APPENDIX A
Fund Rules

The text of the Fund Rules included as Appendix A to the Prospectus is an English translation of the original Estonian text. In the event of discrepancies between the original Estonian text and the English translation, the Estonian text shall prevail.

Baltic Horizon Fund

Fund rules

(hereinafter "the Rules")

These Rules are in force as of 23 May 2016.

1. GENERAL

1.1. Baltic Horizon Fund is a closed-ended contractual investment fund (the "Fund") registered and acting in accordance with the Estonian Investment Funds Act (the "IFA"). The Fund is a real estate fund as defined in the IFA.

1.2. The Fund is managed by Northern Horizon Capital AS, a fund management company established and registered in the Republic of Estonia, with a register code 11025345 and its seat in Tallinn, Estonia (the "Management Company").

1.3. The Fund is situated at the registered address of the Management Company.

1.4. The Fund is established for an undetermined period.

1.5. The Fund is a public fund.

1.5.1. The Management Company shall pursue for the units of the Fund (the "Units") to be admitted to trading on a regulated securities market in the European Economic Area within a reasonable time after the first capital raising of the Fund.

1.5.2. The Management Company shall retain the Units traded on a regulated securities market or multilateral trading facility in the European Economic Area. In case the Units are de-listed for any reason, the Management Company shall immediately seek new admission to trading in the same or another market.

1.5.3. The Management Company may seek simultaneous trading of Units on different trading venues.

1.6. The Rules have been registered by the Estonian Financial Supervision Authority (the “FSA”). The Rules set out the basis for the activities of the Fund and the Management Company, and relations between the unit-holders of the Fund (the “Investors”) and the Management Company. The Fund is operating and managed under the laws of Estonia. In case specific provisions of the Rules conflict with mandatory provisions of legislation, the provisions of legislation will apply. In case different provisions of the Rules conflict with each other or in case the Rules include misleading provisions, such provisions will be interpreted in accordance with the best interests of the Investors.

1.7. The depositary of the Fund is Swedbank AS (the “Depositary”) (as further described in section 13 below).

1.8. The register of the Units (the “Register”) is kept by the AS Eesti Väärtpaberikeskus (the “Registrar”) (as further described in section 14 below).

1.9. The exact contact details of the Management Company, the Depositary, and the Registrar, including relevant office addresses, e-mail addresses, and phone numbers, are disclosed on the website of the Fund, www.baltichorizon.com (the “Website”).

2. THE BASIS AND OBJECTIVE OF THE FUND’S ACTIVITY

2.1. The Fund is a pool of money raised through the issue of Units, and of other assets acquired from investing this money that belongs collectively to the Investors and that is managed by the Management Company.

2.2. The objective of the Fund is to combine attractive income yields with medium to long-term value appreciation by identifying and investing primarily in real estate, portfolios of real estate, and/or real estate companies and successfully exiting from these investments. The objective of the Fund is to provide its Investors with consistent and above average risk-adjusted returns by acquiring high quality cash flow-generating commercial properties with the potential for adding value through active management, thereby creating a stable income stream of high yielding current income combined with capital gains. Although the objective of the Fund is to generate positive returns for the Investors, the profitability of the Fund is not guaranteed to the Investors.

3. THE FUND'S INVESTMENT POLICY

3.1. Subject to certain restrictions outlined in the Rules and the law, the focus of the Fund is to invest into real estate properties located in Estonia, Latvia, and Lithuania. Such investments may include real estate properties experiencing financial or economic distress.

3.2. Up to 100% of the assets of the Fund may be invested in real estate and securities related to real estate. The Fund will invest in all types of real estate properties, including retail, office, and logistics properties.

3.3. The Fund shall invest, directly or indirectly, in real estate located in Estonia, Latvia, and Lithuania, with a particular focus on the capitals - Tallinn, Riga, and Vilnius - and a preference for city centres within or near the central business districts.

4. INVESTMENT RESTRICTIONS

4.1. At least 80% of the Fund's gross asset value (as defined in section 6.1 below) shall be invested in real estate and securities relating to real estate. The following are securities relating to real estate:

4.1.1. the units or shares of a fund which is deemed to be a real estate fund according to the legislation of Estonia or other states;

4.1.2. the shares of special purpose vehicles whose main activity is direct or indirect (through subsidiaries) investment in real estate or management of real estate ("SPV");

4.1.3. derivative instruments whose underlying assets are securities specified in subsections 4.1.1 and 4.1.2 above.

4.2. Up to 20% of the Fund's gross asset value (as defined in section 6.1 below) may be invested in the following assets not specified in section 4.1:

4.2.1. deposits with credit institutions;

4.2.2. shares and other similar tradable rights in companies investing directly or indirectly into real estate property;

4.2.3. bonds, convertible bonds, and other tradable debt obligations issued;

4.2.4. subscription rights and other tradable rights granting the right to acquire securities specified in subsections 4.2.2 and 4.2.3 above;

4.2.5. money market instruments; 4.2.6. tradable depositary receipts;

4.2.6. derivative instruments.

4.3. The weighting of each asset class, type of issuer, region, and sector of the assets of the Fund shall be determined in the course of the everyday management of the Fund in compliance with the Rules.

4.4. Investment in real estate and securities relating to real estate

4.4.1. The assets of the Fund may be invested in real estate either directly or indirectly through SPV(s). Therefore, every reference made to investments in real estate properties in the Rules also means investments into SPVs.

4.4.2. The real estate assets into which the Fund directly or indirectly invests are located in Estonia, Latvia, and Lithuania. Although the Fund shall invest mainly into commercial real estate properties, such as retail and office properties, up to 20% of the Fund's gross asset value (as defined in section 6.1 below) may be invested into other types of properties.

4.4.3. Securities of investment vehicles (including, but not limited to, joint ventures, SPVs and other real estate funds) into which the Fund may invest under section 4.1 above may be registered in any jurisdiction provided that the investment strategy of those investment vehicles is not in conflict with the investment strategy of the Fund under these Rules. Shares of SPVs may only be registered in other countries than Estonia, Latvia or Lithuania with prior approval by the Depositary.

4.4.4. The Fund shall meet the following risk diversification requirements:

(a) up to 50% of the gross asset value (as defined in section 6.1 below) of the Fund may be invested in any single real estate property, or in any single real estate company or fund;

(b) the annual rental income from one single tenant shall not form more than 30% of the total annual net rental income of the Fund.

4.4.5. At least 80% of gross asset value (as defined in section 6.1 below) shall be allocated for projects which involve investment in real estate with a stabilised cash flow, and also into properties with the potential to add value through active asset management, refurbishment, and development. Up to 20% of gross asset value (as defined in section 6.1 below) may be allocated to investments of a more opportunistic nature such as participating in forward funding development projects and undeveloped land purchases.

4.4.6. The Fund may not invest in assets that to a significant degree are used for gambling, pornographic, or tobacco-producing activities. The Fund shall be considered as having invested into assets that to a significant degree are used for the above activities if the net rental income for the space (square meters) used for the above activities would exceed 10% of the total net rental income of that asset. The Fund shall not solicit new tenants proposing to use the assets for the above activities.

4.5. Transactions with derivative instruments

4.5.1. Transactions with derivative instruments may be performed on account of the Fund provided that the requirements set forth in legislation, the internal rules of the Management Company for transactions with derivative instruments, and the Rules are met. The assets of the Fund may be invested in derivative instruments only for the purpose of hedging the property loan risks. An agreement, which includes a right or an obligation of the Fund to acquire, swap, or sell real estate, such as forward financing or commitment arrangements, shall not be considered to be a derivative instrument.

4.6. Miscellaneous

4.6.1. The Management Company has, on account of the Fund, the right to guarantee an issue of securities, provide surety, take a loan, issue debt securities, enter into repurchase or reverse repurchase agreements, and conclude other securities-borrowing transactions. Subject to the discretion of the Management Company, the Fund aims to leverage its assets by borrowing an amount of up to 50% of the value of its assets. At no point in time may the Fund's leverage exceed 65% of the value of its assets. Loans may be taken for periods of up to 30 years.

4.6.2. The Fund may grant loans only to SPVs and may issue guarantees or provide surety only to secure the fulfilment of the obligations of SPVs.

4.6.3. As the purpose of the Fund is to invest in real estate property, the acquisition process of which may be time-consuming, the Management Company aims to invest any new capital raised for the Fund within a reasonable time period.

4.6.4. The investment restrictions set forth in sections 4.1 and 4.2 above do not apply for the first 12 months after the date the Rules are registered with the FSA and for the first 12 months after each additional capital raising for the Fund.

4.6.5. Risk diversification requirements provided for in these Rules may be temporarily exceeded for reasons outside the control of the Management Company. Exercising a right of pre-emption to acquire securities, a bonus issue, a change in the market value of securities, and other such reasons are deemed to be reasons outside the control of the Management Company if the objective of the transactions performed on account of the Fund is to observe the aforementioned requirements, taking into account the interests of the Investors.

5. UNITS AND THE RIGHTS AND OBLIGATIONS ATTACHED TO THE UNITS

5.1. A Unit represents the Investor's share in the assets of the Fund. The Fund has one class of Units. Units are held in the registered form and no Unit certificates will be issued.

5.2. Units are issued with no nominal value.

5.3. A Unit is divisible.

5.3.1. The fractions of Units, if any, that emerge from dividing Units are rounded to three decimal points. The following rules are applied for rounding: numbers NNN.NNN0 until NNN.NNN4 are rounded down to NNN.NNN and numbers NNN.NNN5 to NNN.NNN9 are rounded up to NNN.NN(N+1).

5.3.2. Trading in Units on any trading venue where the Units are admitted to trading may occur only in whole number of Units, unless fractions of Units can be traded under the rules of the trading venue.

5.4. Units acquired by an Investor shall be registered in the Investor's, or in a nominee holder's registry account in the Register, acting on the account of the Investor.

5.5. An Investor cannot request that the common ownership of the Fund be terminated or that the Investor's share be separated from the Fund's assets.

5.6. The Investors have the following rights deriving from the Units:

5.6.1. to purchase, sell, pledge or otherwise dispose of the Units;

5.6.2. to own the share of the Fund's assets corresponding to the number of Units owned by the Investor;

5.6.3. to receive, when payments are made, pursuant to the Rules, the share of the cash flows of the Fund proportional to the number of Units owned by the Investor;

5.6.4. to receive, pursuant to the Rules, the share of the assets remaining upon liquidation of the Fund proportional to the number of Units owned by the Investor;

5.6.5. to convene a general meeting of Investors (the "General Meeting") in accordance with the Rules and the law;

5.6.6. to participate and vote in the General Meeting pursuant to the number of votes provided for in section 10.10;

5.6.7. to propose supervisory board (as defined in section 11, the "Supervisory Board") member candidates for election in the General Meeting;

5.6.8. to request that the Registrar issue a certificate or an extract from the Register concerning the Units owned by the Investor;

5.6.9. to demand that the Management Company compensate for any damage caused by a breach of its obligations;

5.6.10. to access, at the registered address of the Management Company, the documents and information specified in section 16.1 and receive, upon respective request, copies of any of the documents specified in sections 16.1.1, 16.1.2, 16.1.4 and 16.1.12 without charge;

5.6.11. to exercise other rights and take other action as prescribed by law or the Rules.

5.7. The exchange of Units with fund units of other funds managed by the Management Company is not allowed.

5.8. The rights and obligations attached to a Unit with respect to an Investor shall enter into force upon acquisition of a Unit and shall terminate upon disposal or redemption of a Unit. Each Investor acquiring a Unit or Units is deemed to have agreed to the Rules by subscribing for new Units or upon the Units being credited to the securities account of the Investor as a result of a trade with a third person. A Unit is deemed issued upon registration thereof with the Register and a Unit is deemed redeemed upon cancellation thereof with the Register.

5.9. An Investor must exercise the rights attached to the Units in good faith and in accordance with legislation and the Rules. The objective of exercising the rights of an Investor may not be to cause damage to other Investors, to the Fund, to the Management Company, to the Depositary, or to third persons.

5.10. An Investor is not personally liable for the obligations of the Fund, obligations assumed by the Management Company on account of the Fund, or for obligations the performance of which the Management Company has the right to demand from the Fund pursuant to the Rules. The liability of an Investor for performance of such obligations is limited to the Investor's share in the assets of the Fund.

5.11. An Investor shall pay any transaction fees and service charges which may be demanded by brokers, custodians, or other intermediaries (including the Registrar) upon purchase or sale of Units.

6. ESTABLISHING GROSS PROPERTY VALUE, FUND NET ASSET VALUE,AND GROSS ASSET VALUE OF PROPERTY

6.1. The gross property value shall be determined based on the aggregate market value of all real estate properties belonging to the Fund (the “Gross Property Value”). The gross asset value shall be determined based on the aggregate of the Gross Property Value and the market value of all other consolidated assets of the Fund and the SPVs (excluding shares of SPVs holding real estate) (the “GAV”). The Gross Property Value and GAV shall be calculated in Euros as of the last banking day of each calendar month (the ”Valuation Day”). A banking day shall mean any calendar day that is not Saturday, Sunday, a national or public holiday in Estonia, or another day which is considered to be a public holiday by a relevant payment system operator (a ”Banking Day”).

6.2. The net asset value of the Fund shall be determined based on the aggregate market value of the securities (including shares of SPVs), other property, and rights belonging to the assets of the Fund from which claims against the Fund are deducted (the “NAV”).

6.3. The NAV of a Unit equals the NAV of the Fund divided by the number of Units issued and not redeemed as at the point of valuation (the "NAV of the Unit").

6.4. The NAV of the Fund shall be established in accordance with the relevant principles set forth in the internal rules of the Management Company and in legislation and shall be calculated on each Valuation Day. The NAV of the Fund and of a Unit shall be calculated in Euros.

6.5. If, after determining the NAV of the Fund, an event or circumstance occurs or appears which in the Supervisory Board's best professional opinion materially affects the NAV of the Fund, then the Supervisory Board may order a reevaluation of the fixed market value and re-evaluate the NAV of the Fund or of a Unit provided that failure to carry out such re-evaluation would damage the interests of the Investors.

6.6. The NAV of a Unit shall be calculated as of each Valuation Day and as of each day when Units are issued. A Unit's NAV shall be rounded up to four decimal points. The NAV of the Fund and of a Unit as of each Valuation Day and issue price of a Unit shall be made available on the Website and at the registered office of the Management Company on the 15th day of the following month at the latest. If such day is not a Banking Day, then the above information shall be made available on the first Banking Day after such day.

6.7. The Management Company may suspend the determination of the NAV of the Fund during the existence of any state of affairs which constitutes an emergency as a result of which disposals or accurate valuation of a substantial portion of the assets owned by the Fund would be impracticable or when, for any other reason, the prices of any investments owned by the Fund cannot be promptly or accurately ascertained, provided the suspension is justified with regard to the interests of Investors. The suspension of the determination of the NAV of the Fund will be announced on the Website.

7. VALUATION OF REAL ESTATE

7.1. To determine the market value of real estate property belonging to the Fund, the Management Company shall ensure appraisal of such property at least once a year at the end of the financial year and prior to the auditing of the Fund's annual report. The Supervisory Board may propose the Management Company to undertake appraisal more often, if there are exceptional circumstances which in the Supervisory Board's opinion could have a material impact on the fair market value of the properties.

7.2. Any real estate belonging to the Fund shall be appraised by an independent real estate appraiser appointed from time to time by the Management Company after consultation with the Supervisory Board. Only a licensed independent real estate appraiser of high repute and sufficient experience in appraising similar property and operating in the country where any relevant real estate property is located may evaluate real estate belonging to the Fund.

7.3. The appraiser may not be an affiliate of the Management Company. The appraiser shall value only real estate properties for which it can act as independent expert, without any conflicts of interest arising due to other connections with the respective property.

7.4. The appraiser(s) appointed by the Management Company shall be disclosed in the annual report of the Fund for each year and the Management Company shall inform the FSA of the appointed appraiser and the criteria under which the appointment was decided.

7.5. The real estate appraiser shall prepare an appraisal report outlining the results of the appraisal. The appraisal reports shall be prepared in accordance with a recognised property valuation standard. If so provided in the internal rules of the Management Company, such appraisal report shall be accompanied by the Management Company's internal valuation statement in which case the overall valuation process of Fund's assets (including real estate) shall be considered internal. Real estate shall be reflected in the Fund's Gross Property Value, GAV, and NAV on the basis of the value of the real estate recorded in the appraisal report and, if relevant, the Management Company's internal valuation statement. The Management Company shall make a condensed form of the appraisal report regarding real estate belonging to the Fund available to Investors on the Website.

8. ISSUE, REDEMPTION, AND PURCHASE OF UNITS

8.1. Units are issued by the Management Company on behalf of the Fund.

8.2. The Management Company may issue and offer Units to the public or through a private placement in accordance with applicable laws and the Rules. Units are issued and offered only during specific times determined by the Management Company; Units are not available for subscription at all times.

8.3. The issue of new Units may be determined:

8.3.1. at the General Meeting, or

8.3.2. by the Management Company, if it has received approval from the Supervisory Board and if new Units will be issued at the most recent NAV.

8.4. New Units shall be issued in accordance with the Rules, applicable laws and regulations, and the terms and conditions of the specific issue. The terms and conditions of the first issue of the Units after the registration of the Rules shall be determined by the Management Company.

8.5. In order to acquire Units, an Investor must subscribe for the Units and pay the full issue price. By submitting the subscription order, an Investor agrees to the Rules and to the terms and conditions of the specific issue of Units and undertakes to adhere thereto.

8.6. An Investor shall be required to pay in full for the Units, and on the dates, as specified in the terms and conditions of the specific issue of Units. The Management Company shall not charge nor deduct any subscription fees from the paid in issue price.

8.7. The issue price of a Unit shall be determined by the Management Company. If the issue of new Units is resolved at the General Meeting in accordance with sections 8.3.1 and 10.3.1, the Management Company shall follow the terms and conditions set forth in the General Meeting resolution. If so determined at the General Meeting and provided that the IFA allows that, Units may be issued at discount or in excess of the NAV. The Management Company shall have the right to solely determine the issue price for the first issue of Units.

8.8. An investor can subscribe only for a whole number of Units without fractions, unless otherwise specified in the terms and conditions of the specific issue of Units. The allocation of Units shall be determined by the Management Company under the terms and conditions of the specific issue of Units.

8.9. Units shall be issued and registered in the Investor's securities account in the Register on the payment date specified in the terms and conditions of respective issue.

8.10. If an Investor fails to pay in the issue price in accordance with the terms and conditions of the issue, or is otherwise in violation of the terms and conditions of the issue or the Rules, no Units shall be issued to the Investor.

8.11. The Units are not redeemable at the request of the Investor. The Units shall be redeemed upon liquidation of the Fund.

8.12. The Management Company is entitled to purchase Units on account of the Fund, provided that:

8.12.1. such transactions are, or the purchase plan is, approved by the General Meeting. After the Units have been admitted to trading, the Management Company has the right to decide the purchase of the Units on account of the Fund within 1 month for the purposes of stabilisation in accordance with European Commission Regulation (EC) No 2273/2003 of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy-back programmes and stabilisation of financial instruments;

8.12.2. the aggregate number of Units bought back and held by the Fund shall not exceed 10% of the total number of Units at any time;

8.12.3. Units held by the Fund shall not grant any unit-holder rights to the Fund or to the Management Company;

8.12.4. any purchase shall be executed in accordance with applicable legislation and with the rules of the trading venue; and

8.12.5. the Management Company shall either cancel or sell the Units within 3 months after the purchase.

9. DISTRIBUTIONS TO INVESTORS

9.1. The Management Company intends to make distributions from the cash flow of the Fund at least annually in cash to the Investors on a pro rata basis.

9.2. A distribution shall be paid to Investors if all of the following conditions are met:

9.2.1. the Fund has retained such reserves as required for the proper running of the Fund;

9.2.2. the distribution does not endanger liquidity of the Fund;

9.2.3. the Fund has made necessary follow-on investments in existing properties, i.e. investments into the development of existing properties of the Fund, and making new investments. The total of the Fund's annual net income that may be retained for making such investments is 20% of the Fund's annual net income of the previous year.

9.3. The Management Company shall disclose the Record Date (as defined in section 9.5) and the payment date of each distribution event on the Website and by a stock exchange release disclosed on the website of the trading venue where the Units are admitted to trading (the "Stock Exchange Release"), at least ten Banking Days prior to the Record Date.

9.4. Net disposal proceeds received, if any, shall either be reinvested or distributed to the Investors depending on whether the Management Company sees suitable investment opportunities in the market.

9.5. The Investors entitled to the distribution payments under this section 9 shall be determined two Banking Days prior to the payment date (the "Record Date").

9.6. Distributions will be made in cash to the current account of the Investor connected to the securities account in the Register.

10. GENERAL MEETING

10.1. Investors participate in the governance of the Fund through the General Meeting.

10.2. General Meetings shall be held at the seat of the Management Company unless otherwise prescribed in the notice convening the meeting.

10.3. The Investors at the General Meeting are entitled to resolve the following matters:

10.3.1. issue new Units;

10.3.2. amend the procedure for the making of distributions to Investors;

10.3.3. approve and recall the members of the Supervisory Board and determine the remuneration of the members;

10.3.4. change the Management Company at the initiative of the Investors;

10.3.5. liquidate the Fund;

10.3.6. amend the procedure for the redemption of Units;

10.3.7. increase the Management Fee and Depositary Fee and other fees and charges payable on account of the Fund;

10.3.8. decide on the merger and transformation of the Fund unless otherwise provided by the IFA;

10.3.9. amend the fundamental principles of the investment policy of the Fund;

10.3.10. establish a term for the Fund and amending the term, if established;

10.3.11. amend the Rules;

10.3.12. purchase of Units on account of the Fund.

10.4. The Management Company shall convene the General Meeting at least once a year, after the Management Company has approved the annual report of the Fund. In addition to the annual meeting, the Management Company shall convene the General Meeting as often as there is a need to resolve issues specified in section 10.3. The Management Company shall convene the General Meeting within 6 months after the Units have been de-listed and the Management Company has not succeeded in having the Units re-admitted to trading.

10.5. The FSA or Investors whose Units represent at least 1/10 of the votes are entitled to request the Management Company convene the General Meeting and propose issues to be included in the agenda of the General Meeting. If the Management Company does not convene the General Meeting within one month after receipt of a request, the FSA or Investors have the right to convene the General Meeting themselves.

10.6. Notice of the General Meeting shall be published at least three weeks in advance. A notice convening a General Meeting is published on the Website and via the Stock Exchange Release. At the same time as the publication of a notice, if the IFA so stipulates, it also shall be published in at least one of the daily national (Estonian) newspapers.

10.7. The notice shall be accompanied with information related to the items in the agenda. Investor(s) requesting a change of the Management Company under section 10.3.4. shall submit to the Investors the consent of the new management company to undertake the duties of the management company.

10.8. The Investor, who is a registered unit-holder in the Register, or a representative of the Investor, who has been granted an authorisation document in writing, may participate in a General Meeting. The participation of a representative shall not deprive the Investor of the right to participate in the General Meeting.

10.9. A list of the Investors participating in a General Meeting including the names of the Investors, the number of votes attached to their Units, and the names of the representatives of the Investors, is prepared at the General Meeting. The list shall be signed by the chair of the General Meeting, the secretary of the meeting, and each Investor or his or her representative participating in the General Meeting. The authorisation documents of representatives shall be appended to the minutes of the General Meeting.

10.10. In order to adopt resolutions at the General Meeting, the proportion of votes belonging to the Investor is determined pursuant to the ratio of the number of votes arising from Units belonging to the Investor and the number of votes arising from all Units which have been issued as of ten days before the General Meeting is held. To participate in any General Meeting, an Investor is required to have Units registered in its name in the Register as of ten days before the date of the General Meeting.

10.11. At the General Meeting, Investors may adopt resolutions if more than 1/2 of the votes represented by the Units are present. If there are less than, or equal to, 1/2 of votes represented at the General Meeting, the Management Company may, within three weeks but not earlier than after seven days, convene another General Meeting with the same agenda. The new General Meeting is permitted to adopt resolutions regardless of the number of votes represented at the meeting. Except for resolutions to be adopted under sections 10.14 and 10.15 below.

10.12. An issue which is initially not on the agenda of the General Meeting may be added to the agenda during the General Meeting with the consent of at least 9/10 of the Investors who participate in the General Meeting if their Units represent at least 2/3 of the votes.

10.13. A resolution of the General Meeting shall be adopted if more than 1/2 of the votes represented at the General Meeting are in favour, unless a greater majority requirement is prescribed under sections 10.14 or 10.15 below.

10.14. In order to adopt resolutions in matters specified in sections 10.3.2, 10.3.5, 10.3.6, 10.3.8, 10.3.9, 10.3.10, and 10.3.11 above, more than 3/4 of the votes represented by the Units shall be present and more than 4/5 of the votes represented at the General Meeting shall vote in favour to adopt those resolutions.

10.15. In order to adopt a resolution as specified in section 10.3.4, more than 3/4 of the votes represented by the Units shall be present and more than 4/5 of the votes represented at the General Meeting, excluding votes represented by the Management Company and its related parties (as defined in section 10.17 below), and also excluding votes represented by any Investor holding, directly or indirectly via its related persons (as defined in section 10.17 below for the Management Company), more than 50% of all units, shall vote in favour to adopt the resolution.

10.16. The General Meeting may adopt a resolution to amend the procedure for the redemption of Units (section 10.3.6) only together with a resolution on liquidation of the Fund (section 10.3.5).

10.17. The Management Company and its related parties who hold Units and are participating in the General Meeting shall abstain from voting in all issues where there is a potential conflict of interest between the Fund and the Management Company, including but not limited to voting on raising the Management Fee. Related parties shall mean companies belonging to the same consolidation group as the Management Company, shareholders of the Management Company and of the companies belonging to the same consolidation group as the Management Company and members of management bodies of the Management Company and of the companies belonging to the same consolidation group as the Management Company.

11. SUPERVISORY BOARD

11.1. The Fund shall have a supervisory board consisting of three to five members (the “Supervisory Board”). The Supervisory Board acts solely in an advisory capacity and the Management Company shall remain responsible for making decisions related to the fund management.

11.2. The members of the Supervisory Board shall be appointed at the General Meeting for a period of at least two years. The Management Board shall appoint the first members of the Supervisory Board and determine their remuneration immediately after the registration of the Fund. The following principles shall be followed when appointing the Supervisory Board members:

11.2.1. a member shall have recognized experience in the real estate market(s) in Estonia, Latvia, or Lithuania, an impeccable business reputation, and an appropriate education;

11.2.2. only one of the members may be related to the Management Company, i.e. the person is a member of the management board or supervisory council or shareholder of the Management Company or of any other company belonging to the same consolidation group with the Management Company, or is otherwise related to or appointed by the Management Company;

11.2.3. at least one of the members should represent Investors who are not related to the Management Company and are not related to the ten largest Investors in terms of Units held as of ten days before the date of the General Meeting, or be an independent member not related to any Investor.

11.3. The Supervisory Board and its members are not allowed to delegate their rights to other persons.

11.4. Supervisory Board members shall elect a chairman from among themselves in the first meeting after election of any new member(s).

11.5. The Management Company shall consult with the Supervisory Board on the following matters:

11.5.1. the approval of an appraiser for the valuation of real estate in the Fund to be appointed by the Management Company;

11.5.2. the approval of an auditor of the Fund to be appointed by the supervisory council of the Management Company;

11.5.3. the approval of the depositary bank of the Fund to be chosen by the Management Company;

11.5.4. the approval of the issue of new units under section 8.3.2;

11.5.5. any issues that may involve conflicts of interest related to the Fund;

11.5.6. any other issues in accordance with the Rules.

11.6. A meeting of the Supervisory Board shall be convened by the Management Company at least once per quarter. Each member of the Supervisory Board and the Fund Manager(s) (as defined in section 12.3 below) has the right to convene a meeting. The Supervisory Board has the right to pass decisions without convening a meeting in case all the Supervisory Board members agree not to convene a meeting. The meetings of the Supervisory Board shall be arranged by the chairman of the Supervisory Board.

11.7. The Supervisory Board is entitled to pass decisions if more than half of the members take part in the meeting.

11.8. A decision of the Supervisory Board shall be adopted if more than half of the members present at the meeting vote in favour of the decision. In case the Supervisory Board adopts decisions without convening a meeting a decision shall be adopted if more than half of the members vote in favour of the decision.

11.9. The minutes of the Supervisory Board meetings shall be recorded and sent to all Supervisory Board members. The minutes of the meeting shall be signed by all Supervisory Board members who participated in the meeting and the person who took the minutes. In case the Supervisory Board member does not agree with the passed decisions, the member’s different opinions will be added to the minutes and that member of the Supervisory Board will confirm the opinion with a signature.

11.10. In order to pass decisions, the Supervisory Board may request reports and clarifications from the Management Company and the Fund Manager(s) (as defined in section 12.3 below) and give them reasonable time to prepare such reports.

11.11. Supervisory Board members are entitled to remuneration for their service. The amount of remuneration payable to the chairman and members of the Supervisory Board shall be decided at the General Meeting.

12. RIGHTS AND OBLIGATIONS OF THE MANAGEMENT COMPANY

12.1. The basis of the activities of the Management Company is set forth in the articles of association of the Management Company, the Rules, and legislation.

12.2. The Management Company has the right to dispose of and possess the assets of the Fund and other rights arising therefrom. The Management Company shall conclude transactions with the Fund's assets (including investing the Fund's assets) in its own name and on account of the Fund.

12.3. To manage the assets of the Fund, the management board of the Management Company shall appoint one or more fund managers whose duty it is to coordinate the investment of the Fund's assets and other activities related to management of the Fund and to monitor that the Fund is managed pursuant to the provisions of legislation and the Rules (the "Fund Manager"). The Management Company is responsible for making and implementing investment and divestment decisions in its own name and exclusively in the interests of and on joint account of the Investors.

12.4. The Management Company shall determine the Fund's investment policy and perform the duties specified in subsection 12.11, unless such duties have been delegated to third parties. The Management Company shall invest the Fund's assets in compliance with the investment policy specified in the Rules and observe the investment restrictions specified in the Rules and legislation. The Management Company shall obtain sufficient information about the assets it plans to acquire or has acquired on account of the Fund, monitor the financial and economic situation of the issuer whose securities it plans to acquire or has acquired on account of the Fund, and obtain sufficient information about the solvency of counterparties with whom transactions are made on account of the Fund.

12.5. The Management Company shall manage the assets of the Fund separately from its own assets, assets of other funds, and pools of assets managed by the Management Company. The assets of the Fund do not form part of the bankruptcy estate of the Management Company and any claims of creditors of the Management Company shall not be satisfied out of the Fund's assets.

12.6. The Management Company shall arrange the maintenance and preservation of immovables directly or indirectly owned by the Fund. In arranging the maintenance and preservation of immovables, the Management Company shall observe the following principles: (i) immovables must be kept and maintained prudently, (ii) immovables must be insured, if possible, and (iii) in case of extraordinary 'wear and tear' of an immovable (including a building constituting an essential part of an immovable) or extraordinary deterioration in its condition, the immovable (including a building constituting an essential part of the immovable) must, if possible, be restored to its former condition, repaired, or improved.

12.7. The Management Company may (but is not obliged to) acquire and own Units. The Units owned by the Management Company may not exceed 5% of all Units. In cases addressed by legislation, the Management Company shall notify FSA of its acquisition of Units. Information on the size of the holding of the Management Company in the Fund shall be made available according to section 16.1.10.

12.8. The Management Company has the right and the duty to submit a claim in its own name on behalf of the Investors or the Fund against the Depositary or third parties if not submitting such a claim would or could result in significant damage to the Fund or the Investors. The Management Company is not required to submit such a claim if the Fund or the Investors have already submitted a claim.

12.9. The Management Company shall be liable for any damage caused to the Fund or the Investors due to a violation of its duties under the Rules and applicable laws.

12.10. The Management Company shall arrange the accounting of the Fund. The Management Company shall keep the accounting of the Fund separate from the accounting of the Management Company and the accounting of its other funds.

12.10.1. The financial information of the Fund shall be prepared in accordance with the International Financial Reporting Standards (IFRS).

12.10.2. The financial year of the Fund lasts from 1 January to 31 December.

12.11. The Management Company may delegate the following duties to third parties to the extent provided in the IFA and pursuant to the procedure set forth in the IFA:

12.11.1. investing the Fund's assets, which means making of investment decisions upon investment of the Fund's assets;

12.11.2. organising the issue and redemption of Units;

12.11.3. issuing of documentation proving the registration of Units in the Register belonging to the Investor;

12.11.4. arranging the sales and marketing of the Units;

12.11.5. providing necessary information and other customer services to the Investors;

12.11.6. keeping account of the Fund's assets and organising the accounting of the Fund;

12.11.7. determining the Fund's NAV;

12.11.8. organising of maintenance of the register of Units;

12.11.9. calculating of the Fund's net income and arranging the distribution from the cash flows to the Investors;

12.11.10. monitoring compliance of the activities of the Management Company and the Fund with legislation, including applying a relevant internal audit system;

12.11.11. maintening and preserving of immovables and any related activities;

12.11.12. any of the activities directly related to the activities listed above.

12.12. In delegating the services related to the maintenance and preservation of immovables (section 12.11.11), respective service agreements may be entered into directly between a third party service provider and the SPV.

12.13. Any delegation of duties does not exempt the Management Company from liability related to the management of the Fund.

12.14. The duties of the Management Company in full may be transferred to a third party fund management company in accordance with the IFA. The change of the Management Company may be initiated by the Management Company in accordance with a resolution of the supervisory council of the Management Company, or by the Investor(s) in accordance with section 10.15 of the Rules.

12.15. The transfer of the fund management to another management company shall be arranged based on the approval by the FSA.

12.15.1. The Management Company shall act in good faith in negotiating and signing the transfer agreement, obtaining FSA approval, and performing other tasks under the decision of the supervisory council of the Management Company or the resolution of the General Meeting to transfer the fund management to another management company. The costs of the transfer shall be borne by the new service provider, unless otherwise agreed in the transfer agreement.

12.15.2. The duties of the Management Company shall be transferred to the new management company under the transfer agreement not earlier than one year from the approval by the FSA, unless shorter term is agreed in the transfer agreement.

13. ACTIVITIES OF THE DEPOSITARY

13.1. The Management Company shall enter into a depositary contract with the Depositary for the safekeeping of the Fund's money and assets, including financial instruments and other assets, with the Depositary, and for overseeing and monitoring of the Fund's activities.

13.2. The Depositary shall hold in custody all financial instruments of the Fund that can be registered in a financial instruments account opened in the Depositary's books (the "Safekept Instruments"). Assets that can be held in custody by the Depositary shall be determined in a depositary contract.

13.3. All other assets of the Fund that are not condsidered financial instruments, including cash, immovable and movable property, rights, and shares of SPVs not registered with central securities depositaries in Estonia, Latvia or Lithuania, shall be subject to verification of ownership and record keeping duties by the Depositary. The Management Company may execute transactions with the Fund's assets only through the Depositary or after prior notification of the Depositary.

13.4. In performing the monitoring and oversight of the Fund's activities, the Depositary shall be responsible for:

13.4.1. ensuring that the sale, issue, repurchase, redemption, and cancellation of Units are carried out in accordance with the IFA and the Rules;

13.4.2. ensuring that the NAV of the Units is calculated in accordance with the IFA and the Rules;

13.4.3. carrying out the instructions of the Management Company, and assessing their compliance with the IFA, and with the Rules;

13.4.4. ensuring that in transactions involving the Fund's assets, any consideration is remitted to the Fund in full and within the usual time limits;

13.4.5. ensuring that the distributions from the Fund cash flow are made in accordance with the IFA and the Rules;

13.4.6. ensuring that the cash flows of the Fund are properly monitored, and, in particular, that all payments made by or on behalf of Investors, upon the subscription of Units, have been received, and credited to the Fund account.

13.5. The functions, rights, obligations and liability of the Depositary with regard to the Fund and the Management Company derive from the Rules and the depositary contract between the Management Company and the Depositary, IFA and other applicable regulations. The Depositary shall be liable to the Fund or to the Investors, for the loss of the Safekept Instruments held in custody by the Depositary or a third party to whom the custody of financial instruments held in custody has been delegated. In the case of such a loss of the Safekept Instruments, the Depositary shall return a financial instrument of identical type or the corresponding amount to the Fund or the Management Company acting on behalf of the Fund without undue delay. The Depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts by the Depositary to the contrary.

13.6. The Depositary has the right to enter into contracts with third parties for the delegation of its duties (including the duty to safekeep the Fund's assets) pursuant to the IFA and other applicable regulations and the depositary contract, provided that the following conditions are met:

13.6.1. the intention of delegation is not to avoid the requirements of the IFA;

13.6.2. there is an objective reason for the delegation;

13.6.3. the Depositary has exercised all due skill, care, and diligence in the selection and the appointment of any third party to which it delegates duties, and continues to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated duties and of the third party's performance of those duties;

13.6.4. the Depositary ensures that the third party has structures and expertise adequate and proportionate to the nature and complexity of the assets of the Fund, or the Management Company acting on behalf of the Fund, which have been entrusted to it, and the third party is subject to effective prudential regulation, including minimum capital requirements, and supervision in the relevant jurisdiction; and

13.6.5. the third party is subject to an annual external periodic audit to ensure that the financial instruments are in its possession.

14. REGISTER OF UNITS

14.1. The Register is kept by the Registrar. The Registrar operates under the laws of Estonia applicable to the registration of securities and the settlement of securities trades.

14.2. The Units are deemed to belong to the person in whose name the securities account is held in the Register, except for the Units held in a nominee account, in which case the Units are deemed to belong to the client of the nominee holder. Despite the foregoing, only persons in whose name a securities account is held are entitled to exercise rights arising out of the Units under the Rules. A unit-holder has the right to rely on the entry in the Register when performing his/her rights and duties in relation to third parties. The Registrar shall issue a statement of Units owned by the unit-holder upon the unit-holder's request.

14.3. By subscribing for or purchasing Units, the Investor consents to the processing of their information (including personal data) by the Registrar and the Management Company to the extent necessary for keeping the Register and performing other duties under the Rules or applicable law.

14.4. The Registrar shall make entries in the Register on the basis of the transaction information related to the Units. Entries may also be based on court judgments or other grounds approved by the Registrar.

14.5. Information and documents submitted to the Registrar for an entry to be made shall be preserved by the Registrar for at least ten years from the date of the corresponding entry. Information shall be preserved in the form of documents or in a format which can be reproduced in writing.

14.6. The Registrar shall be liable for breach of its obligations arising from the law and agreement on keeping the Register, and it shall reimburse any damages caused, except when the breach did not occur because of the activities of Registrar.

15. FEES AND EXPENSES PAID OUT OF THE FUND

15.1. **Management fee**

15.1.1. The Management Company shall be paid a management fee on account of the Fund for managing the Fund (the duties of the Management Company are set forth in section 12 and in the IFA) (the “Management Fee”). The value added tax (if applicable) shall be added to the Management Fee and paid on account of the Fund.

15.1.2. The Management Fee shall be calculated as follows:

(a) The Management Fee shall be calculated quarterly based on the 3-month average market capitalisation of the Fund. After each quarter, the Management Fee shall be calculated on the first Banking Day of the following quarter (the ”Fee Calculation Date”). Quarters shall mean 3-month periods that start on 1 January, 1 April, 1 July, and 1 October;

(b) Average market capitalisation shall mean the average closing prices of all days in the previous 3 month period multiplied with the respective daily number of the Units outstanding on the marketplace(s) where Units are

admitted to trading (the ”Market Capitalisation”);

(c) The Management Fee shall be calculated based on the following rates and in the following tranches:

(i) 1.50% of the Market Capitalisation below EUR 50 million;

(ii) 1.25% of the part of the Market Capitalisation that is equal to or exceeds EUR 50 million and is below EUR 100 million;

(iii) 1.00% of the part of the Market Capitalisation that is equal to or exceeds EUR 100 million and is below EUR 200 million;

(iv) 0.75% of the part of the Market Capitalisation that is equal to or exceeds EUR 200 and is below EUR 300 million;

(v) 0.50% of the part of the Market Capitalisation that is equal to or exceeds EUR 300 million.

(d) The Management Fee shall be calculated after each quarter as follows:

(i) the Market Capitalisation as calculated on the Fee Calculation Date, split into the tranches and each tranche of the Market Capitalisation ($MCap_t$) multiplied by

(ii) respective fee rate (F_n) applied to the respective tranche, then the aggregate of the fees from each tranches multiplied by

(iii) the quotinent of the actual number of days in the respective quarter ($Actual_q$) divided by 365 days per calendar year, as also indicated in the formula below

$$((MCap_1 \times F_1)+...+(MCap_5 \times F_5)) \times (Actual_q / 365)$$

(e) In case the Market Capitalisation is lower than 90% of the NAV of the Fund, the amount equal to 90% of the NAV of the Fund shall be used for the Management Fee calculation instead of the Market Capitalisation. In this case, the NAV of the Fund means the average quarterly NAV of the Fund and such Management Fee adjustments shall be calculated and paid annually after the annual report of the Fund for the respective period(s) has been audited.

(f) For periods during which the Units are not traded on any marketplace, the Management Fee shall be calculated and paid quarterly based on the average NAVs over preceeding 3 months. Management Fee adjustments, if any, shall be made annually after the annual report of the Fund for the respective period(s) has been audited.

15.1.3. The Management Company shall be responsible for the calculation of the Management Fee.

15.1.4. The Management Fee calculated and accrued in accordance with section

15.1.5. above shall be paid to the Management Company quarterly within 5 Banking Days after the issue of the invoice by the Management Company.

15.1.6. The Management Fee shall be calculated and paid in Euros unless calculation or payment must be made in another currency under applicable mandatory law.

15.2 **Performance fee**

15.2.1. For each year, if the annual adjusted funds from operations of the Fund divided by the average paid in capital during the year (calculated on a monthly basis) exceeds 8% per annum, the Management Company is entitled to a performance fee in the amount of 20% of the amount exceeding 8% (the ”Performance Fee”).

The adjusted funds from operations shall mean the net operating income of properties less fund administration expenses, less external interest expenses and less all capital expenditures including tenant fit-out expenses invested into existing properties by the Fund. New investments and acquisitions and follow-on investments into properties are not considered to be capital expenditures.

15.2.2. The Performance Fee is calculated annually by the Management Company and is accrued to the Performance Fee reserve. Once the Performance Fee reserve becomes positive, the Performance Fee can be paid to the Management Company.

15.2.3. The Performance Fee for a year can be both positive and negative. However, the Performance Fee for the year shall not exceed 0.4% of the Fund's average NAV per year (upper Performance Fee limit). Negative Performance Fee shall not be less than -0.4% of the Fund's average NAV per year (lower Performance Fee limit).

15.2.4. A Performance Fee for the first year of the Fund (i.e. 2016) shall not be calculated.

15.2.5. The Performance Fee first becomes payable in the fifth year of the Fund (i.e. 2020) for the period of 2017, 2018, and 2019. After that, the Performance Fee shall be payable annually, depending on the accrued Performance Fee reserve over the period starting from the second year of the Fund (i.e. 2017).

15.2.6. The Performance Fee shall be paid to the Management Company within 8 calendar days after the issue of the invoice by the Management Company.

15.2.7. If the Performance Fee reserve becomes negative, the Management Company is not obliged to return any paid Performance Fee. However, the next Performance Fee becomes payable only after the Performance Fee reserve becomes positive.

15.2.8. The value added tax (if applicable) shall be added to the Performance Fee and paid on account of the Fund.

15.3 Depositary Fee

15.3.1. The Depositary shall be paid a depositary fee for the provision of depositary services (the "Depositary Fee"). The annual Depositary Fee is 0.03% of the GAV, but the Depositary Fee shall not be less than EUR 10,000.00 per annum. The value added tax specified by law shall be added to the Depositary Fee. The Depositary Fee plus value added tax shall be paid on account of the Fund. An Investor can access the effective rate of the Depositary Fee at the registered address of the Management Company.

15.3.2. In addition to the Depositary Fee, the Depositary shall be paid or reimbursed for fees and out-of-pocket expenses related to the transactions made on account of the Fund.

15.3.3. The Depositary Fee shall be calculated monthly from the GAV and paid to the Depositary on the basis of an invoice submitted by the Depositary.

15.4 **Other Expenses**

15.4.1. The following other expenses are payable on account of the Fund for the functioning of the Fund:

(a) fees for property management services;

(b) fees and costs related to the administration and maintenance of real estate properties belonging, directly or indirectly, to the Fund;

(c) costs (including interest costs) relating to borrowing by the Fund or SPV;

(d) costs for the valuation of real estate belonging, directly or indirectly, to the Fund (when related to the regular valuation pursuant to section 7);

(e) costs and expenses related to set-up, restructuring, and liquidation of the Fund, including fees of external consultants;

(f) the Registrar's fees for registering Units and for other services provided by the Registrar to the Investors (when not payable directly by the Investors);

(g) remuneration payable to Supervisory Board members;

(h) costs related to convening and holding General Meetings;

(i) costs related to convening and holding Supervisory Board meetings;

(j) costs for translating regular Investor notifications and reports that are required under legislation or the Rules;

(k) costs for the Fund's and SPVs' tax planning/tax structuring and tax advice, unless related to a direct or indirect acquisition of real estate by the Fund;

(l) fees for the auditing of the annual reports of the Fund and SPVs;

(m) costs of accounting and preparing the quarterly, semi-annual, and annual reports of the Fund and SPVs, including tax statements and tax returns;

(n) tenant brokerage fees related to real estate belonging, directly or indirectly, to the Fund;

(o) insurance costs and property taxes related to real estate belonging, directly or indirectly, to the Fund;

(p) fees for marketing services related to the Fund and real estate belonging, directly or indirectly, to the Fund, including expenses in relation to the marketing and distribution of the Fund;

(q) costs and fees related to the listing of the Fund pursuant to section 1.5;

(r) all other operational and financial expenses attributable to investments of the Fund, including but not limited to capital expenditures*;

*PLEASE SEE MANAGEMENT COMPANY NOTE BELOW

(s) damages reimbursable in connection with the real estate investments of the Fund and with the management of such property;

(t) other charges concerning the Fund and the SPVs associated with the sourcing, acquisition, managing, valuation (including by independent property appraisers), structuring, holding, and disposal of the investments, including costs and expenses related to the formation, maintenance, disposal and/or liquidation of SPVs, and costs and expenses related to contemplated but unconsummated investments (including in SPVs);

(u) bank fees, commissions, fees associated with depositing or pledging securities, securities account management fees, state duties, advisory services, legal fees, adjudication fees, fees for address services, representation and publicity expenses, delivery of documents, translation, administration and management fees paid to persons not associated with the Management Company, provided that such costs are related to the activities of the Fund or SPVs;

(v) salaries (to the extent employment is legally required) related to chief executive officers/directors of any SPV, as long as such salaries are set at the minimum required level;

*Management Company note Management Company notes regarding section 15.4.1(r) of the Fund rules that operational expenses include also accounting costs, due to which Fund's accounting expenses are borne on the account of the Fund. Source: Decree No. 12 of the Minister of Finance dated 31.01.2017 "Rules regarding compiling, the content and presenting of the reports of the management company subject to submission to Estonian Financial Services Authority and reporting of the own assets of the management company" Annex 2; and Decree No. 105 of Minister of Finance dated 22.12.2017 „Establishing of the Guidlines for Generally Accepted Accounting Principles" Annex 2 – Guidance of the Accounting Board No. 2 „Requirements for presenting information in the annual report".

(w) the costs of reasonable directors' and officers' liability insurance on behalf of the members of the Supervisory Board and the members of the board of directors of the Fund's SPVs;

(x) the costs incurred in connection with any litigation, arbitration, or other proceedings in relation to the Fund's assets, including any such proceedings in relation to assets held by SPVs;

(y) all expenses related to entering and exiting investments (i.e. expenses related to the acquisition and disposal of real estate as well as shares of SPVs and other assets of the Fund as well as broken deal expenses), including, without limitation, state duties, notary fees, fees for real estate valuations by certified appraisers (when related to entering and exiting investments), fees for legal, tax, and other due diligence investigations directly related to the acquisition of real estate;

(z) taxes to be added to costs provided in subsections 15.4.1(a) - 15.4.1(y) above.

15.4.2. For the purpose of clarity, the Fund covers also investment costs related to preserving the value of its real estate properties (including, without limitation, costs related to improvements and repair). Among others, such investment costs include construction costs, development costs and fees, brokerage fees, architects' fees, fees related to detail planning and other consultants' costs. Investment costs are not considered to be expenses, but rather as investments of the Fund.

15.5 For the purpose of clarification, fees and expenses that according to this section 15 are paid out of the Fund may also be directly paid out of the SPVs relative to which such fees or expenses have been incurred to the extent that is allowed under applicable legislation.

15.6 The fees (i.e. Management Fee, Performance Fee, and Depositary Fee) and other expenses paid out of the Fund (including out of SPVs) shall not exceed 30% of the NAV of the Fund per calendar year.

16. PUBLISHING INFORMATION

16.1. The Management Company shall make available at the registered address of the Management Company and on the Website at least the following information and documents:

16.1.1. the Rules;

16.1.2. the three most recent annual reports of the Fund;

16.1.3. details of the Management Company, the Fund Manager, the Depositary, the Registrar, the auditor of the Fund, and any other third party to whom the fund management or safekeeping functions have been delegated;

16.1.4. the most recent prospectus of the public offer of Units;

16.1.5. the NAV of the Fund and of a Unit;

16.1.6. internal rules and procedures of the Management Company for the determination of the NAV;

16.1.7. the rules for the valuation of real estate;

16.1.8. the rules for handling conflicts of interest;

16.1.9. a description of the Fund's liquidity risk management;

16.1.10. information on the size of the holding by the Management Company in the Fund;

16.1.11. marketplaces where Units are admitted to trading, and the latest closing price of a Unit on each marketplace;

16.1.12. the most recent semi-annual report of the Fund if this was approved after the most recent annual report;

16.1.13. the three most recent annual reports of the Management Company;

16.1.14. other information required under the laws, regulations, or guidelines by any competent authority.

16.2. The Management Company shall publish information about the circumstances and events that materially affect the operation or financial status of the Fund, the assets of the Fund or the Management Company, or the formation of the NAV, or which are otherwise likely to have a significant effect on the Unit price via the Stock Exchange Release. Any such information shall be published immediately after the circumstances have come into existence or are expected to come into existence or the event has occurred or is expected to occur.

16.3. The annual report of the Fund and the annual report of the Management Company shall be made available within 4 months after the end of the financial year of the

Fund or the Management Company, respectively, and the semi-annual and quarterly financial reports of the Fund shall be made available within 2 months from the end of the corresponding period on the Website and via the Stock Exchange Release.

17. LIQUIDATION OF THE FUND

17.1. If Investors at the General Meeting decide to liquidate the Fund, the Management Company shall act as the liquidator.

17.2. To liquidate the Fund, the Management Company shall obtain the relevant approval from the FSA.

17.3. Upon obtaining approval for the liquidation of the Fund from the FSA, the Management Company shall without delay publish a notice regarding the liquidation of the Fund in at least one daily national (Estonian) newspaper, on the Website, and via the Stock Exchange Release, specifying in the notice the information required by law. From the day following the publication of the liquidation notice, no Units shall be issued or redeemed, trading in the Units shall be halted, and distributions to the Investors shall be suspended. Liquidation must be completed within a period of six months starting from the publication of the liquidation notice. The liquidation period may be extended with approval by the FSA if requested by the Management Company; however, as a result of the extension, the period of liquidation may not exceed 18 months.

17.4. Upon liquidation of the Fund, the Management Company shall transfer the assets of the Fund, collect the debts of the Fund, and satisfy the claims of the creditors of the Fund. Up to 2% of the NAV of the Fund, as of the day of adopting the liquidation decision, may be used to cover the expenses of liquidation of the Fund on account of the Fund. If the actual liquidation expenses exceed this amount, the Management Company or a third party operating as a liquidator shall be liable for the expenses exceeding that amount.

17.5. The Management Company shall distribute the assets remaining upon liquidation among the Investors in proportion to the number of Units owned by each Investor. Assets will be divided among Investors in cash unless otherwise authorised by the FSA.

17.6. The FSA may decide to liquidate of the Fund if within two months of the termination of the Management Company's right to manage the Fund (subject to provisions of the IFA), the General Meeting has not amended the Rules to appoint a new management company or decided to liquidate of the Fund. If the FSA decides to liquidate the Fund, the FSA shall appoint the liquidator and the limit on liquidation expenses set forth in section 17.4 shall not apply.

18. AMENDMENT OF THE RULES

18.1. The Rules may be amended by a resolution at the General Meeting.

18.2. After the amended Rules have been registered with the FSA, the Management Company shall publish the amended text of the Rules on the Website, and publish respective notice in at least one of the daily national (Estonian) newspapers and via the Stock Exchange Release, and shall immediately thereafter inform the FSA of the date of publication of the amendments.

18.3. Amendments enter into force one month after the publication of the notice under section 18.2 above in at least one of the daily national (Estonian) newspapers, unless the notice prescribes a later date for entry into force. The amendments to the Rules may enter into force earlier than the one month period if so decided at the General Meeting and allowed by the law.

APPENDIX B
Condensed valuation reports (as of 30 December 2019)

SUMMARY

Property under valuation	
Property under valuation	Registered immovable number 177001 (shopping centre)
Address	Narva rd 1, Tallinn, Harju county, Estonia
Owner	BH CC Plaza OÜ
Cadastral code	78401:114:0035
Ownership	Freehold
Land area	5,164 sq. m
Buidlings	Shopping centre
GBA	11,831 sq. m
Condition of the building	Very good
Summary of the valuation report data	
Purpose of the valuation	Market value for internal use and for financial institution
Date of the inspection	2nd January 2020
Date of the value	31st December 2019
Date of the valuation report	10th January 2020
Client	BH CC Plaza OÜ
Valuation contract	Written contract 4th May 2018
Assumptions	There are no assumptions that go beyond the normal valuation process.
Market value	32,250,000 euros
An estimate of liquidity	Sale period in current market situation can be forecasted to be up to 12 months.
Precision of the value	+-10%, common for the market segment
VAT	Market value does not include VAT and VAT is not added to market value
Comments	None
Valuation result	
Estimated Market Value of the property on the date of value (28th December, 2018) is **EUR 32,250,000** (thirty two million two hundred fifty thousand euros).	

Summary

In accordance with instructions received from SIA “TAMPERE INVEST”, we have been instructed to do a valuation of the property known as shopping centre GALERIJA CENTRS (gross area: 29,274 sq.m), located at Audēju Street 16, Riga, Latvia, currently owned by SIA “TAMPERE INVEST”.

The Baltic region is fully integrated into the Eurozone after the euro adoption in Lithuania in 2015, following Estonia in 2011 and Latvia in 2014. The Baltic countries benefit from this due to the removal of the local currency risk opening opportunities for new investors and increasing the attractiveness of the region as a whole. Year of 2016 is described as a record year for office and retail investment transactions market, when nearly 75% of total volume was investments into these segments. 2017 was a year of retail transactions, when nearly half of the total volume in Baltic states and in Lithuania as well was made in this segment (46% of total investment volume and more than 300 mEUR). In 2018 total volume of Baltics investment transactions was slightly more than 800 mEUR. There were attracted new international investors, who bought large scale projects in the Baltics market. During the first three quarters of 2019 total investment in the Baltics was slightly more than 440 mEUR.

Main principles applied for valuation:

- Due to the absence of the direct comparable market transactions direct capitalization method is assumed not to reflect the true market value of the Property.
- The 10-year Discounted Cash Flow approach is considered to be the most reflective method given the conditions as outlined above.
- Sales Comparison Approach was not applied for valuation due to absence of comparable transactions, as well as supply, during last 3 years (considering size, purpose and tenancy state (as subject property under valuation are under long term leases)).
- Replacement Value (Cost) Approach was not applied as property under valuation is not of specific purpose or especially improved.

Estimated Market Value of the property on the date of valuation (31st December, 2019) is EUR 76,400,000 (EUR Seventy six million four hundred thousand).

As of the end of 2010, the recession stopped in Latvia, and growth has resumed. From 2011 to 2013, the GDP grew by 4.4% per year on average. In 2014, GDP grew by 1.9%, while in 2015 – by 3.0%. The slowdown of growth in the last two years was determined by the trends in the external environment – slower growth in the EU than expected, as well as weakening of the economic situation in Russia. Latvia’s economic growth in 2016 (2.0%) suffered from a drop in investment but reached an impressive 4.5% in 2017 due to the upturn in the EU financing cycle and an increase in household purchasing power. In 2018 the growth was still well above 4% margin, but the first half of 2019 shows a slowdown in growth of Latvian economy, only 2.8%.

Summary

The purpose of this valuation report is to present and appraise the property – BUSINESS CENTRE, located at the address Mūkusalas str. 101, Riga, Latvia, currently owned by “KONTOR” SIA.

The Baltic region is fully integrated into the Eurozone after the euro adoption in Lithuania in 2015, following Estonia in 2011 and Latvia in 2014. The Baltic countries benefit from this due to the removal of the local currency risk opening opportunities for new investors and increasing the attractiveness of the region as a whole. Year of 2016 is described as a record year for office and retail investment transactions market, when nearly 75% of total volume was investments into these segments. 2017 was a year of retail transactions, when nearly half of the total volume in Baltic states and in Lithuania as well was made in this segment (46% of total investment volume and more than 300 mEUR). In 2018 total volume of Baltics investment transactions was slightly more than 800 mEUR. There were attracted new international investors, who bought large scale projects in the Baltics market. During the first three quarters of 2019 total investment in the Baltics was slightly more than 440 mEUR.

Main principles applied for valuation:

- Due to the absence of the comparable market data direct capitalization method is assumed not to reflect the true market value of the Property.
- The 10-year Discounted Cash Flow approach is considered to be the most reflective method given the conditions as outlined above.
- Sales Comparison Approach was not applied for valuation of Business Centre due to absence of comparable transactions, as well as supply, during last 3 years (considering size, purpose and tenancy state (as subject property under valuation are under long term leases)).
- Replacement Value (Cost) Approach was not applied as property under valuation is not of specific purpose or especially improved.

Estimated Market Value of the property on the date of valuation (31st December, 2019) is EUR 24,170,000.00 (EUR Twenty four million one hundred and seventy thousand).

As of the end of 2010, the recession stopped in Latvia, and growth has resumed. From 2011 to 2013, the GDP grew by 4.4% per year on average. In 2014, GDP grew by 1.9%, while in 2015 – by 3.0%. The slowdown of growth in the last two years was determined by the trends in the external environment – slower growth in the EU than expected, as well as weakening of the economic situation in Russia. Latvia’s economic growth in 2016 (2.0%) suffered from a drop in investment but reached an impressive 4.5% in 2017 due to the upturn in the EU financing cycle and an increase in household purchasing power. In 2018 the growth was still well above 4% margin, but the first half of 2019 shows a slowdown in growth of Latvian economy, only 2.8%.

Property being valued – Business Centre (total area approx. 15,500 sqm), located on Mukusalas str. - one of main city transportation arteries, approx. 10 minute drive from Riga city centre. Property valuation refers on owner’s income and expenses on the property, also with valuators’ conclusions and presumptions. Discounted Cash – Flow method was used for estimation of Market Value of the Business Centre, detailed calculations of the market value by this method are set in the Appendixes to Valuation Report.

Summary

The purpose of this valuation report is to present and appraise the property – BUSINESS CENTRE LNK CENTRE, located at the address Skanstes str. 27, Riga, Riga, Latvia, currently owned by SIA “BH S27”.

The Baltic region is fully integrated into the Eurozone after the euro adoption in Lithuania in 2015, following Estonia in 2011 and Latvia in 2014. The Baltic countries benefit from this due to the removal of the local currency risk opening opportunities for new investors and increasing the attractiveness of the region as a whole. Year of 2016 is described as a record year for office and retail investment transactions market, when nearly 75% of total volume was investments into these segments. 2017 was a year of retail transactions, when nearly half of the total volume in Baltic states and in Lithuania as well was made in this segment (46% of total investment volume and more than 300 mEUR). In 2018 total volume of Baltics investment transactions was slightly more than 800 mEUR. There were attracted new international investors, who bought large scale projects in the Baltics market. During the first three quarters of 2019 total investment in the Baltics was slightly more than 440 mEUR.

Main principles applied for valuation:

- Due to the absence of the comparable market data direct capitalization method is assumed not to reflect the true market value of the Property;
- The 10-year Discounted Cash Flow approach is considered to be the most reflective method given the conditions as outlined above.
- Sales Comparison Approach was not applied for valuation of Business Centre due to absence of comparable transactions, as well as supply, during last 3 years (considering size, purpose and tenancy state (as subject property under valuation are under long term leases)).
- Replacement Value (Cost) Approach was not applied as property under valuation is not of specific purpose or especially improved.

Estimated Market Value of the property on the date of valuation (31st December, 2019) is EUR 17,000,000 (EUR Seventeen million).

As of the end of 2010, the recession stopped in Latvia, and growth has resumed. From 2011 to 2013, the GDP grew by 4.4% per year on average. In 2014, GDP grew by 1.9%, while in 2015 – by 3.0%. The slowdown of growth in the last two years was determined by the trends in the external environment – slower growth in the EU than expected, as well as weakening of the economic situation in Russia. Latvia’s economic growth in 2016 (2.0%) suffered from a drop in investment but reached an impressive 4.5% in 2017 due to the upturn in the EU financing cycle and an increase in household purchasing power. In 2018 the growth was still well above 4% margin, but the first half of 2019 shows a slowdown in growth of Latvian economy, only 2.8%.

Property being valued – Business Centre (total area approx. 10,500 sq.m), located on Skanstes str., rapidily developing Riga’s business area SKANSTE. Property valuation refers on owner’s income and expenses on the property, also with valuators’ conclusions and presumptions. Discounted Cash – Flow method was used for estimation of Market Value of the Business centre, detailed calculations of the market value by this method are set in the Appendixes to Valuation Report.

Summary

The purpose of this valuation report is to present and appraise the property – OFFICE BUILDING, located at the address Vaiņodes str. 1, Riga, Latvia, currently owned by VAIŅODES KRASTI SIA.

The Baltic region is fully integrated into the Eurozone after the euro adoption in Lithuania in 2015, following Estonia in 2011 and Latvia in 2014. The Baltic countries benefit from this due to the removal of the local currency risk opening opportunities for new investors and increasing the attractiveness of the region as a whole. Year of 2016 is described as a record year for office and retail investment transactions market, when nearly 75% of total volume was investments into these segments. 2017 was a year of retail transactions, when nearly half of the total volume in Baltic states and in Lithuania as well was made in this segment (46% of total investment volume and more than 300 mEUR). In 2018 total volume of Baltics investment transactions was slightly more than 800 mEUR. There were attracted new international investors, who bought large scale projects in the Baltics market. During the first three quarters of 2019 total investment in the Baltics was slightly more than 440 mEUR.

Main principles applied for valuation:

- Due to the absence of the comparable market data direct capitalization method is assumed not to reflect the true market value of the Property;
- The 10-year Discounted Cash Flow approach is considered to be the most reflective method given the conditions as outlined above.
- Sales Comparison Approach was not applied for valuation of Office Building due to absence of comparable transactions, as well as supply, during last 3 years (considering size, purpose and tenancy state (as subject property under valuation are under long term leases)).
- Replacement Value (Cost) Approach was not applied as property under valuation is not of specific purpose or especially improved.

Estimated Market Value of the property on the date of valuation (31st December, 2019) is EUR 20,890,000 (EUR Twenty million eight hundred and ninety thousand).

As of the end of 2010, the recession stopped in Latvia, and growth has resumed. From 2011 to 2013, the GDP grew by 4.4% per year on average. In 2014, GDP grew by 1.9%, while in 2015 – by 3.0%. The slowdown of growth in the last two years was determined by the trends in the external environment – slower growth in the EU than expected, as well as weakening of the economic situation in Russia. Latvia's economic growth in 2016 (2.0%) suffered from a drop in investment but reached an impressive 4.5% in 2017 due to the upturn in the EU financing cycle and an increase in household purchasing power. In 2018 the growth was still well above 4% margin, but the first half of 2019 shows a slowdown in growth of Latvian economy, only 2.8%.

Property being valued – OFFICE BUILDING (total area approx. 9,500 sq.m), located on Vainodes str., next to Karla Ulmana av. – one of main city transportation arteries, approx. 10 minute drive from Riga city centre. Property valuation refers on owner's income and expenses on the property, also with valuators' conclusions and presumptions. Discounted Cash – Flow method was used for estimation of Market Value of the Office building, detailed calculations of the market value by this method are set in the Appendixes to Valuation Report.

RICS

NEWSEC

Summary

The purpose of this Valuation report is to present and appraise the property – Business Centre DUETTO I, situated at the address Spaudos str. 8 – 1 and 8 – R1, Vilnius, Lithuania, currently owned by UAB “BH Duetto”.

The Baltic region is fully integrated into the Eurozone after the euro adoption in Lithuania in 2015, following Estonia in 2011 and Latvia in 2014. The Baltic countries benefit from this due to the removal of the local currency risk opening opportunities for new investors and increasing the attractiveness of the region as a whole. Year of 2016 is described as a record year for office and retail investment transactions market, when nearly 75% of total volume was investments into these segments. 2017 was a year of retail transactions, when nearly half of the total volume in Baltic states, including Lithuania, was made in this segment (46% of total investment volume and more than 300 mEUR). In 2018 total volume of Baltics investment transactions was slightly more than 800 mEUR. There were attracted new international investors, who bought large scale projects in the Baltics market. During the first 3 quarters of 2019 total investment in the Baltics was slightly more than 440 mEUR. Main principles applied for valuation:

- Due to the absence of the comparable market data direct Capitalization method is assumed not to reflect the true Market Value of the property;
- Sales Comparison approach was not applied due to absence of comparable transactions, as well as supply, during last 3 years (considering property physical, juridical and lease structure).
- The 10-year Discounted Cash Flow approach is considered to be the most reflective method given the forecasted income / expenses fluctuations.
- Replacement value (cost) approach was not applied as property under valuation is not of specific purpose or especially improved.

Estimated Market Value of the property on the date of valuation (27 December, 2019) is EUR 16,400,000 (EUR Sixteen million four hundred thousand).

Notes:

- Market value is exclusive of VAT.

The Lithuanian economy grew rapidly after the crisis and was among the fastest growing economies in the European Union almost for a decade. The *GDP* of Lithuania in 2016 and 2017 rose by 2.4% and 4.1% respectively. Lithuania's *GDP* in 2018 year, compared to the corresponding period of 2017, increased by 3.5% and at current prices amounted to 45.1 billion EUR. *GDP* growth was strongly influenced by the growth of the enterprises engaged in manufacturing, as well as the sharp increase in wholesale and retail trade, transportation and storage, accommodation and food service activities. Based on the 2019 H1 results, *GDP* is projected to increase by 3.7% and 2.4% in 2019 and 2020 respectively.

Property under valuation – Business Centre DUETTO I, located in residential part of Vilnius, near intense Pilaitės avenue, Vilnius Western Bypass and Laisvės avenue. Discounted Cash Flow approach was used for estimation of Market Value of the property, detailed calculations of the market value by this method are set in the appendixes of the report; Sales Comparison approach was not applied due to absence of comparable transactions, as well as supply, during last 3 years; Replacement Value (Cost) approach was not applied as property under valuation is not of specific purpose or especially improved.

Summary

The purpose of this Valuation report is to present and appraise the property – Business Centre DUETTO II, situated at the address Spaudos str. 6 – 1 and 6 – R1, Vilnius, Lithuania, currently owned by UAB "BH Duetto".

The Baltic region is fully integrated into the Eurozone after the euro adoption in Lithuania in 2015, following Estonia in 2011 and Latvia in 2014. The Baltic countries benefit from this due to the removal of the local currency risk opening opportunities for new investors and increasing the attractiveness of the region as a whole. Year of 2016 is described as a record year for office and retail investment transactions market, when nearly 75% of total volume was investments into these segments. 2017 was a year of retail transactions, when nearly half of the total volume in Baltic states, including Lithuania, was made in this segment (46% of total investment volume and more than 300 mEUR). In 2018 total volume of Baltics investment transactions was slightly more than 800 mEUR. There were attracted new international investors, who bought large scale projects in the Baltics market. During the first 3 quarters of 2019 total investment in the Baltics was slightly more than 440 mEUR. Main principles applied for valuation:

- Due to the absence of the comparable market data direct Capitalization method is assumed not to reflect the true Market Value of the property;
- Sales Comparison approach was not applied due to absence of comparable transactions, as well as supply, during last 3 years (considering property physical, juridical and lease structure).
- The 10-year Discounted Cash Flow approach is considered to be the most reflective method given the forecasted income / expenses fluctuations.
- Replacement value (cost) approach was not applied as property under valuation is not of specific purpose or especially improved.

Estimated Market Value of the property on the date of valuation (27 December, 2019) is EUR 18,870,000 (EUR Eighteen million eight hundred and seventy thousand).

Notes:

- Market value is exclusive of VAT.

The Lithuanian economy grew rapidly after the crisis and was among the fastest growing economies in the European Union almost for a decade. The *GDP* of Lithuania in 2016 and 2017 rose by 2.4% and 4.1% respectively. Lithuania's *GDP* in 2018 year, compared to the corresponding period of 2017, increased by 3.5% and at current prices amounted to 45.1 billion EUR. *GDP* growth was strongly influenced by the growth of the enterprises engaged in manufacturing, as well as the sharp increase in wholesale and retail trade, transportation and storage, accommodation and food service activities. Based on the 2019 H1 results, *GDP* is projected to increase by 3.7% and 2.4% in 2019 and 2020 respectively.

Property under valuation – Business Centre DUETTO II, located in residential part of Vilnius, near intense Pilaitės avenue, Vilnius Western Bypass and Laisvės avenue. Discounted Cash Flow approach was used for estimation of Market Value of the property, detailed calculations of the market value by this method are set in the appendixes of the report; Sales Comparison approach was not applied due to absence of comparable transactions, as well as supply, during last 3 years; Replacement Value (Cost) approach was not applied as property under valuation is not of specific purpose or especially improved.

Summary

The purpose of this Valuation report is to present and appraise the property – Shopping-Business Centre DOMUS PRO, situated at the address Ukmergės str. 308 – 1, 308 – 2 and 308, Vilnius, Lithuania, currently owned by UAB "BH Domus PRO".

The Baltic region is fully integrated into the Eurozone after the euro adoption in Lithuania in 2015, following Estonia in 2011 and Latvia in 2014. The Baltic countries benefit from this due to the removal of the local currency risk opening opportunities for new investors and increasing the attractiveness of the region as a whole. Year of 2016 is described as a record year for office and retail investment transactions market, when nearly 75% of total volume was investments into these segments. 2017 was a year of retail transactions, when nearly half of the total volume in Baltic states, including Lithuania, was made in this segment (46% of total investment volume and more than 300 mEUR). In 2018 total volume of Baltics investment transactions was slightly more than 800 mEUR. There were attracted new international investors, who bought large scale projects in the Baltics market. During the first 3 quarters of 2019 total investment in the Baltics was slightly more than 440 mEUR. Main principles applied for valuation:

- Due to the absence of the comparable market data direct Capitalization method is assumed not to reflect the true Market Value of the property;
- Sales Comparison approach was not applied due to absence of comparable transactions, as well as supply, during last 3 years (considering property physical, juridical and lease structure).
- The 10-year Discounted Cash Flow approach is considered to be the most reflective method given the forecasted income / expenses fluctuations.
- Replacement value (cost) approach was not applied as property under valuation is not of specific purpose or especially improved.

Estimated Market Value of the property on the date of valuation (27 December, 2019) is EUR 24,410,000 (EUR Twenty-four million four hundred and ten thousand).

Market Value distribution:

- **Business centre *Market Value* – EUR 7,740,000 (EUR Seven million seven hundred and forty thousand);**
- **Shopping centre *Market Value* – EUR 16,670,000 (EUR Sixteen million six hundred and seventy thousand).**

Notes:

- Market value is exclusive of VAT.

The Lithuanian economy grew rapidly after the crisis and was among the fastest growing economies in the European Union almost for a decade. The *GDP* of Lithuania in 2016 and 2017 rose by 2.4% and 4.1% respectively. Lithuania's *GDP* in 2018 year, compared to the corresponding period of 2017, increased by 3.5% and at current prices amounted to 45.1 billion EUR. *GDP* growth was strongly influenced by the growth of the enterprises engaged in manufacturing, as well as the sharp increase in wholesale and retail trade, transportation and storage, accommodation and food service activities. Based on the 2019 H1 results, *GDP* is projected to increase by 3.7% and 2.4% in 2019 and 2020 respectively.

Property under valuation – Shopping-Business Centre DOMUS PRO, located in residential part of Vilnius, on intense Ukmergės street, close to Vilnius Western Bypass. Discounted Cash Flow approach was used for estimation of Market Value of the property, detailed calculations of the market value by this method are set in the appendixes of the report; Sales Comparison approach was not applied due to absence of comparable transactions, as well as supply, during last 3 years; Replacement Value (Cost) approach was not applied as property under valuation is not of specific purpose or especially improved.

Summary

The purpose of this Valuation report is to present and appraise the property – Land plots for development, situated at the address Eitminų str. 3 and Ukmergės str. 308, Vilnius, Lithuania, currently owned by UAB "BH Meraki".

The Baltic region is fully integrated into the Eurozone after the euro adoption in Lithuania in 2015, following Estonia in 2011 and Latvia in 2014. The Baltic countries benefit from this due to the removal of the local currency risk opening opportunities for new investors and increasing the attractiveness of the region as a whole. Year of 2016 is described as a record year for office and retail investment transactions market, when nearly 75% of total volume was investments into these segments. 2017 was a year of retail transactions, when nearly half of the total volume in Baltic states, including Lithuania, was made in this segment (46% of total investment volume and more than 300 mEUR). In 2018 total volume of Baltics investment transactions was slightly more than 800 mEUR. There were attracted new international investors, who bought large scale projects in the Baltics market. During the first 3 quarters of 2019 total investment in the Baltics was slightly more than 440 mEUR. Main principles applied for valuation:

- Due to the absence of the comparable market data direct Capitalization method is assumed not to reflect the true Market Value of the property;
- Sales Comparison approach was not applied due to absence of comparable transactions, as well as supply, during last 3 years (considering property physical, juridical and lease structure).
- Discounted Cash Flow (Residual Approach) approach is considered to be the most reflective method as property development is available according to Construction project, prepared in year 2019, and Construction permit, issued in year 2019;
- Replacement value (cost) approach was not applied as property under valuation is not of specific purpose or especially improved.

Estimated Market Value of the property on the date of valuation (27 December, 2019) is EUR 2,300,000 (EUR Two million three hundred thousand).

Notes:

- Market value is exclusive of VAT.

The Lithuanian economy grew rapidly after the crisis and was among the fastest growing economies in the European Union almost for a decade. The *GDP* of Lithuania in 2016 and 2017 rose by 2.4% and 4.1% respectively. Lithuania's *GDP* in 2018 year, compared to the corresponding period of 2017, increased by 3.5% and at current prices amounted to 45.1 billion EUR. *GDP* growth was strongly influenced by the growth of the enterprises engaged in manufacturing, as well as the sharp increase in wholesale and retail trade, transportation and storage, accommodation and food service activities. Based on the 2019 H1 results, *GDP* is projected to increase by 3.7% and 2.4% in 2019 and 2020 respectively.

Property under valuation – Land plots for development, located in residential part of Vilnius, on intense Ukmergės street, close to Vilnius Western Bypass. Residual Approach was used for estimation of Market Value of the property, detailed calculations of the market value by this method are set in the appendixes of the report; Sales Comparison Approach was not applied due to absence of comparable transactions, as well as supply, during last 3 years (datebase of transactions does not provide information about objects territory planning / construction documents); Replacement Value (Cost) Approach was not applied as property under valuation is not of specific purpose or especially improved

Summary

The purpose of this Valuation report is to present and appraise the property – Business Centre NORTH STAR, situated at the address Ulonų str. 2, Vilnius, Lithuania, currently owned by UAB "BH Northstar".

The Baltic region is fully integrated into the Eurozone after the euro adoption in Lithuania in 2015, following Estonia in 2011 and Latvia in 2014. The Baltic countries benefit from this due to the removal of the local currency risk opening opportunities for new investors and increasing the attractiveness of the region as a whole. Year of 2016 is described as a record year for office and retail investment transactions market, when nearly 75% of total volume was investments into these segments. 2017 was a year of retail transactions, when nearly half of the total volume in Baltic states, including Lithuania, was made in this segment (46% of total investment volume and more than 300 mEUR). In 2018 total volume of Baltics investment transactions was slightly more than 800 mEUR. There were attracted new international investors, who bought large scale projects in the Baltics market. During the first 3 quarters of 2019 total investment in the Baltics was slightly more than 440 mEUR. Main principles applied for valuation:

- Due to the absence of the comparable market data direct Capitalization method is assumed not to reflect the true Market Value of the property;
- Sales Comparison approach was not applied due to absence of comparable transactions, as well as supply, during last 3 years (considering property physical, juridical and lease structure).
- The 10-year Discounted Cash Flow approach is considered to be the most reflective method given the forecasted income / expenses fluctuations.
- Replacement value (cost) approach was not applied as property under valuation is not of specific purpose or especially improved.

Estimated Market Value of the property on the date of valuation (27 December, 2019) is EUR 20,010,000 (EUR Twenty million ten thousand).

Notes:

- Market value is exclusive of VAT.

The Lithuanian economy grew rapidly after the crisis and was among the fastest growing economies in the European Union almost for a decade. The *GDP* of Lithuania in 2016 and 2017 rose by 2.4% and 4.1% respectively. Lithuania's *GDP* in 2018 year, compared to the corresponding period of 2017, increased by 3.5% and at current prices amounted to 45.1 billion EUR. *GDP* growth was strongly influenced by the growth of the enterprises engaged in manufacturing, as well as the sharp increase in wholesale and retail trade, transportation and storage, accommodation and food service activities. Based on the 2019 H1 results, *GDP* is projected to increase by 3.7% and 2.4% in 2019 and 2020 respectively.

Property under valuation – Business Centre NORTH STAR, located in Šiaurės miestelis, one of major Vilnius business areas. Discounted Cash Flow approach was used for estimation of Market Value of the property, detailed calculations of the market value by this method are set in the appendixes of the report; Sales Comparison approach was not applied due to absence of comparable transactions, as well as supply, during last 3 years; Replacement Value (Cost) approach was not applied as property under valuation is not of specific purpose or especially improved.

Summary

The purpose of this Valuation report is to present and appraise the property – Shopping Centre EUROPA, situated at the address Europos sq. 1, Konstitucijos av. 7A – 1 and 7B, Vilnius, Lithuania, currently owned by UAB “BH Europa”.

The Baltic region is fully integrated into the Eurozone after the euro adoption in Lithuania in 2015, following Estonia in 2011 and Latvia in 2014. The Baltic countries benefit from this due to the removal of the local currency risk opening opportunities for new investors and increasing the attractiveness of the region as a whole. Year of 2016 is described as a record year for office and retail investment transactions market, when nearly 75% of total volume was investments into these segments. 2017 was a year of retail transactions, when nearly half of the total volume in Baltic states, including Lithuania, was made in this segment (46% of total investment volume and more than 300 mEUR). In 2018 total volume of Baltics investment transactions was slightly more than 800 mEUR. There were attracted new international investors, who bought large scale projects in the Baltics market. During the first 3 quarters of 2019 total investment in the Baltics was slightly more than 440 mEUR. Main principles applied for valuation:

- Due to the absence of the comparable market data direct Capitalization method is assumed not to reflect the true Market Value of the property;
- Sales Comparison approach was not applied due to absence of comparable transactions, as well as supply, during last 3 years (considering property physical, juridical and lease structure).
- The 10-year Discounted Cash Flow approach is considered to be the most reflective method given the forecasted income / expenses fluctuations.
- Replacement value (cost) approach was not applied as property under valuation is not of specific purpose or especially improved.

Estimated Market Value of the property on the date of valuation (27 December, 2019) is EUR 40,650,000 (EUR Forty million six hundred and fifty thousand).

Notes:

- Market value is exclusive of VAT.

The Lithuanian economy grew rapidly after the crisis and was among the fastest growing economies in the European Union almost for a decade. The *GDP* of Lithuania in 2016 and 2017 rose by 2.4% and 4.1% respectively. Lithuania's *GDP* in 2018 year, compared to the corresponding period of 2017, increased by 3.5% and at current prices amounted to 45.1 billion EUR. *GDP* growth was strongly influenced by the growth of the enterprises engaged in manufacturing, as well as the sharp increase in wholesale and retail trade, transportation and storage, accommodation and food service activities. Based on the 2019 H1 results, *GDP* is projected to increase by 3.7% and 2.4% in 2019 and 2020 respectively.

Property under valuation – Shopping Centre EUROPA, located in central part of Vilnius, on intense Konstitucijos avenue, close to Vilnius Oldtown. Discounted Cash Flow approach was used for estimation of Market Value of the property, detailed calculations of the market value by this method are set in the appendixes of the report; Sales Comparison approach was not applied due to absence of comparable transactions, as well as supply, during last 3 years; Replacement Value (Cost) approach was not applied as property under valuation is not of specific purpose or especially improved.

SUMMARY

Property under valuation	
Property under valuation	Registered immovable number 1131501 (cinema)
Address	Hobujaama st 5, Tallinn, Harju county, Estonia
Owner	BH CC Plaza OÜ
Cadastral code	78401:114:0880
Ownership	Freehold
Land area	3,934 sq. m
Buidlings	Cinema building
GBA	11,458 sq. m
Condition of the building	Very good
Summary of the valuation report data	
Purpose of the valuation	Market value for internal use and for financial institution
Date of the inspection	3rd January 2020
Date of the value	31st December 2019
Date of the valuation report	10th January 2020
Client	BH CC Plaza OÜ
Valuation contract	Written contract 4th May 2018
Assumptions	There are no assumptions that go beyond the normal valuation process.
Market value	15,150,000 euros
An estimate of liquidity	Sale period in current market situation can be forecasted to be up to 12 months.
Precision of the value	+-10%, common for the market segment
VAT	Market value does not include VAT and VAT is not added to market value
Comments	None
Valuation result	
Estimated Market Value of the property on the date of value (31st December, 2019) is **EUR 15,150,000** (fifteen million one hundred fifty thousand euros).	

SUMMARY

Property under valuation	
Property under valuation	Registered immovable number 2269901 (office building)
Address	Paldiski rd 80, Tallinn, Harju county, Estonia
Owner	BH P80 OÜ
Cadastral code	78406:601:0010
Ownership	Freehold
Land area	8,200 sq. m
Buidlings	Office building
GBA	9,718.7 sq. m
Condition of the building	Very good
Summary of the valuation report data	
Purpose of the valuation	Market value for internal use and for financial institution
Date of the inspection	6th January 2020
Date of the value	31st December 2019
Date of the valuation report	10th January 2020
Client	BH P80 OÜ
Valuation contract	Written contract 4th May 2018
Assumptions	There are no assumptions that go beyond the normal valuation process.
Market value	17,190,000 euros
An estimate of liquidity	Sale period in current market situation can be forecasted to be up to 12 months.
Precision of the value	+-10%, common for the market segment
VAT	Market value does not include VAT and VAT is not added to market value
Comments	None
Valuation result	
Estimated Market Value of the property on the date of value (31st December, 2019) is **EUR 17,190,000** (seventeen million one hundred ninety thousand euros). Estimated Market Value of the additional building rights under special assumption is EUR 360,000 (three hundred sixty thousand)	

SUMMARY

Property under valuation	
Property under valuation	Registered immovable number 198001 (office building) 7921/40945 parts of the property
Address	Kohila st 2a // Pärnu rd 139a, Tallinn, Harju county, Estonia
Owner	BH Lincona OÜ 7921/40945 parts of the property
Cadastral code	78401:118:0074
Ownership	Freehold
Land area	40,945 sq. m
Buidlings	Office building
GBA	9,718.7 sq. m
Condition of the building	Very good
Summary of the valuation report data	
Purpose of the valuation	Market value for internal use and for financial institution
Date of the inspection	6th January 2020
Date of the value	31st December 2019
Date of the valuation report	10th January 2020
Client	BH Lincona OÜ
Valuation contract	Written contract 4th May 2018
Assumptions	There are no assumptions that go beyond the normal valuation process.
Market value	17,820,000 euros
An estimate of liquidity	Sale period in current market situation can be forecasted to be up to 12 months.
Precision of the value	+-10%, common for the market segment
VAT	Market value does not include VAT and VAT is not added to market value
Comments	None
Valuation result	
Estimated Market Value of the property on the date of value (31th December, 2019) is **EUR 17,820,000** (seventeen million eight hundred twenty thousand euros).	

SUMMARY

Property under valuation	
Property under valuation	Registered immovable number 6406050 (shopping centre)
Address	Merivälja rd 24-2, Tallinn, Harju county, Estonia
Owner	Pirita Center OÜ
Cadastral code	78402:202:3080
Ownership	Freehold
Land area	5,516 sq. m
Buidlings	Shopping centre
GBA	6,574.2 sq. m
Condition of the building	Very good
Summary of the valuation report data	
Purpose of the valuation	Market value for internal use and for financial institution
Date of the inspection	7th January 2020
Date of the value	31st December 2019
Date of the valuation report	10th January 2020
Client	Pirita Center OÜ
Valuation contract	Written contract 4th May 2018
Assumptions	There are no assumptions that go beyond the normal valuation process.
Market value	9,850,000 euros
An estimate of liquidity	Sale period in current market situation can be forecasted to be up to 12 months.
Precision of the value	+-10%, common for the market segment
VAT	Market value does not include VAT and VAT is not added to market value
Comments	None
Valuation result	
Estimated Market Value of the property on the date of value (31st December, 2019) is **EUR 9,850,000** (nine million eight hundred fifty thousand euros).	

APPENDIX C
Condensed valuation reports (as of 30 June 2020)

Purpose of the valuation, valuation date

In accordance with instructions received from Northern Horizon Capital AS (Client), we have been instructed to do a desktop valuation of the property – Pirita Keskus (Shopping Centre building; building gross area approx. 6,759 sq. m), located at the address Merivälja rd. 24-2, Tallinn, Estonia.

The scope of this valuation is based on the client's valuation instructions as follows:

- Date of value is 30th June, 2020.
- The valuation is required for internal use.

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report we have been provided with the following documents/ information:

1. Actual tenancy schedule / costs budget.

Property was inspected on 7th January, 2020. Property was inspected by Rain Pints.

We have in general relied on this information to be accurate and have generally not found any reason to believe otherwise. Our report is therefore using this information as basis for our desktop valuation.

Valuers have also used various publicly available information as well as "Newsec Valuations EE" OÜ database.

Scope of the valuation

Desktop Valuation Report contains general Property description with estimation of Market Value estimation.

Interest to be valued – freehold (buildings / premises, land) interest in Real Estate property as listed further.

Market Value estimation is based on owner's income and expenses on the property (provided by Client, also considering valuators' conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Market Value were evaluated.

Discounted Cash – Flow method was used for estimation of Market Value, detailed calculations of the Market Value by this method are set in the appendixes of the report.

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Valuer

Valuer Rain Pints is approved by Estonian Association of Appraisers as Certified Valuer (certificate no 127179) and has Republic of Estonia Land Board land valuation licence no 097 MA-mh.

Valuer Linas Daukus is approved by Royal Institution of Chartered Surveyors (RICS) as Chartered Surveyor (Membership No. 6510302).

"Newsec Valuations EE" OÜ

Address: Roseni 7, 101111 Tallinn,
Estonia
Tel.: +372 6645090
Fax.: + 372 6645091

Bank account: EE192200221049294915
Bank: Swedbank
Bank code: HABAEE2X
Company code: 11930446
VAT payer code: EE101366122

Restriction on use, distribution or publication

This Desktop Valuation Report is prepared for above indicated purposes. This Desktop Valuation Report does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Market Value is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Desktop Valuation Report is a confidential document prepared for a Client. Desktop Valuation Report, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant's written permission, except for a purpose of consultation, indicated in Desktop Valuation Report. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Desktop Valuation Report belongs to the Client. All copyrights to the Desktop Valuation Report belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Desktop Valuation Report or a copy of it does not enable to copy or distribute this report or a part of it without Consultant's written permission for concrete publication, citation or reference to it.

COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19

might have on the real estate market, we recommend that you keep the valuation of this property under frequent review

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Subject to the foregoing, and based on values current as at **30th June, 2020**, we are of the opinion that the **Market Value** of the property, as set out in Report, is the total sum of

EUR 9,540,000.00

In letters: EUR nine million five hundred forty thousand 00/100.

Detail calculations of the values using Discounted Cash Flow method, Sensitivity analysis on Discount rate and Exit yield are set in Appendixes to the report.

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

The contents of this Desktop Valuation Report are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Desktop Valuation Report or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, our written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not our Desktop Valuation Report is combined with others.

Signature(s)

16th July, 2020 (date of Desktop Valuation Report)

Rain Pints
Valuer (Estonia), Report Compiler
Certificate no 127179
Land valuation licence no 097 MA-mh

Linas Daukus, MRICS
Valuer, Report Inspector /
Head of Valuations, Baltics

Purpose of the valuation, valuation date

In accordance with instructions received from Northern Horizon Capital AS (Client), we have been instructed to do a desktop valuation of the property – POSTIMAJA SHOPPING CENTRE (shopping centre; building gross area approx. 11,831 sq.m), located at the address Narva rd 1, Tallinn, Estonia.

The scope of this valuation is based on the client's valuation instructions as follows:
- Date of value is 30th June, 2020.
- The valuation is required for internal use.

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report we have been provided with the following documents/ information:
1. Actual tenancy schedule / costs budget.

Property was inspected on 2nd January, 2020. Property was inspected by Rain Pints.

We have in general relied on this information to be accurate and have generally not found any reason to believe otherwise. Our report is therefore using this information as basis for our desktop valuation.

Valuers have also used various publicly available information as well as "Newsec Valuations EE" OÜ database.

Scope of the valuation

Desktop Valuation Report contains general Property description with estimation of Market Value estimation.

Interest to be valued – freehold (buildings / premises, land) interest in Real Estate property as listed further.

Market Value estimation is based on owner's income and expenses on the property (provided by Client, also considering valuators' conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Market Value were evaluated.

Discounted Cash – Flow method was used for estimation of Market Value, detailed calculations of the Market Value by this method are set in the appendixes of the report.

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Valuer

Valuer Rain Pints is approved by Estonian Association of Appraisers as Certified Valuer (certificate no 127179) and has Republic of Estonia Land Board land valuation licence no 097 MA-mh.

Valuer Linas Daukus is approved by Royal Institution of Chartered Surveyors (RICS) as Chartered Surveyor (Membership No. 6510302).

"Newsec Valuations EE" OÜ

Address: Roseni 7, 101111 Tallinn, Estonia Tel.: +372 6645090 Fax.: + 372 6645091	Bank account: EE192200221049294915 Bank: Swedbank Bank code: HABAEE2X Company code: 11930446 VAT payer code: EE101366122

Restriction on use, distribution or publication

This Desktop Valuation Report is prepared for above indicated purposes. This Desktop Valuation Report does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Market Value is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Desktop Valuation Report is a confidential document prepared for a Client. Desktop Valuation Report, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant's written permission, except for a purpose of consultation, indicated in Desktop Valuation Report. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Desktop Valuation Report belongs to the Client. All copyrights to the Desktop Valuation Report belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Desktop Valuation Report or a copy of it does not enable to copy or distribute this report or a part of it without Consultant's written permission for concrete publication, citation or reference to it.

COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19

might have on the real estate market, we recommend that you keep the valuation of this property under frequent review

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Subject to the foregoing, and based on values current as at **30th June, 2020**, we are of the opinion that the **Market Value** of the freehold interest in the property, as set out in Report, is the total sum of

EUR 30,550,000.00

In letters: EUR thirty million five hundred fifty thousand 00/100

Detail calculations of the values using Discounted Cash Flow method, Sensitivity analysis on Discount rate and Exit yield are set in Appendixes to the report.

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

The contents of this Desktop Valuation Report are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Desktop Valuation Report or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, our written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not our Desktop Valuation Report is combined with others.

Signature(s)

16th July, 2020 (date of Desktop Valuation Report)

Rain Pints
Valuer (Estonia), Report Compiler
Certificate no VH041212
Land valuation licence no 097 MA-mh

Linas Daukus, MRICS
Valuer, Report Inspector /
Head of Valuations, Baltics

Purpose of the valuation, valuation date

In accordance with instructions received from SIA “TAMPERE INVEST” (Client), we have been instructed to do a desktop valuation of the property – Galerija Centrs (Retail building); retail building gross area 29,274 sqm), located at the address Audēju str. 16, Riga, Latvia.

The scope of this valuation is based on the client’s valuation instructions as follows:

- Date of valuation is 30th June 2020.
- The valuation is required for internal use.

Valuer is requested to undertake an estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report we have been provided with the following documents/ information:

1. Actual tenancy schedule.
2. Property management report for 2019 and 2020.
3. Budget for year 2020.

Valuers have also used various publicly available information as well as NEWSEC VALUATIONS LV database.

We have in general relied on this information to be accurate and have generally not found any reason to believe otherwise. Our report is therefore using this information as basis for our desktop valuation.

Scope of the valuation

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation. This report shall be considered as a Desktop Valuation / Valuation Advice and may not be treated as a Valuation Report (does not constitute Valuation Report according respective legislation requirements).

Desktop Valuation Report contains general Property description with estimation of Market Value.

Interest to be valued – freehold (buildings / premises, land) interest in Real Estate property as listed further.

Market Value estimation is based on owner’s income and expenses on the property (considering consultant’s conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Market Value were evaluated.

Discounted Cash – Flow method was used for estimation of Market Value, detailed calculations of the Market Value by this method are set in the appendixes of the report.

Valuer

Valuer Kaspars Dzedulis is approved by Latvian Association of Property Valuators as Certified Valuer (Certificate No.77 in real estate valuation, issued by Latvian Association of Property Valuers) and is approved by The European Group of Valuer's Association (TEGoVA) and Latvian Association of Property Valuators as Recognized European Valuer (Certificate Number: REV-LV/LIVA/2016/10).

Valuer Linas Daukus is approved by Royal Institution of Chartered Surveyors (RICS) as Chartered Surveyor (Membership No. 6510302).

Valuer confirms that is in a position to provide an objective and unbiased valuation and is competent to undertake the subject valuation assignment; Valuer confirms that has sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding to undertake subject valuation competently.

Valuer is acting as External valuer.

Valuer hereby declare that this valuation is carried out in line with the ethical standards of the Royal Institution of Chartered Surveyors (RICS) and TEGoVA and the valuators have no direct interest in the property or the company owning it.

SIA "NEWSEC VALUATIONS LV"	
Address: Vesetas Street 7, Riga, LV-1013	Bank account: LV22HABA0551024551291
Latvia	Bank: "Swedbank", AS
Tel.: +371 6750 8400	SWIFT code: HABALV22
	Reg. code: 40103216919
	VAT payer code: LV40103216919

Town Planning, Structure, Site and Contamination

Our valuation is on the basis that the property is not affected by proposals for road widening or Compulsory Purchase. In our investigation we have not found evidence of any similar plans.

We have assumed that the property has been erected in accordance with valid planning permissions and are being occupied and used without any breach of that. We have not had access to detailed planning of the Municipality but have assumed, that property has been approved by local authorities and are used in accordance with existing legislation and planning. We have neither carried out a structural survey of the property, nor tested any services or other plant or machinery. We are therefore unable to give any opinion on the condition of the structure and services. However, our valuation takes into account any information supplied to us and any defects noted during our inspection. Otherwise, our valuation is on the basis that there are no latent defects, wants of repair or other matters which would materially affect our valuation.

We have not investigated the presence or absence of High Alumina Cement, Calcium Chloride, Asbestos and other deleterious materials. In the absence of information to the contrary, our valuation is on the basis that no hazardous or suspect materials and techniques have been used in the construction of the property. We have not investigated

ground conditions / stability and, unless advised to the contrary, our valuation is on the basis that all buildings have been constructed, having appropriate regard to existing ground conditions.

We have not carried out any investigations or tests, nor been supplied with any information from you or from any relevant expert that determines the presence or otherwise of pollution or contaminative substances in the subject or any other land (including any ground water). Accordingly, our valuation has been prepared on the basis that there are no such matters that would materially affect our valuation. Should this basis be unacceptable to you or should you wish to verify that this basis is correct, you should have appropriate investigations made and refer the results to us so that we can review our valuation.

Restriction on use, distribution or publication

This Desktop Valuation Report is prepared for above indicated purposes. This Desktop Valuation Report does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Market Value is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Desktop Valuation Report is a confidential document prepared for a Client. Desktop Valuation Report, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant's written permission, except for a purpose of consultation, indicated in Desktop Valuation Report. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Desktop Valuation Report belongs to the Client. All copyrights to the Desktop Valuation Report belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Desktop Valuation Report or a copy of it does not enable to copy or distribute this report or a part of it without Consultant's written permission for concrete publication, citation or reference to it.

COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty'. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Subject to the foregoing, and based on values current as at **30th June 2020**, we are of the opinion that the **Market Value** of the property, as set out in Report, is the total sum of

EUR 71,270,000.00

In letters: EUR seventy-one million two hundred and seventy thousand 00/100.

Detail calculations of the value using Discounted Cash Flow method are set in Appendixes to the report.

Consultant is requested to undertake a estimation on the basis of restricted information – Desktop Valuation. This report shall be considered as a Desktop Valuation / Valuation Advice and may not be treated as a Valuation Report (does not constitute Valuation Report according respective legislation requirements).

The contents of this Desktop Valuation Report are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Desktop Valuation Report or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, our written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not our Desktop Valuation Report is combined with others.

Signature(s)

Date of Report: 15th July 2020.

Kaspars Dzedulis
Valuer
Head of Valuations, Latvia
SIA „NEWSEC VALUATIONS LV"

Linas Daukus, MRICS
Supervisor
Head of Valuations, Baltics
SIA „NEWSEC VALUATIONS LV"

Purpose of the valuation, valuation date

In accordance with instructions received from BOF SKY SIA (Client), we have been instructed to do a desktop valuation of the property – SUPERMARKET SKY (Retail building, shed and land plots; retail building gross area approx. 4,000 sqm), located at the address Hipokrāta str. 28, Riga, Latvia.

The scope of this valuation is based on the client's valuation instructions as follows:

- Date of valuation is 30th June 2020.
- The valuation is required for internal use.

Valuer is requested to undertake an estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report we have been provided with the following documents/ information:

1. Actual tenancy schedule.
2. Property management report for 2019 and 2020.
3. Budget for year 2020.

Valuers have also used various publicly available information as well as NEWSEC VALUATIONS LV database.

We have in general relied on this information to be accurate and have generally not found any reason to believe otherwise. Our report is therefore using this information as basis for our desktop valuation.

Scope of the valuation

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation. This report shall be considered as a Desktop Valuation / Valuation Advice and may not be treated as a Valuation Report (does not constitute Valuation Report according respective legislation requirements).

Desktop Valuation Report contains general Property description with estimation of Market Value.

Interest to be valued – freehold (buildings / premises, land) interest in Real Estate property as listed further.

Market Value estimation is based on owner's income and expenses on the property (considering consultant's conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Market Value were evaluated.

Discounted Cash – Flow method was used for estimation of Market Value, detailed calculations of the Market Value by this method are set in the appendixes of the report.

NEWSEC

Valuer

Valuer Kaspars Dzedulis is approved by Latvian Association of Property Valuators as Certified Valuer (Certificate No.77 in real estate valuation, issued by Latvian Association of Property Valuers) and is approved by The European Group of Valuer's Association (TEGoVA) and Latvian Association of Property Valuators as Recognized European Valuer (Certificate Number: REV-LV/LIVA/2016/10).

Valuer Linas Daukus is approved by Royal Institution of Chartered Surveyors (RICS) as Chartered Surveyor (Membership No. 6510302).

Valuer confirms that is in a position to provide an objective and unbiased valuation and is competent to undertake the subject valuation assignment; Valuer confirms that has sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding to undertake subject valuation competently.

Valuer is acting as External valuer.

Valuer hereby declare that this valuation is carried out in line with the ethical standards of the Royal Institution of Chartered Surveyors (RICS) and TEGoVA and the valuators have no direct interest in the property or the company owning it.

SIA "NEWSEC VALUATIONS LV"
Address: Vesetas Street 7, Riga, LV-1013
Latvia
Tel.: +371 6750 8400

Bank account: LV22HABA0551024551291
Bank: "Swedbank", AS
SWIFT code: HABALV22
Reg. code: 40103216919
VAT payer code: LV40103216919

Town Planning, Structure, Site and Contamination

Our valuation is on the basis that the property is not affected by proposals for road widening or Compulsory Purchase. In our investigation we have not found evidence of any similar plans.

We have assumed that the property has been erected in accordance with valid planning permissions and are being occupied and used without any breach of that. We have not had access to detailed planning of the Municipality but have assumed, that property has been approved by local authorities and are used in accordance with existing legislation and planning. We have neither carried out a structural survey of the property, nor tested any services or other plant or machinery. We are therefore unable to give any opinion on the condition of the structure and services. However, our valuation takes into account any information supplied to us and any defects noted during our inspection. Otherwise, our valuation is on the basis that there are no latent defects, wants of repair or other matters which would materially affect our valuation.

We have not investigated the presence or absence of High Alumina Cement, Calcium Chloride, Asbestos and other deleterious materials. In the absence of information to the contrary, our valuation is on the basis that no hazardous or suspect materials and techniques have been used in the construction of the property. We have not investigated

ground conditions / stability and, unless advised to the contrary, our valuation is on the basis that all buildings have been constructed, having appropriate regard to existing ground conditions.

We have not carried out any investigations or tests, nor been supplied with any information from you or from any relevant expert that determines the presence or otherwise of pollution or contaminative substances in the subject or any other land (including any ground water). Accordingly, our valuation has been prepared on the basis that there are no such matters that would materially affect our valuation. Should this basis be unacceptable to you or should you wish to verify that this basis is correct, you should have appropriate investigations made and refer the results to us so that we can review our valuation.

Restriction on use, distribution or publication

This Desktop Valuation Report is prepared for above indicated purposes. This Desktop Valuation Report does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Market Value is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Desktop Valuation Report is a confidential document prepared for a Client. Desktop Valuation Report, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant's written permission, except for a purpose of consultation, indicated in Desktop Valuation Report. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Desktop Valuation Report belongs to the Client. All copyrights to the Desktop Valuation Report belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Desktop Valuation Report or a copy of it does not enable to copy or distribute this report or a part of it without Consultant's written permission for concrete publication, citation or reference to it.

COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty'. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Subject to the foregoing, and based on values current as at **30th June 2020**, we are of the opinion that the **Market Value** of the property, as set out in Report, is the total sum of

EUR 4,960,000.00

In letters: EUR Four million nine hundred and sixty thousand 00/100.

Detail calculations of the values using Discounted Cash Flow method, Sensitivity analysis on Discount rate and Exit yield are set in Appendixes to the report.

Consultant is requested to undertake an estimation on the basis of restricted information – Desktop Valuation. This report shall be considered as a Desktop Valuation / Valuation Advice and may not be treated as a Valuation Report (does not constitute Valuation Report according respective legislation requirements).

The contents of this Desktop Valuation Report are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Desktop Valuation Report or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, our written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not our Desktop Valuation Report is combined with others.

Signature(s)

Date of Report: 15th July 2020.

Kaspars Dzedulis
Valuer
Head of Valuations, Latvia
SIA „NEWSEC VALUATIONS LV"

Linas Daukus, MRICS
Supervisor
Head of Valuations, Baltics
SIA „NEWSEC VALUATIONS LV"

Purpose of the valuation, valuation date

In accordance with instructions received from Northern Horizon Capital AS (Client), we have been instructed to do a desktop valuation of the property – COCA COLA PLAZA (Movie theatre building; building gross area approx. 8,664 sq.m), located at the address Hobujaama str. 5, Tallinn, Estonia.

The scope of this valuation is based on the client's valuation instructions as follows:

- Date of the value is 30th June, 2020.
- The valuation is required for internal use.

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report we have been provided with the following documents/ information:

1. Actual tenancy schedule / costs budget.

Property was inspected on 3rd January, 2020. Property was inspected by Rain Pints.

We have in general relied on this information to be accurate and have generally not found any reason to believe otherwise. Our report is therefore using this information as basis for our desktop valuation.

Valuers have also used various publicly available information as well as "Newsec Valuations EE" OÜ database.

Scope of the valuation

Desktop Valuation Report contains general Property description with estimation of Market Value estimation.

Interest to be valued – freehold (buildings / premises, land) interest in Real Estate property as listed further.

Market Value estimation is based on owner's income and expenses on the property (provided by Client, also considering valuators' conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Market Value were evaluated.

Discounted Cash – Flow method was used for estimation of Market Value, detailed calculations of the Market Value by this method are set in the appendixes of the report.

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Valuer

Valuer Rain Pints is approved by Estonian Association of Appraisers as Certified Valuer (certificate no 127179) and has Republic of Estonia Land Board land valuation licence no 097 MA-mh.

Valuer Linas Daukus is approved by Royal Institution of Chartered Surveyors (RICS) as Chartered Surveyor (Membership No. 6510302).

"Newsec Valuations EE" OÜ

Address: Roseni 7, 101111 Tallinn, Estonia Tel.: +372 6645090 Fax.: + 372 6645091	Bank account: EE192200221049294915 Bank: Swedbank Bank code: HABAEE2X Company code: 11930446 VAT payer code: EE101366122

Restriction on use, distribution or publication

This Desktop Valuation Report is prepared for above indicated purposes. This Desktop Valuation Report does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Market Value is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Desktop Valuation Report is a confidential document prepared for a Client. Desktop Valuation Report, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant's written permission, except for a purpose of consultation, indicated in Desktop Valuation Report. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Desktop Valuation Report belongs to the Client. All copyrights to the Desktop Valuation Report belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Desktop Valuation Report or a copy of it does not enable to copy or distribute this report or a part of it without Consultant's written permission for concrete publication, citation or reference to it.

COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19

might have on the real estate market, we recommend that you keep the valuation of this property under frequent review

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Subject to the foregoing, and based on values current as at **30th June, 2020**, we are of the opinion that the **Market Value** of the property, as set out in Report, is the total sum of

EUR 14,250,000.00

In letters: EUR fourteen million two hundred fifty thousand 00/100.

Detailed calculations of the values using Discounted Cash Flow method, Sensitivity analysis on Discount rate and Exit yield are set in Appendixes to the report.

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

The contents of this Desktop Valuation Report are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Desktop Valuation Report or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, our written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not our Desktop Valuation Report is combined with others.

Signature(s)

16th July, 2020 (date of Desktop Valuation Report)

Rain Pints
Valuer (Estonia), Report Compiler
Certificate no 127179
Land valuation licence no 097 MA-mh

Linas Daukus, MRICS
Valuer, Report Inspector /
Head of Valuations, Baltics

Purpose of the valuation, valuation date

In accordance with instructions received from Northern Horizon Capital AS (Client), we have been instructed to do a desktop valuation of the property – G4S OFFICE BUILDING (office building; building gross area approx. 9,718.7 sq.m), located at the address Paldiski rd 80, Tallinn, Estonia.

The scope of this valuation is based on the client's valuation instructions as follows:

- Date of value is 30th June, 2020. **Report is prepared under assumption that condition of the building has not changed significantly between the inspection date and date of the value.**
- The valuation is required for internal use.

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report we have been provided with the following documents/ information:

1. Actual tenancy schedule / costs budget.

Property was inspected on 6th January, 2020. Property was inspected by Rain Pints.

We have in general relied on this information to be accurate and have generally not found any reason to believe otherwise. Our report is therefore using this information as basis for our desktop valuation.

Valuers have also used various publicly available information as well as "Newsec Valuations EE" OÜ database.

Scope of the valuation

Desktop Valuation Report contains general Property description with estimation of Market Value estimation.

Interest to be valued – freehold (buildings / premises, land) interest in Real Estate property as listed further.

Market Value estimation is based on owner's income and expenses on the property (provided by Client, also considering valuators' conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Market Value were evaluated.

Discounted Cash – Flow method was used for estimation of Market Value, detailed calculations of the Market Value by this method are set in the appendixes of the report.

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Valuer

Valuer Rain Pints is approved by Estonian Association of Appraisers as Certified Valuer (certificate no 127179) and has Republic of Estonia Land Board land valuation licence no 097 MA-mh.

Valuer Linas Daukus is approved by Royal Institution of Chartered Surveyors (RICS) as Chartered Surveyor (Membership No. 6510302).

"Newsec Valuations EE" OÜ

Address: Roseni 7, 101111 Tallinn, Estonia Tel.: +372 6645090 Fax.: + 372 6645091	Bank account: EE192200221049294915 Bank: Swedbank Bank code: HABAEE2X Company code: 11930446 VAT payer code: EE101366122

Restriction on use, distribution or publication

This Desktop Valuation Report is prepared for above indicated purposes. This Desktop Valuation Report does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Market Value is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Desktop Valuation Report is a confidential document prepared for a Client. Desktop Valuation Report, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant's written permission, except for a purpose of consultation, indicated in Desktop Valuation Report. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Desktop Valuation Report belongs to the Client. All copyrights to the Desktop Valuation Report belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Desktop Valuation Report or a copy of it does not enable to copy or distribute this report or a part of it without Consultant's written permission for concrete publication, citation or reference to it.

COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19

might have on the real estate market, we recommend that you keep the valuation of this property under frequent review

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Based on the above calculations we therefore estimate the **Market Value of the property on the date of the value (30th June, 2020)** calculated using Discounted Cash Flow method to

EUR 16,700,000

In letters: sixteen million seven hundred thousand euros

Subject to the foregoing, and based on values current as at **30th June, 2020**, we are of the opinion that the **Market Value** of the additional building rights (possible expansion) **under the special assumption** that adequate amount of parking spaces are available and provided to tenants in the close proximity to the property free of charge, as set out in Report, is the total sum of

EUR 90,000

In letters: EUR ninety thousand 00/100

Special Assumptions applied:

- **170 parking places will be available in neighboring land plot (Paldiski rd. 80a, Tallinn, Estonia). Land plot to be used free of charge, parking lot construction expenses to be covered by BH P80 OÜ.**

The contents of this Report is intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Report or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, our written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not our Report is combined with others.

Signature(s)

16th July, 2020 (date of Desktop Valuation Report)

Rain Pints
Valuer (Estonia), Report Compiler
Certificate no 127179
Land valuation licence no 097 MA-mh

Linas Daukus, MRICS
Valuer, Report Inspector /
Head of Valuations, Baltics

Purpose of the valuation, valuation date

In accordance with instructions received from Northern Horizon Capital AS (Client), we have been instructed to do a desktop valuation of the property – Lincona office building (office building; building gross area approx. 12,435 sq. m), 7921/40945 parts of the property located at the address Pärnu rd 139a, Tallinn, Estonia.

The scope of this valuation is based on the client's valuation instructions as follows:

- Date of value is 30th June, 2020.
- The valuation is required for internal use.

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report we have been provided with the following documents/ information:

1. Actual tenancy schedule / costs budget.

Property was inspected on 6th January, 2020. Property was inspected by Rain Pints.

We have in general relied on this information to be accurate and have generally not found any reason to believe otherwise. Our report is therefore using this information as basis for our desktop valuation.

Valuers have also used various publicly available information as well as "Newsec Valuations EE" OÜ database.

Scope of the valuation

Desktop Valuation Report contains general Property description with estimation of Market Value estimation.

Interest to be valued – freehold (buildings / premises, land) interest in Real Estate property as listed further.

Market Value estimation is based on owner's income and expenses on the property (provided by Client, also considering valuators' conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Market Value were evaluated.

Discounted Cash – Flow method was used for estimation of Market Value, detailed calculations of the Market Value by this method are set in the appendixes of the report.

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Valuer

Valuer Rain Pints is approved by Estonian Association of Appraisers as Certified Valuer (certificate no 127179) and has Republic of Estonia Land Board land valuation licence no 097 MA-mh.

Valuer Linas Daukus is approved by Royal Institution of Chartered Surveyors (RICS) as Chartered Surveyor (Membership No. 6510302).

"Newsec Valuations EE" OÜ

Address: Roseni 7, 101111 Tallinn, Estonia	Bank account: EE192200221049294915
Tel.: +372 6645090	Bank: Swedbank
Fax.: + 372 6645091	Bank code: HABAEE2X
	Company code: 11930446
	VAT payer code: EE101366122

Restriction on use, distribution or publication

This Desktop Valuation Report is prepared for above indicated purposes. This Desktop Valuation Report does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Market Value is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Desktop Valuation Report is a confidential document prepared for a Client. Desktop Valuation Report, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant's written permission, except for a purpose of consultation, indicated in Desktop Valuation Report. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Desktop Valuation Report belongs to the Client. All copyrights to the Desktop Valuation Report belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Desktop Valuation Report or a copy of it does not enable to copy or distribute this report or a part of it without Consultant's written permission for concrete publication, citation or reference to it.

COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19

might have on the real estate market, we recommend that you keep the valuation of this property under frequent review

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Subject to the foregoing, and based on values current as at **30th June, 2020**, we are of the opinion that the **Market Value** of the property, as set out in Report, is the total sum of

EUR 16,470,000.00

In letters: EUR Sixteen million four hundred and seventy thousand 00/100.

Detailed calculations of the values using Discounted Cash Flow method, Sensitivity analysis on Discount rate and Exit yield are set in Appendixes to the report.

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation Report. This report shall be considered as a Desktop Valuation Report / Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

The contents of this Desktop Valuation Report are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Desktop Valuation Report or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, our written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not our Desktop Valuation Report is combined with others.

Signature(s)

16th July, 2020 (date of Desktop Valuation Report)

Rain Pints
Valuer (Estonia), Report Compiler
Certificate no 127179
Land valuation licence no 097 MA-mh

Linas Daukus, MRICS
Valuer, Report Inspector /
Head of Valuations, Baltics

Purpose of the valuation, valuation date

In accordance with instructions received from KONTOR SIA (Client), we have been instructed to do a desktop valuation of the property – BUSINESS CENTRE UPMALAS BIROJI (Administrative centre and land plots; building gross area approx. 10,600 sqm), located at the address Mūkusalas str. 101, Riga, Latvia.

The scope of this valuation is based on the client's valuation instructions as follows:

- Date of valuation is 30th June 2020.
- The valuation is required for internal use.

Valuer is requested to undertake an estimation on the basis of restricted information – Desktop Valuation. This report shall be considered as a Desktop Valuation / Valuation Advice and may not be treated as a Valuation Report (does not constitute Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report we have been provided with the following documents/ information:

1. Actual tenancy schedule.
2. Property management report for 2019 and 2020.
3. Budget for year 2020.

Valuers have also used various publicly available information as well as NEWSEC VALUATIONS LV database.

We have in general relied on this information to be accurate and have generally not found any reason to believe otherwise. Our report is therefore using this information as basis for our desktop valuation.

Scope of the valuation

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation. This report shall be considered as a Desktop Valuation / Valuation Advice and may not be treated as a Valuation Report (does not constitute Valuation Report according respective legislation requirements).

Desktop Valuation Report contains general Property description with estimation of Market Value.

Interest to be valued – freehold (buildings / premises, land) interest in Real Estate property as listed further.

Market Value estimation is based on owner's income and expenses on the property (considering consultant's conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Market Value were evaluated.

Discounted Cash – Flow method was used for estimation of Market Value, detailed calculations of the Market Value by this method are set in the appendixes of the report.

Valuer

Valuer Kaspars Dzedulis is approved by Latvian Association of Property Valuators as Certified Valuer (Certificate No.77 in real estate valuation, issued by Latvian Association of Property Valuers) and is approved by The European Group of Valuer's Association (TEGoVA) and Latvian Association of Property Valuators as Recognized European Valuer (Certificate Number: REV-LV/LIVA/2016/10).

Valuer Linas Daukus is approved by Royal Institution of Chartered Surveyors (RICS) as Chartered Surveyor (Membership No. 6510302).

Valuer confirms that is in a position to provide an objective and unbiased valuation and is competent to undertake the subject valuation assignment; Valuer confirms that has sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding to undertake subject valuation competently.

Valuer is acting as External valuer.

Valuer hereby declare that this valuation is carried out in line with the ethical standards of the Royal Institution of Chartered Surveyors (RICS) and TEGoVA and the valuators have no direct interest in the property or the company owning it.

SIA "NEWSEC VALUATIONS LV"
Address: Vesetas Street 7, Riga, LV-1013
Latvia
Tel.: +371 6750 8400

Bank account: LV22HABA0551024551291
Bank: "Swedbank", AS
SWIFT code: HABALV22
Reg. code: 40103216919
VAT payer code: LV40103216919

Town Planning, Structure, Site and Contamination

Our valuation is on the basis that the property is not affected by proposals for road widening or Compulsory Purchase. In our investigation we have not found evidence of any similar plans.

We have assumed that the property has been erected in accordance with valid planning permissions and are being occupied and used without any breach of that. We have not had access to detailed planning of the Municipality but have assumed, that property has been approved by local authorities and are used in accordance with existing legislation and planning. We have neither carried out a structural survey of the property, nor tested any services or other plant or machinery. We are therefore unable to give any opinion on the condition of the structure and services. However, our valuation takes into account any information supplied to us and any defects noted during our inspection. Otherwise, our valuation is on the basis that there are no latent defects, wants of repair or other matters which would materially affect our valuation.

We have not investigated the presence or absence of High Alumina Cement, Calcium Chloride, Asbestos and other deleterious materials. In the absence of information to the contrary, our valuation is on the basis that no hazardous or suspect materials and techniques have been used in the construction of the property. We have not investigated ground conditions / stability and, unless advised to the contrary, our valuation is on the basis that all buildings have been constructed, having appropriate regard to existing ground conditions.

We have not carried out any investigations or tests, nor been supplied with any information from you or from any relevant expert that determines the presence or otherwise of pollution or contaminative substances in the subject or any other land (including any ground water). Accordingly, our valuation has been prepared on the basis that there are no such matters that would materially affect our valuation. Should this basis be unacceptable to you or should you wish to verify that this basis is correct, you should have appropriate investigations made and refer the results to us so that we can review our valuation.

Restriction on use, distribution or publication

This Desktop Valuation Report is prepared for above indicated purposes. This Desktop Valuation Report does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Market Value is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Desktop Valuation Report is a confidential document prepared for a Client. Desktop Valuation Report, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant's written permission, except for a purpose of consultation, indicated in Desktop Valuation Report. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Desktop Valuation Report belongs to the Client. All copyrights to the Desktop Valuation Report belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Desktop Valuation Report or a copy of it does not enable to copy or distribute this report or a part of it without Consultant's written permission for concrete publication, citation or reference to it.

COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty'. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Subject to the foregoing, and based on values current as at **30th June 2020**, we are of the opinion that the **Market Value** of the property, as set out in Report, is the total sum of

EUR 22,980,000.00

In letters: EUR Twenty-two million nine hundred and eighty thousand 00/100.

Detail calculations of the values using Discounted Cash Flow method, Sensitivity analysis on Discount rate and Exit yield are set in Appendixes to the report.

Consultant is requested to undertake an estimation on the basis of restricted information – Desktop Valuation. This report shall be considered as a Desktop Valuation / Valuation Advice and may not be treated as a Valuation Report (does not constitute Valuation Report according respective legislation requirements).

The contents of this Desktop Valuation Report are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Desktop Valuation Report or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, our written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not our Desktop Valuation Report is combined with others.

Signature(s)

Date of Report: 15th July 2020.

Kaspars Dzedulis
Valuer
Head of Valuations, Latvia
SIA „NEWSEC VALUATIONS LV"

Linas Daukus, MRICS
Supervisor
Head of Valuations, Baltics
SIA „NEWSEC VALUATIONS LV"

Purpose of the valuation, valuation date

In accordance with instructions received from BH S27 SIA (Client), we have been instructed to do a desktop valuation of the property – BUSINESS CENTRE LNK CENTRE (Office building and land plot; office building gross area approx. 10,500 sqm), located at the address Skanstes str. 27, Riga, Latvia.

The scope of this valuation is based on the client's valuation instructions as follows:
- Date of valuation is 30th June 2020.
- The valuation is required for internal use.

Valuer is requested to undertake an estimation on the basis of restricted information – Desktop Valuation. This report shall be considered as a Desktop Valuation / Valuation Advice and may not be treated as a Valuation Report (does not constitute Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report we have been provided with the following documents/ information:
1. Actual tenancy schedule.
2. Property management report for 2019 and 2020.
3. Budget for year 2020.

Valuers have also used various publicly available information as well as NEWSEC VALUATIONS LV database.

We have in general relied on this information to be accurate and have generally not found any reason to believe otherwise. Our report is therefore using this information as basis for our desktop valuation.

Scope of the valuation

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation. This report shall be considered as a Desktop Valuation / Valuation Advice and may not be treated as a Valuation Report (does not constitute Valuation Report according respective legislation requirements).

Desktop Valuation Report contains general Property description with estimation of Market Value.

Interest to be valued – freehold (buildings / premises, land) interest in Real Estate property as listed further.

Market Value estimation is based on owner's income and expenses on the property (considering consultant's conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Market Value were evaluated.

Discounted Cash – Flow method was used for estimation of Market Value, detailed calculations of the Market Value by this method are set in the appendixes of the report.

Valuer

Valuer Kaspars Dzedulis is approved by Latvian Association of Property Valuators as Certified Valuer (Certificate No.77 in real estate valuation, issued by Latvian Association of Property Valuers) and is approved by The European Group of Valuer's Association (TEGoVA) and Latvian Association of Property Valuators as Recognized European Valuer (Certificate Number: REV-LV/LIVA/2016/10).

Valuer Linas Daukus is approved by Royal Institution of Chartered Surveyors (RICS) as Chartered Surveyor (Membership No. 6510302).

Valuer confirms that is in a position to provide an objective and unbiased valuation and is competent to undertake the subject valuation assignment; Valuer confirms that has sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding to undertake subject valuation competently.

Valuer is acting as External valuer.

Valuer hereby declare that this valuation is carried out in line with the ethical standards of the Royal Institution of Chartered Surveyors (RICS) and TEGoVA and the valuators have no direct interest in the property or the company owning it.

SIA "NEWSEC VALUATIONS LV"
Address: Vesetas Street 7, Riga, LV-1013
Latvia
Tel.: +371 6750 8400

Bank account: LV22HABA0551024551291
Bank: "Swedbank", AS
SWIFT code: HABALV22
Reg. code: 40103216919
VAT payer code: LV40103216919

Town Planning, Structure, Site and Contamination

Our valuation is on the basis that the property is not affected by proposals for road widening or Compulsory Purchase. In our investigation we have not found evidence of any similar plans.

We have assumed that the property has been erected in accordance with valid planning permissions and are being occupied and used without any breach of that. We have not had access to detailed planning of the Municipality but have assumed, that property has been approved by local authorities and are used in accordance with existing legislation and planning. We have neither carried out a structural survey of the property, nor tested any services or other plant or machinery. We are therefore unable to give any opinion on the condition of the structure and services. However, our valuation takes into account any information supplied to us and any defects noted during our inspection. Otherwise, our valuation is on the basis that there are no latent defects, wants of repair or other matters which would materially affect our valuation.

We have not investigated the presence or absence of High Alumina Cement, Calcium Chloride, Asbestos and other deleterious materials. In the absence of information to the contrary, our valuation is on the basis that no hazardous or suspect materials and techniques have been used in the construction of the property. We have not investigated

ground conditions / stability and, unless advised to the contrary, our valuation is on the basis that all buildings have been constructed, having appropriate regard to existing ground conditions.

We have not carried out any investigations or tests, nor been supplied with any information from you or from any relevant expert that determines the presence or otherwise of pollution or contaminative substances in the subject or any other land (including any ground water). Accordingly, our valuation has been prepared on the basis that there are no such matters that would materially affect our valuation. Should this basis be unacceptable to you or should you wish to verify that this basis is correct, you should have appropriate investigations made and refer the results to us so that we can review our valuation.

Restriction on use, distribution or publication

This Desktop Valuation Report is prepared for above indicated purposes. This Desktop Valuation Report does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Market Value is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Desktop Valuation Report is a confidential document prepared for a Client. Desktop Valuation Report, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant's written permission, except for a purpose of consultation, indicated in Desktop Valuation Report. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Desktop Valuation Report belongs to the Client. All copyrights to the Desktop Valuation Report belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Desktop Valuation Report or a copy of it does not enable to copy or distribute this report or a part of it without Consultant's written permission for concrete publication, citation or reference to it.

COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty'. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Subject to the foregoing, and based on values current as at **30st June 2020**, we are of the opinion that the **Market Value** of the property, as set out in Report, is the total sum of

EUR 16,490,000.00

In letters: EUR Sixteen million four hundred and ninety thousand 00/100.

Detail calculations of the value using Discounted Cash Flow method are set in Appendixes to the report.

Consultant is requested to undertake an estimation on the basis of restricted information – Desktop Valuation. This report shall be considered as a Desktop Valuation / Valuation Advice and may not be treated as a Valuation Report (does not constitute Valuation Report according respective legislation requirements).

The contents of this Desktop Valuation Report are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Desktop Valuation Report or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, our written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not our Desktop Valuation Report is combined with others.

Signature(s)

Date of Report: 15th July 2020.

Kaspars Dzedulis
Valuer
Head of Valuations, Latvia
SIA „NEWSEC VALUATIONS LV“

Linas Daukus, MRICS
Supervisor
Head of Valuations, Baltics
SIA „NEWSEC VALUATIONS LV“

Purpose of the valuation, valuation date

In accordance with instructions received from VAIŅODES KRASTI SIA (Client), we have been instructed to do a desktop valuation of the property – OFFICE BUILDING VAINODES 1 (Office building, Parking shelter and land plots; office building gross area approx. 9,500 sqm), located at the address Vaiņodes str. 1, Riga, Latvia.

The scope of this valuation is based on the client's valuation instructions as follows:

- Date of valuation is 30th June 2020.
- The valuation is required for internal use.

Valuer is requested to undertake an estimation on the basis of restricted information – Desktop Valuation. This report shall be considered as a Desktop Valuation / Valuation Advice and may not be treated as a Valuation Report (does not constitute Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report we have been provided with the following documents/ information:

1. Actual tenancy schedule.
2. Property management report for 2019 and 2020.
3. Budget for year 2020.
4. Extension plans.

Valuers have also used various publicly available information as well as NEWSEC VALUATIONS LV database.

We have in general relied on this information to be accurate and have generally not found any reason to believe otherwise. Our report is therefore using this information as basis for our desktop valuation.

Scope of the valuation

Valuer is requested to undertake a estimation on the basis of restricted information – Desktop Valuation. This report shall be considered as a Desktop Valuation / Valuation Advice and may not be treated as a Valuation Report (does not constitute Valuation Report according respective legislation requirements).

Desktop Valuation Report contains general Property description with estimation of Market Value.

Interest to be valued – freehold (buildings / premises, land) interest in Real Estate property as listed further.

Market Value estimation is based on owner's income and expenses on the property (considering consultant's conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Market Value were evaluated.

Discounted Cash – Flow method was used for estimation of Market Value, detailed calculations of the Market Value by this method are set in the appendixes of the report.

Valuer

Valuer Kaspars Dzedulis is approved by Latvian Association of Property Valuators as Certified Valuer (Certificate No.77 in real estate valuation, issued by Latvian Association of Property Valuers) and is approved by The European Group of Valuer's Association (TEGoVA) and Latvian Association of Property Valuators as Recognized European Valuer (Certificate Number: REV-LV/LIVA/2016/10).

Valuer Linas Daukus is approved by Royal Institution of Chartered Surveyors (RICS) as Chartered Surveyor (Membership No. 6510302).

Valuer confirms that is in a position to provide an objective and unbiased valuation and is competent to undertake the subject valuation assignment; Valuer confirms that has sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding to undertake subject valuation competently.

Valuer is acting as External valuer.

Valuer hereby declare that this valuation is carried out in line with the ethical standards of the Royal Institution of Chartered Surveyors (RICS) and TEGoVA and the valuators have no direct interest in the property or the company owning it.

SIA "NEWSEC VALUATIONS LV"
Address: Vesetas Street 7, Riga, LV-1013
Latvia
Tel.: +371 6750 8400

Bank account: LV22HABA0551024551291
Bank: "Swedbank", AS
SWIFT code: HABALV22
Reg. code: 40103216919
VAT payer code: LV40103216919

Town Planning, Structure, Site and Contamination

Our valuation is on the basis that the property is not affected by proposals for road widening or Compulsory Purchase. In our investigation we have not found evidence of any similar plans.

We have assumed that the property has been erected in accordance with valid planning permissions and are being occupied and used without any breach of that. We have not had access to detailed planning of the Municipality but have assumed, that property has been approved by local authorities and are used in accordance with existing legislation and planning. We have neither carried out a structural survey of the property, nor tested any services or other plant or machinery. We are therefore unable to give any opinion on the condition of the structure and services. However, our valuation takes into account any information supplied to us and any defects noted during our inspection. Otherwise, our valuation is on the basis that there are no latent defects, wants of repair or other matters which would materially affect our valuation.

We have not investigated the presence or absence of High Alumina Cement, Calcium Chloride, Asbestos and other deleterious materials. In the absence of information to the contrary, our valuation is on the basis that no hazardous or suspect materials and techniques have been used in the construction of the property. We have not investigated

ground conditions / stability and, unless advised to the contrary, our valuation is on the basis that all buildings have been constructed, having appropriate regard to existing ground conditions.

We have not carried out any investigations or tests, nor been supplied with any information from you or from any relevant expert that determines the presence or otherwise of pollution or contaminative substances in the subject or any other land (including any ground water). Accordingly, our valuation has been prepared on the basis that there are no such matters that would materially affect our valuation. Should this basis be unacceptable to you or should you wish to verify that this basis is correct, you should have appropriate investigations made and refer the results to us so that we can review our valuation.

Restriction on use, distribution or publication

This Desktop Valuation Report is prepared for above indicated purposes. This Desktop Valuation Report does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Market Value is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Desktop Valuation Report is a confidential document prepared for a Client. Desktop Valuation Report, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant's written permission, except for a purpose of consultation, indicated in Desktop Valuation Report. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Desktop Valuation Report belongs to the Client. All copyrights to the Desktop Valuation Report belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Desktop Valuation Report or a copy of it does not enable to copy or distribute this report or a part of it without Consultant's written permission for concrete publication, citation or reference to it.

COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty'. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Subject to the foregoing, and based on values current as at **30th June 2020**, we are of the opinion that the **Market Value** of the property, as set out in Report, is the total sum of

EUR 20,830,000.00

In letters: EUR Twenty million eight hundred and thirty thousand 00/100.

Detail calculations of the value using Discounted Cash Flow method are set in Appendixes to the report.

Consultant is requested to undertake a estimation on the basis of restricted information – Desktop Valuation. This report shall be considered as a Desktop Valuation / Valuation Advice and may not be treated as a Valuation Report (does not constitute Valuation Report according respective legislation requirements).

The contents of this Desktop Valuation Report are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Desktop Valuation Report or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, our written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not our Desktop Valuation Report is combined with others.

Signature(s)

Date of Report: 15th July 2020.

Kaspars Dzedulis
Valuer
Head of Valuations, Latvia
SIA „NEWSEC VALUATIONS LV“

Linas Daukus, MRICS
Supervisor
Head of Valuations, Baltics
SIA „NEWSEC VALUATIONS LV“

Purpose of the consultation

In accordance with instructions received from UAB BH Duetto (further called “Client”), UAB “Newsec valuations” (further called “Consultant”) has been instructed to do a consultation of the property – Business Centre DUETTO I (GLA approx. 8,500 sq. m), situated at the address Spaudos str. 8 – 1 and 8 – R1, Vilnius, Lithuania.

The scope of this consultation is based on the Client’s consultation instructions as follows:

- Date of estimation is 30 June, 2020.
- The consultation is required for internal use.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report Consultant has been provided with the following documents / information:

- Plan of Land plot;
- Cadastral file of the property;
- Actual Tenancy summary;
- Actual cash flow report and budget.

Property was inspected on 27 December, 2019 (last inspection). Property was inspected by Kristina Pilipavičiūtė. Estimation is made with assumption that there were no physical changes between date of estimation and date of inspection (also according information provided by Client).

Consultant has in general relied on this information to be accurate and has generally not found any reasons to believe otherwise. This report is therefore using this information as basis for the desktop valuation.

Consultant has also used various publicly available information as well as UAB “Newsec valuations” data base.

Scope of the consultation

Consultation Report contains general Property description with Possible Value for Sale estimation.

Interest to be analyzed – freehold (premises) interest in Real Estate property as listed further.

Possible Value for Sale estimation is based on owner’s income and expenses on the property (provided by Client, also considering Consultant’s conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Possible Value for Sale were evaluated.

Discounted Cash – Flow method was used for estimation of Possible Value for Sale of the property, detailed calculations of the Possible Value for Sale by this method are set in the appendixes of the report.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Consultant

UAB "Newsec valuations" Status – Joint Stock Company; address – Konstitucijos av. 21C, Vilnius, Lithuania; company code – 126212869; data collected in Register of Legal Entities of Lithuania.

Restriction on use, distribution or publication

This Valuation Advice is prepared for above indicated purposes. This Valuation Advice does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Possible Value for Sale is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Valuation Advice is a confidential document prepared for a Client. Valuation Advice, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant's written permission, except for a purpose of consultation, indicated in Valuation Advice. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Valuation Advice belongs to the Client. All copyrights to the Valuation Advice belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Valuation Advice or a copy of it does not enable to copy or distribute this report or a part of it without Consultant's written permission for concrete publication, citation or reference to it.

Uncertainty of valuation

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March, 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the date of Valuation Advice, Consultant consider that he / she can attach less weight to previous market evidence for comparison purposes, to inform opinions of Possible Value for Sale. Indeed, the current response to COVID-19 means that Consultant is faced with an unprecedented set of circumstances on which to base a judgement.

This Valuation Advice(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the estimation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, it is recommended to keep the valuation of this property under frequent review.

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Subject to the foregoing, and based on values current as at **30 June, 2020**, Consultant is of the opinion that the **Possible Value for Sale** of the freehold interest in the **Property**, as set out in Report, is the total sum of

EUR 16,190,000.00

In letters: EUR Sixteen million one hundred and ninety thousand 00/100

Detailed calculations of the Possible Value for Sale by Discounted Cash Flow are set in Appendixes to the report.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

The contents of this Valuation Advice are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Valuation Advice or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, Consultant's written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not this Valuation Advice is combined with others.

Signature(s)

17 July, 2020 (date of Valuation Advice)

Kristina Pilipavičiūtė
Valuer
UAB "Newsec valuations"

Linas Daukus, MRICS
Head of Valuations, Baltics
UAB "Newsec valuations"

Purpose of the consultation

In accordance with instructions received from UAB BH Duetto (further called "Client"), UAB "Newsec valuations" (further called "Consultant") has been instructed to do a consultation of the property – Business Centre DUETTO II (GLA approx. 8,500 sq. m), situated at the address Spaudos str. 6 – 1 and 6 – R1, Vilnius, Lithuania.

The scope of this consultation is based on the Client's consultation instructions as follows:

- Date of estimation is 30 June, 2020.
- The consultation is required for internal use.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report Consultant has been provided with the following documents / information:

- Plan of Land plot;
- Cadastral file of the property;
- Actual Tenancy summary;
- Actual cash flow report and budget.

Property was inspected on 27 December, 2019 (last inspection). Property was inspected by Kristina Pilipavičiūtė. Estimation is made with assumption that there were no physical changes between date of estimation and date of inspection (also according information provided by Client).

Consultant has in general relied on this information to be accurate and has generally not found any reasons to believe otherwise. This report is therefore using this information as basis for the desktop valuation.

Consultant has also used various publicly available information as well as UAB "Newsec valuations" data base.

Scope of the consultation

Consultation Report contains general Property description with Possible Value for Sale estimation.

Interest to be analyzed – freehold (premises) interest in Real Estate property as listed further.

Possible Value for Sale estimation is based on owner's income and expenses on the property (provided by Client, also considering Consultant's conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Possible Value for Sale were evaluated.

Discounted Cash – Flow method was used for estimation of Possible Value for Sale of the property, detailed calculations of the Possible Value for Sale by this method are set in the appendixes of the report.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Consultant

UAB "Newsec valuations" Status – Joint Stock Company; address – Konstitucijos av. 21C, Vilnius, Lithuania; company code – 126212869; data collected in Register of Legal Entities of Lithuania.

Restriction on use, distribution or publication

This Valuation Advice is prepared for above indicated purposes. This Valuation Advice does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Possible Value for Sale is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Valuation Advice is a confidential document prepared for a Client. Valuation Advice, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant's written permission, except for a purpose of consultation, indicated in Valuation Advice. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Valuation Advice belongs to the Client. All copyrights to the Valuation Advice belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Valuation Advice or a copy of it does not enable to copy or distribute this report or a part of it without Consultant's written permission for concrete publication, citation or reference to it.

Uncertainty of valuation

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March, 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the date of Valuation Advice, Consultant consider that he / she can attach less weight to previous market evidence for comparison purposes, to inform opinions of Possible Value for Sale. Indeed, the current response to COVID-19 means that Consultant is faced with an unprecedented set of circumstances on which to base a judgement.

This Valuation Advice(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the estimation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, it is recommended to keep the valuation of this property under frequent review.

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Subject to the foregoing, and based on values current as at **30 June, 2020**, Consultant is of the opinion that the **Possible Value for Sale** of the freehold interest in the **Property**, as set out in Report, is the total sum of

EUR 18,600,000.00

In letters: EUR Eighteen million and six hundred thousand 00/100

Detailed calculations of the Possible Value for Sale by Discounted Cash Flow are set in Appendixes to the report.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

The contents of this Valuation Advice are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Valuation Advice or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, Consultant's written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not this Valuation Advice is combined with others.

Signature(s)

17 July, 2020 (date of Valuation Advice)

Kristina Pilipavičiūtė
Valuer
UAB "Newsec valuations"

Linas Daukus, MRICS
Head of Valuations, Baltics
UAB "Newsec valuations"

Purpose of the consultation

In accordance with instructions received from UAB BH Meraki (further called “Client”), UAB “Newsec valuations” (further called “Consultant”) has been instructed to do a consultation of the property – Administrative building under construction (completion of contruction – 6%), situated at the address Eitminų str. 3 and Ukmergės str. 308, Vilnius, Lithuania.

The scope of this consultation is based on the Client’s consultation instructions as follows:

- Date of estimation is 30 June, 2020.
- The consultation is required for internal use.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report Consultant has been provided with the following documents / information:

- Plans of Land plots;
- Detail plan, prepared in year 2015;
- Construction project, prepared in year 2019.
- Construction permit, issued in year 2019.

Property was inspected on 30 June, 2020**.** Property was inspected by Kristina Pilipavičiūtė.

Consultant has in general relied on this information to be accurate and has generally not found any reasons to believe otherwise. This report is therefore using this information as basis for the desktop valuation.

Consultant has also used various publicly available information as well as UAB “Newsec valuations” data base.

Scope of the consultation

Consultation Report contains general Property description with Possible Value for Sale estimation.

Interest to be analyzed – freehold (buildings, land plots) interest in Real Estate property as listed further.

Possible Value for Sale estimation is based on owner’s income and expenses on the property (provided by Client, also considering Consultant’s conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Possible Value for Sale were evaluated.

Residual method was used for estimation of Possible Value for Sale of the property, detailed calculations of the Possible Value for Sale by this method are set in the appendixes of the report.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Consultant

UAB "Newsec valuations" Status – Joint Stock Company; address – Konstitucijos av. 21C, Vilnius, Lithuania; company code – 126212869; data collected in Register of Legal Entities of Lithuania.

Restriction on use, distribution or publication

This Valuation Advice is prepared for above indicated purposes. This Valuation Advice does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Possible Value for Sale is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Valuation Advice is a confidential document prepared for a Client. Valuation Advice, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant's written permission, except for a purpose of consultation, indicated in Valuation Advice. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Valuation Advice belongs to the Client. All copyrights to the Valuation Advice belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Valuation Advice or a copy of it does not enable to copy or distribute this report or a part of it without Consultant's written permission for concrete publication, citation or reference to it.

Uncertainty of valuation

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March, 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the date of Valuation Advice, Consultant consider that he / she can attach less weight to previous market evidence for comparison purposes, to inform opinions of Possible Value for Sale. Indeed, the current response to COVID-19 means that Consultant is faced with an unprecedented set of circumstances on which to base a judgement.

This Valuation Advice(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the estimation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, it is recommended to keep the valuation of this property under frequent review.

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Subject to the foregoing, and based on values current as at **30 June, 2020**, Consultant is of the opinion that the **Possible Value for Sale** of the freehold interest in the **Property**, as set out in Report, is the total sum of

EUR 3,220,000.00

In letters: EUR Three million two hundred and twenty thousand 00/100

Detailed calculations of the Possible Value for Sale by Residual approach are set in Appendixes to the report.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

The contents of this Valuation Advice are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Valuation Advice or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, Consultant's written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not this Valuation Advice is combined with others.

Signature(s)

17 July, 2020 (date of Valuation Advice)

Kristina Pilipavičiūtė
Valuer
UAB "Newsec valuations"

Linas Daukus, MRICS
Head of Valuations, Baltics
UAB "Newsec valuations"

Purpose of the consultation

In accordance with instructions received from UAB "BH Northstar" (further called "Client"), UAB "Newsec valuations" (further called "Consultant") has been instructed to do a consultation of the property – Business Centre NORTH STAR (GLA approx. 10,500 sq. m), situated at the address Ulonų str. 2, Vilnius, Lithuania.

The scope of this consultation is based on the Client's consultation instructions as follows:

- Date of estimation is 30 June, 2020.
- The consultation is required for internal use.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report Consultant has been provided with the following documents / information:

- Plan of Land plot;
- Cadastral file of the building;
- Tenancy summary;
- Actual cash flow report and budget.

Property was inspected on 27 December, 2019 (last inspection). Property was inspected by Kristina Pilipavičiūtė. Estimation is made with assumption that there were no physical changes between date of estimation and date of inspection (also according information provided by Client).

Consultant has in general relied on this information to be accurate and has generally not found any reasons to believe otherwise. This report is therefore using this information as basis for the desktop valuation.

Consultant has also used various publicly available information as well as UAB "Newsec valuations" data base.

Scope of the consultation

Consultation Report contains general Property description with Possible Value for Sale estimation.

Interest to be analyzed – freehold (premises) interest in Real Estate property as listed further.

Possible Value for Sale estimation is based on owner's income and expenses on the property (provided by Client, also considering Consultant's conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Possible Value for Sale were evaluated.

Discounted Cash – Flow method was used for estimation of Possible Value for Sale of the property, detailed calculations of the Possible Value for Sale by this method are set in the appendixes of the report.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Consultant

UAB “Newsec valuations” Status – Joint Stock Company; address – Konstitucijos av. 21C, Vilnius, Lithuania; company code – 126212869; data collected in Register of Legal Entities of Lithuania.

Restriction on use, distribution or publication

This Valuation Advice is prepared for above indicated purposes. This Valuation Advice does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Possible Value for Sale is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Valuation Advice is a confidential document prepared for a Client. Valuation Advice, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant’s written permission, except for a purpose of consultation, indicated in Valuation Advice. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Valuation Advice belongs to the Client. All copyrights to the Valuation Advice belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Valuation Advice or a copy of it does not enable to copy or distribute this report or a part of it without Consultant’s written permission for concrete publication, citation or reference to it.

Uncertainty of valuation

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11th March, 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the date of Valuation Advice, Consultant consider that he / she can attach less weight to previous market evidence for comparison purposes, to inform opinions of Possible Value for Sale. Indeed, the current response to COVID-19 means that Consultant is faced with an unprecedented set of circumstances on which to base a judgement.

This Valuation Advice(s) is / are therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the estimation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, it is recommended to keep the valuation of this property under frequent review.

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Subject to the foregoing, and based on values current as at **30 June, 2020**, Consultant is of the opinion that the **Possible Value for Sale** of the freehold interest in the **Property**, as set out in Report, is the total sum of

EUR 19,660,000.00

In letters: EUR Nineteen million six hundred and sixty thousand 00/100

Detailed calculations of the Possible Value for Sale by Discounted Cash Flow are set in Appendixes to the report.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

The contents of this Valuation Advice are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Valuation Advice or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, Consultant's written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not this Valuation Advice is combined with others.

Signature(s)

17 July, 2020 (date of Valuation Advice)

Kristina Pilipavičiūtė
Valuer
UAB "Newsec valuations"

Linas Daukus, MRICS
Head of Valuations, Baltics
UAB "Newsec valuations"

Purpose of the consultation

In accordance with instructions received from UAB BH Europa (further called "Client"), UAB "Newsec valuations" (further called "Consultant") has been instructed to do a consultation of the property – Shopping Centre EUROPA (GLA approx. 16,900 sq. m), situated at the address Konstitucijos av. 7A – 1, 7B and Europos sq. 1, Vilnius, Lithuania.

The scope of this consultation is based on the Client's consultation instructions as follows:
- Date of estimation is 30 June, 2020.
- The consultation is required for internal use.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report Consultant has been provided with the following documents / information:
- Plan of Land plot;
- Cadastral file of the property;
- Actual Tenancy summary;
- Actual cash flow report and budget.

Property was inspected on 27 December, 2019 (last inspection). Property was inspected by Kristina Pilipavičiūtė. Estimation is made with assumption that there were no physical changes between date of estimation and date of inspection (also according information provided by Client).

Consultant has in general relied on this information to be accurate and has generally not found any reasons to believe otherwise. This report is therefore using this information as basis for the desktop valuation.

Consultant has also used various publicly available information as well as UAB "Newsec valuations" data base.

Scope of the consultation

Consultation Report contains general Property description with Possible Value for Sale estimation.

Interest to be analyzed – freehold (premises, building, land plot) interest in Real Estate property as listed further.

Possible Value for Sale estimation is based on owner's income and expenses on the property (provided by Client, also considering Consultant's conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Possible Value for Sale were evaluated.

Discounted Cash – Flow method was used for estimation of Possible Value for Sale of the property, detailed calculations of the Possible Value for Sale by this method are set in the appendixes of the report.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Consultant

UAB "Newsec valuations"
Status – Joint Stock Company; address – Konstitucijos av. 21C, Vilnius, Lithuania; company code – 126212869; data collected in Register of Legal Entities of Lithuania.

Restriction on use, distribution or publication

This Valuation Advice is prepared for above indicated purposes. This Valuation Advice does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Possible Value for Sale is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Valuation Advice is a confidential document prepared for a Client. Valuation Advice, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant's written permission, except for a purpose of consultation, indicated in Valuation Advice. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Valuation Advice belongs to the Client. All copyrights to the Valuation Advice belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Valuation Advice or a copy of it does not enable to copy or distribute this report or a part of it without Consultant's written permission for concrete publication, citation or reference to it.

Uncertainty of valuation

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March, 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the date of Valuation Advice, Consultant consider that he / she can attach less weight to previous market evidence for comparison purposes, to inform opinions of Possible Value for Sale. Indeed, the current response to COVID-19 means that Consultant is faced with an unprecedented set of circumstances on which to base a judgement.

This Valuation Advice(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the estimation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, it is recommended to keep the valuation of this property under frequent review.

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Subject to the foregoing, and based on values current as at **30 June, 2020**, Consultant is of the opinion that the **Possible Value for Sale** of the freehold interest in the **Property**, as set out in Report, is the total sum of

EUR 39,630,000.00

In letters: EUR Thirty-nine million six hundred and thirty thousand 00/100

Detailed calculations of the Possible Value for Sale by Discounted Cash Flow are set in Appendixes to the report.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

The contents of this Valuation Advice are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Valuation Advice or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, Consultant's written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not this Valuation Advice is combined with others.

Signature(s)

17 July, 2020 (date of Valuation Advice)

Kristina Pilipavičiūtė Valuer UAB "Newsec valuations"	**Linas Daukus, MRICS** Head of Valuations, Baltics UAB "Newsec valuations"

NEWSEC

Purpose of the consultation

In accordance with instructions received from UAB BH Domus PRO (further called “Client”), UAB “Newsec valuations” (further called “Consultant”) has been instructed to do a consultation of the property – Shopping-Business Centre DOMUS PRO (GLA approx. 4,800 sq. m Business centre and approx. 11,200 sq. m Shopping centre), situated at the address Ukmergės str. 308 – 1, 308 – 2 and 308, Vilnius, Lithuania.

The scope of this consultation is based on the Client’s consultation instructions as follows:
- Date of estimation is 30 June, 2020.
- The consultation is required for internal use.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Nature and source of information

For the purpose of this report Consultant has been provided with the following documents / information:
- Plan of Land plot;
- Cadastral file of the property;
- Actual Tenancy summary;
- Actual cash flow report and budget.

Property was inspected on 27 December, 2019 (last inspection). Property was inspected by Kristina Pilipavičiūtė. Estimation is made with assumption that there were no physical changes between date of estimation and date of inspection (also according information provided by Client).

Consultant has in general relied on this information to be accurate and has generally not found any reasons to believe otherwise. This report is therefore using this information as basis for the desktop valuation.

Consultant has also used various publicly available information as well as UAB “Newsec valuations” data base.

Scope of the consultation

Consultation Report contains general Property description with Possible Value for Sale estimation.

Interest to be analyzed – freehold (premises, buildings, land plot) interest in Real Estate property as listed further.

Possible Value for Sale estimation is based on owner’s income and expenses on the property (provided by Client, also considering Consultant’s conclusions and presumptions). Each of the property specific factors that influence respective cash flows and Possible Value for Sale were evaluated.

Discounted Cash – Flow method was used for estimation of Possible Value for Sale of the property, detailed calculations of the Possible Value for Sale by this method are set in the appendixes of the report.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

Consultant

UAB “Newsec valuations” Status – Joint Stock Company; address – Konstitucijos av. 21C, Vilnius, Lithuania; company code – 126212869; data collected in Register of Legal Entities of Lithuania.

Restriction on use, distribution or publication

This Valuation Advice is prepared for above indicated purposes. This Valuation Advice does not include property under consultation technical, legal, financial or economical audit points. The conclusion of property under consultation Possible Value for Sale is not compulsory to the Client and other third parties for decisions making related to the property under consultation.

This Valuation Advice is a confidential document prepared for a Client. Valuation Advice, a part or citation of it cannot be published in public documents, notes, petitions or be publicized in other way without Consultant’s written permission, except for a purpose of consultation, indicated in Valuation Advice. Consultant does not assume responsibility if this report is used by other persons for before-mentioned or other purposes.

This Valuation Advice belongs to the Client. All copyrights to the Valuation Advice belong to Consultant. Consultant and Client keep this report as a confidential document. Having this Valuation Advice or a copy of it does not enable to copy or distribute this report or a part of it without Consultant’s written permission for concrete publication, citation or reference to it.

Uncertainty of valuation

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11th March, 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the date of Valuation Advice, Consultant consider that he / she can attach less weight to previous market evidence for comparison purposes, to inform opinions of Possible Value for Sale. Indeed, the current response to COVID-19 means that Consultant is faced with an unprecedented set of circumstances on which to base a judgement.

This Valuation Advice(s) is / are therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the estimation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, it is recommended to keep the valuation of this property under frequent review.

Due to global market uncertainty caused by COVID-19, the range of valuation precision is higher than normal.

Conclusion

Subject to the foregoing, and based on values current as at **30 June, 2020**, Consultant is of the opinion that the **Possible Value for Sale** of the freehold interest in the **Property**, as set out in Report, is the total sum of

EUR 23,760,000.00

In letters: EUR Twenty-three million seven hundred and sixty thousand 00/100

Possible Value for Sale distribution:

- **Business centre Possible Value for Sale – EUR 7,590,000 (EUR Seven million five hundred and ninety thousand);**
- **Shopping centre Possible Value for Sale – EUR 16,170,000 (EUR Sixteen million one hundred and seventy thousand).**

Detailed calculations of the Possible Value for Sale by Discounted Cash Flow are set in Appendixes to the report.

Consultant is requested to undertake an estimation on the basis of restricted information – Valuation Advice. This report shall be considered as a Valuation Advice and may not be treated as a Full Valuation Report (does not constitute Full Valuation Report according respective legislation requirements).

The contents of this Valuation Advice are intended to be confidential to the addressees and for the specific purpose stated. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of its contents. Before the Valuation Advice or any part of its contents are reproduced or referred to in any document, circular or statement or disclosed orally to a third party, Consultant's written approval as to the form and content of such publication or disclosure must first be obtained. For avoidance of doubt, such approval is required whether or not this firm is referred to by name and whether or not this Valuation Advice is combined with others.

Signature(s)

17 July, 2020 (date of Valuation Advice)

Kristina Pilipavičiūtė
Valuer
UAB "Newsec valuations"

Linas Daukus, MRICS
Head of Valuations, Baltics
UAB "Newsec valuations"

APPENDIX D
Annual Report 2019 of SIA Tampere Invest

Tampere Invest SIA

Annual report

For 2019

Contents

Information on the Company

Name of the Company	*Tampere Invest*
Legal status	*Limited Liability Company*
Number, place and date of registration	*40003311422, Riga, 2 October 1996*
Legal (and postal) address	*Audēju 16, Riga, Latvia, LV-1050*
Members of the Board and their positions	*Tarmo Karotam, Chairman of the Board, as of 17 June 2019* *Aušra Stankevičienė, Member of the Board, as of 17 June 2019* *Algirdas Jonas Vaitiekūnas, Member of the Board, as of 17 June 2019* *Frode Gronvold, Chairman of the Board, until 17 June 2019* *Mārcis Budļevskis, Member of the Board, until 17 June 2019* *Elvīra Korsakova, Member of the Board, until 17 June 2019*
Annual Report prepared by	*Signe Feizaka, outsourced accountant, SIA BPT Real Estate*
Reporting period	*01.01.2019 – 31.12.2019*
Information on the parent company	*Northern Horizon Capital AS, as of 13 June 2019* *Tornimäe 2,(24th floor) Tallinn, EE-10145, Estonia,* *Holding – 100%* *Linstow AS, until 13 June 2019* *Tjuvholmen Alle 3, 0252 Oslo, Norway* *Holding – 100 %*
Auditors	*KPMG Baltics AS* *Vesetas 7* *Riga, LV-1013, Latvia Licence* *No. 55*

Management Report

Line of business

The key line of business of SIA Tampere Invest (the Company) is lease and management of real estate for shopping center “Galerija Centrs”, which is located in Audēju 16, Riga.

Short description of the Company's activities in the reporting year

The financial result of 2019 is a profit in the amount of EUR 4 033 269. As at 31 December 2019, the Company’s total assets amounted to EUR 77 865 701.

The property, with the total leasable area of 20 022 m2, was partially leased in 2019.

During reporting year, the Company continued to implement a new shopping center concept, improving the tenant structure, attracting internationally known tenants, as well as improving the shopping center infrastructure.

Subsequent events

On 11 March 2020 the World Health Organization declared the coronavirus outbreak a pandemic, and the Latvian government declared a state of emergency on 12 March 2020. The state of emergency has been cancelled from 10 June 2020. During the state of emergency, responding to the potentially serious threat the COVID-19 presents to public health, the Latvian government authorities took measures to contain the outbreak, including suspension of international passenger transport through airports, ports, by bus and rail and the 'lock-down' of certain industries. In particular, airlines, sea carriers and railways suspended international transport of people, schools, universities, restaurants, cinemas, theatres and museums and sport facilities were closed or restricted their activities. Many businesses in Latvia also instructed employees to remain at home and some curtailed or temporarily suspended business operations.

The wider economic impacts of these events include:

- Disruption to business operations and economic activity in Latvia, with a cascading impact on both upstream and downstream supply chains;
- Significant disruption to businesses in certain sectors, both within Latvia and in markets with high dependence on a foreign supply chain as well as export-oriented businesses with high reliance on foreign markets. The affected sectors include trade and transportation, travel and tourism, entertainment, manufacturing, construction, retail, insurance, education and the financial sector;
- Significant decrease in demand for non-essential goods and services.

The Company operates in the commercial property lease sector. The Company's operations were affected by the restrictions related to the outbreak of COVID-19 in the Republic of Latvia, including restricting the operation of shopping centers on weekends and public holidays thus ensuring social distancing measures. As the anchor tenant of the shopping centre is "Rimi Latvia", the Company's operations as a whole have not been significantly affected by the outbreak of COVID-19, although the Company's turnover has decreased in recent months due to the state of emergency and related restrictions, and there have been no other interruptions in the operations. Based on the publicly available information at the date these financial statements were authorized for issue, management has considered the potential development of the outbreak and its expected impact on the Company and economic environment, in which the Company operates, including the measures already taken by the Latvian government.

In order to safeguard uninterrupted operating activities and the Company's liquidity position, management has implement a number of measures, which notably include:

- for a part of the tenants of the shopping center, taking into account the social distancing measures set by the Republic of Latvia, the Company granted rent discounts in the period from April to June 2020;
- the costs of the shopping center have been reviewed, taking into account the size of the Company's operations, reducing the price of operating costs per square meter;
- as far as possible, other measures have been implemented to restrict the flow of people at points of sale, which would promote compliance with the recommendations of the Ministry of Health of the Republic of Latvia regarding limiting the spread of COVID-19, as well as following the recommendations published on the website of the Ministry of Economics of the Republic of Latvia, making the shoppitng centre safe for people to visit.

Based on currently publicly available information, the Company's current KPI's and in view of the actions initiated by management, we do not anticipate a direct immediate and significant adverse impact of the COVID19 outbreak on the Company, its operations, financial position and operating results. The management cannot however preclude the possibility that extended lock down periods, an escalation in the severity of such measures, or a consequential adverse impact of such measures on the economic environment the Company operates in will not have an adverse effect on the Company, and its financial position and operating results, including the fair value of the investment property (see Note 10 for details on the significant unobservable data used in the fair value assessment) and the Company's ability to fulfil the terms and covenants included in the loan agreements with credit institutions, in the medium and longer term. We continue to monitor the situations closely and will respond to mitigate the impact of such events and circumstances as they occur.

No other significant subsequent events have occurred that would materially impact the financial statements.

Suggestions regarding profit distribution

The Company management suggests to leave the profit for 2019 undistributed.

This management report is signed with a secure electronic signature and contains a time stamp.

Tarmo Karotam, Chairman of the Board
Aušra Stankevičienė, Member of the Board
Algirdas Jonas Vaitiekūnas, Member of the Board

23 July 2020

Financial statements

Profit and Loss Statement for 2019

	Note	2019 EUR	2018 EUR
Net sales	2	7 531 816	7 665 442
Cost of production, cost of goods sold or services rendered	3	(2 252 790)	(2 264 890)
Gross profit		**5 279 026**	**5 400 552**
Selling expenses	4	(671 566)	(711 455)
Administrative expenses	5	(292 823)	(473 581)
Other operating income	6	1 754 776	2 954 234
Other operating expenses	7	(97)	(12 822)
Interest and similar income:	8	-	145 179
a) from related parties		-	145 179
Interest and similar expenses:	9	(2 027 750)	(956 223)
a) to related parties		(881 826)	(313 718)
b) to other parties		(1 145 924)	(642 505)
Profit before corporate income tax		**4 041 566**	**6 345 884**
Corporate income tax for the reporting year		(8 297)	-
Profit of the reporting year		4 033 269	6 345 884

The accompanying notes on pages 9 to 23 form an integral part of these financial statements.

This report is signed with a secure electronic signature and contains a time stamp.

Tarmo Karotam, Chairman of the Board
Aušra Stankevičienė, Member of the Board
Algirdas Jonas Vaitiekūnas, Member of the Board

Signe Feizaka, BPT Real Estate SIA Outsourced Accountant

23 July 2020

Balance Sheet as at 31 December 2019

Assets	**Note**	**31.12.2019 EUR**	**31.12.2018 EUR**
Long-term investments			
Investment property			
Land, buildings, constructions and other investment property components	10	76 395 120	74 416 000
Prepayments for investment property	10	4 880	8 530
Other fixed assets and inventory	11	-	235 054
Total Investment property		**76 400 000**	**74 659 584**
Financial investments			
Derivative financial instruments	12	72 955	-
Total Financial investments		**72 955**	-
Total Long-term investments		**76 472 955**	**74 659 584**
Current assets			
Debtors			
Trade receivables	13	224 492	328 056
Other receivables	14	32 324	157 587
Prepaid expenses	15	14 548	26 265
Accrued income		8 167	105 840

Total Debtors		**279 531**	**617 748**
Cash	16	**1 113 215**	**498 537**
Total Current assets		**1 392 746**	**1 116 285**
Total Assets		**77 865 701**	**75 775 869**

The accompanying notes on pages 9 to 23 form an integral part of these financial statements.

Balance Sheet as at 31 December 2019

Shareholder's equity and Liabilities	**Note**	**31.12.2019 EUR**	**31.12.2018 EUR**
Shareholder's equity			
Share capital	17	5 438 595	5 438 595
Reserves:			
Derivative financial instruments revaluation reserve	12	72 955	-
Retained earnings:			
retained earnings of previous year		6 345 884	-
profit of the reporting year		4 033 269	6 345 884
Total shareholder's equity		**15 890 703**	**11 784 479**
Liabilities			
Long-term liabilities			
Loans from credit institutions	18	29 927 500	35 443 443
Loans from related parties	19	30 670 000	26 412 967
Derivative financial instruments	12	-	46 462
Total long-term liabilities		**60 597 500**	**61 902 872**
Short-term liabilities			
Loans from credit institutions	18	4 478	615 342
Prepayments from clients		329 691	339 215
Accounts payable to suppliers and contractors		131 548	201 898
Due to related parties	19	301 540	292 368
Taxes and social contributions	20	86 490	73 379
Deferred income		397 218	403 498
Accrued liabilities	21	126 533	162 818
Total short-term liabilities		**1 377 498**	**2 088 518**
Total liabilities		**61 974 998**	**63 991 390**

Total Shareholder's equity and Liabilities	77 865 701	75 775 869

The accompanying notes on pages 9 to 23 form an integral part of these financial statements.

This report is signed with a secure electronic signature and contains a time stamp.

Tarmo Karotam, Chairman of the Board
Aušra Stankevičienė, Member of the Board
Algirdas Jonas Vaitiekūnas, Member of the Board

Signe Feizaka, BPT Real Estate SIA Outsourced Accountant

23 July 2020

Notes to the Financial Statements

1. Summary of significant accounting principles

Information on the Company

SIA Tampere Invest (hereinafter – the Company) was registered with the Enterprise Register of Latvia on 2 October 1996 with Reg. No. 40003311422. The legal address of the Company is Audēju 16, Riga. The parent company is Estonian company Northern Horizon Capital AS (Reg. No 11025345). The parent company as the ultimate parent company of the group prepares consolidated financial statements, in which the Company is included as a subsidiary. The consolidated financial statements of the group are available at Northern Horizon Capital AS at the above stated address on request.
Line of business NACE code:

- 68.20 (Renting and operating of own or leased real estate).

The company is mainly engaged in the lease and management of the shopping center "Galerija Centrs".

Basis of preparation

The financial statements have been prepared in accordance with the law 'On Accounting' and the 'Annual Reports and Consolidated Annual Report Law' (hereinafter – the Law).

The profit and loss statement was prepared according to the function of costs. The financial statements have been prepared on the historical cost basis, except for investment properties and derivative financial insturments that are carried at fair value, subsequent to initial recognition.

According to the Law, balance sheet item Investment Property is to be used only by a company that, following the exemptions stipulated in the Law, recognises and measures this item in accordance with the International Accounting Standards (International Financial Reporting Standards as adopted by the EU).

The Law simplifies the preparation of financial statements of small and medium-sized companies but, meanwhile, stipulates that the financial statements should give a true and fair view of the company's financial position and profit or loss.

The Company meets the definition of a small company.

The Company is a subsidiary of a parent company which prepares its consolidated financial statements according to the International Accounting Standards and, accordingly, in the preparation of these financial statements the management used the exemption under Section 13 of the Law and continues to recognise, measure and disclose

Investment properties according to the International Accounting Standards and provides appropriate disclosures on this item.

For the impact of the exemption on the profit and loss statement please refer to Note 6.

Accounting principles

The financial statements were prepared in accordance with the following policies: a) Assumption that the Company will continue as a going concern.

b) Consistent valuation principles with those used in the prior year, except for the measurement of derivate financial instruments as disclosed in Note 12.
c) Items were valued in accordance with the principle of prudence, i.e.:
   - the financial statements reflect only the profit generated to the balance sheet date;
   - all incurred liabilities and current or prior year losses have been taken into consideration even if discovered within the period after the date of the balance sheet and preparation of the financial statements;
   - all amounts of impairment and depreciation have been taken into consideration irrespective of whether the financial result was a loss or profit.
d) Income and expenses incurred during the reporting year have been taken into consideration irrespective of the payment date or date when the invoice was issued or received; Expenses were matched with revenue for the reporting period.
e) Assets and liabilities have been valued separately.
f) Certain balances for 2019 were classified differently from the prior year, due to management judgment. The reclassification has no impact on the financial result. The comparative information for 2018 disclosed in the financial statements for 2019 was classified in line with the principles used in 2019 and is comparable. The opening balances before reclassification agree with the prior year closing balances.
g) All material items, which would influence the decision-making process of users of the financial statements, have been recognised and insignificant items have been combined and their details disclosed in the notes.
h) Business transactions are recorded taking into account their economic contents and substance, not the legal form.

Related parties

Related parties represent both legal entities and private individuals related to the company in accordance with the following rules.

a) A person or a close member of that person's family is related to a reporting entity if that person:

   i. has control or joint control over the reporting entity;
   ii. has a significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

   i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
   ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member):
   iii. Both entities are joint ventures of the same third party:
   iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
   vi. The entity is controlled, or jointly controlled by a person identified in (a).

vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);

viii. The entity or any member of the group to which the entity belongs provides management personnel services to the entity or the parent of company of the entity.

Related party transaction – A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Financial instruments and financial risks

Financial instrument is an agreement that simultaneously results in financial assets of one party and financial liabilities or equity securities of the other party.

The key financial instruments held by the Company are financial assets such as trade receivables and other receivables and financial liabilities - loans, accounts payable to suppliers and contractors and other creditors arising directly from its business activities.

Financial risks connected with the Company's financial instruments, financial risk management

Key financial risks related to the Company's financial instruments are:

- Credit risk is the risk that the Company may incur financial losses if parties to the transactions fail to fulfil their liabilities under the contracts, and credit risk is primarily connected with trade receivables and investment securities;
- Currency risk – risk that the Company may suffer unexpected losses arising from fluctuations in the foreign exchange rates;
- Interest rate risk – risk that the Company may incur losses due to fluctuations in interest rates;
- Liquidity risk – risk that the Company will not be able to meet its financial liabilities in due time.

Management has implemented the following procedures to control key risks.

Credit risk

In order to ensure credit risk management, the Company's management has established a procedure for post-paid services to assess clients and to accept the provision of post-payment services within certain limits. The management of the Company has developed a credit policy that envisages regular control procedures for the Company's debtors, thus ensuring timely identification of problems.

The Company controls the credit risk by continuously assessing the debt repayment history of the customers and determining the lending conditions for each client individually. In addition, the Company continuously monitors receivables balances to reduce the possibility of non-recoverable debts.

Interest rate risk

For the purposes of interest risk management, the Company uses derivate financial instruments.

Currency risk

For the purposes of currency risk management, the Company's management performs regular oversight to ensure that the currency structure of assets and liabilities is matched.

Liquidity risk

The Company controls its liquidity risk by maintaining an adequate amount of money and providing adequate funding.

Use of derivatives

In addition to the above risk management policies, the Company uses derivatives to hedge financial risks.

Derivatives are financial instruments whose value changes depending on the interest rate, securities price, foreign exchange rate, price index or rate, credit rating or changes in a similar flexible ratio, and which is impacted by one or several financial risks characteristic of the underlying primary financial instrument, and transferred from the Company to other parties to the transaction.

The Company uses derivatives such as interest rate swap agreements that are associated with interest rate fluctuations for managing financial risks. These derivatives are initially recognized at cost and subsequently recognized at fair value. Fair value is determined with reference to market prices. All derivatives are recognized as assets if their fair value is positive and as liabilities if their fair value is negative.

At the inception of hedge, the Company formally defines and documents the hedging relationship, to which the Company wishes to apply hedge accounting as well as the objective of risk management and strategy for undertaking the risk hedging. This documentation discloses the specific hedging instrument, the hedged item or transaction, the type of hedged risk, as well as the way in which the Company plans to test the effectiveness of the hedging instrument in compensating the Company's exposure to risk due to changes in the fair value of the hedged item or cash flows that are related to the hedged risk.

Such hedges are expected to be very effective in compensating changes in fair value or in cash flows related to the hedged risk and these activities are assessed continuously in order to verify that they have indeed been very effective during the reporting periods in which these hedges were designated.

Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If according to management, the fair value of an asset or liability is significantly different from the carrying amount, fair value disclosures are made in the notes to the financial statements.

Changes in the fair value of financial instruments are reflected in the profit and loss statement except for the following cases:

- The financial instrument is used in a hedge relationship and the Company's hedge accounting policy foresees that all (or part of) changes to the value of the instrument are not charged to the profit and loss statement;
- Changes to the value of the instrument depend on changes in market rates applicable to the Company's longterm investments in foreign operations.

In both cases, changes in the fair value of the financial instrument are reflected in the balance sheet item Fair value reserve of financial instruments. The hedge accounting of the Company provides that all changes in interest in swaps will not be presented in profit or loss, but will be recognised in equity – in the item Fair value reserve of financial instruments.

Reporting period

The reporting period is the 12 months from 1 January 2019 to 31 December 2019.

Currency unit and revaluation of foreign currency

All amounts in these financial statements are expressed in the official currency of the Republic of Latvia – euro (EUR).

Transactions in foreign currencies are translated into euros at the reference exchange rate published by the European Central Bank as at the transaction date.

All monetary asset and liability items were revalued to euros according to the reference exchange rate published by the European Central Bank on the reporting date. Non-monetary items of assets and liabilities are revalued to euros in accordance with the reference exchange rate published by the European Central Bank on the transaction date.

The Company's cash consists of cash on hand and cash on current acocunts and demand deposit accounts.

Profit or loss arising from the fluctuations in the exchange rate on assets and liabilities denominated in a foreign currency are recognized in the profit and loss statement in the respective period in which the fluctuation occurs.

Estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in the accounting estimates are recognised in the period when those estimates are reviewed and in the future periods.

Key sources of estimation uncertainty are the following:

(i) Impairment

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss statement.

(ii) Valuation of receivables

A number of significant risks and uncertainties are inherent to the process of monitoring financial assets and estimating impairment. These risks and uncertainties include the risk the Company's assessment of the clients' ability to meet all their liabilities will change according to changes in the clients' credit ratio and the risk that the economic situation will deteriorate beyond expected or will have a more significant impact on the client.

Receivables are valued according to the principle of prudence and recognized at net amount due less allowances for doubtful loans and trade receivables.

(iii) Fair value of investment properties

Investment properties are assessed on a regular basis, based on independent appraisers' opinion on the fair value of investment property at the end of the reporting period. The carrying amount of investment properties is adjusted, if according to the management the increase or decrease in the investment property is other than temporary.

(iv) Valuation of financial instruments

Changes in the fair value of the financial instrument are reflected on the balance sheet under 'Fair value reserve of financial instruments'.

Determination of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Revenue recognition

Rental income
Rental income is recognised on a straight-line basis over the rental term. Rental income is recognized based on the effective rent agreements over the period of rent. Income is recognized on an accrual basis.

Income from services
Income from services provided is recognized in the profit and loss statement as generated.

Long and short-term classification

Amounts whose terms of receipt, payment or write off are due more than one year after the balance sheet date are classified as long term. Amounts to be received, paid or written off within 12 months are classified as short-term.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made. If the Company expects that the expenses necessary to create provisions will be partially or fully reimbursed, for example, under an insurance contract, the reimbursement of these expenses is recognized as a separate asset only when it is practically clear that these expenses will be reimbursed. Expenses associated with any provisions are recognized in the profit or loss statement net of amounts recovered. At the end of the reporting year, the Company had not recognized any provisions.

Investment property

Investment property is land, building or a part of it that a company holds (as an owner or a tenant according to the finance lease) in order to obtain a rental charge or wait for the price increase (increase in value) rather than held for the provision of services, administrative purposes or sale within the course of ordinary business operations.

Investment properties are carried at fair value. Changes in the fair value of investment properties are recognized in the profit and loss statement of the reporting period.

Investment property is derecognized in the case of disposal or when future benefits are no longer expected from the use of the respective asset. Any profit or loss arising on derecognition of investment property (calculated as the difference between net income from disposal and book value) is recognized in the profit and loss statement of the period of de-recognition.

Reclassification to investment property should be performed only in case the mode of use is changed which is proved by the fact that the owner has discontinued using the property, as well as property is leased on operating lease terms to a third party, or construction or development is completed. Reclassification from investment property should be performed only in case the mode of use is changed which is proved by the fact that the owner has commenced using the property or improvements are commenced in order to sell the property.

Corporate income tax

Current tax for the reporting year is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

As of 1 January 2018, the Law on Enterprise Income Tax of the Republic of Latvia comes into effect setting out a new regime for paying taxes. As of the date, the tax rate will be 20% from the taxable base, which includes:

— distributed profit (dividends calculated, payments equalled to dividends, conditional dividends) and
— conditionally or theoretically distributed profit (non-operating expenses and other items as specified in the law).

2. Net sales

Turnover is the annual revenue generated in Latvia from the Company's principal activity - provision of services without value added tax, less discounts.

Line of business	2019 EUR	2018 EUR
Rent income	4 650 482	5 421 645
Maintenance income	2 261 856	1 658 104
Marketing income	570 632	568 105
Other income	48 846	17 588
	7 531 816	**7 665 442**

3. Cost of production, cost of goods sold or services rendered

Cost of goods sold represents costs incurred for generating net sales – such as costs of services recognized at acquisition cost, and costs related to purchase of services.

	2019 EUR	2018 EUR
Building maintenance costs	1 009 424 868	939 831
Utility costs	130	852 182
Real estate tax	352 278 11	352 787
Insurance costs	889	19 437
Other costs	11 069	16 315
Depreciation of fixed assets	-	84 338

	2 252 790	**2 264 890**

4. Selling expenses

	2019 EUR	2018 EUR
Marketing expenses	556 781	613 995
Changes in provisions for doubtful receivables and written-off debts, net	94 454	79 212
Commission for new tenants	20 331	18 248
	671 566	**711 455**

	97	**12 822**

	2019 EUR	2018 EUR
	-	145 179
	-	**145 179**

5. Administrative expenses

	2019 EUR	2018 EUR
Management services	159 709	394 643
Legal services	64 385	4 344
Professional services	29 332	42 330
Depreciation of fixed assets	16 038	4 418
Property management costs	10 229	14 894
Donations	7 100	8 100
Other administration expenses	6 030	4 852
	292 823	**473 581**

	2019 EUR	2018 EUR
	828 896	591 329
	881 826	313 718
	166 409	48 039
	149 533	-
	1 086	3 137
	2 027 750	**956 223**

6. Other operating income

	2019 EUR	2018 EUR
Increase in fair value of investment property	747 978	914 043
Penalties	442	592
Other operating income	356	571
Accounts payable write-off	-	028
	754 776	**954 234**

Other operating expenses

	2019 EUR	2018 EUR
Replacement and write-off of fixed assets	-	225
Non-deductible value added tax	-	597
Other operating expenses	97	-

8. Interest and similar income

Interest income on loans issued from related parties

9. Interest and similar expenses

Interest expense on loans from credit institutions and net result from derivative financial instruments
Interest expense on loans from related parties
Expenses on acquisition of financial resources
Commission for early loan repayment
Commission for bank services

10. Investment property

	EUR
31.12.2018.	**74 416 000**
Increase due to improvement of investment properties	2 231
Fair value increase of investment property	1 747 978
Reclassified from Prepayments for investment property	8 530
Reclassified from Other fixed assets and inventory	225 261
31.12.2019.	**76 400 000**

Investment properties are stated at their fair value based on the valuation of real estate by the valuation firm Newsec Valuations LV SIA (2018: Newsec Valuations LV SIA). Fair value is a value that corresponds to the amount of cash or cash equivalents that an asset can be exchanged for on a trade date between a well-informed, interested buyer and a well-informed, interested seller that is not financially related. This assessment was carried out in accordance with International Valuation Standards.

Based on the real estate valuation carried out on 31 December 2019, the value of the property presented in the financial statements is EUR 76 400 000 (2018: EUR 74 416 000). The valuation method used to measure the fair value of the investment property of the Company and substantially unobservable data are presented below:

As at 31 December 2019:

Type	Valuation method	Significant unobservable data	Carrying amount
- Shopping centre	Discounted cash flow method: The model is based on discounted net expected cash flows based on lease agreements in force and expected costs.	Rental income – average of 22.85 EUR/m^2 a month Area available for rent – 19 945 m^2 Annual increase in revenue – 2.0 - 2.80% Cash flow calculation period - 10 years Annual discount rate 7.40%	EUR 76 400 000

As at 31 Decembe

Type	Valuation method	Significant unobservable data	Carrying amount
- Shopping centre	Discounted cash flow method: The model is based on discounted net expected cash flows based on lease agreements in force and expected costs.	Rental income – average of 22.70 EUR/m^2 a month Area available for rent – 19 945 m^2 Annual increase in revenue – 2.0 - 2.5% Cash flow calculation period - 10 years Annual discount rate 7.80%	EUR 74 416 000

Fair value of all land and buildings represent level 3 in the fair value hierarchy.
Rental income and operating expenses for the year ended 31 December 2019:

	Carrying amount EUR	Income from rent and related services EUR	Operating expense EUR
Investment property rented out	76 400 000	7 531 816	2 252 790

Rental income and operating expenses for the year ended 31 December 2018:

	Carrying amount EUR	Income from rent and related services EUR	Operating expense EUR
Investment property rented out	74 416 000	7 665 442	2 264 890

Rental income and operating expenses are presented in profit or loss under Net sales and Cost of goods sold.

11. Other fixed assets and inventory

	Other fixed assets and inventory EUR	Total EUR
Acquisition value		
31.12.2018.	**900 441**	**900 441**
Additions	6 245	6 245
Reclassified to investment property	(906 686)	(906 686)
31.12.2019.	-	-
Accumulated depreciation		
31.12.2018.	**(665 387)**	**(665 387)**
Estimated depreciation	(16 038)	(16 038)
Reclassified to investment property	681 425	681 425
31.12.2019.	-	-

Balance as at 31.12.2018 Balance as at 31.12.2019	**235 054**	**235 054**
	-	**-**

12. Financial derivatives

		31.12.2019 EUR	31.12.2018 EUR
Fair value of derivative financial instruments		955	*(46 462)
	TOTAL:	**955**	**(46 462)**

* On 6 December 2016, the Company entered into an interest rate swap with Danske Bank AS Latvia Branch, which envisages fixing an interest rate on the loan amount of EUR 9 265 822, at the same time replacing the variable EURIBOR limit with a fixed limit of 0.23% per annum. The term of the contract was 6 years. During the reporting year, the loan from SEB banka AS and Danske Bank AS Latvia Branch was repaid, as a result of which the concluded agreement was terminated and recognized in profit or loss.

On 19 July 2019, the Company entered into an interest rate swap agreement with a principal amount of EUR 30 000 000 for the period until 26 May 2022 and with quarterly amortization, for which hedge accounting was applied.

	31.12.2019. EUR	31.12.2018. EUR
Derivative financial instruments revaluation reserve as at the beginning of the year	**-**	**-**
Increase/(decrease) due to changes in fair value	72 955	-
Derivative financial instruments revaluation reserve as at the end of the year	**72 955**	**-**

Hedge accounting has been measured for interest rate swaps entered into in accordance with hedge accounting, as a result of which they have been found to be effective throughout the hedging period and therefore do not have an ineffective portion that should be recognized in the income statement.

13. Trade receivables

		31.12.2019 EUR	31.12.2018 EUR
Gross value of trade receivable		425 943	519 579
Allowance for doubtful trade receivables		(201 451)	(191 523)
	TOTAL:	**224 492**	**328 056**

14. Other receivables

		31.12.2019 EUR	31.12.2018 EUR
Overpayment of taxes		-	157 094
Advance payments		32 324	493
	TOTAL:	**32 324**	**157 587**

15. Prepaid expenses

	31.12.2019 EUR	31.12.2018 EUR
Customer counting system costs	6 115	5 678
Municipal fee	4 877	8 226
Insurance	2 533	12 166
Other expenses	1 023	195
TOTAL:	**14 548**	**26 265**

16. Cash

	31.12.2019 EUR	31.12.2018 EUR
Current account	1 112 705	498 037
Cash in a money changer	510	500
TOTAL:	**1 113 215**	**498 537**

17. Share capital

The Company's share capital as at 31 December 2019 is EUR 5 438 595 (2018: EUR 5 438 595) and consists of 5 438 595 shares, the nominal value of each share being EUR 1.00.

Until 13 June 2019, the share capital was owned by a Norwegian company Linstow AS (100%).

As of 13 June 2019, the share capital is owned by an Estonian company Northern Horizon Capital AS (100%).

18. Loans from credit institutions

Long-term part	**31.12.2019 EUR**	**31.12.2018 EUR**
Loan principal	30 000 000	35 563 288
Procurement of financial resources	(72 500)	(119 845)

	29 927 500	**35 443 443**
Short-term part		
Loan principal	-	500 000
Procurement of financial resources	-	(49 825)
Accrued interest expense	4 478	165 167
	4 478	**615 342**
Total loans from credit institutions		
	29 931 978	**36 058 785**

Borrowings

On 27 May 2019, the Company entered into a loan agreement in the amount of EUR 30 000 000 for 3 years. The loan was received to refinance a loan from a credit institution that had previously been used to co-finance the acquisition and construction of the Galerija Centrs shopping center. The loan is repayable by 26 May 2022. The annual interest rate of the loan is 6 months EURIBOR + 2.75%.

The loan is secured by a pledge - the Company's real estate with a total book value of EUR 76 400 000. As well as a commercial pledge - stock, deposits, rights of claim as a joint property at the time of the pledge, as well as further components of the joint property. In order to manage the interest rate risk, the Company has entered into an interest rate swap agreement (see Note 12).

19. Loans from related parties

	31.12.2019 EUR	31.12.2018 EUR
Long-term part		
Loan from Northern Horizon Capital AS*	30 670 000	-
Loan from Linstow AS**	-	26 412 967
	30 670 000	**26 412 967**

	EUR	EUR
Short-term part		
Accrued interest on the loan from Northern Horizon Capital AS	301 540	-
Accrued interest on the loan from Linstow AS	-	292 368
	301 540	**292 368**

* Debt to the parent company Northern Horizon Capital AS for the received loan at the end of the reporting year. In order for the Company to be able to refinance the loan to the credit institution and the parent company Linstow AS, a loan agreement was concluded with the parent company Northern Horizon Capital AS for a loan in the amount of EUR 30 670 000. The loan is unsecured.

The loan is repayable by January 1, 2027 and its interest rate in 2019 was 3.80% per annum.

** On 1 October 2018, the Company entered into a loan agreement with the parent company Linstow AS to convert the unpaid dividend amount of EUR 26 412 967 into a loan. The loan was repayable by 29 June 2028 and its interest rate in 2018 was 2.33% per annum. During the reporting year, the loan was repaid in full.

20. Taxes and social security contributions

	31.12.2019 EUR	31.12.2018 EUR
Corporate income tax	(7 888)	157 090
Value added tax	(78 602)	(73 379)
Social security contributions	-	2
Personal income tax	-	2

Total:	**86 490**	**83 715**
Total amount of tax overpayment (included in Other debtors)	**-**	**(157 094)**
Total tax liabilities	**86 490**	**73 379**

21. Accrued liabilities

	31.12.2019 EUR	31.12.2018 EUR
Accrued property management costs	57 291	50 609
Accrued service costs	34 680	9 198
Accrued property management fees	27 250	-
Accrued costs of audit services	5 025	-
Accrued property marketing costs	2 287	19 477
Accrued liabilities to tenants	-	83 534
TOTAL:	**126 533**	**162 818**

22. Related party transactions

During the reporting year, the Company had transactions with related parties within the scope of its economic activities. The most important transactions and their amounts are as follows:

		Transaction amount	
Related party	**Transaction Description**	**2019 EUR**	**2018 EUR**
Parent company:			
Northern Horizon Capital AS	Loan received	32 702 877	-
(from 13.06.2019)	Loan repaid	2 032 877	-
	Interest calculated on the loan received	604 541	-
	Interest paid on the loan received	303 000	-
Parent company:			
Linstow AS	Loan received	-	26 412 967
(until 13.06.2019)	Loan repaid	26 412 967	-
	Interest calculated on the loan received	255 270	292 368
	Interest paid on the loan received	547 638	-

23. Number of employees in the company and staff costs

In the reporting year, the Company did not employ employees, since the office building was managed by subcontractors, with whom management contracts were signed.

24. Information on remuneration provided to management for performing functions

During the reporting period, members of the Board of Directors were not paid remuneration for their work on the Board of Directors.

25. Subsequent Events

On 11 March 2020 the World Health Organization declared the coronavirus outbreak a pandemic, and the Latvian government declared a state of emergency on 12 March 2020. The state of emergency has been cancelled from 10 June 2020. During the state of emergency, responding to the potentially serious threat the COVID-19 presents to public health, the Latvian government authorities took measures to contain the outbreak, including suspension of international passenger transport through airports, ports, by bus and rail and the 'lock-down' of certain industries. In particular, airlines, sea carriers and railways suspended international transport of people, schools, universities, restaurants, cinemas, theatres and museums and sport facilities were closed or restricted their activities. Many businesses in Latvia also instructed employees to remain at home and some curtailed or temporarily suspended business operations.

The wider economic impacts of these events include:

– Disruption to business operations and economic activity in Latvia, with a cascading impact on both upstream and downstream supply chains;
– Significant disruption to businesses in certain sectors, both within Latvia and in markets with high dependence on a foreign supply chain as well as export-oriented businesses with high reliance on foreign markets. The affected sectors include trade and transportation, travel and tourism, entertainment, manufacturing, construction, retail, insurance, education and the financial sector; –
Significant decrease in demand for non-essential goods and services.

The Company operates in the commercial property lease sector. The Company's operations were affected by the restrictions related to the outbreak of COVID-19 in the Republic of Latvia, including restricting the operation of shopping centers on weekends and public holidays thus ensuring social distancing measures. As the anchor tenant of the shopping centre is "Rimi Latvia", the Company's operations as a whole have not been significantly affected by the outbreak of COVID-19, although the Company's turnover has decreased in recent months due to the state of emergency and related restrictions, and there have been no other interruptions in the operations. Based on the publicly available information at the date these financial statements were authorized for issue, management has considered the potential development of the outbreak and its expected impact on the Company and economic environment, in which the Company operates, including the measures already taken by the Latvian government.

In order to safeguard uninterrupted operating activities and the Company's liquidity position, management has implement a number of measures, which notably include:

– for a part of the tenants of the shopping center, taking into account the social distancing measures set by the Republic of Latvia, the Company granted rent discounts in the period from April to June 2020;
– the costs of the shopping center have been reviewed, taking into account the size of the Company's operations, reducing the price of operating costs per square meter;
– as far as possible, other measures have been implemented to restrict the flow of people at points of sale, which would promote compliance with the recommendations of the Ministry of Health of the Republic of Latvia regarding limiting the spread of COVID-19, as well as following the recommendations published on the website of the Ministry of Economics of the Republic of Latvia, making the shoppitng centre safe for people to visit.

Based on currently publicly available information, the Company's current KPI's and in view of the actions initiated by management, we do not anticipate a direct immediate and significant adverse impact of the COVID19 outbreak on the Company, its operations, financial position and operating results. The management cannot however preclude the possibility that extended lock down periods, an escalation in the severity of such measures, or a consequential adverse impact of such measures on the economic environment the Company operates in will not have an adverse effect on the Company, and its financial position and operating results, including the fair value of the investment property (see Note 10 for details on the significant unobservable data used in the fair value assessment) and the Company's ability to fulfil the terms and covenants included in the loan agreements with credit institutions, in the medium and longer term. We continue to monitor the situations closely and will respond to mitigate the impact of such events and circumstances as they occur.

No other significant subsequent events have occurred that would materially impact the financial statements.

This report is signed with a secure electronic signature and contains a time stamp.

Tarmo Karotam, Chairman of the Board
Aušra Stankevičienė, Member of the Board
Algirdas Jonas Vaitiekūnas, Member of the Board

Signe Feizaka, BPT Real Estate SIA Outsourced Accountant

23 July 2020

KPMG Baltics AS
Vesetas iela 7
Riga, LV-1013
Latvia

Telephone +371 67038000
Telefax +371 67038002
kpmg.com/lv

Independent Auditors' Report

To the shareholder of Tampere Invest SIA

Our Opinion on the Financial Statements

We have audited the accompanying financial statements of Tampere Invest SIA ("the Company") set out on pages 6 to 23 of the accompanying Annual Report, which comprise:

- the balance sheet as at 31 December 2019,
- the profit and loss statement for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Tampere Invest SIA as at 31 December 2019, and of its financial performance for the year then ended in accordance with the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Basis for Opinion

In accordance with the 'Law on Audit Services' of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and independence requirements included in the 'Law on Audit Services' of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and the 'Law on Audit Services' of the Republic of Latvia.

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

Other Matter

The corresponding figures presented are based on financial statements of the Company as at and for the year ended 31 December 2018, which were audited by another independent auditors whose report dated 1 April 2019 expressed an unqualified opinion.

Reporting on Other Information

The Company's management is responsible for the other information. The other information comprises:

- Information about the Company, as set out on page 3 of the accompanying Annual Report,
- the Management Report, as set out on pages 4 to 5 of the accompanying Annual Report.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia* section of our report.

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 and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, 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.

Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia

In addition, in accordance with the 'Law on Audit Services' of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia 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.

Auditors' Responsibility 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 auditors' 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 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, we exercise professional judgment and maintain professional scepticism 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 auditors' 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 auditors' 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 a 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.

KPMG Baltics AS
Licence No. 55

Valda Užāne

Valda Užāne
Member of the Board
Latvian Certified Auditor
Certificate No. 4
Riga, Latvia
23 July 2020

This report is an English translation of the original Latvian. In the event of discrepancies between the two reports, the Latvian version prevails.

APPENDIX E
Annual Report 2018 of SIA Tampere Invest

LIMITED LIABILITY COMPANY
TAMPERE INVEST
(UNIFIED REGISTRATION NUMBER 40003311422)

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

(22nd financial year)

PREPARED IN ACCORDANCE WITH
THE LAW OF THE REPUBLIC OF LATVIA ON ANNUAL REPORTS
AND CONSOLIDATED ANNUAL REPORTS
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

Riga, 2019

CONTENTS

General information

Name of the company	Tampere Invest
Legal status of the company	Limited liability company
Registration number, place and date of registration	40003311422 Rīga, 2 October 1996
Registered office	Audēju iela 16 Riga, Latvia, LV-1050
Shareholder	Linstow AS (100%) Tjuvholmen Alle 3 Postboks 1594 0118, Oslo, Norway Reg. No. 981354400 Oslo, Norway, 9 December 1999
Board Members	Frode Gronvold, Chairman of the Board Mārcis Budļevskis, Board Member Elvīra Korsakova, Board Member
Financial year	1 January – 31 December 2018
Auditors	Diāna Krišjāne Latvian Certified Auditor Certificate No 124 SIA Ernst & Young Baltic Muitas iela 1a, Rīga Latvia, LV-1010 License No 17

Management report

The sole shareholder of Tampere Invest SIA (hereinafter - the Company) is Linstow AS (incorporated in Norway).

The Company is the owner, developer and manager of the shopping center Galerija Centrs (hereinafter – the SC Galerija Centrs) in Riga. The SC Galerija Centrs continues its successful operations owing to the strategically advantageous location and the effective management model. At present, the customers of the shopping center can visit more than 130 various stores, coffee-bars and restaurants.

The Company has retained its market position by maintaining the high level of service and thoroughly analyzing and following on the market tendencies. The key success factors also include optimal leasehold structure and strong professional management.

Operations in the reporting year

In the reporting year, the Company earned a profit of EUR 6 345 884. The management of the Company suggests to transfer the profit for the reporting year to retained earnings.

Future development of the Company

The Company's management is confident that the choice of the strategically important location that ensures the considerable customer flow to the SC Galerija Centrs and the effective management model will be the cornerstone for the Company's successful and sustainable development in the future.

During the following year, the Company will carry on its operations according to the existing business plans. To sustain competitiveness of the SC Galerija Centrs over the long term, the Company's management will pursue its initiatives, focusing on leasehold structure optimization, customer flow enhancement and business efficiency improvement.

Share capital of the Company

As at 31 December 2018, the subscribed and fully paid share capital of the Company was EUR 5 438 595 and consisted of 5 438 595 ordinary shares. The par value of each share was EUR 1.

As part of security under the loan agreement signed in 2016 (see also Note 20), the parent company has pledged all the Company's shares together with all the shareholder's rights granted to the parent company and any other shares that the parent company may acquire in the future.

Exposure to risks

The Company's principal financial instruments comprise loans from credit institutions and related companies, cash, and interest rate swaps. The main purpose of these financial instruments is to ensure financing for the Company's operations. The Company has various other financial instruments such as trade receivables and trade and other payables, which arise directly from its operations

The main financial risks arising from the Company's financial instruments are market risk, interest rate risk, liquidity risk and credit risk.

Market risk

The Company is exposed to market risk mainly because of strong competition on the market – the expansion and construction of potential competitive shopping centers. The Company's management closely follows the market development, continuously works to attract new tenants, enhances the customer loyalty program and uniqueness of the services provided in order to further improve the commercial performance of the shopping centers.

Interest rate risk

The Company is exposed to interest rate risk mainly through its current and non-current borrowings. The Company's policy is to ensure that the majority of its borrowings and loans are at a floating rate. The Company has also signed an interest rate swap contract (see also Note 18). The average interest rate payable on the Company's borrowings and loans is disclosed in Notes 18, 20 and 25.

Management report (cont'd)

Exposure to risks (cont'd)

Liquidity and cash flow risk

The Company manages its liquidity risk by maintaining an adequate level of cash and cash equivalents and by arranging an adequate amount of committed credit facilities with banks and related companies.

Credit risk

The Company is exposed to credit risk through its trade receivables as well as cash and cash equivalents. The Company manages its credit risk by continuously assessing the credit history of customers and assigning credit terms on an individual basis. In addition, receivable balances are monitored on an continuous basis to ensure that the Company's exposure to bad debts is minimized.

As at 31 December 2018, the Company had no significant concentration of credit risk with its trade receivables.

Frode Gronvold Chairman of the Board	Mārcis Budļevskis Board Member	Elvīra Korsakova Board Member

1 April 2019

Statement of profit or loss

	Notes	2018 EUR	2017 EUR
Net turnover	3	5 421 645	5 519 312
Cost of sales	4	(998 867)	(958 314)
Gross profit		**4 422 778**	**4 560 998**
Administrative expense	5	(24 530)	(15 643)
Other operating income	6	5 198 031	8 416 198
Other operating expense	7	(2 439 351)	(2 531 475)
Other interest and similar income:	8	**145 179**	**339 391**
• related companies		145 179	289 074
• other companies		-	50 317
Interest and similar expense:	9	**(956 223)**	**(595 838)**
• related companies		(313 718)	-
• other parties		(642 505)	(595 838)
Profit before corporate income tax		**6 345 884**	**10 173 631**
Income tax expense	10	-	(2 490 603)
Profit after corporate income tax		**6 345 884**	**7 683 028**
Income or expense from changes in deferred tax assets or deferred tax liabilities	10	-	3 612 491
Net profit for the reporting year		**6 345 884**	**11 295 519**

The accompanying notes form an integral part of these financial statements.

Frode Gronvold
Chairman of the Board

Mārcis Budļevskis
Board Member

Elvīra Korsakova
Board Member

Larisa Aleksandrova
Accountant

1 April 2019

Balance sheet

ASSETS

NON-CURRENT ASSETS	Notes	31/12/2018 EUR	31/12/2017 EUR
Real estate			
Investment properties	12	74 416 000	71 469 500
Property, plant and equipment			
Other fixtures and fittings, tools and equipment	13	235 054	323 242
Construction in progress	13	8 530	-
TOTAL		**74 659 584**	**71 792 742**
Non-current financial assets			
Loans to related companies	25	-	14 148 708
Other loans and long term receivables		-	8 467
TOTAL		-	**14 157 175**
TOTAL NON-CURRENT ASSETS		**74 659 584**	**85 949 917**
CURRENT ASSETS			
Receivables			
Trade receivables	14	328 056	98 740
Other receivables	15	157 587	495
Prepaid expense	16	26 265	28 424
Accrued income	17	105 840	127 440
KOPĀ		**617 748**	**255 099**
Cash	19	498 537	2 016 560
TOTAL CURRENT ASSETS		**1 116 285**	**2 271 659**
TOTAL ASSETS		**75 775 869**	**88 221 576**

The accompanying notes form an integral part of these financial statements.

Frode Gronvold
Chairman of the Board

Mārcis Budļevskis
Board Member

Elvīra Korsakova
Board Member

Larisa Aleksandrova
Accountant

1 April 2019

Balance sheet

EQUITY AND LIABILITIES

EQUITY	Notes	31/12/2018 EUR	31/12/2017 EUR
Share capital		5 438 595	5 438 595
Retained earnings		-	31 466 156
Profit for the reporting year		6 345 884	11 295 519
TOTAL EQUITY		**11 784 479**	**48 200 270**
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	20	35 443 443	35 924 574
Payables to related companies	26	26 412 967	-
Other liabilities	18	46 462	-
TOTAL		**61 902 872**	**35 924 574**
Current liabilities			
Loans from credit institutions	20	450 175	457 319
Prepayments received from customers	21	339 215	297 639
Trade payables		201 898	357 699
Payables to related companies		292 368	114 517
Taxes payable	22	73 379	2 210 000
Deferred income	23	403 498	377 940
Accrued liabilities	24	327 985	281 618
TOTAL		**2 088 518**	**4 096 732**
TOTAL LIABILITIES		**63 991 390**	**40 021 306**
TOTAL EQUITY AND LIABILITIES		**75 775 869**	**88 221 576**

The accompanying notes form an integral part of these financial statements.

Frode Gronvold
Chairman of the Board

Mārcis Budļevskis
Board Member

Elvīra Korsakova
Board Member

Larisa Aleksandrova
Accountant

1 April 2019

Statement of cash flows

		2018 EUR	2017 EUR
Cash flows to/ from operating activities			
Profit or loss before corporate income tax		***6 345 884***	***10 173 631***
Adjustments for:			
• depreciation and impairment of property, plant and equipment	13	88 756	75 884
• disposal of property, plant and equipment	7	12 225	65 384
• gain from changes in the fair value of investment properties	8	(2 914 043)	(6 025 374)
• interest income	8	(145 179)	(289 074)
• realized result of derivatives	9	46 893	46 115
• loss/ (gain) from changes in the fair value of financial instruments	8, 9	54 929	(50 317)
• interst expense	9	803 225	497 548
Profit or loss before adjustments for the effect of changes in current assets and current liabilities		***4 292 690***	***4 493 797***
• (increase)/ decrease in receivables		(362 648)	13 254
• (decrease)/ increase in trade and other payables		(413)	70 626
Cash generated from operations		***3 929 629***	***4 577 677***
Interest received		145 179	-
Interest paid		(617 408)	(507 865)
Interest paid on derivatives		(47 168)	(34 694)
Corporate income tax paid		(2 174 475)	(349 860)
Net cash flows to/ from operating activities		**1 235 757**	**3 685 258**
Cash flows to/ from investing activities			
Purchase of property, plant and equipment and intangible assets		(53 780)	(178 090)
Net cash flows to/ from investing activities		**(53 780)**	**(178 090)**
Cash flows to/ from financing activities			
Repayment of borrowings		(500 000)	(500 000)
Dividends paid		(2 200 000)	(2 392 715)
Net cash flows to/ from financing activities		**(2 700 000)**	**(2 892 715)**
Net cash flow for the year		(1 518 023)	614 453
Cash at the beginning of the year		2 016 560	1 402 107
Cash at the end of the year	19	**498 537**	**2 016 560**

The accompanying notes form an integral part of these financial statements.

Frode Gronvold
Chairman of the Board

Mārcis Budļevskis
Board Member

Elvīra Korsakova
Board Member

Larisa Aleksandrova
Accountant

1 April 2019

Statement of changes in equity

	Share capital	Retained earnings	Total
Balance as at 31 December 2016	**5 438 595**	**34 003 601**	**39 442 196**
Adjustment to retained earnings	-	(144 730)	(144 730)
Dividends paid	-	(2 392 715)	(2 392 715)
Profit for the reporting year	-	11 295 519	11 295 519
Balance as at 31 December 2017	**5 438 595**	**42 761 675**	**48 200 270**
Dividends paid*	-	(42 761 675)	(42 761 675)
Profit for the reporting year	-	6 345 884	6 345 884
Balance as at 31 December 2018	**5 438 595**	**6 345 884**	**11 784 479**

* In the reporting year, retained earnings of EUR 42 761 675 were paid in dividends as follows: EUR 2 200 000 were paid in cash; EUR 14 148 708 were offset against receivables assigned to the parent company for the loan issued to the related company SIA Linstow; the remaining amount of EUR 26 412 967 not paid to the Company's shareholder Linstow AS was converted into a non-current loan (see also Notes 25 and 26).

The accompanying notes form an integral part of these financial statements.

Frode Gronvold
Chairman of the Board

Mārcis Budļevskis
Board Member

Elvīra Korsakova
Board Member

Larisa Aleksandrova
Accountant

1 April 2019

Notes to the financial statements

1. Corporate information

SIA Tampere Invest (hereinafter – the Company) was registered with the Republic of Latvia Enterprise Register on 2 October 1996. The company manages Galerija Centrs Shopping Center in Riga. The core business activity of the Company comprises the lease of investment properties on the basis of operating lease agreements.

The sole shareholder of the Company is Linstow AS (incorporated in Norway. The ultimate parent of the Company is Awilhelmsen Holding AS (incorporated in Norway).

2. Summary of significant accounting policies

Basis of preparation

The financial statements of SIA Tampere Invest have been prepared in accordance with the Law of the Republic of Latvia on Annual Reports and Consolidated Annual Reports.

The financial statements are prepared on a historical cost basis. The monetary unit used in the financial statements is the euro (EUR). The financial statements cover the period 1 January 2018 through 31 December 2018.

The statement of profit or loss has been prepared according to the function of expense method.

The statement of cash flows has been prepared under the indirect method.

SIA Tampere Invest meets the criteria of a small enterprise specified in the Law of the Republic of Latvia on Annual Reports and Consolidated Annual Reports.

The law sets forth additional exemptions for small enterprises with regard to the preparation of financial statements, meanwhile providing that the financial statements must give a true and fair view of a company's financial position and profit or loss, while as regards annual reports of medium-sized and large enterprises, also of cash flows.

Going concern

The financial statements are prepared on the basis that the Company will continue to be a going concern.

At the end of the reporting year, the Company's current liabilities exceeded its current assets by EUR 972 233. The Company's management believes that positive operating cash flow and balanced financing cash flow will ensure adequate financial position to avoid any liquidity problems.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. Future events occur which cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

Foreign currency translation

The functional and presentation currency of the Company is the euro (EUR), the monetary unit of the Republic of Latvia. Transactions in foreign currencies are translated into the euro at the euro foreign exchange reference rate published by the European Central Bank at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the euro applying the euro foreign exchange reference rate published by the European Central Bank at the last day of the reporting year. The differences arising on settlements of transactions or on reporting foreign currency transactions at rates different from those at which these transactions have originally been recorded are netted in the statement of profit or loss.

2. Summary of significant accounting policies (cont'd)

Fair value

The Company measures and recognizes investment properties at fair value at the balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Comp.

For disclosures the fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities as at 31 December 2018:

			Fair value measurement using		
Assets for which fair value is disclosed	Total at carrying value	Total at fair value	quoted prices in active markets (Level 1)	significant observable inputs (Level 2)	insignificant observable inputs (Level 3)
Investment properties	74 416 000	74 416 000	-	-	74 416 000

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Other property, plant and equipment	over 3 to 15 years

Depreciation is calculated starting with the following month after the asset is put into operation or engaged in commercial activity. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. To the extent that the Company depreciates separately some parts of property, plant and equipment, it also depreciates separately the remainder of the item. The remainder consists of the parts that are individually insignificant. The depreciation for the remainder is determined using approximation techniques to faithfully represent its useful life.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the higher of an asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of profit or loss in the cost of sales caption.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit or loss in the year the item is derecognized.

Construction in progress is stated at cost.

2. Summary of significant accounting policies (cont'd)

Investment properties

The Company has chosen to recognize its investment property according to the requirements of International Financial Reporting Standards.

Investment properties consist of land plots, buildings, constructions or components of thereof that are held by the Company (as an owner of a lessee under finance leases) to earn rentals or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when an investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the income statement in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development or in order to provide a true and fair view of the Company's financial position.

Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

The cost of construction in progress under investment properties is increased by borrowing costs and other directly attributable costs incurred by funding the respective item in the period of time necessary to prepare the item for its intended use. The cost of the respective investment property is not increased by the borrowing costs in the periods when no development works are carried out. Current repair and maintenance costs of the investment property are charged directly to the statement of profit or loss in the period when incurred.

To ensure that the financial statements give a true and fair view of the value of the Company's investment properties, the Company has chosen to apply Article 13(5)(2) of the Law on Annual Reports and Consolidated Annual Reports and recognizes and measures investment properties in accordance with the International Accounting Standards.

Trade and other receivables

Trade and other receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when recovery is deemed impossible.

Derivative financial instruments

Derivative financial instruments are initially recognized at fair value (including acquisition costs) on the date of a derivative contract and are subsequently re-measured at their fair value. Fair values of derivative financial instruments traded on an active market are obtained from quoted market prices at the balance sheet date. If no active market exists for the respective financial instruments, fair value is determined by applying discounted cash flow models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Gains or losses from changes in the fair value of any derivative financial instruments are recognized immediately in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

2. Summary of significant accounting policies (cont'd)

Loans and borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognized in the statement of profit or loss as interest income/ expense when the liabilities are derecognized through the amortization process.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of provisions to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments, by a respective charge to current and non-current liabilities. Lease payments are apportioned between the finance charges and reduction of the principal lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset; otherwise capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term on a straight-line basis.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit or loss on a straight-line basis over the lease term. The commitments undertaken by the Company with respect to operating lease contracts are recorded as off-balance sheet liabilities.

Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, less value added tax and sales-related discounts. The following specific recognition criteria must also be met before revenue is recognized.

Rendering of services

The Company basically provides lease services. Revenue is recognized in the period when the services are rendered.

Revenue from lease services and corresponding expenses are recognized by reference to the stage of completion at the balance sheet date.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the expenses recognized that are recoverable.

Dividends

Revenue is recognized when the shareholders' right to receive the payment is established.

2. Summary of significant accounting policies (cont'd)

Income taxes

Corporate income tax for the year 2018 is calculated according to the Corporate Income Tax Law, which has been in force as of 1 January 2018. Corporate income tax for the year 2017 and previous years is calculated in accordance with the Law on Corporate Income Tax, which has been repealed by the Corporate Income Tax Law, applying the tax rate of 15% prevailing in a respective period.

Legal entities have not been required to pay income tax on earned profits starting from 1 January 2018 in accordance with amendments made to the Corporate Income Tax Law of the Republic of Latvia. Corporate income tax is paid on distributed profits and deemed profit distributions. Both distributed profits and deemed profit distributions are subject to the tax rate of 20 per cent of their gross amount, or 20/80 of net expense. Corporate income tax on dividends is recognized in the statement of profit or loss as expense in the reporting period when respective dividends are declared, while, as regards other deemed profit items, at the time when expense is incurred in the reporting year.

No provision is recognized for income tax payable on a dividend distribution before dividends are declared.

Subsequent events

Post-year-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

3. Net turnover

By business activities	2018	2017
Rental income	5 426 351	5 529 448
Temporary incentives subject to amortization recognized in the reporting year*	(4 706)	(10 136)
TOTAL:	**5 421 645**	**5 519 312**

Real estate is leased out under cancellable operating leases. Income is derived only in Latvia.

* Several tenants have been granted 100% incentives that will be effective for a certain period. In this respect, the total rental income is recognized on a straight-line basis over the lease term. Therefore, the Company recognizes income adjusted on a straight-line basis in the period when the incentives are granted and, accordingly, reports reduction in income over the remaining lease period.

4. Cost of sales

	2018	2017
Shopping center administration expense	437 828	442 356
Real estate tax	352 787	352 780
Depreciation of property, plant and equipment	84 338	67 964
Repair and maintenance expense	44 029	33 028
Variable costs for idle space	25 885	16 310
Insurance	19 437	17 945
Costs of change of tenants	15 132	9 248
Lease expense	3 116	3 116
Other costs	16 315	15 567
TOTAL:	**998 867**	**958 314**

5. Administrative expense

	2018	2017
Professional fees	49 447	21 241
Donations	8 100	7 100
Communications expense	7 577	5 799
Office maintenance expense	7 317	6 115
Depreciation of property, plant and equipment	4 418	7 920
Representation expense	3 604	2 776
Other administrative expense	1 248	753
Allocation of administrative expense to other operating expense of the Company	(57 181)	(36 061)
TOTAL:	**24 530**	**15 643**

6. Other operating income

		2018	2017
Income from utility services and security		1 658 104	1 715 045
Income from advertising and marketing services		572 285	605 391
Income from communications services		17 588	18 404
	Sub-total:	*2 243 797*	*2 338 840*
Gain from fair value adjustment of investment properties (see Note 12)		2 914 043	6 025 374
Penalties		15 592	23 998
Write-offs of payables		8 028	4 370
Other operating income		16 571	23 616
	TOTAL:	**5 198 031**	**8 416 198**

Income from utility services and security, advertising and marketing services, as well as communications services totaling EUR 2 243 797 (2017: EUR 2 338 840) represents income from common costs of the tenants directly related to shopping center operations.

Tenants' common costs, advertising and marketing costs, security costs and tenants' communications costs totaling EUR 2 336 094 (2017: EUR 2 442 634) are disclosed in Note 7.

7. Other operating expense

		2018	2017
Tenants' common costs		1 573 814	1 609 323
Advertising and marketing costs		613 995	690 607
Security costs		133 334	127 049
Tenants' communications costs		14 951	15 655
	Sub-total:	*2 336 094*	*2 442 634*
Allowances for doubtful trade receivables		79 212	22 354
Replacement and write-off costs of property, plant and equipment		12 225	65 384
Write-offs of receivables		11 223	-
Proportion of VAT allocated to expense		597	1 079
Currency exchange loss, net		-	24
	TOTAL:	**2 439 351**	**2 531 475**

Tenants' costs directly related to shopping center operations, i.e., utility services and security, advertising and marketing services, as well as communications services totaling EUR 2 336 094 (2017: EUR 2 442 634) are covered by income from utility services and security, advertising and marketing services, as well as communications services totaling EUR 2 243 797 (2017: EUR 2 338 840). The respective income is disclosed in Note 6.

8. Other interest and similar income

		2018	2017
Interest income on loans issued to related companies		145 179	289 074
Gain from changes in the fair value of financial instruments, net		-	50 317
	TOTAL:	**145 179**	**339 391**

9. Interest and similar expense

	2018	2017
Interest on bank loans	489 507	497 548
Interest on loans from related companies	313 718	-
Loss from changes in the fair value of financial instruments, net	54 929	-
Other borrowing costs	48 039	48 553
Realized result from derivatives	46 893	46 115
Bank charges	3 137	3 622
TOTAL:	**956 223**	**595 838**

10. Income taxes

	2018	2017
Current corporate income tax charge for the reporting year	-	2 490 603
Changes in deferred tax	-	915 170
Reversal of deferred tax	-	(4 527 661)
Corporate income tax charged to the statement of profit or loss:	-	**(1 121 888)**

* In 2017, deferred tax liabilities were reversed in the statement of profit or loss pursuant to amendments made to the tax legislation of the Republic of Latvia, which entered into force on 1 January 2018.

11. Staff costs and number of employees

The Company has no employees. The actual management of the Company and its project development functions have been assigned to the related company SIA Linstow Center Management. The Company does not reimburse the Board Members for performing of their functions in the Board and, consequently, does not calculate any related expenses.

12. Investment properties

As at 31 December 2016	**65 585 000**
Year ended 31 December 2017	
Additions	58 843
Disposals	(199 717)
Gain from fair value adjustment	6 025 374
As at 31 December 2017	**71 469 500**
Year ended 31 December 2018	
Additions	42 773
Disposals	(10 316)
Gain from fair value adjustment	2 914 043
As at 31 December 2018	**74 416 000**

Investment properties include the real estate owned by the Company that is held to earn rentals or for capital appreciation.

The fair value of investment properties is based on the valuation performed at the end of 2018 by two independent certified appraisers. In determining the fair value, the discounted cash flow method was applied. The main assumptions used in the measurement of the fair value of the Company's investment properties are as follows:

	2018	2017
Discount rate	7% - 8.2%	7.25% - 8.2%
Exit yield	6.5%	6.75%
Growth rate	1.9% - 2.5%	1.8% - 2.8%
Non-attributable (unoccupied area and unearned rentals)	1% - 5% or 3 EUR/m²/per month	1% - 3% or 3 EUR/m²/per month

The management has determined that the fair value of the investment property is between the two of the above valuations based on the assumptions used by the appraisers.

The following income and expense related to investment properties are included in the statement of profit or loss:

	2018	2017
Rental income	5 472 856	5 529 448
Direct operating expense (including repairs and maintenance) constituting rental income (included in the caption "Cost of sales")	(998 867)	(958 314)

Pledges and other restrictions on title

All the investment properties owned by the Company are pledged as a security for the bank loans (see Note 20).

13. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Construction in progress	Prepayments for property, plant and equipment	TOTAL
As at 31 December 2016				
Cost	942 237	-	-	**942 237**
Accumulated depreciation and impairment	(651 961)	-	-	**(651 961)**
Carrying amount as at 31 December	**290 276**	-	-	**290 276**
Year ended 31 December 2017				
Carrying amount as at 1 January	290 276	-	-	**290 276**
Additions	41 861	116 525	4 250	**162 636**
Reclassified from construction in progress	76 577	(119 967)	-	**(43 390)**
Reclassified from prepayments	808	3 442	(4 250)	-
Cost of disposals	(25 305)	-	-	**(25 305)**
Accumulated depreciation of disposals	14 909	-	-	**14 909**
Depreciation charge	(75 884)	-	-	**(75 884)**
Carrying amount as at 31 December	**323 242**	-	-	**323 242**
As at 31 December 2017				
Cost	1 036 178	-	-	**1 036 178**
Accumulated depreciation and impairment	(712 936)	-	-	**(712 936)**
Carrying amount as at 31 December	**323 242**	-	-	**323 242**
Year ended 31 December 2018				
Carrying amount as at 1 January	323 242	-	-	**323 242**
Additions	2 477	51 303	-	**53 780**
Reclassified from construction in progress	-	(42 773)	-	**(42 773)**
Cost of disposals	(138 214)	-	-	**(138 214)**
Accumulated depreciation of disposals	136 305	-	-	**136 305**
Depreciation charge	(88 756)	-	-	**(88 756)**
Carrying amount as at 31 December	**235 054**	**8 530**	-	**243 584**
As at 31 December 2018				
Cost	900 441	8 530	-	**908 971**
Accumulated depreciation and impairment	(665 387)	-	-	**(665 387)**
Carrying amount as at 31 December	**235 054**	**8 530**	-	**243 584**

Pledges and other restrictions on title

All the investment properties owned by the Company are pledged as a security for the bank loans (see Note 20).

14. Trade receivables

	31/12/2018	31/12/2017
Trade receivables	519 579	231 304
Allowances for doubtful receivables	(191 523)	(132 564)
TOTAL:	**328 056**	**98 740**

Past due trade receivables are interest bearing.

15. Other receivables

	31/12/2018	31/12/2017
Overpayment of taxes (see Note 22 "Taxes payable")	157 094	2
Security deposit paid	493	493
TOTAL:	**157 587**	**495**

16. Prepaid expense

	31/12/2018	31/12/2017
Insurance	12 166	10 786
Municipal duty for advertising	8 226	11 881
Electronic navigation kiosks warranty expense	5 678	5 677
Other expense	195	80
TOTAL:	**26 265**	**28 424**

17. Accrued income

	31/12/2018	31/12/2017
Accrued rental income	55 337	66 561
Utilities	50 205	55 875
Accrued marketing income	3 073	3 073
Temporary incentives subject to amortization	(2 775)	1 931
TOTAL:	**105 840**	**127 440**

18. Derivative financial instruments

	31/12/2018		31/12/2017	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	-	46 462	8 467	-
Total	-	**46 462**	**8 467**	-
Including:				
- non-current portion	-	46 462	8 467	-
- current portion	-	-	-	-

On 6 December 2016, the Company entered into an interest rate swap contract with Danske Bank AS Latvia Branch. The contract provides that floating EURIBOR interest rate is swapped with a fixed rate of 0.23% per annum covering the amount of EUR 9 265 822. The contract is valid for 6 years.

19. Cash

	31/12/2018	31/12/2017
Cash at bank and on hand	498 037	2 016 060
Cash in cash exchange machine	500	500
TOTAL:	**498 537**	**2 016 560**

20. Loans from credit institutions

Non-current:		Maturity	31/12/2018	31/12/2017
Loan from the Banks	EUR	13/04/2023	35 563 288	36 063 288
		TOTAL, non-current	**35 563 288**	**36 063 288**
Prepaid expense related to the loan from the Banks			(119 845)	(138 714)
		TOTAL non-current loans from credit institutions, net:	**35 443 443**	**35 924 574**

Current:		Maturity	31/12/2018	31/12/2017
Loan from the Banks	EUR	13/04/2023	500 000	500 000
		TOTAL, current	**500 000**	**500 000**
Prepaid expense related to the loan from the Banks			(49 825)	(42 681)
		TOTAL current loans from credit institutions, net:	**450 175**	**457 319**
		TOTAL loans from credit institutions, net:	**36 063 288**	**36 563 288**

	31/12/2018	31/12/2017
Maturing in less than one year	500 000	500 000
Maturing between one and five years	2 000 000	2 000 000
Maturing in more than five years	33 563 288	34 063 288
TOTAL:	**36 063 288**	**36 563 288**

On 8 March 2016, the Company and its related company SIA Linstow (as the Borrowers) entered into a loan agreement with AS SEB banka and Danske Bank AS. The loan totals EUR 76 million. The loan was used to refinance the previous loan facility. According to the conditions of the loan agreement, the total loan was provided in equal parts to each of the Borrowers; as a result, the portion of the loan assigned to the Company was EUR 38 million. Repayment term of the principal is 6 years with a balloon payment of EUR 70 million at the end of maturity. The amount of EUR 6 million of the principal is repayable in equal instalments on a semi-annual basis until the final balloon payment. Interest is payable at the rate of 6-month EURIBOR plus 1.4% per annum on a semi-annual basis.

Outstanding interest as at the end of reporting year is reflected under the accrued liabilities

On 13 April 2018, the loan agreement was amended whereby the loan maturity was set as at 13 April 2023.

In accordance with the loan agreement, the Company's real estate located in Riga, Audēju iela 16 and Kalēju iela 30, and any buildings and constructions that may be constructed thereon, and all other assets owned by the Company at the date of pledging, and all other assets that may be acquired in the future, as well as the shares owned by the parent company, and any other shares of the Company that may be acquired by the parent company in the future are pledged as part of security for the respective bank loans.

21. Prepayments received from customers

	31/12/2018	31/12/2017
Lease security deposits	339 215	297 639
TOTAL:	**339 215**	**297 639**

22. Taxes payable

	31/12/2018	31/12/2017
Corporate income tax	157 090	(2 174 475)
Value added tax	(73 379)	(35 525)
Personal income tax	2	2
Real estate tax	2	-
TOTAL:	**83 715**	**(2 209 998)**
Total receivable (disclosed as other receivables)	**157 094**	**2**
Total payable	**(73 379)**	**(2 210 000)**

23. Deferred income

	31/12/2018	31/12/2017
Deferred rentals	363 466	336 268
Deferred marketing fees	40 032	41 672
TOTAL:	**403 498**	**377 940**

24. Accrued liabilities

	31/12/2018	31/12/2017
Accrued interest on bank loans	150 654	155 439
Accrued liabilities towards tenants	83 534	16 068
Accrued electricity costs	50 609	56 520
Accrued marketing and tenants' common costs	19 477	13 737
Accrued interest on derivative financial instruments	14 513	14 788
Other accrued expense	9 198	20 066
Accrued points of Galactico Privilege cards	-	5 000
TOTAL:	**327 985**	**281 618**

25. Loans to related companies

	31/12/2018	31/12/2017
Maturing in more than one year	-	14 148 708
TOTAL:	**-**	**14 148 708**

In the reporting year, receivables in amount of EUR 14 148 708 arising from the loan issued to the related company SIA Linstow were assigned to the Company's parent and offset against the declared dividends.

26. Loans from related company

	31/12/2018	31/12/2017
Maturing in more than one year	26 412 967	-
TOTAL:	26 412 967	-

On 1 October 2018, the Company singed loan agreement with its direct parent according to which the portion of dividends of EUR 26 412 967 not paid to the Company's shareholder Linstow AS was converted into a non-current loan. Loan agreement is in effect as from 29 June 2018 and matures on 29 June 2028. In the reporting year, the average loan interest was 2.33%. Loan is denominated in EUR, and it is not secured by collateral or otherwise.

27. Commitments and contingencies

The Company as a lessee has entered into the following property lease agreements:

Land Lease Agreement No RD-12-1832-lī dated 10 October 2012 (with 25 May 2017 amendments RD-12-1832- lī/1)

The Agreement between the Property Department of Riga Council (the Lessor) and SIA Tampere Invest (the Lessee) provides that the Lessor leases out and the Lessee accepts for lease two land plots located in Riga, Rīdzenes iela (cadaster No 010000220028001 and cadaster No 010000220028002, which are parts of the land plot registered under cadaster No 0100-002-2002). Each land plot thereby leased has an area of 31 m². The Agreement is effective till 9 October 2022.

Land Lease Agreement No RD-12-1831-lī dated 10 October 2012 (with 25 May 2017 amendments RD-12-1831- lī/1)

The Agreement between the Property Department of Riga Council (the Lessor) and SIA Tampere Invest (the Lessee) provides that the Lessor leases out and the Lessee accepts for lease a land plot located in Riga, Rīdzenes iela (cadaster No 010000220028003, which is part of the land plot registered under cadaster No 0100-002-2002). The land plot thereby leased has an area of 506 m². The Agreement is effective till 9 October 2022.

The total amount of annual lease expenses was EUR 3 116 in 2018 (2017: EUR 3 116). As at 31 December of the reporting year, the future aggregate minimum lease payments under cancellable operating leases were as follows:

	31/12/2018	31/12/2017
Maturing in less than one year	3 116	3 116
Maturing between one and five years	9 347	12 463
TOTAL:	12 463	15 579

Off-balance sheet liabilities

Liability insurance agreement of 12 December 2013

In 2011, the reorganization of the group (SIA Tampere Invest Holdings, SIA Tampere Invest, AS Universālveikals Centrs) was commenced. As part of the reorganization process, on 26 March 2012 the general shareholders' meeting of AS Universālveikals Centrs (hereinafter – UVC) resolved to cease the operations of UVC and initiate the liquidation of this company. The operations of UVC were terminated in 2013, and UVC was excluded from the Republic of Latvia Enterprise Register on 16 December 2013. Proceeding with the aforementioned reorganization, SIA Tampere Invest Holdings was acquired by SIA Tampere Invest; accordingly, the reorganization was completed on 9 December 2014 when SIA Tampere Invest Holdings was excluded from the Republic of Latvia Enterprise Register.

In order to hold UVC liquidators harmless against any and all claims, procedures, losses and liabilities that may arise from or in relation to the completion of the UVC liquidation, SIA Tampere Invest Holdings signed a liability insurance agreement with the UVC liquidators. After SIA Tampere Invest Holdings has been liquidated, the Company has become its legal successor and, therefore, taken over all the rights and obligations under the liability insurance agreement. This agreement will be effective for 20 years after the liquidation of UVC has been completed.

Events after balance sheet date

As of the last day of the reporting year until the date of signing these financial statements there have been no events requiring adjustment of or disclosure in the financial statements or notes thereto.

Frode Gronvold
Chairman of the Board

Mārcis Budļevskis
Board Member

E. Korsakova

Elvīra Korsakova
Board Member

Larisa Aleksandrova
Accountant

1 April 2019

Building a better working world

SIA "Ernst & Young Baltic"
Muitas iela 1A
Rīga, LV-1010
Latvija
Tālr.: +371 6704 3801
Fakss: +371 6704 3802
riga@lv.ey.com
www.ey.com/lv

Reģ. Nr. 40003593454
PVN maksātāja Nr. LV40003593454

SIA Ernst & Young Baltic
Muitas iela 1A
Riga, LV-1010
Latvia
Tel.: +371 6704 3801
Fax: +371 6704 3802
riga@lv.ey.com
www.ey.com/lv

Reg. No: 40003593454
VAT payer code: LV40003593454

Translation from Latvian

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Tampere Invest SIA

Opinion

We have audited the accompanying financial statements of Tampere Invest SIA (the Company) set out on pages 6 to 25 of the accompanying annual report, which comprise the balance sheet as at 31 December 2018 and the statement of profit or loss, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Tampere Invest SIA as at 31 December 2018, and of its financial performance for the year then ended in accordance with the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). 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 International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the independence requirements included in the Law on Audit Services of Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have fulfilled our other ethical responsibilities in accordance with the Law on Audit Services of Republic of Latvia and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reporting on other information

The other information comprises the Management Report as set out on pages 4 to 5 of the accompanying annual report, but does not include the financial statements and our auditors report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as described in the Other reporting responsibilities in accordance with the legislation of the Republic of Latvia section of our report.

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 and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, 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.

Other reporting responsibilities in accordance with the legislation of the Republic of Latvia

We have other reporting responsibilities in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report. These additional reporting responsibilities are beyond those required under the ISAs.

Our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the Law on the Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

Based solely on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

Building a better
working world

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia 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 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, 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 Group'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.

ERNST & YOUNG BALTIC SIA
Licence No. 17

Diāna Krišjāne
Chairperson of the Board
Latvian Certified Auditor
Certificate No. 124

Riga, 1 April 2019

APPENDIX F
Annual Report 2017 of SIA Tampere Invest

LIMITED LIABILITY COMPANY
TAMPERE INVEST

(UNIFIED REGISTRATION NUMBER 40003311422)

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

(21st financial year)

PREPARED IN ACCORDANCE WITH
THE LAW OF THE REPUBLIC OF LATVIA ON ANNUAL REPORTS
AND CONSOLIDATED ANNUAL REPORTS

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

Riga, 2018

CONTENTS

General information

Name of the company	Tampere Invest
Legal status of the company	Limited liability company
Registration number, place and date of registration	40003311422 Riga, 2 October 1996
Registered office	Audēju iela 16 Rīga, Latvija, LV-1050
Shareholder	Linstow Center Development AS (100%) (until 26 July 2017) Stranden 3 B, 0118 Oslo, Norway Reg. No 888861262 Oslo, 12 November 2005 Linstow AS (100%) (fom 26 July 2017) Tjuvholmen Alle 3 Postboks 1594 0118, Oslo, Norway Reg. No. 981354400 Oslo, Norway, 9 December 1999
Board Members	Frode Gronvold, Chairman of the Board Mārcis Budļevskis, Board Member Elvīra Korsakova, Board Member
Financial year	1 January – 31 December 2017
Auditors	Diāna Krišjāne Latvian Certified Auditor Certificate No 124 SIA Ernst & Young Baltic Muitas iela 1a, Rīga Latvia, LV-1010 License No 17

Management report

Until 26 July 2017, Linstow Center Development AS (incorporated in Norway) was the sole shareholder of Tampere Invest SIA (hereinafter - the Company). On 26 July 2017, a change of the sole shareholder of the Company was registered and the sole shareholder became company Linstow AS (incorporated in Norway). The ultimate parent of the Company is A Wilhelmsen AS (incorporated in Norway).

The Company is the owner, developer and manager of the shopping center Galerija Centrs (hereinafter – the SC Galerija Centrs) in Riga. The SC Galerija Centrs continues its successful operations owing to the strategically advantageous location and the effective management model. At present, the customers of the shopping center can visit more than 130 various stores, coffee-bars and restaurants.

The Company has retained its market position by maintaining the high level of service and thoroughly analysing the market tendencies. The key success factors also include optimal leasehold structure and strong professional management.

Company's performance for the year

In the reporting year, the Company earned a profit of EUR 11 295 519. The management of the Company has suggested that the profit for the year should be paid out as dividends.

Future development of the Company

The Company's management is confident that the choice of the strategically important location that ensures the considerable customer flow to the SC Galerija Centrs and the effective management model will be the cornerstone for the Company's successful and sustainable development in the future.

During the following year, the Company will carry on its operations according to the existing business plans. To sustain competitiveness of the SC Galerija Centrs over the long term, the Company's management will pursue its initiatives, focusing on leasehold structure optimization, customer flow enhancement and business efficiency improvement.

Share capital of the Company

As at 31 December 2017, the subscribed and fully paid share capital of the Company was EUR 5 438 595 and consisted of 5 438 595 ordinary shares. The par value of each share was EUR 1.

As part of security under the loan agreement signed in 2016 (see also Note 20), the parent company has pledged all the Company's shares together with all the shareholder's rights granted to the parent company and any other shares that the parent company may acquire in the future.

Exposure to risks

The Company's principal financial instruments comprise loans from credit institutions and related companies, cash, and interest rate swaps. The main purpose of these financial instruments is to ensure financing for the Company's operations. The Company has various other financial instruments such as trade receivables and trade and other payables, which arise directly from its operations

The main financial risks arising from the Company's financial instruments are market risk, interest rate risk, liquidity risk and credit risk.

Market risk

The Company is exposed to market risk mainly because of strong competition on the market – the expansion and construction of potential competitive shopping centers. The Company's management follows closely the market development, continuously works to attract new tenants, enhances the customer loyalty program and uniqueness of the services provided in order to further improve the commercial performance of the shopping centers and raise the customer service level.

Interest rate risk

The Company is exposed to interest rate risk mainly through its current and non-current borrowings and loans. The Company's policy is to ensure that the majority of its borrowings and loans are at a floating rate. The Company has also signed an interest rate swap contract (see also Note 18). The average interest rate payable on the Company's borrowings and loans is disclosed in Notes 18, 20 and 25.

Management report (cont'd)

Exposure to risks (cont'd)

Liquidity and cash flow risk

The Company manages its liquidity risk by maintaining an adequate level of cash and cash equivalents and by arranging an adequate amount of committed credit facilities with banks and related companies.

Credit risk

The Company is exposed to credit risk through its trade receivables, issued loans, as well as cash and cash equivalents. The Company manages its credit risk by continuously assessing the credit history of customers and assigning credit terms on an individual basis. In addition, receivable balances are monitored on an ongoing basis to ensure that the Company's exposure to bad debts is minimized.

As at 31 December 2017, the Company's credit risk concentration to the loan issued to SIA Linstow amounted to 16.04% of the total assets (31 December 2016 17.03%). See also Note 25. As at 31 December 2017 and 2016, the Company had no significant concentration of credit risk with its trade receivables.

Frode Grønvold Chairman of the Board	Mārcis Budļevskis Board Member	E. Korsakova Elvīra Korsakova Board Member

26 April 2018

Statement of profit or loss

	Notes	2017	2016 (restated*)
		EUR	EUR
Net turnover	4	5 519 312	5 577 484
Cost of sales	5	(958 314)	(989 610)
Gross profit		**4 560 998**	**4 587 874**
Administrative expense	6	(15 643)	(26 276)
Other operating income	7	8 416 198	3 350 383
Other operating expense	8	(2 531 475)	(2 896 012)
Other interest and similar income:	9	**339 391**	**329 753**
• related companies		289 074	329 753
• other companies		50 317	-
Interest and similar expense:	10	**(595 838)**	**(771 299)**
• other parties		(595 838)	(771 299)
Profit before corporate income tax		**10 173 631**	**4 574 423**
Income tax expense	11	(2 490 603)	(310 092)
Profit after corporate income tax		**7 683 028**	**4 264 331**
Income or expense from changes in deferred tax assets or deferred tax liabilities	11	3 612 491	(134 894)
Net profit for the reporting year		**11 295 519**	**4 129 437**

* See note 3

The accompanying notes form an integral part of these financial statements.

Frode Gronvold
Chairman of the Board

Mārcis Budjevskis
Board Member

Elvīra Korsakova
Board Member

Larisa Aleksandrova
Accountant

26 April 2018

Balance sheet

ASSETS

	Notes	31.12.2017. EUR	31.12.2016. (restated*) EUR
NON-CURRENT ASSETS			
Real estate			
Investment properties	12	71 469 500	65 585 000
Property, plant and equipment			
Other fixtures and fittings, tools and equipment	13	323 242	290 276
Non-current financial assets			
Loans to related companies	25	14 148 708	13 859 417
Other loans and long term receivables	18	8 467	-
TOTAL		**14 157 175**	**13 859 417**
TOTAL NON-CURRENT ASSETS		**85 949 917**	**79 734 693**
CURRENT ASSETS			
Receivables			
Trade receivables	14	98 740	77 417
Other receivables	15	495	1 295
Prepaid expense	16	28 424	28 258
Accrued income	17	127 440	161 600
KOPĀ		**255 099**	**268 570**
Cash	19	2 016 560	1 402 107
TOTAL CURRENT ASSETS		**2 271 659**	**1 670 677**
TOTAL ASSETS		**88 221 576**	**81 405 370**

* See note 3

The accompanying notes form an integral part of these financial statements.

E. Korsakova

Frode Grønvold
Chairman of the Board

Mārcis Budļevskis
Board Member

Elvīra Korsakova
Board Member

Larisa Aleksandrova
Accountant

26 April 2018

Balance sheet

EQUITY AND LIABILITIES

	Notes	31.12.2017. EUR	31.12.2016. (restated*) EUR
EQUITY			
Share capital		5 438 595	5 438 595
Retained earnings		31 466 156	29 874 164
Profit for the reporting year		11 295 519	4 129 437
TOTAL EQUITY		**48 200 270**	**39 442 196**
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	20	35 924 574	36 381 892
Payables to related companies		-	3 612 491
Other liabilities		-	41 850
TOTAL		**35 924 574**	**40 036 233**
Current liabilities			
Loans from credit institutions	20	457 319	451 447
Prepayments received from customers	21	297 639	279 308
Trade payables		357 699	292 430
Payables to related companies		114 517	109 658
Taxes payable	22	2 210 000	94 516
Deferred income	23	377 940	374 092
Accrued liabilities	24	281 618	325 490
TOTAL		**4 096 732**	**1 926 941**
TOTAL LIABILITIES		**40 021 306**	**41 963 174**
TOTAL EQUITY AND LIABILITIES		**88 221 576**	**81 405 370**

* See note 3

The accompanying notes form an integral part of these financial statements.

Frode Gronvold
Chairman of the Board

Mārcis Budjevskis
Board Member

E. Korsakova

Elvīra Korsakova
Board Member

Larisa Aleksandrova
Accountant

26 April 2018

Statement of cash flows

		2017 EUR	2016 EUR
Cash flows to/ from operating activities			
Profit or loss before corporate income tax		***10 173 631***	***4 574 423***
Adjustments for:			
• depreciation and impairment of property, plant and equipment	13	75 884	68 501
• disposal of property, plant and equipment	8	65 384	353 663
• gain from changes in the fair value of investment properties	7	(6 025 374)	(960 419)
• loss from fluctuations of currency exchange rates		-	158
• interest income	9	(289 074)	(329 753)
• realized result of derivatives	10	46 115	3 367
• (gain)/loss from changes in the fair value of financial instruments	9, 10	(50 317)	41 850
• interst expense	10	497 548	631 431
Profit or loss before adjustments for the effect of changes in current assets and current liabilities		***4 493 797***	***4 383 221***
• decrease/ (increase) in receivables		13 254	(57 602)
• increase/ (decrease) in trade and other payables		70 626	(399 834)
Cash generated from operations		***4 577 677***	***3 925 785***
Interest paid		(507 865)	(191 542)
Interest paid on derivatives		(34 694)	-
Corporate income tax paid		(349 860)	(388 213)
Net cash flows to/ from operating activities		**3 685 258**	**3 346 030**
Cash flows to/ from investing activities			
Purchase of property, plant and equipment and intangible assets		(178 090)	(173 842)
Net cash flows to/ from investing activities		**(178 090)**	**(173 842)**
Cash flows to/ from financing activities			
Repayment of borrowings		(500 000)	(250 000)
Dividends paid		(2 392 715)	(2 393 250)
Net cash flows to/ from financing activities		**(2 892 715)**	**(2 643 250)**
Net foreign exchange difference		-	(158)
Net cash flow for the year		614 453	528 780
Cash and cash equivalents at the beginning of the year		1 402 107	873 327
Cash and cash equivalents at the end of the year	19	**2 016 560**	**1 402 107**

* See note 3

The accompanying notes form an integral part of these financial statements.

Frode Gronvold
Chairman of the Board

Mārcis Budļevskis
Board Member

E. Korsakova

Elvīra Korsakova
Board Member

Larisa Aleksandrova
Accountant

26 April 2018

Statement of changes in equity

	Share capital	Retained earnings	Total
Balance as at 31 December 2015	**5 438 595**	**2 393 252**	**7 831 847**
Increase in retained earnings *	-	29 874 164	29 874 164
Dividends paid	-	(2 393 252)	(2 393 252)
Profit for the reporting year*	-	4 129 437	4 129 437
Balance as at 31 December 2016	**5 438 595**	**34 003 601**	**39 442 196**
Adjustment to retained earnings	-	(144 730)	(144 730)
Dividends paid	-	(2 392 715)	(2 392 715)
Profit for the reporting year	-	11 295 519	11 295 519
Balance as at 31 December 2017	**5 438 595**	**42 761 675**	**48 200 270**

* See note 3

The accompanying notes form an integral part of these financial statements.

Frode Gronvold
Chairman of the Board

Mārcis Budļevskis
Board Member

Elvīra Korsakova
Board Member

Larisa Aleksandrova
Accountant

26 April 2018

Notes to the financial statements

1. Corporate information

SIA Tampere Invest (hereinafter – the Company) was registered with the Republic of Latvia Enterprise Register on 2 October 1996. The registered office of the Company is at Audēju iela 16, Riga. The core business activity of the Company comprises the lease of investment properties on the basis of operating lease agreements.

In 2017 there was a change of the sole owner of the Company 2017. As the sole owner of the Company instead Linstow Managemenet Center AS became Linstow AS. Both companies are incorporated in Norway. The ultimate parent of the Company is A Wilhelmsen AS (incorporated in Norway).

2. Summary of significant accounting policies

Basis of preparation

The financial statements of SIA Tampere Invest have been prepared in accordance with the Law of the Republic of Latvia on Annual Reports and Consolidated Annual Reports.

The financial statements are prepared on a historical cost basis. The monetary unit used in the financial statements is the euro (EUR). The financial statements cover the period 1 January 2017 through 31 December 2017.

The statement of profit or loss has been prepared according to the function of expense method.

The statement of cash flows has been prepared under the indirect method.

SIA Tampere Invest meets the criteria of a medium-sized enterprise specified in the Law of the Republic of Latvia on Annual Reports and Consolidated Annual Reports.

The law sets forth additional exemptions for small and medium-sized enterprises with regard to the preparation of financial statements, meanwhile providing that the financial statements must give a true and fair view of a company's financial position and profit or loss, while as regards annual reports of medium-sized and large enterprises, also of cash flows.

In order to improve the comparability of the prepared statement of profit or loss and the balance sheet, certain reclassifications have been made to several items of the statement of profit or loss and the balance sheet for the year ended 31 December 2016.

Going concern

The financial statements are prepared on the basis that the Company will continue to be a going concern.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. Future events occur which cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

Foreign currency translation

The functional and presentation currency of the Company is the euro (EUR), the monetary unit of the Republic of Latvia. Transactions in foreign currencies are translated into the euro at the euro foreign exchange reference rate published by the European Central Bank at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the euro applying the euro foreign exchange reference rate published by the European Central Bank at the last day of the reporting year. The differences arising on settlements of transactions or on reporting foreign currency transactions at rates different from those at which these transactions have originally been recorded are netted in the statement of profit or loss.

2. Summary of significant accounting policies (cont'd)

Fair value

The Company measures and recognizes investment properties at fair value at the balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Comp.

For disclosures the fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities as at 31 December 2017:

			Fair value measurement using		
Assets for which fair value is disclosed	Total at carrying value	Total at fair value	quoted prices in active markets (Level 1)	significant observable inputs (Level 2)	significant unobservable inputs (Level 3)
Investment properties	71 469 500	71 469 500	-	-	71 469 500

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Other property, plant and equipment	over 3 to 15 years

Depreciation is calculated starting with the following month after the asset is put into operation or engaged in commercial activity. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. To the extent that the Company depreciates separately some parts of property, plant and equipment, it also depreciates separately the remainder of the item. The remainder consists of the parts that are individually insignificant. The depreciation for the remainder is determined using approximation techniques to faithfully represent its useful life.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the higher of an asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of profit or loss in the cost of sales caption.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit or loss in the year the item is derecognized.

Construction in progress is stated at cost.

2. Summary of significant accounting policies (cont'd)

Investment properties

The Company has chosen to recognize its investment property according to the requirements of International Financial Reporting Standards.

Investment properties consist of land plots, buildings, constructions or components of thereof that are held by the Company (as an owner of a lessee under finance leases) to earn rentals or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when an investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development or in order to provide a true and fair view of the Company's financial position.

Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

The cost of construction in progress under investment properties is increased by borrowing costs and other directly attributable costs incurred by funding the respective item in the period of time necessary to prepare the item for its intended use. The cost of the respective investment property is not increased by the borrowing costs in the periods when no development works are carried out. Current repair and maintenance costs of the investment property are charged directly to the statement of profit or loss in the period when incurred.

For the purpose of financial statements to provide a true and fair view on the Company's investment property value, the Company has chosen to apply Article 13(5)(2) of the Law on Annual Reports and Consolidated Annual Reports and recognizes and measures investment properties in accordance with International Accounting Standards.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials – purchase cost on a first-in, first-out (FIFO) basis;

Finished goods and work in progress – cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Net realizable value is disclosed at the purchase (production) cost less allowances made.

Trade and other receivables

Trade and other receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when recovery is deemed impossible.

Derivative financial instruments

Derivative financial instruments are initially recognized at fair value (including acquisition costs) on the date of a derivative contract and are subsequently re-measured at their fair value. Fair values of derivative financial instruments traded on an active market are obtained from quoted market prices at the balance sheet date. If no active market exists for the respective financial instruments, fair value is determined by applying discounted cash flow models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Gains or losses from changes in the fair value of any derivative financial instruments are recognized immediately in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

2. Summary of significant accounting policies (cont'd)

Loans and borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognized in the statement of profit or loss as interest income/ expense when the liabilities are derecognized through the amortization process.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of provisions to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments, by a respective charge to current and non-current liabilities. Lease payments are apportioned between the finance charges and reduction of the principal lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset; otherwise capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term on a straight-line basis.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit or loss on a straight-line basis over the lease term. The commitments undertaken by the Company with respect to operating lease contracts are recorded as off-balance sheet liabilities.

Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, less value added tax and sales-related discounts. The following specific recognition criteria must also be met before revenue is recognized.

Rendering of services

The Company basically provides lease services. Revenue is recognized in the period when the services are rendered.

Revenue from lease services and corresponding expenses are recognized by reference to the stage of completion at the balance sheet date.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the expenses recognized that are recoverable.

Dividends

Revenue is recognized when the shareholders' right to receive the payment is established.

2. Summary of significant accounting policies (cont'd)

Income taxes

Income taxes include current and deferred taxes. Current corporate income tax is applied at the statutory rate of 15%.

Legal entities will not be required to pay income tax on earned profits starting from 1 January 2018 in accordance with amendments made to the Corporate Income Tax Law of the Republic of Latvia. Corporate income tax will be paid on distributed profits and deemed profit distributions. Consequently, current and deferred tax assets and liabilities are measured at the tax rate applicable to undistributed profits. Starting from 1 January 2018, both distributed profits and deemed profit distributions will be subject to the tax rate of 20 per cent of their gross amount, or 20/80 of net expense. Corporate income tax on dividends is recognized in the statement of profit or loss as expense in the reporting period when respective dividends are declared, while, as regards other deemed profit items, at the time when expense is incurred in the reporting year.

Deferred tax assets and liabilities

Until 31 December 2017, given that the Company is a group's subsidiary whose parent company requires to recognize, measure and disclose captions in the financial statements and provide related disclosures in the explanatory notes in accordance with International Accounting Standards, the Company had chosen to apply Article 13(5)(2) of the Law on Annual Reports and Consolidated Annual Reports and recognized and measured deferred tax assets and deferred tax liabilities, as well as provided explanatory information under the captions "Deferred tax assets", "Deferred tax liabilities" and "Income or expense from changes in deferred tax assets or deferred tax liabilities" in accordance with IAS 12 "Income Taxes". Deferred tax was provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying value for accounting purposes. Deferred tax assets and liabilities were measured at the tax rates that were expected to apply to the period when the asset was realized or the liability was settled, based on tax rates that had been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are not recognized for the year 2017 in accordance with amendments to the legislation of the Republic of Latvia, which entered into force on 1 January 2018. Accordingly, deferred tax liabilities which were calculated and recognized in previous reporting periods have been reversed through the current statement of profit or loss in the financial statements for the year ended 31 December 2017; according to the International Accounting Standard, changes in the tax legislation must be presented in financial statements in the period when they are adopted.

Subsequent events

Post-year-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

3. Retrospective restatement due to the changes in the accounting policy

To provide a more clear and true view of the Company's financial position, in 2017 the Company reclassified certain items of property, plant and equipment, i.e., real estate, to investment properties, given that they meet the definition of investment properties according to IFRS (in particular, IAS 40) which provide for measurement at fair value. The reclassification is considered to constitute changes in accounting policy that should be applied retrospectively.

The effect of the retrospective change in accounting policy on the balances of the statement of profit or loss for the year 2016 and the balance sheet items can be disclosed as follows:

	Statement of profit or loss		
	2016 Restated	Retrospective restatement	2016 Reported
Cost of sales	(989 610)	1 088 381	(2 077 991)
Other operating income	3 350 383	960 419	2 389 964
Other operating expense	(2 896 012)	(296 046)	(2 599 966)
Income or expense from changes in deferred tax assets or deferred tax liabilities	(134 894)	(16 033)	(118 861)
Total effect on the statement of profit or loss:		**1 736 721**	

	Balance sheet		
	31.12.2016. Restated	Retrospective restatement	31.12.2016. Reported
Assets:			
Non-current assets			
Real estate:			
• Investment properties	65 585 000	65 585 000	-
Property, plant and equipment			
• Land plots, buildings and engineering constructions	-	(32 359 972)	32 359 972
Total effect on assets:		**33 225 028**	
Equity and liabilities :			
Equity			
Retained earnings	29 874 164	29 874 164	-
Profit for the reporting year	4 129 437	1 736 721	2 392 716
Non-current liabilities			
Deferred tax liabilities	3 612 491	1 614 143	1 998 348
Total effect on equity and liabilities:		**33 225 028**	

4. Net turnover

By business activities		2017	2016
Rental income		5 529 448	5 576 915
Temporary incentives subject to amortization recognized in the reporting year*		(10 136)	569
	TOTAL:	5 519 312	5 577 484

Real estate is leased out under cancellable operating leases. The lease term is usually three years. Income is derived only in Latvia.

* Several tenants have been granted 100% incentives that will be effective for a certain period. In this respect, the total rental income is recognized on a straight-line basis over the lease term. Therefore the Company recognizes income adjusted on a straight-line basis in the period when the incentives are granted and, accordingly, reports reduction in income over the remaining lease period.

The future aggregate minimum lease payments under non-cancellable operating leases were as follows:

		31.12.2017.	31.12.2016.
Maturing in less than one year		4 968 619	5 029 254
Maturing between one and five years		7 745 377	8 169 669
Maturing in more than five years		578 291	671 943
	TOTAL:	13 292 287	13 870 866

5. Cost of sales

		2017	2016 (restated*)
Shopping center administration expense		442 356	446 153
Real estate tax		352 780	338 031
Depreciation of property, plant and equipment		67 964	64 322
Repair and maintenance expense		33 028	66 691
Insurance		17 945	17 712
Variable costs for idle space		16 310	16 901
Costs of change of tenants		9 248	7 019
Lease expense		3 116	3 116
Other costs		15 567	29 665
	TOTAL:	958 314	989 610

* See Note 3

6. Administrative expense

		2017	2016
Professional fees		21 241	25 939
Depreciation of property, plant and equipment		7 920	4 179
Donations		7 100	7 100
Office maintenance expense		6 115	9 439
Communications expense		5 799	3 736
Representation expense		2 776	3 139
Other administrative expense		753	2 739
Allocation of administrative expense to other operating expense of the Company		(36 061)	(29 995)
	TOTAL:	15 643	26 276

7. Other operating income

		2017	2016 (restated*)
Income from utility services and security		1 715 045	1 701 485
Income from advertising and marketing services		605 391	614 788
Income from communications services		18 404	19 643
	Sub-total:	*2 338 840*	*2 335 916*
Gain from fair value adjustment of investment properties **		6 025 374	960 419
Penalties		23 998	27 624
Write-offs of payables		4 370	535
Other operating income		23 616	25 889
	TOTAL:	**8 416 198**	**3 350 383**

* See Note 3

** See Note 12

Income from utility services and security, advertising and marketing services, as well as communications services totaling 2 338 840 (2016: EUR 2 335 916) represents income from common costs of the tenants directly related to shopping center operations. These costs totaling EUR 2 442 634 (2016: EUR 2 527 629) are disclosed in Note 7 as tenants' common costs, advertising and marketing costs, security costs and tenants' communications costs.

8. Other operating expense

		2017	2016 (restated*)
Tenants' common costs		1 609 323	1 590 475
Advertising and marketing costs		690 607	790 414
Security costs		127 049	131 354
Tenants' communications costs		15 655	15 386
	Sub-total:	*2 442 634*	*2 527 629*
Replacement and write-off costs of property, plant and equipment		65 384	353 663
Allowances for doubtful trade receivables		22 354	13 394
Proportion of VAT allocated to expense		1 079	1 168
Currency exchange loss, net		24	158
	TOTAL:	**2 531 475**	**2 896 012**

* See Note 3

Tenants' costs directly related to shopping center operations, i.e., utility services and security, advertising and marketing services, as well as communications services totaling EUR 2 442 634 (2016: EUR 2 527 629) are offset against income from utility services and security, advertising and marketing services, as well as communications services totaling EUR 2 338 840 (2016: EUR 2 335 916). The respective income is disclosed in Note 7.

9. Other interest and similar income

		2017	2016
Interest income on loans issued to related companies		289 074	329 753
Gain from changes in the fair value of financial instruments, net		50 317	-
	TOTAL:	**339 391**	**329 753**

10. Interest and similar expense

	2017	2016
Interest on bank loans	497 548	631 431
Other borrowing costs	48 553	76 668
Loss from changes in the fair value of financial instruments, net	46 115	3 367
Bank charges	3 622	17 983
Realized result from derivatives	-	41 850
TOTAL:	595 838	771 299

11. Corporate income taxes

	2017	2016 (restated*)
Current corporate income tax charge for the reporting year	2 490 603	310 092
Changes in deferred tax	915 170	134 894
Reversal of deferred tax	(4 527 661)	-
Corporate income tax charged to the statement of profit or loss:	(1 121 888)	444 986

* See Note 3

Deferred tax:

	Balance sheet 31.12.2017.	Balance sheet 31.12.2016.	Statement of profit or loss 2017	Statement of profit or loss 2016 (restated*)
Income or expense from changes in deferred tax assets or deferred tax liabilities:				
Accelerated depreciation for tax purposes	29 565	27 860	1 705	1 420
Difference between fair value and cost of investment properties	4 500 173	3 596 367	903 806	144 062
Gross deferred corporate income tax liabilities	**4 529 738**	**3 624 227**	**905 512**	**145 482**
Deferred corporate income tax assets				
Changes in the fair value of derivatives	1 270	(6 278)	7 548	(6 278)
Other	(3 348)	(5 458)	2 110	(4 310)
Gross deferred corporate income tax assets	**(2 078)**	**(11 736)**	**9 658**	**(10 588)**
Net deferred corporate income tax liabilities	**4 527 660**	**3 612 491**	**915 169**	**134 894**
Reversal of deferred tax**	(4 527 660)	-	(4 527 660)	-
Total	**-**	**3 612 491**	**(3 612 491)**	**134 894**

* See Note 3

In 2017, deferred tax liabilities were reversed in the statement of profit or loss pursuant to amendments made to the tax legislation of the Republic of Latvia, which entered into force on 1 January 2018.

11. Income taxes (cont'd)

Actual corporate income tax charge for the reporting year, if compared with theoretical calculations:

	2017	2016 (restated*)
Profit before tax	10 173 631	4 574 423
Tax at the applicable tax rate of 15%	*1 526 045*	*686 163*
Permanent differences:		
Non-deductible amounts	7 316	13 365
Tax rebate on donations	(6 035)	(6 035)
Adjustments due to revaluation of investment property	-	(248 507)
The difference arising from the exclusion of real estate property from the category of property, plant and equipment due to its reclassification to fair value investment properties	1 878 447	-
Actual corporate income tax for the reporting year:	**1 406 134**	**444 986**
Reversal of deferred tax	(4 527 661)	-
Corporate income tax charged to the statement of profit or loss:	**(1 121 888)**	**444 986**

* See Note 3

12. Investment properties

As at 31 December 2015	**64 875 000**
Year ended 31 December 2016	
Additions	103 244
Disposals	(353 663)
Gain from fair value adjustment	960 419
As at 31 December 2016	**65 585 000**
Year ended 31 December 2017	
Additions	58 843
Disposals	(199 717)
Gain from fair value adjustment	6 025 374
As at 31 December 2017	**71 469 500**

Investment properties include the real estate owned by the Company that is held to earn rentals or for capital appreciation.

The fair value of investment properties is based on the valuation performed at the end of 2017 by the independent certified appraisers SIA Newsec Valuations LV and SIA Colliers International Advisors. In determining the fair value, the discounted cash flow method was applied. The main assumptions used in the measurement of the fair value of the Company's investment properties are as follows:

	2017	2016
Discount rate	7.25% - 8.2%	8.9% - 9%
Exit yield	6.75%	7%
Growth rate	1.8% - 2.8%	1.2% - 2.5%
Non-attributable (unoccupied area and unearned rentals)	1% - 3% or 3 EUR/m²/per month	1% - 3% or 3 EUR/m²/per month

The management has determined that the fair value of the investment property is between the two of the above valuations based on the assumptions used by the appraisers.

12. Investment properties (cont'd)

The following income and expense related to investment properties are included in the statement of profit or loss:

	2017	2016
Rental income	5 529 448	5 576 915
Direct operating expense (including repairs and maintenance) constituting rental income (included in the caption "Cost of sales")	(958 314)	(989 610)

Pledges and other restrictions on title

All the investment properties owned by the Company are pledged as a security for the bank loans (see Note 21).

13. Property, plant and equipment

	Other property, plant and equipment	Construction in progress	Prepayments for property, plant and equipment	TOTAL
As at 31 December 2015				
Cost	876 295	-	-	**876 295**
Accumulated depreciation and impairment	(588 116)	-	-	**(588 116)**
Carrying amount as at 31 December	**288 179**	-	-	**288 179**
Year ended 31 December 2016				
Carrying amount as at 1 January	288 179	-	-	**288 179**
Additions	32 194	132 849	8 799	**173 842**
Reclassified from construction in progress	37 386	(140 630)	-	**(103 244)**
Reclassified from prepayments	1 018	7 781	(8 799)	-
Cost of disposals	(4 656)	-	-	**(4 656)**
Accumulated depreciation of disposals	4 656	-	-	**4 656**
Depreciation charge	(68 501)	-	-	**(68 501)**
Carrying amount as at 31 December	**290 276**	-	-	**290 276**
As at 31 December 2016				
Cost	942 237	-	-	**942 237**
Accumulated depreciation and impairment	(651 961)	-	-	**(651 961)**
Carrying amount as at 31 December	**290 276**	-	-	**290 276**
Year ended 31 December 2017				
Carrying amount as at 1 January	290 276	-	-	**290 276**
Additions	41 861	116 525	4 250	**162 636**
Reclassified from construction in progress	76 577	(119 967)	-	**(43 390)**
Reclassified from prepayments	808	3 442	(4 250)	-
Cost of disposals	(25 305)	-	-	**(25 305)**
Accumulated depreciation of disposals	14 909	-	-	**14 909**
Depreciation charge	(75 884)	-	-	**(75 884)**
Carrying amount as at 31 December	**323 242**	-	-	**323 242**
As at 31 December 2017				
Cost	1 036 178	-	-	**1 036 178**
Accumulated depreciation and impairment	(712 936)	-	-	**(712 936)**
Carrying amount as at 31 December	**323 242**	-	-	**323 242**

Pledges and other restrictions on title

All the investment properties owned by the Company are pledged as a security for the bank loans (see Note 21).

14. Trade receivables

	31.12.2017.	31.12.2016.
Trade receivables	231 304	287 257
Allowances for doubtful receivables	(132 564)	(209 840)
TOTAL:	**98 740**	**77 417**

Past due trade receivables are interest bearing.

15. Other receivables

	31.12.2017.	31.12.2016.
Security deposit paid	493	493
Prepayments for good and services	-	800
Overpayment of taxes (see Note 22 "Taxes payable")	2	2
TOTAL:	**495**	**1 295**

16. Prepaid expense

	31.12.2017.	31.12.2016.
Municipal duty for advertising	11 881	16 258
Insurance	10 786	11 958
Electronic navigation kiosks warranty expense	5 677	-
Other expense	80	42
TOTAL:	**28 424**	**28 258**

17. Accrued income

	31.12.2017.	31.12.2016.
Accrued rental income	66 561	88 829
Utilities	55 875	57 415
Accrued marketing income	3 073	3 073
Temporary incentives subject to amortization	1 931	12 067
Accrued marketing income	-	216
TOTAL:	**127 440**	**161 600**

18. Derivative financial instruments

	31.12.2017.		31.12.2016.	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	8 467		-	41 850
Total	**8 467**		-	**41 850**
Including:				
- non-current portion	8 467		-	41 850
- current portion	-	-	-	-

On 6 December 2016, the Company entered into an interest rate swap contract with Danske Bank AS Latvia Branch. The contract provided that the floating EURIBOR interest rate was swapped with a fixed rate of 0.23% per annum covering the amount of EUR 9 265 822. The contract is valid for 6 years.

19. Cash

	31.12.2017.	31.12.2016.
Cash at bank	2 016 060	1 401 607
Cash in cash exchange machine	500	500
TOTAL:	**2 016 560**	**1 402 107**

20. Loans from credit institutions

Non-current:

		Maturity	31.12.2017.	31.12.2016.
Loan from SEB banka	EUR	13.04.2023.	36 063 288	36 563 287
		TOTAL, non-current	**36 063 288**	**36 563 287**
Prepaid expense related to the loan from SEB banka			(138 714)	(181 395)
TOTAL non-current loans from credit institutions, net:			**35 924 574**	**36 381 892**

Current:

		Maturity	31.12.2017.	31.12.2016.
Loan from SEB banka	EUR	13.04.2023.	500 000	500 000
		TOTAL, current	**500 000**	**500 000**
Prepaid expense related to the loan from SEB banka			(42 681)	(48 553)
TOTAL current loans from credit institutions:			**457 319**	**451 447**
TOTAL loans from credit institutions:			**36 381 893**	**37 063 287**

	31.12.2017.	31.12.2016.
Maturing in less than one year	500 000	500 000
Maturing between one and five years	2 000 000	2 000 000
Maturing in more than five years	33 924 574	34 563 287
TOTAL:	**36 424 574**	**37 063 287**

On 8 March 2016, the Company and its related company SIA Linstow (as the Borrowers) entered into a loan agreement with AS SEB banka and Danske Bank AS. The loan totals EUR 76 million. The loan was used to repay the previous loan facility. According to the conditions of the loan agreement, the total loan was provided equally to each of the Borrowers; as a result, the portion of the loan assigned to the Company was EUR 38 million. The repayment term of the principal is 6 years with a balloon payment of EUR 70 million at the end of the repayment term. The amount of EUR 6 million of the principal is repayable in equal instalments on a semi-annual basis until the final balloon payment. Interest is payable at the rate of 6-month EURIBOR plus 1.4% per annum on a semi-annual basis.

Outstanding interest as at 31 December 2016 was stated under the accrued liabilities

On 13 April 2018, the loan agreement was amended whereby the loan maturity was set for 13 April 2023.

In accordance with the loan agreement, the Company's real estate located in Riga, Audēju iela 16 and Kalēja iela 30, and any buildings and constructions that may be constructed thereon, and all other assets owned by the Company at the date of pledging, and all other assets that may be acquired in the future, as well as the shares owned by the parent company, and any other shares of the Company that may be acquired by the parent company in the future are pledged as part of security for the respective bank loans..

21. Trade receivables

	31.12.2017.	31.12.2016.
Lease security deposits	297 639	279 308
TOTAL:	**297 639**	**279 308**

22. Taxes payable

	31.12.2017.	31.12.2016.
Corporate income tax	(2 174 475)	(33 732)
Value added tax	(35 525)	(60 784)
Personal income tax	2	2
TOTAL:	(2 09 998)	(94 514)
Total receivable (disclosed as other receivables)	**2**	**2**
Total payable	**(2 210 000)**	**(94 516)**

23. Deferred income

	31.12.2017.	31.12.2016.
Deferred rentals	336 268	330 304
Deferred marketing fees	41 672	43 788
TOTAL:	**377 940**	**374 092**

24. Accrued liabilities

	31.12.2017.	31.12.2016.
Accrued interest on bank loans	155 439	165 756
Accrued electricity costs	56 520	64 877
Accrued liabilities towards the tenants	16 068	39 321
Accrued interest on derivative financial instruments	14 788	3 367
Accrued marketing and tenants' common costs	13 737	16 980
Accrued points of Galactico Privilege cards	5 000	14 000
Other accrued expense	20 066	21 189
TOTAL:	**281 618**	**325 490**

25. Loans to related companies

	31.12.2017.	31.12.2016.
Maturing in more than one year	14 148 708	13 859 417
TOTAL:	**14 148 708**	**13 859 417**

The loan was issued to the related company Linstow AS.

The loan matures on 31 December 2022. In 2016, the average interest rate on the loan was 1.939 %. The loan currency is the EUR, and it is not secured by collateral or any other means.

Based on the sound financial position of Linstow AS, the Company's management believes that the loan is fully recoverable.

26. Commitments and contingencies

Commitments under operating leases

The Company as a lessee has entered into the following property lease agreements:

Land Lease Agreement No RD-12-1832-lī dated 10 October 2012 (with 25 May 2017 amendments RD-12-1832- lī/1)

The Agreement between the Property Department of Riga Council (the Lessor) and SIA Tampere Invest (the Lessee) provides that the Lessor leases out and the Lessee accepts for lease two land plots located in Riga, Rīdzenes iela (cadaster No 010000220028001 and cadaster No 010000220028002, which are parts of the land plot registered under cadaster No 0100-002-2002). Each land plot thereby leased has an area of 31 m². The Agreement is effective till 10 October 2017.

Land Lease Agreement No RD-12-1831-lī dated 10 October 2012 (with 25 May 2017 amendments RD-12-1831- lī/1)

The Agreement between the Property Department of Riga Council (the Lessor) and SIA Tampere Invest (the Lessee) provides that the Lessor leases out and the Lessee accepts for lease a land plot located in Riga, Rīdzenes iela (cadaster No 010000220028003, which is part of the land plot registered under cadaster No 0100-002-2002). The land plot thereby leased has an area of 506 m². The Agreement is effective till 9 October 2022.

The total amount of annual lease expenses was EUR 3 116 in 2017 (2016: EUR 3 108). As at 31 December 2017, the future aggregate minimum lease payments under non-cancellable operating leases were as follows:

	31.12.2017.	31.12.2016.
Maturing in less than one year	3 116	3 116
Maturing between one and five years	12 463	12 463
Maturing in more than five years	-	3 116
TOTAL:	15 579	18 695

27. Off-balance sheet liabilities

Liability insurance agreement of 12 December 2013

In 2011, the reorganization of the group (SIA Tampere Invest Holdings, SIA Tampere Invest, AS Universālveikals Centrs) was commenced. As part of the reorganization process, on 26 March 2012 the general shareholders' meeting of AS Universālveikals Centrs (hereinafter – UVC) resolved to cease the operations of UVC and initiate the liquidation of this company. The operations of UVC were terminated in 2013, and UVC was struck off the Republic of Latvia Enterprise Register on 16 December 2013. Proceeding with the aforementioned reorganization, SIA Tampere Invest Holdings was acquired by SIA Tampere Invest; accordingly, the reorganization was completed on 9 December 2014 when SIA Tampere Invest Holdings was struck off the Republic of Latvia Enterprise Register.

In order to hold UVC liquidators harmless against any and all claims, procedures, losses and liabilities that may arise from or in relation to the completion of the UVC liquidation, SIA Tampere Invest Holdings signed a liability insurance agreement with the UVC liquidators. After SIA Tampere Invest Holdings has been liquidated, the Company has become its legal successor and, therefore, taken over all the rights and obligations under the liability insurance agreement. This agreement will be effective for 20 years after the liquidation of UVC has been completed.

28. Events after balance sheet date

Except as mentioned in Note 20, as of the last day of the reporting year until the date of signing these financial statements there have been no events requiring adjustment of or disclosure in the financial statements or notes thereto.

Frode Gronvold
Chairman of the Board

Māris Budļevskis
Board Member

E. Korsakova

Elvīra Korsakova
Board Member

Larisa Aleksandrova
Accountant

26 April 2018

Building a better working world

SIA "Ernst & Young Baltic"
Muitas iela 1A
Rīga, LV-1010
Latvija
Tālr.: +371 6704 3801
Fakss: +371 6704 3802
riga@lv.ey.com
www.ey.com/lv

Reģ. Nr. 40003593454
PVN maksātāja Nr. LV40003593454

SIA Ernst & Young Baltic
Muitas iela 1A
Riga, LV-1010
Latvia
Tel.: +371 6704 3801
Fax: +371 6704 3802
riga@lv.ey.com
www.ey.com/lv

Reg. No: 40003593454
VAT payer code: LV40003593454

INDEPENDENT AUDITORS' REPORT

To the Shareholder of SIA Tampere Invest

Opinion

We have audited the accompanying financial statements of SIA Tampere Invest (the Company) set out on pages 6 to 26 of the accompanying annual report, which comprise the balance sheet as at 31 December 2017, and the statement of profit or loss, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of SIA Tampere Invest as at 31 December 2017, and of its financial performance for the year then ended in accordance with the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). 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 International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the independence requirements included in the Law on Audit Services of Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have fulfilled our other ethical responsibilities in accordance with the Law on Audit Services of Republic of Latvia and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reporting on other information

The other information comprises the Management Report as set out on pages 4 to 5 of the accompanying annual report, but does not include the financial statements and our auditors report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as described in the Other reporting responsibilities in accordance with the legislation of the Republic of Latvia section of our report.

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 and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, 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.

Other reporting responsibilities in accordance with the legislation of the Republic of Latvia

We have other reporting responsibilities in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report. These additional reporting responsibilities are beyond those required under the ISAs.

Our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the Law on the Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

Based solely on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

Building a better working world

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia 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 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, 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 Group'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.

SIA ERNST & YOUNG BALTIC
Licence No. 17

Diāna Krišjāne
Chairperson of the Board
Latvian Certified Auditor
Certificate No. 124

Riga, 2 May 2018

APPENDIX G

Independent auditor's assurance report on the compilation of pro forma financial information included in the Prospectus

KPMG Baltics OÜ
Narva mnt 5
Tallinn 10117
Estonia

Telephone +372 6 268 700
Fax +372 6 268 777
Internet www.kpmg.ee

Independent Practitioner's Assurance Report on the Compilation of Pro Forma Financial Information Included in a Prospectus

To the Management Board of Northern Horizon Capital AS

We have completed our assurance engagement to report on the compilation of pro forma financial information of Baltic Horizon Fund (the Fund") by the Management Board of Northern Horizon Capital AS. The pro forma financial information comprises pro forma income statement for the year ended 31 December 2019 and it is set out in the section 9.2 "Unaudited Pro Forma Financial Information" of the Prospectus issued by Baltic Horizon Fund and dated 2 October 2020. The applicable basis used by the management in compiling the pro forma financial information is specified in Annex 20 of Commission Delegated Regulation 2019/980 and described in the section 9.2 - "Unaudited Pro Forma Financial Information" of the Prospectus.

The pro forma financial information has been compiled by the management to illustrate the impact of the acquisition set out in the section „Unaudited Pro Forma Financial Information". The pro forma financial information is presented as if the transaction had taken place on 1 January 2019 with respect to unaudited pro forma income statement. As part of this process, information about the financial performance has been extracted by management from the Fund's financial statements for the period ended 31 December 2019, on which an audit report has been published.

Responsible Persons' Responsibility

The Management Board of Northern Horizon Capital is responsible for compiling the pro forma financial information in accordance with the Annex 20 of Commission Delegated Regulation 2019/980.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

Our responsibility is to express an opinion, as required by Section 3 of Annex 20 of Commission Delegated Regulation 2019/980, about whether the pro forma financial information has been compiled, in all material respects, by the Management Board of Northern Horizon Capital on the basis stated and whether that basis is consistent with the accounting policies applied by the issuer.

We conducted our engagement in accordance with International Standard of Assurance Engagements (ISAE) 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance as to whether the management has compiled, in all materials respects, the pro forma financial information in accordance with Commission Regulation 2019/980.

For the purposes of this engagement we are not responsible for updating or re-issuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of the pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Fund as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis stated and that basis is consistent with the accounting policies of the issuer involves performing procedures to assess whether the basis used by the management in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the event or transactions, and to obtain sufficient appropriate evidence whether:

- The basis stated has been consistently applied in the pro forma adjustments; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgement, having regard to the practitioner's understanding of the nature of the Fund, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

KPMG

Opinion

In our opinion,

- the pro forma financial information has been properly compiled, in all material respects, on the basis stated in the section "Unaudited Pro Forma Financial Information"; and
- the basis stated is consistent with the accounting policies applied by the Fund.

Tallinn, 2 October 2020

Eero Kaup
Certified public accountant certificate no 459

KPMG Baltics OÜ
Audit firm activity licence no. 17
Narva mnt. 5, Tallinn 10117

APPENDIX H
Articles of Association of SIA Tampere Invest

SIA “TAMPERE INVEST”

STATŪTI

ARTICLES OF ASSOCIATION OF SIA “TAMPERE INVEST”

1. Firma

1.1. Sabiedrības firma ir **SIA “TAMPERE INVEST”** (turpmāk – Sabiedrība).

1. The Name

1.1. The firm name of the Company is **SIA “TAMPERE INVEST**” (hereinafter – the Company).

2. Pamatkapitāls

2.1. Sabiedrības pamatkapitāls ir EUR 5 438 595 (pieci miljoni četri simti trīsdesmit astoņi tūkstoši pieci simti deviņdesmit pieci euro).

2.2. Sabiedrības pamatkapitāls ir sadalīts 5 438 595 (pieci miljoni četri simti trīsdesmit astoņi tūkstoši pieci simti deviņdesmit piecās) vienādās kapitāla daļās.

2.3. Vienas daļas nominālvērtība ir EUR 1 (viens euro).

2. Share capital

2.1. The share capital of the Company is EUR 5 438 595 (five million four hundred thirty-eight thousand five hundred and ninety-five euros).

2.2. The share capital of the Company consists of 5 438 595 (five million four hundred thirty-eight thousand five hundred and ninety-five) equal capital shares.

2.3. The nominal value per share is EUR 1 (one euro).

3. Valde

3.1. Sabiedrības valde sastāv no 3 (trīs) valdes locekļiem, kurus Dalībnieku sapulce ieceļ uz 3 (trīs) gadu termiņu, izņemot, ja tās lēmumā norādīts savādāk.

3.2. Katram valdes loceklim ir tiesības pārstāvēt Sabiedrību kopīgi ar vismaz vienu citu Sabiedrības valdes locekli.

3. Management Board

3.1. The Management Board of the Company consists of 3 (three) members appointed by the General Meeting for the period of 3 (three) years unless indicated otherwise in the decision of the General Meeting.

3.2. Each member of the Board is entitled to represent the Company jointly with at least one other member of the Board of the Company.

4. Ārkārtas dividendes

4.1. Dividendes var noteikt un aprēķināt arī no peļņas, kas gūta periodā pēc iepriekšējā pārskata gada beigām (ārkārtas dividendes). Valde sasauc dalībnieku sapulci, lai pieņemtu lēmumu par ārkārtas dividenžu noteikšanu, ne vēlāk kā 1 (vienas) nedēļas laikā no dienas, kad valde ir saņēmusi attiecīgu pieprasījumu no Sabiedrības dalībnieka, kuram pieder vismaz 50% (piecdesmit procenti) no Sabiedrības

4. Extraordinary dividends

4.1. Dividends may be determined and calculated also from the profit made during the period after the end of the previous financial year (interim dividends). The management board shall convene a general meeting in order to decide on determination of interim dividends not later that within 1 (one) week from the date when the Management Board has received a respective request from the Company’s shareholder owning at least 50% (fifty percent) of the Company’s capital shares.

kapitāla daļām.

Rīga, Latvijā, 2019.gada 11.jūlijā Riga, Latvia, 11 July 2019

SIA "TAMPERE INVEST" vārdā/ On behalf of **SIA "TAMPERE INVEST":**

Vienīgā dalībnieka **Northern Horizon Capital AS** vārdā:/ On behalf of the sole shareholder **Northern Horizon Capital AS**:

/signed digitally/

Algirdas Jonas Vaitekūnas

SIA "TAMPERE INVEST" Valdes loceklis/ Member of the Management Board of **SIA "TAMPERE INVEST"**

Northern Horizon Capital AS Valdes loceklis/ Member of the Management Board of **Northern Horizon Capital AS**

/signed digitally/

Aušra Stankevičiené

SIA "TAMPERE INVEST" Valdes locekle/ Member of the Management Board of **SIA "TAMPERE INVEST"**

Northern Horizon Capital AS Valdes locekle/ Member of the Management Board of **Northern Horizon Capital AS**

DOKUMENTS IR PARAKSTĪTS AR DROŠU ELEKTRONISKU PARAKSTU UN SATUR LAIKA ĪMOGU

APPENDIX I
Resolution of incorporation of SIA Tampere Invest

Sabiedrības
"TAMPERE INVEST"
dibināšanas līgums

1996.gada 25.septembrī šo līgumu noslēdza :

1) Somijas pilsonis **Peter Bruno ULFSTEDT**,
personas kods: 280343-027E,
adrese: Kirjoniementie 64, 33680 Tampere, Somija.

2) Somijas pilsonis **Sten Erik Martti HOLMIA**,
personas kods: 100146-451N,
adrese: Keulakatu 5, 33410 Tampere, Somija.

Ievērojot, ka līgumslēdzējas puses - sabiedrības dibinātāji (turpmāk **"Dalībnieki"**), ir vienojušies uzsākt savstarpēju sadarbību tirdzniecībā un marketingā, pakalpojumu sniegšanā un citās tautsaimniecības nozarēs, kas nav pretrunā ar Latvijas Republikas likumdošanu (turpmāk **"Likumdošana"**), Dalībnieki ar šo vienojas nodibināt sabiedrību ar ierobežotu atbildību "TAMPERE INVEST" (turpmāk saukta **"Sabiedrība"**) uz sekojošiem noteikumiem:

I NODAĻA.

Vispārējie noteikumi

1.1. Nosaukums.
Sabiedrības nosaukums ir:
"TAMPERE INVEST"

1.2. Juridiskais statuss.
a) Puses darbosies Sabiedrībā, kura būs Sabiedrība ar ierobežotu atbildību saskaņā ar Likumdošanu, kā arī ar tādu likumdošanu, kas varētu ar laiku tikt piemērota,
b) Pielikumi šim Līgumam veido tā neatņemamu sastāvdaļu un tiek iekļauti šajā Līgumā ar norādi.

1.3. Juridiskā adrese. Sabiedrības juridiskā adrese ir:

Latvijas Republika, Rīga LV-1050, Kalēju iela 23.

1.4. Sabiedrības pārstāvniecības un filiāles. Sabiedrība ir tiesīga atvērt pārstāvniecības un filiāles kā Latvijā, tā arī ārpus tās teritorijas. Jebkurš šāds formējums ir Sabiedrības sastāvdaļa ar juridiskas personas tiesībām vai bez tām, un tas veidojams saskaņā ar Likumdošanu. Sabiedrība ir atbildīga par savas pārstāvniecības vai filiāles, kas nav juridiska persona, darbību.

1.5. Pirmsdibināšanas darbība. Dalībnieki vienojas par sekojošo:
a) ar Sabiedrības dibināšanu saistītās darbības saskaņā ar Likumdošanu veiks **Juris Eglītis;**
b) par dibinātāju pilnvaroto personu, kura ir tiesīga apliecināt dibināšanas dokumentu norakstus un izrakstus, pilnvarot **Juri Eglīti**;

AGREEMENT
on the foundation
of the Limited Liability company
"TAMPERE INVEST"

This Agreement is made on September 25, 1996 among:
1) Finnish citizen **Peter Bruno ULFSTEDT**,
personal code: 280343-027E,
address: Kirjoniementie 64, 33680 Tampere, Finnland,
2) Finnish citizen **Sten Erik Martti HOLMIA**,
personal code: 100146-451N,
address: Keulakatu 5, 33410 Tampere, Finnland,

WHEREAS, the parties - the founders of Company (hereinafter referred to as **"Participants"**) are willing to develop mutual cooperation in marketing and trade, rendering services and other branches of economy, not being contradictory to the legislation of the Republic of Latvia (herinafter referred to as the **"Legislation"**), the Participants hereby agree to establish a limited liability company "TAMPERE INVEST" (hereinafter referred to as the **"Company"**) as follows:

ARTICLE I

General provisions

1.1. Name of the Company
The name of the Company shall be:
"TAMPERE INVEST"

1.2. Legal status of the Company
(a) The Parties shall operate the Company as a limited liability company pursuant to the Legislation and such legislation which may be applicable in the future,
(b) Annexes shall form the integral part of this agreement and are incorporated into this Agreement by reference,

1.3. Legal address. The legal address of the Company shall be

Republic of Latvia, Rīga LV-1050, Kalēju Street 23.

1.4. Representative offices and branch offices of the Company. The Company may open representative offices and branch offices both inside and outside Latvia. Any such formation is part of the Company, with the status of legal entity or without it, and are formed in accordance with the Legislation. The Company shall be responsible for the operation its representative offices or branch offices which have not the status of the legal entity.

1.5. Activity prior to the formation. The Participants of the Company agree as follows:
(a) the actions related to formation of the Company shall be carried by **Juris Eglītis**
(b) the authorized persons empowered to attest formation documents and their excepts shall be **Juri Eglīti**

1.6. Sabiedrība tiek dibināta uz nenoteiktu laiku.

1.6. The duration of the Company is perpetual.

II NODAĻA

Sabiedrības dibināšanas kārtība

2.1. Sabiedrības dibināšanas posmā Dalībnieki izlemj ar dibināšanu saistītos jautājumus savās konsultatīvajās apspriedēs.
2.2. Dalībnieki pirmajā konsultatīvajā apspriedē:

2.2.1. apspriež un paraksta šo Līgumu;
2.2.2. izlemj par Sabiedrības dibināšanai nepieciešamās dokumentācijas izstrādi un dibināšanas izdevumu finansēšanu.

2.3. Dalībnieki otrajā konsultatīvajā apspriedē:

2.3.1. iepazīstas ar Sabiedrības Statūtiem un citiem Sabiedrības dibināšanas dokumentu projektiem, apspriež tos un lemj par to galīgo variantu izstrādi;
2.3.2. lemj par Sabiedrības dibināšanas sapulces laiku, vietu un darba kārtību.
2.4. Sabiedrības dibināšanas sapulcē Dalībnieki:
2.4.1. apstiprina Sabiedrības Statūtu fondu;
2.4.2. apstiprina kapitāla daļu sarakstu;
2.4.3. apstiprina Sabiedrības Statūtus;
2.4.4. ievēl Sabiedrības izpildinstitūcijas.
2.5. Dalībnieki var papildināt konsultatīvo apspriežu darba kārtību un skaitu.
2.6. Sabiedrība uzsāk savu darbību pēc tās reģistrācijas Latvijas Republikas Uzņēmumu reģistrā.

ARTICLE II

Foundation Procedure of the Company.

2.1. At the formation stage of the Company the Participants shall resolve matters related to the formation in the consultative meetings.
2.2. At the first consultative meeting the Participants shall
2.2.1. discuss and sign the present Agreement;
2.2.2. resolve to prepare the necessary documents to establish the Company and the matter related to the compensation of the expenses related to the formation.
2.3. At the second consultative meeting the Participant of the Company shall
2.3.1. study the draft of the Company's Statutes and other documents related to the formation, discuss and resolve on the final version;
2.3.2. resolve on the date, place and agenda of the foundation meeting.
2.4. At the Foundation meeting the Participants shall
2.4.1. approve the size of the Authorized Capital;
2.4.2. approve the list of capital shares;
2.4.3. approve the Statutes of the Company;
2.4.4. elect the executive body of the Company.
2.5. The Participant shall have right to supplement the agenda or number of the consultative meetings.
2.6. The Company shall commence its operation upon its the registration with the Enterprise Register of the Republic of Latvia.

III NODAĻA

Sabiedrības darbība

3.1. Darbības mērķis. Sabiedrības mērķis ir, saskaņā ar Sabiedrības darbības virzieniem, veikt uzņēmējdarbību.

3.2. Darbības virzieni. Sabiedrības darbības pamatvirzieni ir sekojoši:
3.2.1.ēku, biroju, dzīvokļu, ražošanas objektu, kā arī citu celtniecības struktūru projektēšana, celtniecība un rekonstrukcija;
3.2.2.nekustamā īpašuma attīstīšana, vadība un noma;

3.2.3.celtniecības materiālu un iekārtu tirdzniecība un noma;
3.2.4.celtniecības materiālu un iekārtu ražošana;

3.2.5.tirdzniecība un komercdarbība;
3.2.6. transporta pakalpojumi;
2.2.7. sabiedriskā ēdināšana;
3.2.8. tirdzniecība ar tabakas izstrādājumiem un alkoholiskiem dzērieniem;
3.2.9. konferenču, semināru u.c. pasākumu organizēšana;
3.2.10. marketings, līzings, faktorings, frančaisings;
3.2.11. ārējā ekonomiskā darbība;

ARTICLE III

Business of the Company.

3.1. Purpose of Company's Operation. The purpose of the Company is to undertake business operation in compliance with the scope of the Company's business.

3.2. Business of Company. Company's business scopes are as follows:
3.2.1.design, construction and renovation of houses, office, appartment, industrial buildings, as well as other construction structures ;
3.2.2.real estate development, property management and leasing;
3.2.3.trading and leasing of comstructions materials and equipment;
3.2.4.production of construction materials and equipment;
3.2.5. trade and commercial activity;
3.2.6.providing transportation services;
3.2.7. public cuttering;
3.2.8. trading of tobacco products and alcoholic beverage;
3.2.9. arranging of conferences, seminars and other meetings;
3.2.10. marketing, leasing, factoring, franchising;
3.2.11. foreign economic activity;

3.2.12. plaša profila konsultantu pakalpojumi, kā arī citas uzņēmējdarbības veikšana, kas nav pretrunā ar Likumdošanu.

3.2.12. wide range consultative services and other business activities not contradicting the Legislation.

IV NODAĻA.

Ieguldījumi statūtu fondā un Dalībnieku atbildība

ARTICLE IV

Investments to the Authorized Capital (capitalization) and Liability of the Participants

4.1. Sabiedrības Statūtu fondu (pamatkapitāls) veido Dalībnieku ieguldījumi, kas sastāda 2 000,- (divi tūkstoši) Ls. un sadalās 100 (viens simts) daļās, katra 20,- (divdesmit) Ls. vērtībā.
Saskaņā ar Latvijas Republikas likumu "Par ārzemju ieguldījumiem" ieguldījumi Statūtu fondā tiek veikti brīvi konvertējamā valūtā, pēc Latvijas Bankas noteiktā kursa.

4.1. The Authorized Capital of the Company - the "initial fund" is formed by the contributions of the Participants and shall constitute 2 000,- (two thousand) Ls. and shall be split in 100 (one hundred) shares, as per value 20,- (twenty) Ls.
In accordance with the law of the Republic of Latvia "On Foreign Investments" is estimated in free convertible currency, subject to exchange rate by the Bank of Latvia.

4.2. Dalībnieku daļu skaits un to kopējā vērtība ir sekojoša:
4.2.1. **Peteram Ulfstedtam** pieder 50 (piecdesmit) daļas 1000,- (viens tūkstotis) Ls. vērtībā;
4.2.2. **Stenam Holmia** pieder 50 (piecdesmit) daļas 1000,- (viens tūkstotis) Ls. vērtībā;

4.2. The total number of shares and their value shall be the following:
4.2.1. **Peter Ulfstedt** shall get 50 (fifty) shares equivalent to 1000,- (one thousand) Ls.;
4.2.2. **Sten Holmia** shall get 50 (fifty) shares equivalent to 1000,- (one thousand) Ls.;

4.3. Dalībniekiem noteiktos ieguldījumus Statūtu fondā tie veic 1 gada laikā pēc Sabiedrības reģistrācijas, bet līdz Sabiedrības dibināšanas sapulcei vismaz 50 (piecdesmit) procentu apmērā no viņa daļas vērtības.

4.3. The Participant shall contribute their respective shares in the Authorized Capital within one year from the registration date of the Company, and at least 50% of their share value prior to the foundation meeting.

4.4. Dalībnieku ieguldījums Sabiedrības Statūtu fondā tiek dokumentāli apstiprināts, izdodot katram dalībniekam kapitāla daļas apliecību (turpmāk Daļas apliecība). Katru Daļas apliecību paraksta Sabiedrības Direktors un galvenais grāmatvedis un to apliecina ar Sabiedrības zīmogu.

4.4. The investment by the Participants to the Authorized Capital of the Company is recorded in the documents of a specified form (hereinafter referred to as "share certificate"). The share certificate shall bear the signatures of the Director and Chief Accountant and is confirmed by the seal of the Company.

4.5. Daļas apliecībā jānorāda:
- dokumenta nosaukums;
- "Dalībnieka kapitāla daļas apliecība";
- Sabiedrības nosaukums;
- dibināšanas datums un atrašanās vieta;
- Daļas apliecības kārtas numurs;
- Daļas vērtība;
- Dalībnieka - juridiskās personas nosaukums vai fiziskās personas vārds, uzvārds;
- Daļas apliecības izrakstīšanas datums.

4.5. The share certificates shall bear the following information:
- the name of the document "Certificate of the Participant's Share";
- the name of the Company, its place of location;
- date of the formation of the Company;
- the ordinal number of the certificate;
- the value of the share;
- the full name of the participant or the name of the legal entity;
- the date of the issuance of the certificate.

4.6. Visas Daļas apliecības ir vārda apliecības, un līdz ar ziņām par īpašnieku, tās reģistrējamas Sabiedrības Dalībnieku grāmatā. Dalībniekam ir tiesības pieprasīt no Sabiedrības Direktora informāciju par ierakstiem Dalībnieku grāmatā.

4.6. All Share Certificates are to be personal (registered) certificates. The certificate and the information on the owner are to be registered in the List of the Company's Participants. The Participant shall have the right to demand from the Director the access to the information on the records in the List of Participants.

4.7. Par pilnībā neieguldītu daļu Sabiedrība izdod Daļas pagaidapliecību, kura tiek nomainīta pret Daļas apliecību ne vēlāk kā mēnesi pēc galīgā maksājuma izdarīšanas.

4.7. For the shares not yet fully paid up the Company shall issue Temporary Certificates. Temporary Certificates shall be subsituted by permanent shares certificate within a month after the payment is made in full extent.

4.8. Dalībniekiem ir tiesības iesaistīt Sabiedrībā jaunus Dalībniekus.
4.9. Peters Ulfstedts ir atbildīgs par maksājumumiem, kas saistīti ar sabiedrības reģistrāciju, izņemot gadījumus, kas citādi noteikti Līgumā.
4.10. Dalībnieki nav atbildīgi par citu Dalībnieku darbību, izņemot, ja tas ir noteikts savstarpēji vienojoties.
4.11. Ja Dalībnieki ņem tiešu dalību sarunās vai tikšanās, vai to organizēšanā, kas saistītas ar otra Dalībnieka biznesa aktivitātēm, tiek noslēgts atsevišķs līgums par ienākumu sadali no šādas darbības.

4.8. The Participants shall have the right to accept new Participants in the Company.
4.9. Peter Ulfstedt is responsible for all the payments related to the registration of the Company unless otherwise agreed upon in the Agreement.
4.10. The Participants are not liable for the activities of other Participants unless it is mutually agreed upon.
4.11. In case the Participant directly participate in the negotiations or meetings, or in arranging of such, related to the business operation of the other Participants, a separate agreement on distribution of earnings gained from such operation is to be signed.

V NODAĻA.

Pārvaldes struktūra

5.1. Sabiedrības pārvaldes orgāni ir Dalībnieku Kopsapulce un Direktors (Valde)
5.2. Kopsapulce. Sabiedrības augstākais pārvaldes orgāns ir Dalībnieku Kopsapulce. Savas tiesības piedalīties Sabiedrības pārvaldē Dalībnieki īsteno Dalībnieku Kopsapulcē.
5.3. Sabiedrības izpildinstitūcijas. Sabiedrības operatīvo pārvaldi vada Direktors, kura kompetenci nosaka Sabiedrības Statūti un Kopsapulce.

Dalībnieku Kopsapulce, attīstoties Sabiedrības darbībai ir tiesīga izveidot Valdi un noteikt tai pilnvaras un darba kārtību.

ARTICLE V

Management.

5.1. The management of the Company is the General Meeting and the Director (Board)).
5.2. General Meeting. The highest management body shall be the General Meeting.The Participant may exercise their rights to manage the Company through the participation in the General Meeting.
5.3. Executive structure of the Company. Day-to-day operation of the company is performed by the Director, whose powers are determined in the Statutes of the Company and by the General Meeting.
The General Meeting in the course of the Company's operation has the rights to form a Board and determine its powers and work procedure.

VI Nodaļa

Finansiālā Darbība

6.1. Izdevumi. Līdz Sabiedrības reģistrācijai katrs no Dalībniekiem sedz savus izdevumus, kas saistīti ar Sabiedrības dibināšanu.
6.2. Bankas konti. Sabiedrība paredz naudas līdzekļus jebkuras valsts valūtā noguldīt Sabiedrības finansu darbības nodrošināšanai nepieciešamajos Latvijas Republikas un ārvalstu banku kontos.

6.3. Dividenžu politika. Par Sabiedrības katra finansu gada peļņas atlikuma izlietošanu, pēc noteikto nodokļu atskaitījumu izdarīšanas, maksājumu izdarīšanas Sabiedrības Rezerves fondā un citos noteiktajos fondos, lemj Dalībnieku Kopsapulce. Kopsapulce nosaka Dalībniekiem dividendēs izmaksājamo summu. Dividendes Dalībniekiem izmaksājamas proporcionāli to daļu skaitam Sabiedrības Statūtu fondā.
6.4. Finansu gads. Sabiedrības finansu gads ir kalendāra gads.
6.5. Grāmatvedības uzskaite un kontrole. Sabiedrība veiks patstāvīgu savas darbības grāmatvedības uzskaiti. Grāmatvedības uzskaite tiek veikta Direktora noteiktajā kārtībā un saskaņā ar Likumdošanu.

ARTICLE VI

Financial Operation.

6.1. Expenses. Prior to the registration, each Participant shall bear its own expenses incurred related to the formation of the Company.
6.2. Bank Accounts. The Company anticipate to deposit funds in the currency of any countries in a bank account of the Republic of Latvia and foreign bank account in order to provide financial operation of the Company.
6.3. Dividend policy. The allocation of the all net, after tax-profit of the Company, after the payments to the Reserve Fund of the Company or other funds, is determined by the General Meeting. The General Meeting shall determine the amount to be paid in dividends. Dividends to the Participant shall be paid proportionally to their respective number of shares in the Authorized Capital of the Company.

6.4. Fiscal year. The fiscal year of the Company shall be the calendar year.
6.5. Bookkeeping, accounting and control. The Company shall independently keep books of accounts. The Accounting is performed in the order set by the Director and in accordance with the Legislation.

6.6. Darbības kontrole. Sabiedrības finansiālās darbības kontroli, saskaņā ar Likumdošanu, veic Kosapulces ievēlēts Revidents.

6.6. Control over the operation. The control over the financial operation of the Company in accordance with the Legislation, is exercised by the Auditor elected at the General Meeting.

VII NODAĻA

Konfidencialitāte

7.1. Dalībnieki saprot, ka Sabiedrības darbības laikā jebkurš no Dalībniekiem var atklāt pārējiem Dalībniekiem informāciju par savu darbību, kuru tas uzskata par konfidenciālu un tai piederošu, tāpat kā visu informāciju par Sabiedrības darbību ("Konfidenciālā informācija"). Dalībnieks, kurš saņems jebkāda veida Konfidenciālu informāciju ("Saņēmējs"), apņemas nodrošināt saņemtās informācijas konfidencialitāti un izmantot saņemto Konfidenciālo informāciju tikai tādā nolūkā, kādam tā tika nodota Saņēmējam, un neizpaust šīs informācijas saturu Trešajām personām, izņemot, kad šāda informācija jāatklāj saskaņā ar Likumdošanu

7.2. Līgumā "Trešās personas" ietver, bet ne tikai, jebkuru juridisku vai fizisku personu, Latvijas vai ārvalsts valdības administratīvu orgānu, ministrijas, komitejas, resorus un to juridiskās struktūrvienības.

7.3. Dalībnieki apzinās, ka kompetentas valsts iestādes saskaņā ar likumu un Sabiedrības darbības uzsākšanu var pieprasīt, lai Darbinieki atklāj Konfidenciālu informāciju, un tie centīsies atklāt pēc iespējas mazāk šādas informācijas.

7.4. Līguma VII nodaļas noteikumi ir saistoši Sabiedrības izpildinstitūcijām.

ARTICLE VII

Confidentiality.

7.1. The Participant understand that in the course of operating the Company each of them may disclose to the other information about the disclosing party's business or activities which the Participant considers proprietary and confidential as well as all information concerning the Company (the "Confidential Information"). The Participant who receives any Confidential Information (the "Receiving Party") agrees to maintain a confidential status for the Confidential Information, not to use the Confidential Information for any purpose than the purpose for which it is originally disclosed to the Receiving Party and not to disclose any of the Confidential Information to any third party, unless it is required by the Legislation.

7.2. For the purpose of this agreement, "Third Party" shall include, but not limited to, any legal entity or person, or any administrative organ or agency, ministry committee or department of Latvian or foreign government or any legal subdivision thereof.

7.3. The Participant acknowledge that each may be required to disclose Confidential Information to appropriate government authorities by law. Each Participant shall endeavor to limit disclosure to that purpose.

7.4. The provisions of this Article VII are binding to the executive bodies of the Company.

VIII NODAĻA

Daļu īpašnieku maiņa

8.1. Nevienam no Dalībniekiem nav tiesību pārdot, ieķīlāt, nodot, piešķirt vai citādā veidā atsavināt jebkuru savu daļu Sabiedrībā citādāk kā noteikts šajā Līgumā.

ARTICLE VIII

Transfer of Interest.

8.1. Limitation on Transfer. No Participant shall sell, pledge, encumber, assign or in any other way transfer any part of its interest in the Company except as provided in this Agreement.

8.2. Ja Dalībnieks vēlas savas daļas realizēt, viņš līdz ar rakstveida paziņojumu iesniedz Sabiedrības Direktoram šo daļu apliecības vai pagaidu apliecības. Direktoram vispirms tās jāpiedāvā citiem Dalībniekiem. Ja nododamās daļas vēlas iegūt vairāki Dalībnieki, daļas pārdod proporcionāli viņiem jau piederošo daļu skaitam. Ja esošie Dalībnieki nepiesakās iegūt daļas, Direktoram ir tiesības tās pārdot pēc saviem ieskatiem. Ja mēneša laikā no Daļas apliecības vai pagaidu apliecības saņemšanas dienas Direktors nav daļas pārdevis, tās jāizsniedz atpakaļ daļas īpašniekam un, ja visi pārējie Dalībnieki piekrīt, atsavināmās daļas īpašniekam ir tiesības atsavināt savu kapitāla daļu pēc saviem ieskatiem. Ja nav visu citu Dalībnieku piekrišana, tad Sabiedrībai ir jāatpērk atsavināmā daļa par tās nominālvērtību (ja Kopsapulce nenosaka augstāku cenu).

8.2. In case the Participant wishes to sell or otherwise dispose his share, he submits together with the a written notice to the Director his share certificate or temporary share certificate. The Director is obligated to offer first such share to other Participants. In case several Participant want to acquire the transferred shares offered, they have to be sold proportionally to the number of shares by the Participant. In case the Participant of the Company express no desire to acquire such tranferred shares, the Director may sell them at his own discretion. In case within one month from the date of receipt of such share certificates or temporary share certificates by the Director shares are not sold, they are subject to be returned to the owner of such shares, and provided the approval from the other Participants, the owner of such shares may sell or dispose his share ownership at his own discretion. In case such approval from other Participants is not obtained, the Company is obligated to purchase such shares at their par value (unless the General Meeting determines a higher price).

8.3. Atsavināt var tikai pilnīgi nomaksātas daļas. Kamēr Sabiedrība vēl nav reģistrēta Latvijas Republikas Uzņēmumu reģistrā, tās daļas nevar realizēt citai personai. Izņēmumus ir to mantošana daļas īpašnieka nāves gadījumā.

8.3. Only fully paid up shares may be transferred. Prior to the registration of the Company at the Enterprise Register, shares of the Company may not be transferred to other persons except if inherited from a deceased certificate holder.

8.4. Bankrota sekas. Viena Dalībnieka bankrota vai nāves gadījumā likvidators, tiesību pārņēmējs vai cita pilnvarota persona, kura ir atbildīga par šī dalībnieka aktīvu saglabāšanu un sadali, saskaņā ar šī Līguma 8.2. punkta noteikumiem piedāvā iegādāties pārējiem Dalībniekiem šī Dalībnieka daļu Sabiedrībā un ja Dalībnieki nevēlas iegādāties attiecīgās daļas, tad šīm personām ir tiesības realizēt šīs daļas vai paturēt sev.

8.4. Effect of Bankruptcy. In the event of bankruptcy or death of one Participant, liquidator, receiver or any other authorized person responsible for the preservation and distribution of such Participant's with provisions of the Article 8.2. of the Agreement must offer the interest of the Participant to the other Participants of the Company.

IX NODAĻA

Piemērojamā likumdošana un strīdu izskatīšana

9.1. Piemērojamā likumdošana. Šis Līgums ir sastādīts un tiks pildīts saskaņā ar Likumdošanu, ar noteikumu, ka, ja rodas strīds par Līguma noteikumu izpildi, kas nav atrisināmas Dalībniekiem vienojoties, saskaņā ar Līguma 9.2. punktu, strīda izskatīšana jānodod tiesā. Turpmāk, gadījumā, ja Latvijā tiks pieņemti jauni likumi vai izdarīti labojumi esošajos likumos, lēmumos un noteikumos, kas var kaitēt Dalībnieku saimnieciskajai darbībai, kura izriet no Līguma nosacījumiem (ieskaitot naudas devalvāciju bez jebkādiem ierobežojumiem), Dalībnieki savstarpējo konsultāciju rezultātā pārskata Sabiedrības ienākumu izmantošanas kārtību un Sabiedrības turpmāko darbību.

9.2. Strīdu nodošana tiesā. Strīdus, kas rodas starp Dalībniekiem šā Līguma vai tā skaidrojuma sakarā, vispirms jāmēģina atrisināt Dalībniekiem vienojoties. Ja šāds risinājums nav panākts 60 (sešdesmit) dienu laikā no strīda rašanās brīža, tad strīda izskatīšana nododama tiesā.

ARTICLE IX

Governing law and dispute resolution.

9.1. Governing Law. This Agreement is made and being performed in accordance with the Legislation, provided, however, disputes arising on the performance of the provision in the Agreement cannot be settled amicably pursuant to the Article 9.2 in the Agreement the dispute shall be submitted to the court. Further, in the event Latvia adopts any new or makes changes in any existing law, decree or regulation, which adversely affects a Participant's economic interest under this agreement (including the devaluation of the rouble or other restrictions) the Participant shall review the order of revenue allocation and the further existance of the Company.

9.2. Submission to Court. Disputes between the Participant arising out of or in connection with the Agreement or its interpretation shall be settled first amicably. If amicable settlement cannot be reached within sixty (60) days from the moment the dispute first arising, the matter under the dispute will be submitted to the court.

9.3. Saistību izpilde. Nekādi strīdi, prasības iesniegšana neatbrīvo Dalībniekus no šā Līguma saistību izpildes.

9.3. Continuing Obligations. Neither the existence of the dispute nor the claim in the court, shall relieve any Participant of their obligations under this Agreement.

X NODAĻA

Līguma darbības termiņi, tā pārtraukšana un sabiedrības likvidācija

ARTICLE X

Term, termination and liquidation.

10.1. Termiņi. Šis līgums ir spēkā ar tā parakstīšanas brīdi un Sabiedrība uzsāk darbību ar tās reģistrācijas dienu. Šī Līguma darbības termiņš nav ierobežots un tā noteikumi ir spēkā tiktāl, cik tie nav pretrunā ar Sabiedrības Statūtiem.

10.1. Term. This Agreement shall be effective upon signing and the Company shall start its operation on day of the registration. This Agreement and the term of the Company is perpetual and the provisions of this Agreemeent are in force as long as they are not contradicting the Statutes of the Company.

10.2. Likvidācijas procedūra. Sabiedrība tiek likvidēta Statūtos un Likumdošanā noteiktajā kārtībā.

10.2. Liquidation Procedure. The Company is liquidated in the order stipulated by the Statutes of the Company and the Legislation.

XI NODAĻA

Dažādas papildus saistības

ARTICLE XI

Additional provisions.

11.1. Dalībnieku apliecinājumi un garantijas. Dalībnieki apliecina un garantē, ka

a) katrs atsevišķi un visi kopā ir tiesīgi realizēt Līgumā noteikto darbību un uzņemties Līgumā noteiktās saistības;

b) noslēdzot un izpildot šo Līgumu nepārkāpj jebkādu iepriekš noslēgto līgumu un vienošanos noteikumus un Likumdošanu,

c) tiem nav nepieciešams saņemt no valsts un pārvaldes orgāniem, ministrijām, resoriem un citām organizācijām apstiprinājumus un atļaujas, lai varētu noslēgt šo Līgumu un pildīt ar to saistītos pienākumus.

11.1. Representations and Warranties of the Participants. The Participant warrant and represent that

a) each separately and jointly shall have the right to execute the activity stipulated in the Agreement and to take obligation hereinunder.

b) upon signing and executing this Agreement no prior contract or agreements of which they are party are violated nor the existing Legislation,

c) no approvals, consents are required form the state authorities,ministries departments or other organizations in order or carry out obligation under this Agreement.

11.2. Dalībnieku pilnvaru apjoms. Neviens no Dalībniekiem nav tiesīgs Sabiedrības vai pārējo Dalībnieku vārdā, kā pirms, tā arī pēc Sabiedrības reģistrācijas, rīkoties, iegūt tiesības vai pienākumus, pārstāvēt vai lietot to vārdu, ja Dalībnieki iepriekš par to nav rakstiski vienojušies vai kā citādi nav atrunāts šajā Līgumā.

11.2. Scope of the Participants' Authority. No Participant shall, without prior consent from the other Participant in any manner use the name of, act or purport to act for or as the a representative of, or assume obligation or responsibilities on behalf of other Participant or the Company, whether before or after the date of registration, unless otherwise provided in this Agreement.

11.3. Pakļaušanās jurisdikcijai. Katrs no Dalībniekiem apliecina, ka tas pakļausies jebkuriem Latvijas tiesu pieņemtajiem lēmumiem, kas attiecas uz jebkuru no Dalībniekiem, kā arī Likumdošanas ietvaros pieņemtiem juridiski saistošiem lēmumiem un no tiem izrietošām sekām, ja tie attiecas uz tiesas lēmumu izpildi. Iepriekšminētais neliedz jebkuram no Dalībniekiem, ar pārējo Dalībnieku piekrišanu, ierosināt strīdu izšķiršanu jebkurā citā likumīgā veidā.

11.3. Submission to Jurisdiction. Any of the Participant hereby agrees to submit to the judgment of the Latvian court related to any the Participant in the Company or any other jurisdiction in any legal actions or preceding related to such execution. The foregoing, however, shall not limit the right of any Participant, with consent of other Participants, to propose the settlement of the dispute in any other manner permitted by the law.

11.4. Līguma darbības uzturēšana un tiesību nodošana. Šis Līgums ir saistošs kā Dalībniekiem, tā arī to tiesību un pienākumu pārņēmējiem. Neviens no Dalībniekiem nevar no Līguma izrietošās saistības, tiesības vai pienākumus pilnā apjomā vai daļēji nodot vai pieņemt bez pārējo Dalībnieku rakstiskas piekrišanas, izņemot Dalībnieka nāves gadījumā.

11.5. Līguma apjoms. Šis Līgums kopā ar Pielikumiem ietver sevī visas Dalībnieku vienošanās par Līguma priekšmetu un aizstāj visas iepriekšējās rakstiskās un mutiskās vienošanās un pārrunas starp tiem. Šī Līguma labojumi ir spēkā, kad tie ir noformēti rakstveidā, Dalībnieku apstiprināti un noteiktā kārtībā reģistrēti.

11.6. Atsevišķu Līguma noteikumu spēks. Ja viens vai vairāki Līguma nosacījumi jebkurā veidā kļūst par spēkā neesošiem, pretlikumīgiem vai neizpildāmiem, tas nekādā veidā neietekmēs un neierobežos pārējo Līguma nosacījumu spēkā esamību, likumību vai izpildāmību ar noteikumu, ka tādā gadījumā Dalībnieki apņemas pielikt visas iespējamās pūles spēku zaudējušo nosacījumu nomaiņai ar jauniem juridiski spēkā esošiem noteikumiem.

11.7. Force Majeure. Neviens no Dalībniekiem nenes atbildību par Līguma saistību neizpildi vai izpildes aizturēšanu, ja minētā neizpilde vai izpildes aizturēšana ir saistīta ar Force Majeure, par ko paziņots rakstiski ar kompetentas iestādes apstiprinātu informāciju par notikušo un izraisītām sekām. Ar "Force Majeure" apstākļiem saprotami jebkādi valdības iestāžu, departamentu vai organizāciju izdoti rīkojumi, priekšraksti vai rakstiski norādījumi likumu vai citā veidā, jebkuri civiliedzīvotāju nemieri, sacelšanās, karš, streiki un citi apstākļi, kas traucē Sabiedrības vai Dalībnieku normālu darbību: ugunsgrēki, plūdi un citas stihiskas nelaimes, kas Sabiedrībai vai Dalībniekiem nav kontrolējamas. Ja Force Majeure rezultātā (1) Sabiedrības uzdevumiem un mērķiem, kas izriet no šā Līguma, nodarīts būtisks un neatgriežams kaitējums, vai (2) viena Dalībnieka darbība ir traucēta vairāk kā 180 (simt astoņdesmit) dienas, pārējiem Dalībniekiem, kuriem nav nodarīts kaitējums, ir tiesības ierosināt Sabiedrības darbības pārtraukšanu.

11.8. Tiesību saglabāšana. Ja kāds no Dalībniekiem neizmanto vai izmanto nesavlaicīgi jebkuras no šā Līguma izrietošās tiesības, tas nenozīmē, ka tas atsakās no šīm tiesībām, un šo tiesību vienreizēja vai daļēja neizmantošana nevar būt par šķērsli šīs tiesības vai citu tiesību turpmākai izmantošanai. No šā Līguma izrietošās tiesības un to aizstāvēšanas līdzekļi neizslēdz citu Likumdošanā noteikto tiesību un to aizstāvēšanas līdzekļu piemērošanu.

11.4. Survival and Assignment. This Agreement is binding upon the Participants and their successors and assigns. Neither this Agreement nor any obligation or responsibility may be transferred or received in whole or in part, by any Participant without prior written consent by other Participants except the case of death of the Participant.

11.5. Entire Agreement. This Agreement together with the Annexes constitutes the entire understanding of the entire understanding of the Participants with respect to the subject matter and supersedes all prior negotiations and understanding among them, whether written or oral. No amendments to this agreement shall be effective unless it is in writing and executed by the parties and duly registered.

11.6. Severability. If any one or more provisions of the Agreement shall be illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired, provided, that in such cases the Participants agree to use the best efforts to achieve the purpose of the invalid provision by a new legally valid provision.

11.7. Force Majeure. Neither of the Participant shall be liable for non-performance or delay in performance of any obligation provided for in this Agreement if the non-performance of any obligation or delay is caused by Force Majeure notifying in writing with information confirmed by a competent authority stating the occurrence and the consequences. "Force Majeure" shall be any order, regulation or written directive of any government body, department or organization, any insurrection, riot, war, strike or other circumstances preventing normal operation of the Company; fires, floods, or other Acts of God, or any other cause beyond Company's reasonable control. When an event of Force Majeure is such of nature 1) that objective of this Agreement and of the Company are substantionally and irremediably impaired, or 2) that Participant's performance is impaired for more than 180 consecutive days, in either case the Participant whose performance has not been impaired shall have the right to initiate the termination of the Company.

11.8. No Waiver. No failure or delay on the Participant in the exercise of any right under this Agreement shall operate as a waiver of the rights, nor shall any single or partial exercise of any right preclude other or further exercise of that or any other right. All rights and remedies under this Agreement are not exclusive of, any rights or remedies otherwise available under applicable law.

11.9. Paziņojumi. Visi no šī Līguma izrietošie paziņojumi, lūgumi, pieprasījumi un cita informācija ir noformējama rakstveidā latviešu valodā un vajadzības gadījumā tulkojama angļu valodā un nosūtāma ar ierakstītu pastu vai nododama adresātam pret parakstu pēc uzrādītās adreses, vai arī nosūtāma pa teleksu vai telefaksu uz iepriekš precizētām adresēm. Visi paziņojumi būs spēkā no saņemšanas brīža.

11.10. Virsraksti. Šī Līguma nodaļu un punktu nosaukumi ir doti, lai sekmētu Līguma pārskatāmību, un tie nenosaka un neaizskar jebkura Līguma nosacījuma būtību vai to tulkojumu.

11.11. Šis Līgums ir sastādīts un parakstīts latviešu un angļu valodā un to teksts ir autentisks.

11.9. Notices. All notices, requests, demands or other communications under this Agreement shall in writing in Latvian and if necessary translated into English and sent by prepaid registered airmail and shall be given by personal service to the earlier specified address or sent by telex or fax to the designated address. All the notices shall be effective when received.

11.10. Heading. The articles and sections heading ar for convenience and shall not control or effect the meaning and construction of any provision of this Agreement.

11.11. This agreement is made and signed in English and Latvian and each version shall have equal force.

Sabiedrības Dibinātāji:
(The Founders of the Company):

Peter Bruno ULFSTEDT Peter Ulfstedt

Sten Erik Martti HOLMIA

Rīgā, tūkstoš deviņi simti deviņdesmit sestā gada 25.septembrī, es, sabiedrības "TAMPERE INVEST" dibinātaju pilnvarota persona Juris Eglītis ar šo apliecinu, ka šo dokumentu ir parakstījuši sabiedrības dibinātāji, viņu paraksti ir īsti un izdarīti manā klātbūtnē.

Šajā dokumentā numurētas
un caurauklotas 9
/deviņas/ lapas