During 2019, the Fund drew down four additional bank loans amounting to EUR 57.4 million to finance new acquisitions.

Property	Maturity	Carrying amount EUR'000	% of total	Fixed rate portion
Galerija Centrs	26 May 2022	30,000	14.5%	100%
Europa SC	5 July 2022	20,900	10.1%	88%
CC Plaza and Postimaja	12 February 2023	17,200	8.3%	100% ¹
Duetto I and II	31 March 2023	15,376	7.5%	47% ²
Upmalas Biroji BC	31 August 2023	11,750	5.7%	90%
Domus Pro	31 May 2022	11,000	5.3%	65%
Vainodes I	13 November 2024	9,842	4.8%	50%
LNK	27 September 2023	9,146	4.4%	63%
North Star	15 March 2024	9,000	4.4%	-%
G4S Headquarters	16 August 2021	7,750	3.8%	100%
Lincona	31 December 2022	7,188	3.5%	95%
Pirita SC	20 February 2022	4,944	2.4%	122%
Sky SC	1 August 2021	2,280	1.1%	-%
Total bank loans		156,376	75.8%	78%
Less capitalized loan arrangement fees ³		(319)		
Total bank loans recognised in the statement of financial position		156,057		
5 year-unsecured bonds	08 May 2023	50,000	24.2%	100%
Less capitalized bond arrangement fees ³		(230)		
Total debt recognised in the statement of financial position		205,827	100%	83%

1. CC Plaza and Postimaja loan has an interest rate cap at 3.5% for the variable interest rate part.

2. Duetto loan has an interest rate cap at 1% for the variable interest rate part.

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

FINANCIAL RESULTS FOR 2019

FINANCIAL PERFORMANCE

- In 2019, the Group recorded a net rental income of EUR 19.2 million compared to EUR 14.8 million in 2018. The increase in net rental income was achieved through new acquisitions that were made following the capital raisings in 2019.
- The net profit was largely affected by the lower investment property value gains during the year.

EUR '000	2019	2018	Change (%)
Rental income	20,776	15,860	31.0%
Service charge income	4,525	2,760	63.9%
Cost of rental activities	(6,082)	(3,816)	59.4%
Net rental income	19,219	14,804	29.8%
Administrative expenses	(3,251)	(2,813)	15.6%
Other operating income	26	74	(64.9%)
Valuation gains (losses) on investment properties	(2,064)	2,014	(202.5%)
Operating profit	13,930	14,079	(1.1%)
Financial income	5	8	(37.5%)
Financial expenses	(4,718)	(2,789)	69.2%
Net financing costs	(4,713)	(2,781)	69.5%
Profit (loss) before tax	9,217	11,298	(18.4%)
Income tax charge	(426)	(1,308)	(67.4%)
Profit for the period	8,791	9,990	(12.0%)

FINANCIAL RESULTS FOR 2019

ASSETS AS OF 31/12/2019

- Total investment value increased from EUR 245 million to EUR 359 million after Galerija Center, North Star and Duetto II acquisitions.
- At the end of 2019, the GAV increased to EUR 371.7 million which was a rise of 42.5% over the year. The increase is mainly related to new acquisitions during the year and the start of the Meraki development project.

EUR '000	31.12.2019	31.12.2018
Non-current assets		
Investment properties	356,575	245,160
Investment property under construction	2,367	-
Derivative financial instruments	73	9
Other non-current assets	54	596
Total non-current assets	359,069	245,765
Current assets		
Trade and other receivables	1,794	2,229
Prepayments	301	154
Other current assets	734	505
Cash and cash equivalents	9,836	12,225
Total current assets	12,665	15,113
Total assets	371,734	260,878

FINANCIAL RESULTS FOR 2019

EQUITY & LIABILITIES AS OF 31/12/2019

- During 2019, the Fund NAV increased from EUR 109.8 million to EUR 152.5 million as compared to the end of 2018. The increase is related to new equity raised and the Group's operational performance over the year.
- In total, the Fund declared a cash distribution of EUR 11,309 thousand (EUR 0.106 per unit) from the operating results of 2019.

EUR '000	31.12.2019	31.12.2018
Equity		
Paid in capital	138,064	93,673
Own units	-	(335)
Cash flow hedge reserve	(1,556)	(1,005)
Retained earnings	16,010	17,472
Total equity	152,518	109,805
Non-current liabilities		
Interest bearing loans and borrowings	205,718	140,401
Deferred tax liabilities	6,199	5,844
Derivative financial instruments	1,728	1,069
Other non-current liabilities	1,298	905
Total non-current liabilities	214,943	148,219
Current liabilities		
Interest bearing loans and borrowings	414	106
Trade and other payables	3,171	2,397
Income tax payable	8	-
Other current liabilities	680	351
Total current liabilities	4,273	2,854
Total liabilities	219,216	151,073
Total equity and liabilities	371,734	260,878

FINANCIAL RESULTS FOR 2019

KEY FIGURES

IFRS NAV per unit

EUR 1.3451

31.12.2018: EUR 1.3988

EPRA NAV per unit

EUR 1.4333

31.12.2018: EUR 1.5101

Earnings per unit

EUR 0.09

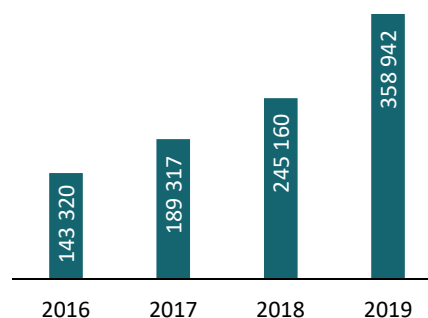
2018: EUR 0.13

Gross dividend yield (%)¹

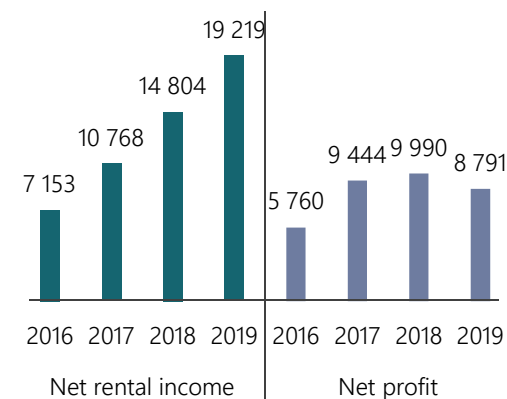
8.0%

31.12.2018: 7.8%

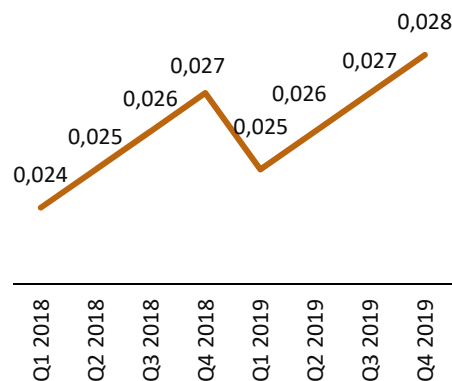
Investment portfolio value (EUR '000)



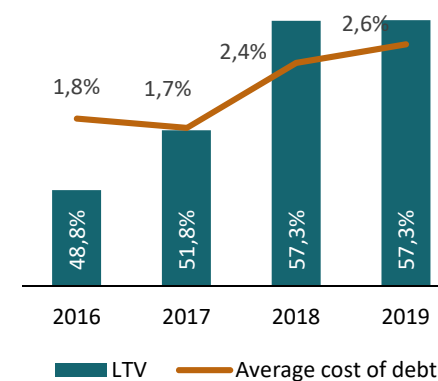
Net rental income / net profit (EUR '000)



Dividends (EUR per unit)



LTV and average cost of debt (%)



1. Gross dividend yield is based on the closing market price of the unit as at the end of the year (2019: closing market price of the unit as of 31 December 2019).



STABILIZED GROWTH STRATEGY

Focus in 2020 on new strategic cash-flow properties and asset management through expansion projects

Growth by off-market (in-kind) opportunities

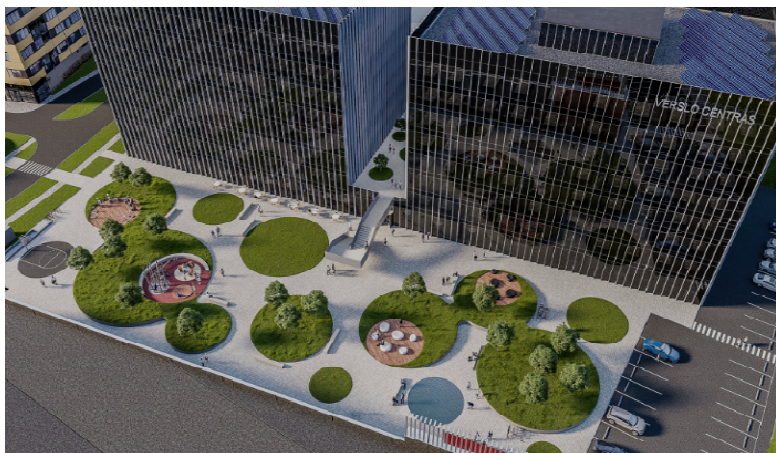
All acquisitions and development plans may be subject to change due to COVID-19

- **Diversified cash flow Baltic listed REIT** with key focus on high dividends and long term value creation through active asset management
- **Flexible market adjusted strategy** following the main RE market trends
- Main focus on **capital cities and mainly office** segments
- **Stabilized growth** of Fund by first and foremost focusing on value added expansion opportunities within BH portfolio
- The Fund management team is taking active steps to **combine Postimaja & Coca-Cola Plaza**. To achieve that synergy HG Arhidektuur OÜ has been selected as the partner to work out architectural solution. The Project includes developing a new exterior design as well as considerably increasing the leasable area.
- The Fund management team is working together with local and International retail consultants on the **renewal of the concept of Pirita** in order to minimize ground floor vacancy and strengthen the tenant mix.
- Team has been in touch with top European retail consultants to **refresh Europa's concept** and increase its attractiveness.



DEVELOPMENT OPPORTUNITY

MERAKI PROJECT



- In 2018, the Fund completed the **acquisition 0.87 hectares of land** next to the Domus Pro complex. The plots were acquired with the goal to further expand the Domus Pro complex.
- The **building permit received in Q4 2019** allows to build approx. 15,800 sq. m. of leasable office space along with a parking house.
- The **construction preparations were started in Q4 2019** as the required level of pre-leases had been achieved.
- At the end of 2019, **11% of net leasable area was pre-let** to 3 local tenants.
- The building is expected to be **completed in Q1 2021**. Meraki total development costs amounted to EUR 2.4 million as of 31 December 2019, while the expected total development costs amount to EUR 26.5 million. The expected net rental income after completion amounts to EUR 2.2 million.



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