On 1 September 2016, Baltic Horizon Fund (the "Fund") published the Unaudited Interim Condensed Consolidated Financial Statements for the 6-month period ended 30 June 2016. Subsequently, auditor of the Fund performed review of these financial statements. The reviewed financial statements are attached to this announcement.

The Board of the Fund management company wishes to highlight that review resulted in certain adjustments to the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows. The summary of the adjustments is set out below:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Euro '000	Unaudited 30.06.2016	Reviewed 30.06.2016	Change
	50.55.2510	30.00.00	
Non-current assets			
Investment properties	87,266	87,238	(28)
Other non-current assets	252	280	28
Total non-current assets	87,518	87,518	-
Current assets			
Trade and other receivables	724	724	-
Prepayments	97	98	1
Subscriptions receivable	20,962	28,483	7,521
Cash and cash equivalents	1,460	1,460	-
Total current assets	23,244	30,765	7,521
Total assets	110,762	118,283	7,521
Equity		40.000	
Share capital	46,636	46,636	-
Cash flow hedge reserve	(222)	(222)	-
Retained earnings	7,090	7,090	-
Total equity	53,504	53,504	-
Non-current liabilities			
Interest bearing loans and borrowings	41,557	41,557	-
Deferred tax liabilities	3,811	3,811	_
Derivative financial instruments	260	260	-
Other non-current liabilities	494	494	-
Total non-current liabilities	46,122	46,122	-
Current liabilities			
Redemption of units payable	-	7,521	7,521
Interest bearing loans and borrowings	9,140	9,140	- ,521
Trade and other payables	1,597	1,597	_
Income tax payable	168	168	_
Derivative financial instruments	103	1	_
Other current liabilities	230	230	_
Total current liabilities	11,136	18,657	7,521
Total liabilities	57,258	64,779	7,521
Total equity and liabilities	110,762	118,283	7,521

Notes:

- 1. Domus Pro Stage III development costs were classified as "Investment properties". After review, these costs were reclassified to "Other non-current assets".
- 2. Rounding error.
- 3. The difference is related to new share capital raised during the public offering from June 8 June 2016 until 29 June 2016. The total issue proceeds were EUR 29.7 million. Share capital was increased by EUR 21.0 million, whereas the remaining amount was used to redeem units of exiting investors (EUR 7.5 million) and to pay off subscription fees (EUR 1.2 million). Previously the Fund showed a subscription receivable at net amount of EUR 21.0 million. After the review, these items were presented as follows: a receivable of EUR 28.5 million (net of subscription fees) and a payable of EUR 7.5 million.

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows from core activities Profit (loss) before tax	Euro '000	Unaudited 01.01.2016 - 30.06.2016	Reviewed 01.01.2016- 30.06.2016	Change	Note
Adjustments for non-cash items: Value adjustment of investment properties (Gain)/loss on property disposal 6 - 6 - 6 1 Alue adjustment of derivative finance instruments - 6 6 6 1 Financial income (R) (R) (R) (R) Financial expenses 533 533 533 - 8 Working capital adjustments: Decrease/(Increase) in trade and other accounts receivable (Increase)/decrease in other current assets (40) (40) (40) - (40) (40) (40) (40) (40) (40) (40) (40)	Cash flows from core activities				
Value adjustment of investment properties 441 441 - (Gain)/loss on property disposal 6 - (6) 1 Value adjustment of derivative finance instruments - 6 6 1 Financial income (8) (8) 8 - Financial expenses 533 533 - - Working capital adjustments: - - - - Decrease/(Increase) in trade and other accounts receivable 140 140 - - (Increase)/decrease in other current assets (40) (40) -	Profit (loss) before tax	1,047	1,047	-	
(Gain)/loss on property disposal 6 - (6) 1 Value adjustment of derivative finance instruments - 6 6 1 Financial income (8) (8) - - Financial expenses 533 533 - Working capital adjustments: - - - Decrease/(Increase) in trade and other accounts receivable 140 140 - (Increase)/decrease in other current liabilities 43 43 - (Decrease)/Increase in other non-current liabilities 43 43 - (Decrease)/increase in other current liabilities (702) 43 745 2 Refunded/(paid) income tax (45) (45) - - Total cash flows from core activities 1,662 2,407 745 - Cash flows from investing activities 8 8 - - - - - - - - - - - - - - - - - -	Adjustments for non-cash items:			-	
Value adjustment of derivative finance instruments Financial income (8) (8) (8) - Financial expenses (533 533 533 - Financial expenses Working capital adjustments: Decrease/(Increase) in trade and other accounts receivable (Increase)/decrease in other current assets (40) (40) - (Increase)/decrease in other non-current liabilities (Decrease)/Increase in other non-current liabilities (Decrease)/Increase in other current assets (702) 43 745 2 Refunded/(paid) income tax (45) (45) - Total cash flows from core activities Interest received 8 8 8 - Acquisition of subsidiaries, net of cash acquired Disposal of investment properties Capital expenditure on investment properties (878) (1,623) (745) 2 Total cash flows from investing activities Froceeds from bank loans (741) (954) (213) 3 Repayment of bank loans (741) (954) (213) 3 Proceeds from issue of units Interest paid (500) (500) - Total cash flows from financial activities Net change in cash and cash equivalents (217) (217) - Cash and cash equivalents at the beginning of the year 1,677 1,677 -	Value adjustment of investment properties	441	441	-	
Financial income	(Gain)/loss on property disposal	6	-	(6)	1
Financial expenses Working capital adjustments: Decrease/(Increase) in trade and other accounts receivable (Increase)/decrease in other current assets (40) (40) - (Increase)/decrease in other current assets (40) (40) - (Decrease)/Increase in other non-current liabilities Increase/(Decrease) in trade and other accounts payable (Decrease)/increase in other current liabilities (702) 43 745 2 Refunded/(paid) income tax (45) (45) - Total cash flows from core activities Interest received Refunded/(paid) income tax Cash flows from investing activities Interest received Refunded/(paid) income tax Capital expenditure on investment properties (878) (1,623) (745) Total cash flows from investment properties (878) (1,623) (745) Cash flows from investment properties (870) (1,615) 745 Cash flows from financial activities Proceeds from bank loans (741) (954) (213) 3 Repayment of bank loans (741) (954) (213) 3 Proceeds from issue of units (500) (500) - Total cash flows from financing activities (1,009) (1,009) - Net change in cash and cash equivalents (217) (217) - Cash and cash equivalents at the beginning of the year 1,677 1,677 -	Value adjustment of derivative finance instruments	-	6	6	1
Working capital adjustments: Decrease/(Increase) in trade and other accounts receivable (Increase)/decrease in other current assets (40) (40) - (10) - (10) (10) (10) (10) (10) (10) (10) (10)	Financial income	(8)	(8)	-	
Decrease/(Increase) in trade and other accounts receivable (Increase)/decrease in other current assets (40) (40) - (10crease)/decrease in other non-current liabilities 43 43 - (10crease)/Increase in other non-current liabilities 43 43 - (10crease)/Increase in other current liabilities (702) 43 745 2 (10crease)/increase in other current liabilities (702) 43 745 2 (10crease)/Increase in other current liabilities (702) 43 745 2 (10crease)/Increase in other current liabilities	Financial expenses	533	533	-	
(Increase)/decrease in other current assets (Decrease)/Increase in other non-current liabilities (Decrease)/Increase in other non-current liabilities (Decrease)/Increase in other current liabilities (Decrease)/Increase in other current liabilities (TO2)	Working capital adjustments:			-	
Decrease Increase In other non-current liabilities 43 43 - Increase In	Decrease/(Increase) in trade and other accounts receivable	140	140	-	
Increase/(Decrease) in trade and other accounts payable (Decrease)/increase in other current liabilities (702) 43 745 2 Refunded/(paid) income tax (45) (45) - Total cash flows from core activities 1,662 2,407 745 Cash flows from investing activities Interest received 8 8 8 - Acquisition of subsidiaries, net of cash acquired Disposal of investment properties (878) (1,623) (745) 2 Cash flows from investing activities (1,623) (745) 2 Total cash flows from investing activities (870) (1,615) 745 Cash flows from financial activities (870) (1,615) 745 Cash flows from financial activities (1,009) (1,009) - Interest paid (500) (500) - Net change in cash and cash equivalents (217) (217) - Cash and cash equivalents at the beginning of the year 1,677 1,677 -	(Increase)/decrease in other current assets	(40)	(40)	-	
Cash flows from investing activities Cash flows from investing investment properties Cash flows from investment properties Cash flows from investing activities Cash flows from investing activities Cash flows from financial activities Cash flows from financial activities Cash flows from bank loans Cash flows from bank loans Cash flows from issue of units Cash flows from issue of units Cash flows from financing activities Cash and cash equivalents Cash flows from financing activities Cash and cash equivalents Cash flows from financing flows from financing flows from flows from financing flows flows flows flows from financing flows	(Decrease)/Increase in other non-current liabilities	43	43	-	
Refunded/(paid) income tax (45) (45) - Total cash flows from core activities 1,662 2,407 745 Cash flows from investing activities Interest received 8 8 8 - Acquisition of subsidiaries, net of cash acquired Disposal of investment properties Capital expenditure on investment properties (878) (1,623) (745) 2 Total cash flows from investing activities (870) (1,615) 745 Cash flows from financial activities Proceeds from bank loans 232 445 213 3 Repayment of bank loans (741) (954) (213) 3 Proceeds from issue of units	Increase/(Decrease) in trade and other accounts payable	247	247	-	
Total cash flows from core activities Cash flows from investing activities Interest received Acquisition of subsidiaries, net of cash acquired Disposal of investment properties Capital expenditure on investment properties Cash flows from investing activities Cash flows from financial activities Proceeds from bank loans Repayment of bank loans Proceeds from issue of units Interest paid Cash flows from financing activities (1,009) Cash and cash equivalents at the beginning of the year 1,677 1,677 745 Read Sabara	(Decrease)/increase in other current liabilities	(702)	43	745	2
Cash flows from investing activities Interest received 8 8 8 - Acquisition of subsidiaries, net of cash acquired Disposal of investment properties Capital expenditure on investment properties (878) (1,623) (745) 2 Total cash flows from investing activities (870) (1,615) 745 Cash flows from financial activities Proceeds from bank loans 232 445 213 3 Repayment of bank loans (741) (954) (213) 3 Proceeds from issue of units Interest paid (500) (500) - Total cash flows from financing activities (1,009) (1,009) - Net change in cash and cash equivalents (217) (217) - Cash and cash equivalents at the beginning of the year 1,677 1,677 -	Refunded/(paid) income tax	(45)	(45)	-	
Interest received 8 8 8 - Acquisition of subsidiaries, net of cash acquired Disposal of investment properties Capital expenditure on investment properties (878) (1,623) (745) 2 Total cash flows from investing activities (870) (1,615) 745 Cash flows from financial activities Proceeds from bank loans 232 445 213 3 Repayment of bank loans (741) (954) (213) 3 Proceeds from issue of units Interest paid (500) (500) - Total cash flows from financing activities (1,009) (1,009) - Net change in cash and cash equivalents (217) (217) - Cash and cash equivalents at the beginning of the year 1,677 1,677 -	Total cash flows from core activities	1,662	2,407	745	
Interest received 8 8 8 - Acquisition of subsidiaries, net of cash acquired Disposal of investment properties Capital expenditure on investment properties (878) (1,623) (745) 2 Total cash flows from investing activities (870) (1,615) 745 Cash flows from financial activities Proceeds from bank loans 232 445 213 3 Repayment of bank loans (741) (954) (213) 3 Proceeds from issue of units Interest paid (500) (500) - Total cash flows from financing activities (1,009) (1,009) - Net change in cash and cash equivalents (217) (217) - Cash and cash equivalents at the beginning of the year 1,677 1,677 -	Cash flows from investing activities				
Disposal of investment properties Capital expenditure on investment properties (878) (1,623) (745) 2 Total cash flows from investing activities (870) (1,615) 745 Cash flows from financial activities Proceeds from bank loans Repayment of bank loans Proceeds from issue of units Interest paid Total cash flows from financing activities (1,009) (1,009) Net change in cash and cash equivalents (217) (217) Cash and cash equivalents at the beginning of the year 1,677 1,677 -		8	8	-	
Disposal of investment properties Capital expenditure on investment properties (878) (1,623) (745) 2 Total cash flows from investing activities (870) (1,615) 745 Cash flows from financial activities Proceeds from bank loans Repayment of bank loans Proceeds from issue of units Interest paid Total cash flows from financing activities (1,009) (1,009) Net change in cash and cash equivalents (217) (217) Cash and cash equivalents at the beginning of the year 1,677 1,677 -	Acquisition of subsidiaries, net of cash acquired	-	-	-	
Capital expenditure on investment properties (878) (1,623) (745) 2 Total cash flows from investing activities (870) (1,615) 745 Cash flows from financial activities Proceeds from bank loans 232 445 213 3 Repayment of bank loans (741) (954) (213) 3 Proceeds from issue of units		-	-	-	
Total cash flows from investing activities Cash flows from financial activities Proceeds from bank loans Repayment of bank loans Proceeds from issue of units Interest paid Total cash flows from financing activities Net change in cash and cash equivalents (870) (1,615) 745 745 Cash flows from financial activities (741) (954) (954) (213) 3 (500) (500) - (1,009) (1,009) - (217) Cash and cash equivalents at the beginning of the year 1,677 1,677 -		(878)	(1,623)	(745)	2
Proceeds from bank loans 232 445 213 3 Repayment of bank loans (741) (954) (213) 3 Proceeds from issue of units - - - - Interest paid (500) (500) - Total cash flows from financing activities (1,009) (1,009) - Net change in cash and cash equivalents (217) (217) - Cash and cash equivalents at the beginning of the year 1,677 1,677 -				745	
Proceeds from bank loans 232 445 213 3 Repayment of bank loans (741) (954) (213) 3 Proceeds from issue of units - - - - Interest paid (500) (500) - Total cash flows from financing activities (1,009) (1,009) - Net change in cash and cash equivalents (217) (217) - Cash and cash equivalents at the beginning of the year 1,677 1,677 -	Cash flows from financial activities				
Repayment of bank loans Proceeds from issue of units Interest paid (500) (500) Total cash flows from financing activities (1,009) Net change in cash and cash equivalents (217) (217) Cash and cash equivalents at the beginning of the year 1,677 1,677 -	Proceeds from bank loans	232	445	213	3
Proceeds from issue of units Interest paid (500) (500) Total cash flows from financing activities (1,009) (1,009) Net change in cash and cash equivalents (217) (217) Cash and cash equivalents at the beginning of the year 1,677 1,677 -	Repayment of bank loans	(741)	(954)	(213)	_
Total cash flows from financing activities (1,009) (1,009) - Net change in cash and cash equivalents (217) (217) - Cash and cash equivalents at the beginning of the year 1,677 1,677 -		-	-	-	
Total cash flows from financing activities (1,009) (1,009) - Net change in cash and cash equivalents (217) (217) - Cash and cash equivalents at the beginning of the year 1,677 1,677 -	Interest paid	(500)	(500)	-	
Net change in cash and cash equivalents (217) (217) - Cash and cash equivalents at the beginning of the year 1,677 1,677 -	•		• • •	_	
Cash and cash equivalents at the beginning of the year 1,677 1,677 -		(=,555)	(=,000)	-	
	Net change in cash and cash equivalents	(217)	(217)	-	
Cash and cash equivalents at the end of the period 1,460 -	Cash and cash equivalents at the beginning of the year	1,677	1,677		
	Cash and cash equivalents at the end of the period	1,460	1,460	-	

Notes:

1. Fair value adjustment related to derivative finance instrument was classified incorrectly.

- 2. Reclassification of Domus Pro stage II capex works to "Cash flows from investing activities".
- 3. Reclassification between the lines.