

ANNUAL REPORT

(Translation of the Estonian original)

beginning of financial year: 01.01.2017

end of financial year: 31.12.2017

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Management Report

Northern Horizon Capital AS is an entity established on 24 March 2004 for the management of real estate and real estate investments. The founder and the parent company of Northern Horizon Capital AS is Northern Horizon Capital A/S registered in the Kingdom of Denmark. Northern Horizon Capital AS is a management company of Baltic Horizon Fund which is a real estate fund registered with the Estonian Financial Supervision Authority.

Baltic Horizon is a registered public closed-end real estate fund that was listed on Nasdaq Tallinn stock exchange on 6 July 2016. This is the first time when a security listed on Nasdaq Tallinn stock exchange has been dual-listed on Nasdaq Stockholm stock exchange. Baltic Horizon is also the first AIF on the alternative investment funds list of Nasdaq Stockholm stock exchange. The first trading day with the fund's units on Nasdaq Stockholm was 23 December 2016.

Baltic Horizon is administered by Northern Horizon Capital AS, Northern Horizon group's subsidiary. Northern Horizon Capital AS is a licensed fund manager and reports to the Estonian Financial Supervision Authority.

In 2017, the company's revenue amounted to EUR 1,150,697 (2016: EUR 848,042) and the profit to EUR 231,281 (2016: loss EUR 45,296). As of 31 December 2017, the company had 3 employees (31.12.2016: 3 employees) whose salary expense totaled EUR 240,314 in 2017 (2016: EUR 178,240).

As of year-end, the Management Board consists of three members. The Management Board members were paid remuneration in the amount of EUR 24,000.

The Supervisory Board consists of three members and remuneration paid to the members of the Supervisory Board amounted to EUR 6,690.

In 2017, the company continues its activities of managing the investments of Baltic Horizon Fund and plans to increase the volume of managed assets.

Key financial ratios:

		2017	2016
Change in revenue		36%	46%
Change in equity		6%	-1%
Liquidity ratios			
Current ratio	current assets/ current liabilities	5.45	1.58
Quick ratio	(current assets - inventories - prepayments)/ current liabilities	5.29	1.49
Cash ratio	cash/ current liabilities	0.01	0.69
Profitability ratios			
Net profit margin	net profit/ revenue	20%	-5.34%
ROA	net profit/ average total assets	5%	-1.12%
ROE	net profit/ average equity	6%	1.24%
Leverage ratios			
Debt ratio	total liabilities/ total liabilities and equity	10%	16.05%
Debt-to-equity ratio	total liabilities/ equity	11%	19.12%

The Financial Statements

Statement of Financial Position

(in euros)

	31.12.2017	31.12.2016	Note
Assets			
Current assets			
Cash and cash equivalents	4,082	309,792	2
Receivables and prepayments	1,498,131	397,919	3, 4
Total current assets	1,502,213	707,711	
Non-current assets			
Receivables and prepayments	2,768,094	3,618,094	3, 5
Property, plant and equipment	6,453	6,069	6
Total non-current assets	2,774,547	3,624,163	
Total assets	4,276,760	4,331,874	
Liabilities and equity			
Liabilities			
Current liabilities			
Payables and prepayments	275,725	449,272	4, 8
Total current liabilities	275,725	449,272	
Non-current liabilities			
Payables and prepayments	133,151	245,999	8
Total non-current liabilities	133,151	245,999	
Total liabilities	408,876	695,271	
Equity			
Issued capital	125,000	125,000	10
Statutory reserve capital	12,500	12,500	
Retained earnings (loss)	3,499,103	3,544,399	
Annual period profit (loss)	231,281	-45,296	
Total equity	3,867,884	3,636,603	
Total liabilities and equity	4,276,760	4,331,874	

Statement of Income

(in euros)

	2017	2016	Note
Revenue	1,150,697	848,042	11
Cost of goods and services sold	-999,612	-586,900	12
Gross profit (loss)	151,085	261,142	
Distribution costs	-22,203	-12,101	
Administrative expense	-35,365	-419,689	13
Operating profit (loss)	93,517	-170,648	
Other financial income and expense	137,764	125,352	15
Profit (loss) before income tax	231,281	-45,296	
Total annual period profit (loss)	231,281	-45,296	

Statement of Cash Flows

(in euros)

	2017	2016	Note
Cash flows from operating activities			
Operating profit (loss)	93,517	-170,648	
Adjustments			
Depreciation and impairment loss (reversal)	2,663	834	6
Total adjustments	2,663	834	
Changes in receivables and prepayments related to operating activities	29,167	-6,182	3
Changes in payables and prepayments related to operating activities	-282,879	649,586	8
Other cash flows from operating activities	-597	-356	
Total cash flows from operating activities	-158,129	473,234	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-3,047	-5,644	6
Loans given	-200,000	-500,000	5, 16
Repayments of loans given	50,000	0	16
Interest received	5,466	0	15
Total cash flows from investing activities	-147,581	-505,644	
Total cash flows	-305,710	-32,410	
Cash and cash equivalents at beginning of period	309,792	342,202	2
Change in cash and cash equivalents	-305,710	-32,410	
Cash and cash equivalents at end of period	4,082	309,792	2

Statement of Changes in Equity

(in euros)

				Total
	Issued capital	Statutory reserve capital	Retained earnings (loss)	
31.12.2015	125,000	12,500	3,544,401	3,681,901
Annual period profit (loss)	0		-45,298	-45,298
31.12.2016	125,000	12,500	3,499,103	3,636,603
Annual period profit (loss)			231,281	231,281
31.12.2017	125,000	12,500	3,730,384	3,867,884

Additional information about share capital is disclosed in Note 10.

Notes to the Financial Statements

Note 1 Accounting Policies

General information

The financial statements 2017 of Northern Horizon Capital AS have been prepared in conformity with the Estonian financial reporting standard. The Estonian financial reporting standard is a body of financial reporting requirements based on the internationally accepted accounting and reporting principles, whose general requirements have been set out in the Estonian Accounting Act and which are supplemented by the guidelines issued by the Estonian Accounting Standards Board (hereinafter ASBG).

The financial statements have been prepared based on the cost principle, unless otherwise prescribed in the accounting principles below. The financial statements have been prepared in euros.

Cash

Cash in hand, bank account balances and deposits with the term of up to 3 months are recorded as cash and cash equivalents in the statement of financial position and statement of cash flows.

Foreign currency transactions and financial assets and liabilities denominated in a foreign currency

The functional currency of the company is the euro. Foreign currency transactions have been reported based on official rates of the European Central Bank prevailing at the transaction date. Foreign currency denominated monetary assets and liabilities are translated into the functional currency based on the official foreign currency exchange rates of the European Central Bank prevailing at the balance sheet date. Foreign exchange gains and losses resulting from translation are recognised in the statement of income of the accounting period.

Receivables and prepayments

Accounts receivable, accrued income and other short-term and long-term receivables (incl. loan receivables, deposits) are measured at amortised cost. At each balance sheet date the management shall assess whether there are signs indicating that the financial assets may be impaired. If there exist any such signs, the financial assets carried at amortised cost will be written down to the present value of future expected collectible amounts. Impairment losses are recognised as an expense in the statement of income.

Property, plant and equipment and intangible assets

Asset items with the cost of over 1,700 euros and the useful life of over one year are recognised as property, plant and equipment. Assets that have a useful life of over one year but the cost of which is less than 1,700 euros, are fully expensed, with the exception of computers which are recognised as property, plant and equipment even if their cost is below the established threshold for recognizing the non-current assets.

Property, plant and equipment are initially recognised at their acquisition cost, which consists of the purchase price and any costs directly attributable to the acquisition of the asset.

Subsequently the items of property, plant and equipment are carried in the statement of financial position at cost, less accumulated depreciation and any accumulated impairment losses. The straight-line method is used for depreciating items of property, plant and equipment. The ranges of useful lives of the non-current assets are 3-5 years.

Leases

The lease agreements where all material risks and rewards related to the ownership of the assets are transferred to the lessee are classified as finance leases. All other lease transactions are classified as operating leases.

The company as the lessee

The finance lease is recognised as an asset and a liability at amounts equal to the fair value of the leased asset or at the present value of the minimum lease payments, if lower. Lease payments are allocated to the interest expense and the reduction of the residual value of the liability.

Payments made under operating leases are charged to expenses in the statement of income on a straight-line basis over the lease term.

Financial liabilities

Financial liabilities are initially recognised at their cost which is the fair value of the consideration received for the financial liability.

Subsequently the financial liabilities are measured at their amortised cost, by using the effective interest rate method. All transactions costs are taken into consideration upon calculating the effective interest rate and are expensed over the term of the financial liability. The interest expense accompanying the financial liabilities is recorded on an accrual basis in the statement of income under the row "financial income and expense". A financial liability is derecognised when it is discharged, cancelled or it expires.

Provisions and contingent liabilities

A provision is recognized if the company has a present legal or constructive obligation as a result of events that occurred before the balance sheet date, the settlement of the obligation is probable and the amount of the obligation can be measured reliably. Other potential or present obligations whose settlement is not probable or whose amount of accompanying costs cannot be measured with sufficient reliability are disclosed as contingent liabilities in the notes to the financial statements.

Revenue

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates granted. Revenue from the sale of goods is recognised when all significant risks incidental to ownership have been transferred from the seller to the buyer, the amount of revenue and the costs incurred in connection with the transaction can be measured reliably and the receipt of the economic benefits associated with the transaction is probable.

Revenue from the sale of services is recognised after the provision of services or, if services are performed over a longer time-period, based on the stage of completion method.

Taxation

Taxation of corporate gains

In accordance with the Income Tax Act, tax is charged in Estonia not on the profits of companies but on dividends paid from retained earnings.

Since 1 January 2015, the tax rate is 20/80 from net dividends paid. As the object of income tax is the dividend payable instead of the company's profit, there are no differences between the tax value and book value of assets and liabilities which would create deferred income tax receivables or liabilities. The statement of financial position does not record the contingent income tax liability towards the company's available equity, which would accompany the payment of available equity as dividends.

The corporate income tax accompanying the payment of dividends is recognised as a liability and an income tax expense in the statement of income in the period in which the dividends are declared, regardless of the period for which the dividends are declared or when the actual payment is made.

Related parties

In preparing the financial statements of Northern Horizon Capital AS, related parties are:

- a. owners (parent company and persons having control or material influence over the parent company);
- b. other entities belonging into same consolidation group (incl. other subsidiaries of the parent company);
- c. members of the management and supervisory body;
- d. close family members of the persons described above and companies that are under their control or material influence.

Subsequent events

The financial statements include all material events that affect the valuation of assets and liabilities, which were disclosed between the balance sheet date and date of preparing the report, but which are related to transactions that occurred during the reporting period or earlier periods. Post balance sheet date events, which have not been considered upon the valuation of assets and liabilities, but which significantly affect the result of the next financial year have been disclosed in the financial statements.

Note 2 Cash and Cash Equivalents

(in euros)

	31.12.2017	31.12.2016
Bank accounts	4,082	309,792
Total cash and cash equivalents	4,082	309,792

Note 3 Receivables and Prepayments

(in euros)

	31.12.2017	Allocation by remaining maturity			Note
		Within 12 months	Within 1-5 years	Over 5 years	
Accounts receivable	320,858	320,858	0	0	16
Accounts receivable	320,858	320,858	0	0	
Tax prepayments and receivables	1,742	1,742	0	0	4
Other receivables	3,902,939	1,134,845	500,000	2,268,094	5,16
Loan receivables	3,768,094	1,000,000	500,000	2,268,094	5,16
Interest receivables	134,845	134,845	0	0	5,16
Prepayments	40,686	40,686	0	0	
Deferred expenses	36,513	36,513	0	0	
Other paid prepayments	4,173	4,173	0	0	
Total receivables and prepayments	4,266,225	1,498,131	500,000	2,268,094	
	31.12.2016	Allocation by remaining maturity			Note
		Within 12 months	Within 1-5 years	Over 5 years	
Accounts receivable	295,431	295,431	0	0	16
Tax prepayments and receivables	89	89	0	0	4
Other receivables	3,623,560	5,466	3,618,094	0	5,16
Loan receivables	3,497,852	0	3,497,852	0	5,16
Interest receivables	125,708	5,466	120,242	0	5,16
Prepayments	37,908	37,908	0	0	
Deferred expenses	33,735	33,735	0	0	
Other paid prepayments	4,173	4,173	0	0	
Other receivables	59,025	59,025	0	0	16
Total receivables and prepayments	4,016,013	397,919	3,618,094	0	

Note 4 Tax Prepayments and Liabilities

(in euros)

	31.12.2017		31.12.2016	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Corporate income tax	0	0	0	0
Value added tax	0	810	0	21,612
Personal income tax	0	2,208	0	3,474
Fringe benefit income tax	0	550	0	1,776
Social tax	0	4,570	0	6,774
Contributions to mandatory funded pension	0	240	0	236
Unemployment insurance tax	0	239	0	235
Prepayment account balance	1,742		89	
Total tax prepayments and liabilities	1,742	8,617	89	34,107

Information on prepaid taxes is disclosed in Note 3 and on tax liabilities is disclosed in Note 8.

Note 5 Other Receivables

(in euros)

	31.12.2017	Allocation by remaining maturity			Interest rate	Base currency	Due date	Note
		Within 12 months	Within 1-5 years	Over 5 years				
Loan receivables	3,768,094	1,000,000	500,000	2,268,094				3
Loan to the parent company	1,000,000	1,000,000	0	0	3.0%	EUR	on demand	
Loan to the parent company	500,000	0	500,000	0	3.5%	EUR	01.01.2021	
Loan to the parent company	2,268,094	0	0	2,268,094	4.2%	EUR	31.12.2025	
Interest receivables	134,845	134,845	0	0				
Accrued interest from loans given to the parent company	134,845	134,845	0	0			31.12.2025	3
Total other receivables	3,902,939	1,134,845	500,000	2,268,094				3
	31.12.2016	Allocation by remaining maturity			Interest rate	Base currency	Due date	Note
		Within 12 months	Within 1-5 years	Over 5 years				
Loan receivables	3,497,852	0	3,497,852	0				3
Loan to the parent company	500,000	0	500,000	0	3.5%	EUR	01.01.2021	
Loan to the parent company	2,997,852	0	2,997,852	0	3.5%	EUR	31.12.2020	
Interest receivables	125,708	5,466	120,242	0			31.12.2020	3
Accrued interest from loans given to parent company	125 708	5 466	120,242	0			31.12.2020	
Total other receivables	3,623,560	5,466	3,618,094	0				

Note 6 Property, Plant and Equipment

(in euros)

			Total
	Machinery and equipment	Other property, plant and equipment	
31.12.2016			
Carried at cost	7,188	1,258	8,446
Accumulated depreciation	-1,788	-589	-2,377
Residual cost	5,400	669	6,069
Acquisitions and additions		3,047	3,047
Depreciation	-2,162	-501	-2,663
31.12.2017			
Carried at cost	7,188	4,305	11,493
Accumulated depreciation	-3,950	-1,090	-5,040
Residual cost	3,238	3,215	6,453

Note 7 Operating Lease

(in euros)

Accounting entity as lessee

	2017	2016
Operating lease expense	27,103	9,863
Future operating lease expense under non-cancellable lease contracts		
	31.12.2017	31.12.2016
within 12 months	25,857	25,101
within 1-5 years	0	36,921

Note 8 Payables and Prepayments

(in euros)

	31.12.2017	Allocation by remaining maturity		Note
		Within 12 months	Within 1-5 years	
Trade payables	342,281	209,130	133,151	
Employee payables	1,165	1,165	0	
Tax payables	8,617	8,617	0	4
Other payables	56,813	56,813	0	
Total payables and prepayments	408,876	275,725	133,151	
	31.12.2016	Allocation by remaining maturity		Note
		Within 12 months	Within 1-5 years	
Trade payables	621,621	375,622	245,999	
Tax payables	34,107	34,107	0	4
Other payables	39,543	39,543	0	
Total payables and prepayments	695,271	449,272	245,999	

As of 31.12.2017, payables to related parties amounted to EUR 54,973 (31.12.2016: EUR 200,638). See Note 16.

Note 9 Contingent Liabilities and Assets

(in euros)

	31.12.2017	31.12.2016
Contingent liabilities		
Distributable dividends	2,984,307	2,799,282
Income tax liability on distributable dividends	746,077	699,821
Total contingent liabilities	3,730,384	3,499,103

The calculation of the maximum potential income tax liability is based on the assumption that the sum of distributable net dividends and the accompanying income tax on payment of dividends in the statement of income 2018 may not exceed the distributable profit as of 31.12.2017.

The tax authorities may at any time inspect the tax accounting of the company within 5 years subsequent to the due date for submitting tax declarations, and may impose additional tax assessments, interest and fine if any mistakes are disclosed in the tax accounting. The company's management is not aware of any circumstances which may give rise to a potential material tax liability in this respect.

Note 10 Share Capital

(in euros)

	31.12.2017	31.12.2016
Share capital	125,000	125,000
Number of shares (pcs.)	12,500	12,500
Nominal value of shares	10	10

Note 11 Net Sales

(in euros)

	2017	2016
Net sales by geographical location		
Net sales in European Union		
Estonia	1,150,697	848,042
Total net sales in European Union	1,150,697	848,042
Total net sales	1,150,697	848,042
Net sales by operating activities		
Fund management	1,150,697	848,042
Total net sales	1,150,697	848,042

Note 12 Cost of Goods and Services Sold

(in euros)

	2017	2016	Note
Leases	27,103	13,449	7
Miscellaneous office expenses	38,213	14,701	
Travel expense	44,092	29,090	
Training expense	7,022	0	
Labor expense	278,121	215,798	14
Depreciation	2,663	834	6
Legal and other consultations	74,424	60,829	
Management services	474,468	198,921	16
Other	53,506	53,278	
Total cost of goods and services sold	999,612	586,900	

Other expenses comprise mainly fund management fees in the amount of EUR 35,813 (2016: EUR 23,676) and other service fees.

Note 13 Administrative Expense

(in euros)

	2017	2016
Other	734	669
Auditing, accounting and other administrative expenses	34,631	419,020
Total administrative expense	35,365	419,689

Note 14 Labor Expense

(in euros)

	2017	2016	Note
Wage and salary expense	181,463	134,385	
Social security taxes	58,851	43,855	
Other	37,807	37,558	
Total labor expense	278,121	215,798	12
Average number of employees in full-time equivalent units	3	3	

Note 15 Other Financial Income and Expense

(in euros)

	2017	2016
Interest income from loans	134,845	125,708
Interest income from deposits	1	4
Other financial expense	-597	-360
Write-down of a long-term liability	3,515	0
Total other financial income and expense	137,764	125,352

Note 16 Related Parties

(in euros)

Name of accounting entity's parent company	Northern Horizon Capital A/S
Country where accounting entity's parent company is registered	Denmark

Related party balances according to groups

	31.12.2017		31.12.2016	
	Receivables	Liabilities	Receivables	Liabilities
Parent company	3,902,939	0	3,623,560	0
Other entities belonging into same consolidation group	12,880	54,973	0	200,638
Management and higher supervisory body and individuals with material ownership interest and entities under their prevalent or material influence	307,978	0	295,431	0

2017	Loans given	Repayments of loans given	Interest rate	Base currency	Due date
Parent company					
Loan to the parent company	200,000	50,000	4.2%	EUR	31.12.2025

2016	Loans given	Interest rate	Base currency	Due date
Parent company				
Loan to the parent company	500,000	3.5 %	EUR	31.12.2020

Purchases and sales

	2017		2016	
	Purchases	Sales	Purchases	Sales
Parent company	0	0	2,512	0
Other entities belonging into same consolidation group	474,644	0	206,129	0
Management and higher supervisory body and individuals with material ownership interest and entities under their prevalent or material influence	0	1,150,697	0	848,042

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2017	2016
Remuneration	118,036	104,886

Northern Horizon Capital AS has provided fund management services to related parties (these transactions are reflected in the table above under row "Management and higher supervisory body and individuals with material ownership interest and entities under their prevalent or material influence") and purchased IT, event organizing, office and other re-invoiced services from related parties.

In 2017, a new loan in the amount of EUR 200,000 was granted to the parent company.

Interest income from loans given to the parent company amounted to EUR 134,845 in 2017 (2016: EUR 125,708).

In accordance with the loan agreement, interest in the amount of EUR 134,845 will be included as part of the principal amount of the loan in January 2018.

In case of premature termination of the employment contract with members of the Management Board, the company has an obligation to pay termination compensation (the compensation for members of the Management Board amounts to twelve months' average salary according to the contracts in place as of the balance sheet date).

In 2017 and 2016, no impairment was recognised in respect of accounts receivable from related parties. Additional information on transactions and balances with related parties has been disclosed in Notes, 3, 5 and 15.

INDEPENDENT AUDITOR'S REPORT

(Translation of the Estonian original)

To the Shareholder of Northern Horizon Capital AS

Opinion

We have audited the financial statements of Northern Horizon Capital AS, which comprise the statement of financial position as at 31 December 2017, and the statement of income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies used in preparing the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Northern Horizon Capital AS as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with the Estonian financial reporting standard.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia) (ISAs (EE)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants (Estonia), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the management report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Estonian financial reporting standard and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (EE) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (EE), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/digitally signed/

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Marek Väljaots
Sworn Auditor's No. 642

26 April 2018