

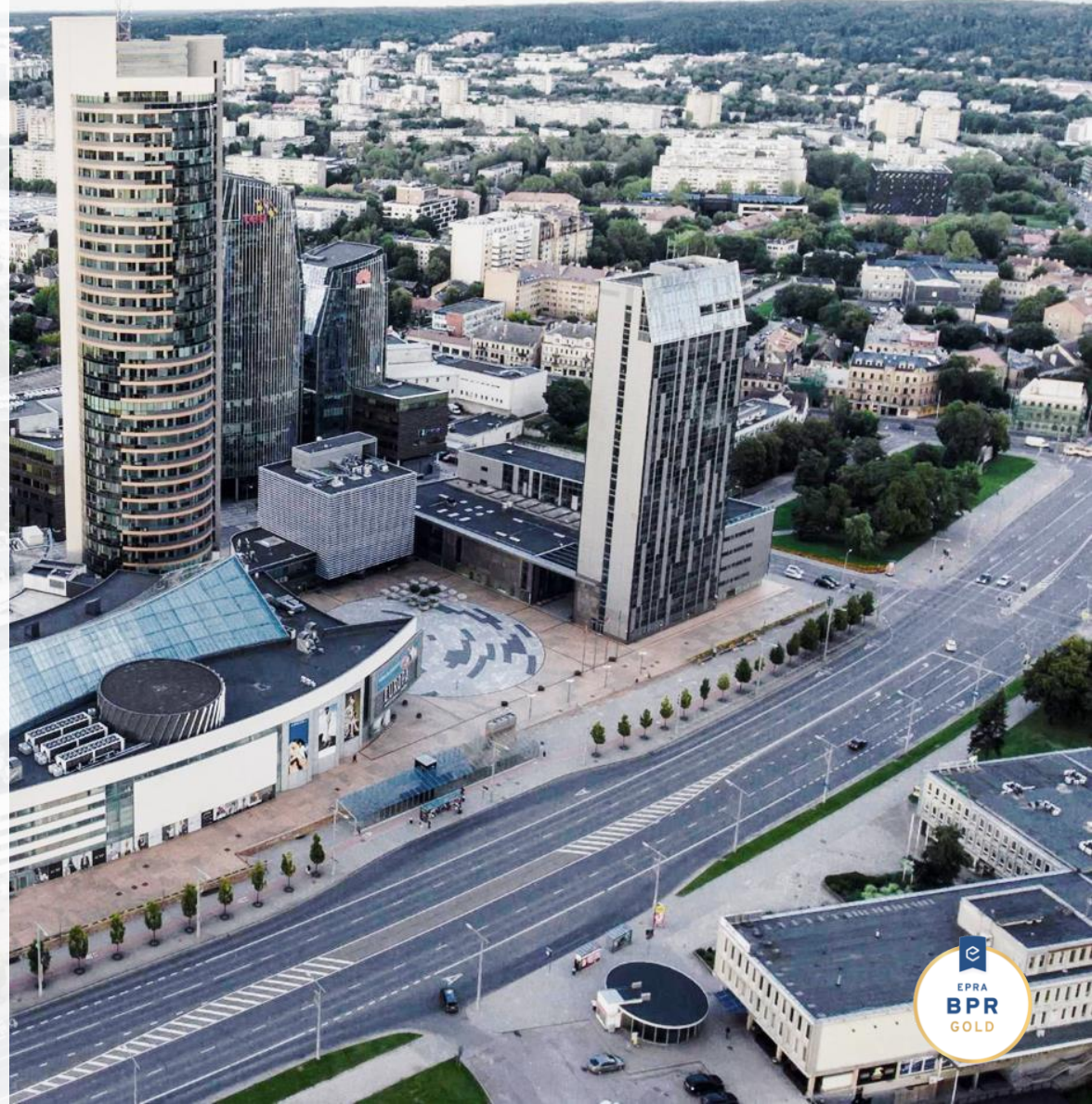


NORTHERN HORIZON

Baltic Horizon Fund

Webinar

May 2022



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.**

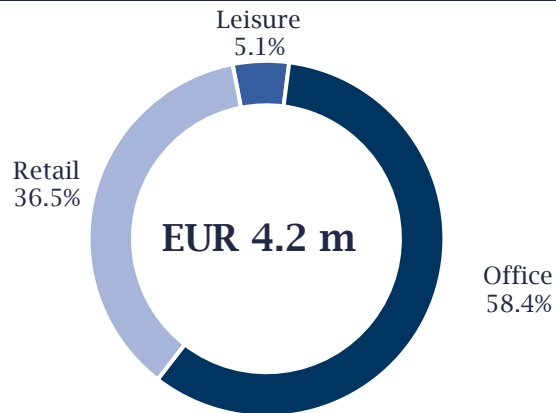


During Jan-May 2022, **the Group successfully extended its Europa SC, Galerija Centrs, Domus PRO, Pirita SC and SKY SC bank loans** with the same banks. In total, EUR 65.9m of loans were extended.

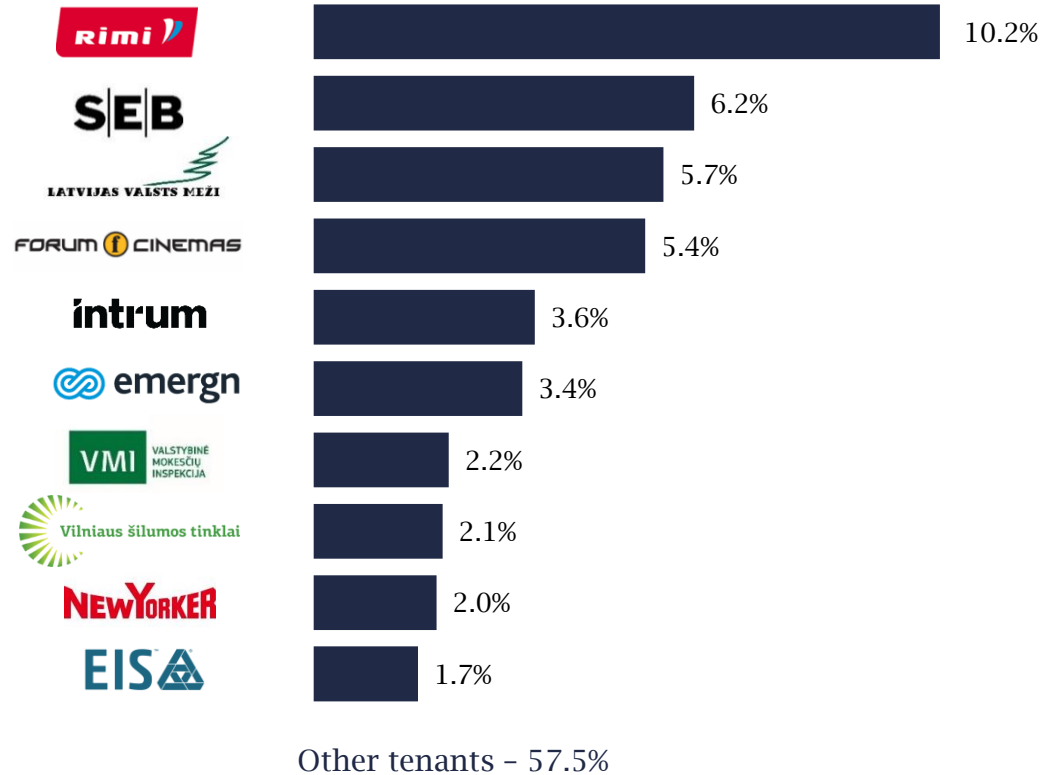
Baltic Horizon Fund portfolio summary

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

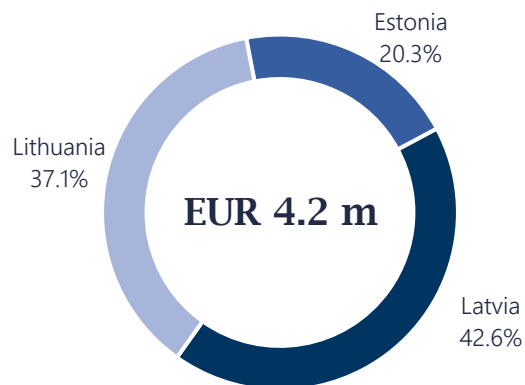
Net rental income by segment, Q1 2022



Rental concentration: 10 largest tenants as of 31 March 2022



Net rental income by country, Q1 2022



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

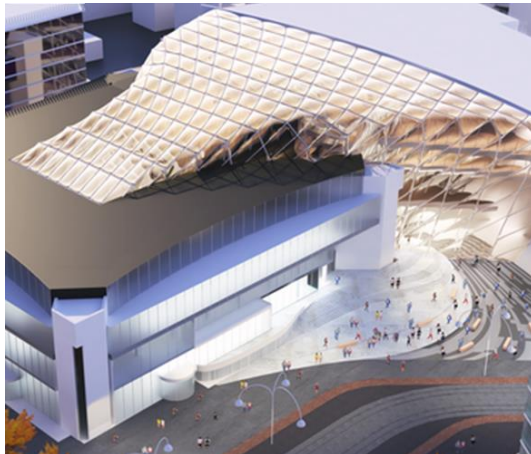
| Property | Date of acquisition | 2017 | 2018 | 2019 | 2020 | 2021 | Q1 2021 | Q1 2022 |
|-------------------------------|---------------------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|
| Galerija Centrs | 13 June 2019 | - | - | 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.

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.

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

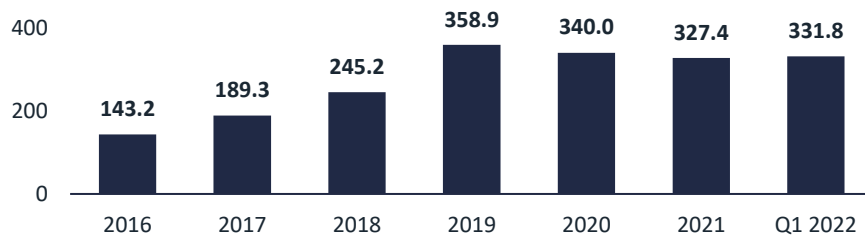
EUR 1.1082

IFRS NAV per unit, 31.12.2021

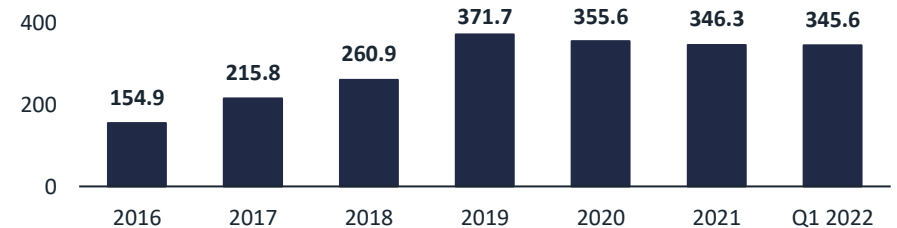
EUR 1.1884

EPRA NRV per unit, 31.12.2021

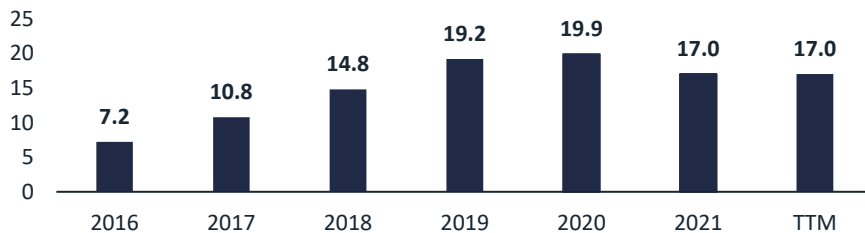
Investments made into properties, MEUR



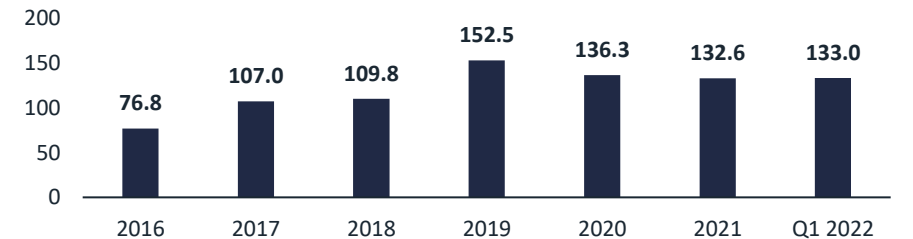
Gross asset value (GAV), MEUR



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 pay-out 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).

Financial debt structure

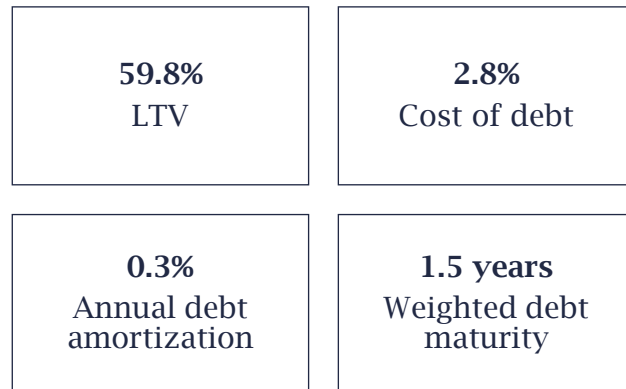
As of 31 March 2022

| 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% |

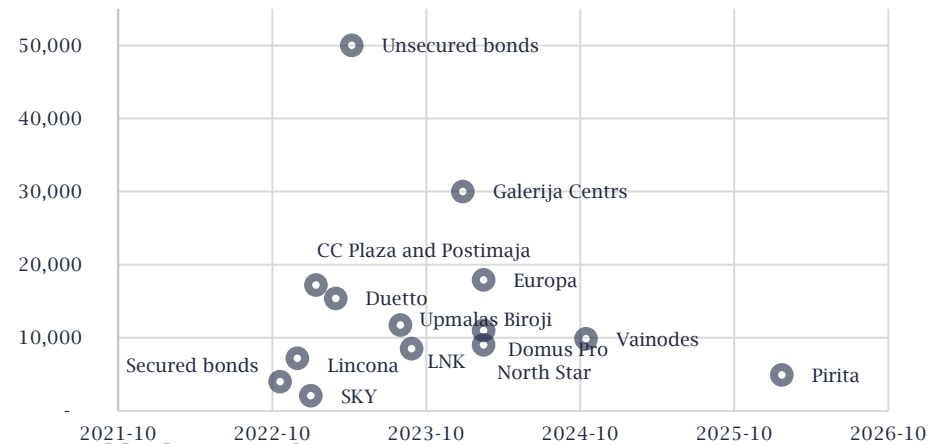
Financing summary

As of 31 March 2022

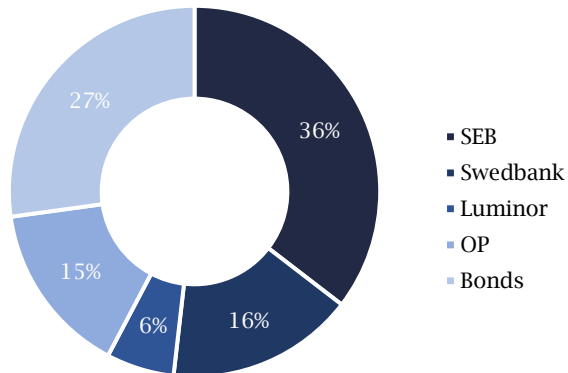
Summary of financing terms



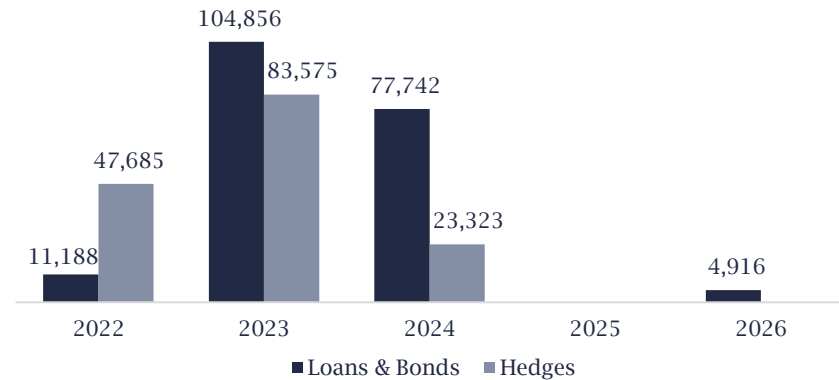
Maturity by separate loan (EUR '000)



Diversification by creditor



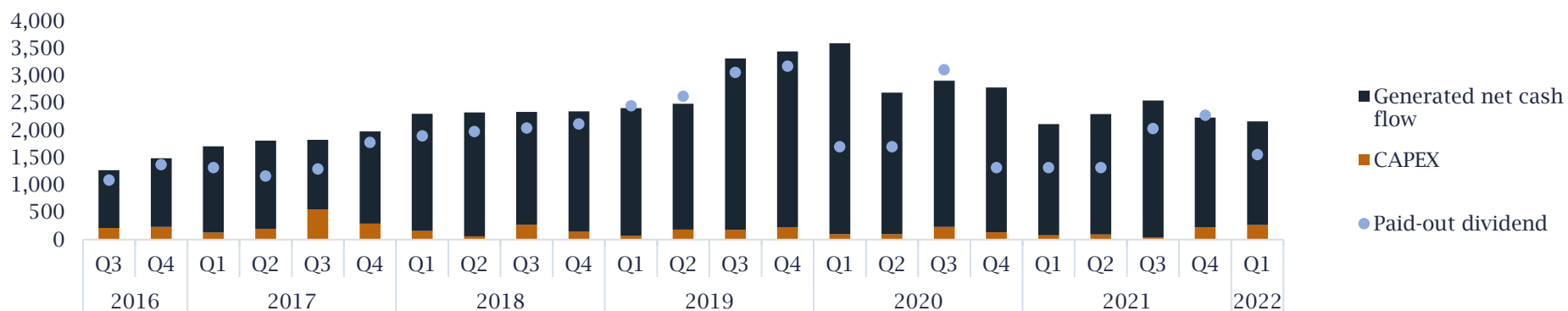
Loan and hedge maturity



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 | Q2 | Q3 | Q4 | Q1 | Q2 | 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).

Retail portfolio

What trends do we see over the next 3-5 years

1
Recovery depends on
citizens and tourists
returning to city centres

2
Increase in
'health & wellness'
offering

3
More food & beverage /
service / pick-up points

5
Better life –
more money,
more entertainment

4
Creation of
'instagrammable'
environment

Retail portfolio

Europa SC new Foodhall Q1 2022



Retail portfolio

Galerija Centrs new Foodhall Q4 2022



Plans for 2022-2024

- Finish of 1st stage Europa reconstruction (food hall and 1st floor upgrade)
- Capital investments into Galerija Centrs food hall in 2022
- Continuation of Postimaja reconstruction project in 2022-2023
- Executing long-term and short-term ESG goals
- Heavy focus on releasing to increase Fund's WAULT
- Portfolio recycling and new quality acquisitions in office or logistics segment
- Upgrading Baltic Horizon website and enhanced communication with investors

Galerija Centrs food hall concept



Contact information

Management board message


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NORTHERN HORIZON

