



BALTIC HORIZON

INVESTOR WEBINAR
H1 2016

2016 09 16



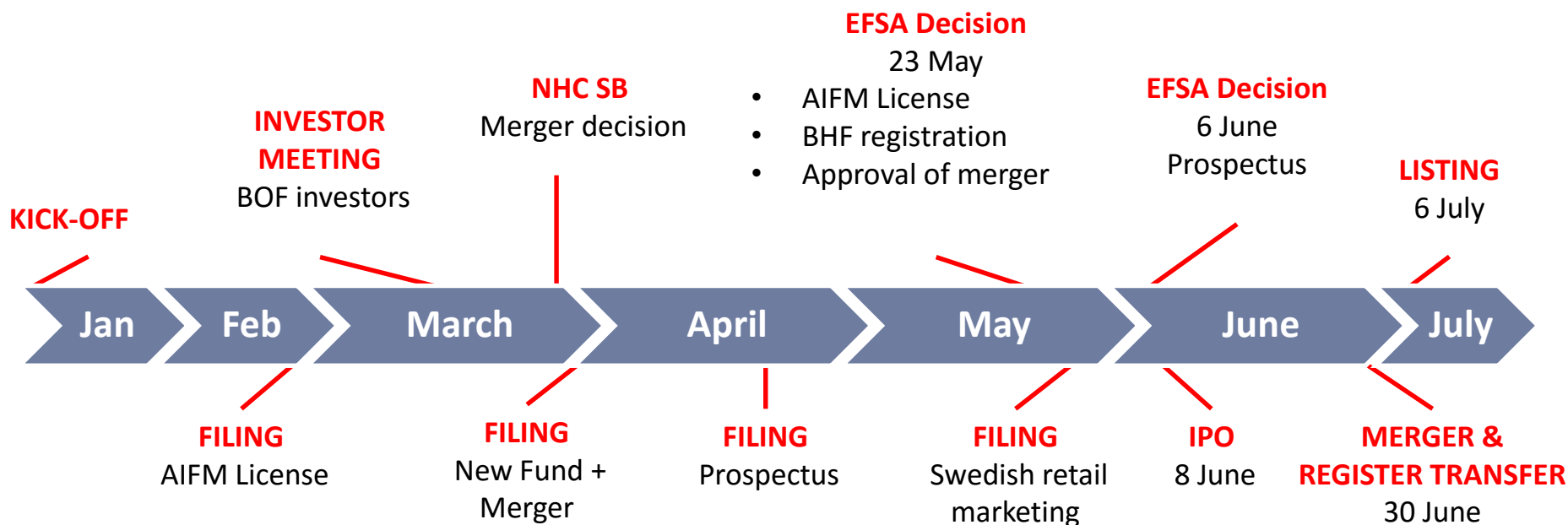
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AGENDA



1. Baltic Horizon IPO
2. Baltic Horizon portfolio
3. H1 financial results
4. Q&A

BALTIC HORIZON FUND PRE-HISTORY



SOME FACTS

- Baltic Horizon (BH) is the first listed evergreen real estate fund in Baltics
- Merged with Baltic Opportunity Fund (BOF) and took over BOF assets and investor base
- In June 2016 successfully closed IPO offering with mEUR 29,7 gross proceeds raised
- In July 2016 listed and is trading on Tallinn Nasdaq fund list (ticker: NHCBHFFT)



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KEY FUND FACTS

	BHF	Baltic Opportunity Fund (BOF)
Fund registration	23 May 2016	1 September 2010
Merger of the funds	30 June 2016	
Type	<ul style="list-style-type: none">• Closed-ended contractual fund• Real estate fund• Public fund	<ul style="list-style-type: none">• Closed-ended contractual fund• Real estate fund• Non-public fund
Listing	Nasdaq Tallinn (Fund List)	No listing
Exit / redemptions	Evergreen	End of 2017
Investment policy	Commercial property in Baltic capitals	Commercial property in Baltic capitals
Investment restrictions	Same as BOF, but tenant concentration added (no tenant >30% of the net rental income) and no sector-based restrictions	80/20% split – real estate/financial instruments Asset concentration (no single asset >50% / portfolio Sector-based restrictions (e.g. retail, office)
Maximum leverage	65% of asset value	70% of asset value
Governance	Fund Supervisory Board - approvals, capital raising, conflicts issues	Investment committee - investment decisions, risk management
Fees	Layered management fee based on market cap Performance fee hurdle rate 8%	Management fee 1.9% based on NAV Performance fee hurdle rate 11%
Depository	AS Swedbank (Estonia)	AS Swedbank (Estonia)
Units register	Estonian CSD	AS Swedbank (Estonia)
Supervisor	Estonian FSA	Estonian FSA

PORTFOLIO OVERVIEW

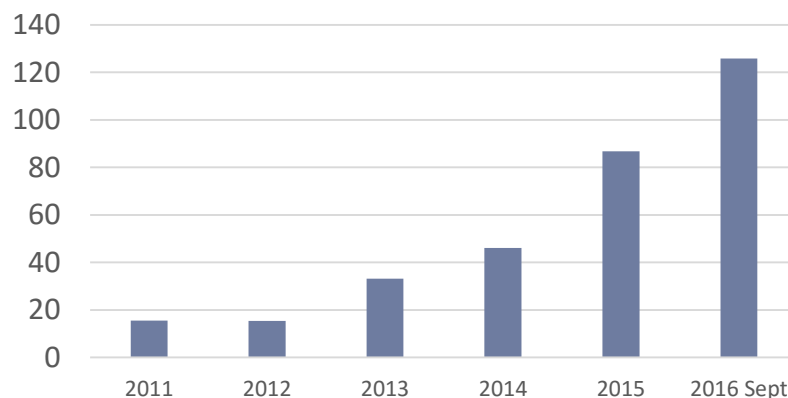
Well balanced portfolio
geography and segment
wise

Total NLA c.a. 73,000 m2

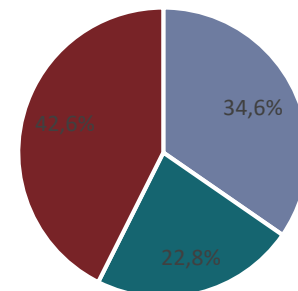
~7,15% portfolio yield

- 7 properties in capital cities
 - 3 office properties
 - 3 retail properties
 - 1 leisure/retail property
- Portfolio yield ~7,15%
- Portfolio value ~mEUR 125
- Full year NOI ~mEUR 9
- Portfolio occupancy ~98%

Value of portfolio, mEUR

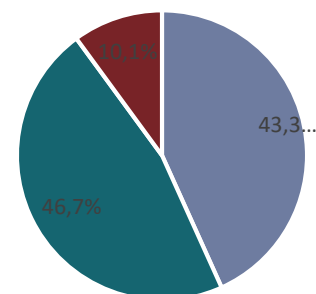


Geographic allocation



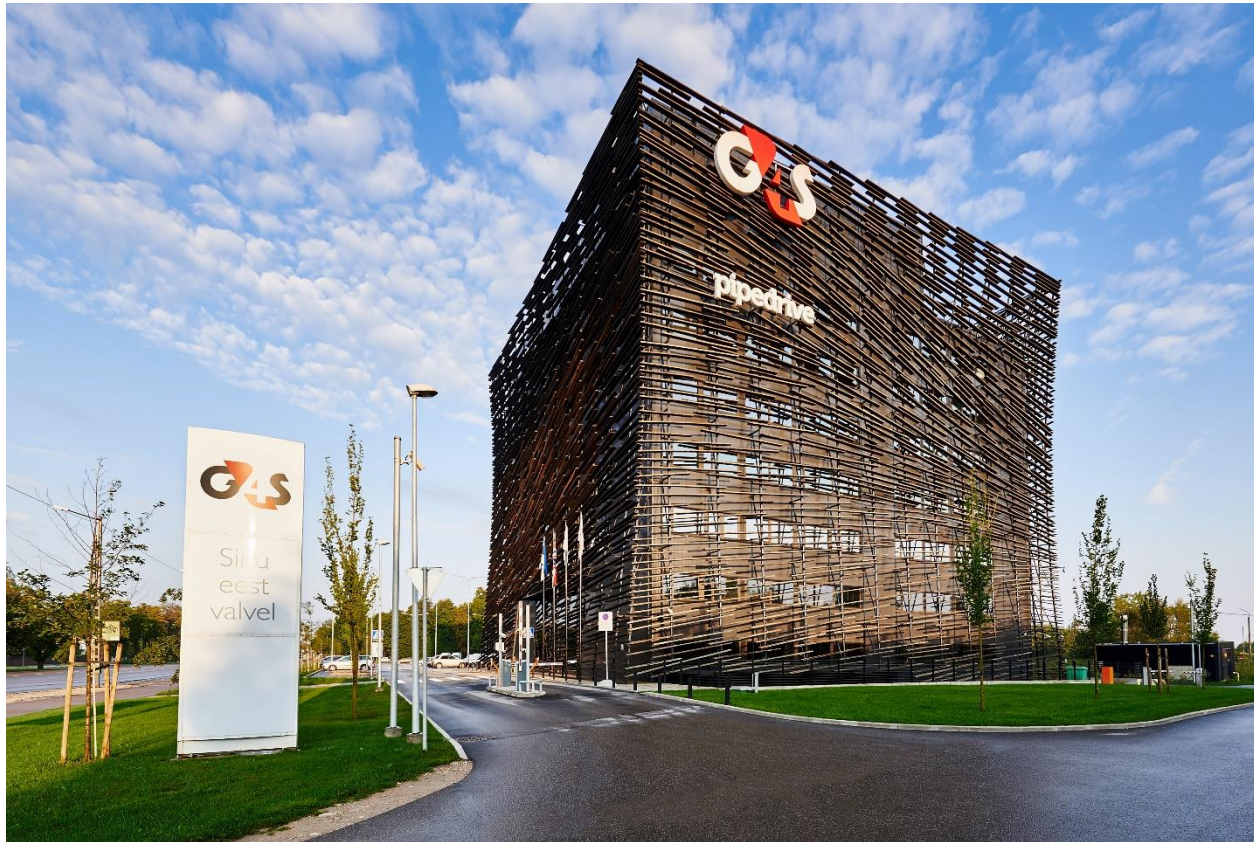
■ Tallinn ■ Riga ■ Vilnius

Segment allocation



■ Office ■ Retail ■ Other

NEW ACQUISITION – G4S HEADQUARTERS IN TALLINN



NEW ACQUISITION – UPMALAS BIROJI OFFICE IN RIGA





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PORTFOLIO SUMMARY



Lincona Office
Complex



Coca-Cola Plaza



Sky Supermarket



Domus Pro



Europa Shopping
Center



G4S Headquarters



Upmalas Biroji

Property	Lincona Office Complex	Coca-Cola Plaza	Sky Supermarket	Domus Pro	Europa Shopping Center	G4S Headquarters	Upmalas Biroji
City	Tallinn	Tallinn CBD ¹⁾	Riga	Vilnius	Vilnius CBD	Tallinn	Riga
Type	Office/Retail	Other (cinema)	Retail	Retail	Retail	Office	Office
NLA, sq.m ²⁾	10,859	8,664	3,263	11,247	16,856	8,363	10,500
Vacancy ²⁾	3.8%	0.0%	0.1%	1.5%	6.0%	0%	0%
Fair value ³⁾	MEUR 15.46	MEUR 12.65	MEUR 5.15	MEUR 16.34	MEUR 37.21	MEUR 15.60 ⁴⁾	MEUR 22.52 ⁵⁾
No of lease contracts	13	1	23	25	74	2	13

Major tenants



¹⁾ Central Business District ²⁾ July 2016 ³⁾ 31.12. 2015 ⁴⁾ 13.04.2016 ⁵⁾ 27.05.2016

Source: Northern Horizon Capital

INTERIM FINANCIAL RESULTS (H1 2016)

FINANCIAL PERFORMANCE

- NOI increased by 23%, mainly due to Europa property operating from the beginning of year.
- Admin. expenses: IPO related costs charged in H1 2016 - EUR 500 thousand.
- No external valuations performed at H1 2016.
- The revaluation loss of EUR 441 thousand for H1 2016 is related to final price paid to Domus Pro developer for completion of stage 2.

'000 Euro	H1 2016	H1 2015	Change (%)
Rental income	3,276	2,704	21.1%
Expenses reimbursement revenue	1,193	885	34.8%
Cost of rental activities	(1,554)	(1,220)	27.4%
Net rental income	2,915	2,369	23.0%
Administrative expenses	(980)	(435)	125.6%
Other operating income	78	-	n/a
Net loss on disposal of investment property	-	(10)	(111.1%)
Valuation gains / (loss) on investment properties	(441)	-	n/a
Operating profit	1,572	1,924	(18.3%)
Financial income	8	10	(18.2%)
Financial expenses	(533)	(533)	-
Net financing costs	(525)	(523)	0.4%
Profit before tax	1,047	1,401	(25.2%)
Income tax charge	(175)	(169)	3.6%
Profit for the year	872	1,232	(29.2%)

INTERIM FINANCIAL RESULTS (H1 2016)

FINANCIAL POSITION

- Approx. EUR 21m. net proceeds from IPO
- IFRS NAV per unit EUR 1.2745
- EPRA NAV per unit EUR 1.4047
- Loan to value ratio as at 30/06/2016 was 58.1% (59.0% as at 31/12/2015).
- Weighted average cost of debt as at 30/06/2016 was 2.2%.
- Weighted average maturity of debt as at 30/06/2016 was 1.98 years.

'000 Euro	30.06.2016	31.12.2015	Change (%)
Assets			
Investment properties	87,266	86,810	0.5%
Other non-current assets	213	263	-19.0%
Trade and other receivables	724	840	-13.8%
Prepayments	98	81	21.0%
Subscriptions receivable	20,962	-	N/A
Cash and cash equivalents	1,460	1,677	-12.9%
Total assets	110,723	89,671	23.5%
Equity			
Paid in capital	46,636	25,674	81.6%
Cash flow hedge reserve	(222)	(199)	11.6%
Retained earnings	7,090	6,218	14.0%
Total equity	53,504	31,693	68.8%
Liabilities			
Interest bearing loans and borrowings	50,697	51,194	-1.0%
Deferred tax liabilities	3,772	3,673	2.7%
Derivative financial instruments	261	232	12.5%
Trade and other payables	1,597	2,036	-21.6%
Income tax payable	168	112	50.0%
Other liabilities	724	731	-1.0%
Total liabilities	57,219	57,978	-1.3%
Total equity and liabilities	110,723	89,671	23.5%



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KEY PRIORITIES

1. Well diversified and liquid real estate platform for both institutional and retail investors
2. Enhance liquidity in the secondary market by building a recognizable brand of Baltic Horizon in the region
3. Growth of the fund through new acquisitions to build cost efficiency
4. Focus on delivering quarterly dividends
5. Adding value to current properties through active asset management



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QUESTIONS AND ANSWERS SESSION?



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