OFFERING, LISTING AND ADMISSION TO TRADING PROSPECTUS

Offering of up to 17,292,062 Units
Offer Price EUR 1.1566 per New Unit

Baltic Horizon Fund

(a closed-ended contractual investment fund registered in the Republic of Estonia)

This is the prospectus (the "Prospectus") for (i) the offering by Baltic Horizon Fund, a closed ended contractual investment fund registered in Estonia (the "Issuer" or the "Fund") of newly issued Fund units with no nominal value (the "New Units") (including by way of public offering to retail investors in Estonia and Lithuania; and (ii) the admission to trading of all New Units on the official list of Nasdaq Tallinn AS ("Nasdaq Tallinn") and Nasdaq Stockholm AB ("Nasdaq Stockholm"). A public offering will be carried out only in Estonia and Lithuania and there will be no public offering of the Offer Units in any other jurisdiction.

The Issuer is offering up to 17,292,062 Offer Units. The Management Company reserves an option to increase the number of new Offer Units to be offered in the Offering by up to 17,292,062 Offer Units (the "Upsizing Option"). The Offering is made (i) by way of an offering to retail investors in Estonia and Lithuania (the "Retail Offering") and (ii) by way of an offering to institutional investors in and outside of Estonia (the "Institutional Offering"). The Institutional Offering comprises an offer of New Units to qualified investors within the meaning of Article 2(e) of Regulation (EU) 2017/1129, and elsewhere outside the United States in reliance on Regulation S ("Regulation S") under the U.S. Securities Act of 1933 as amended (the "U.S. Securities Act") (the Institutional Offering together with the Retail Offering, the "Offering").

The subscription/purchase period for the Offer Units will commence on or about 8 October 2020 at 10:00 a.m. (Eastern European Summer Time – Estonian time) and expire on or about 22 October 2020 at 16:00 p.m. (Eastern European Summer Time – Estonian time) (the "Offer Period"). The offer price per New Unit (the "Offer Price") is 1.1566 which corresponds to the year-to-date weighted average price of Baltic Horizon Fund units on the Nasdaq Tallinn until a date preceding 7 calendar days to first day of the subscription period. The ISIN code of the New Units will be EE3500110244 after the New Units have been registered with the Register.

This Prospectus has been prepared by the management company of the Issuer, Northern Horizon Capital AS (registry code: 11025345; address: Tornimäe 2, 10145 Tallinn, Estonia) (the "Management Company") in connection with the Offering and admission to trading of the Units on Nasdaq Tallinn and Nasdaq Stockholm in accordance with the Securities Market Act of Estonia and Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "Prospectus Regulation"). This Prospectus has been prepared in accordance with the requirements of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (the "Delegated Regulation") and in application of the Annexes 1, 3, 4, 12 and 20 thereof. This Prospectus constitutes a prospectus in the form of single document within the meaning of Prospectus Regulation and Securities Market Act of Estonia and has been approved as such under the registration number 4.3-4.9/2289 by the Estonian Financial Supervision Authority (Finantsinspektsioon) (the "EFSA"), in its capacity as the competent authority in the Republic of Estonia. Registration of the Prospectus in the EFSA does not mean that the EFSA has controlled the correctness of the information presented in this Prospectus.

Application will be made for the New Units to be registered in the Register and subsequently admitted to trading on a regulated market on Nasdaq Tallinn (the "Listing") and the Listing is expected to take place on or about 28 October 2020. The New Units will be secondary listed on the Alternative Investment Funds market on Nasdaq Stockholm and the listing is expected to take place on or about 28 October 2020.

The New Units have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state of the United States. The Offer Units may not be offered, sold, pledged or otherwise transferred directly or indirectly within the United States or to, or for the account or benefit of, U.S. Persons (as defined in

Regulation S under the Securities Act ("Regulation S")), except to a person which is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

The New Units will rank pari passu with all the remaining units of the Issuer and will be eligible for any distributions paid on the units under the rules of the Issuer. Possible distributions paid out of the Issuer to unit-holders who are not generally subject to taxation in Estonia may be subject to deduction of Estonian taxes as described in section 7 "Taxation."

As at the date of this Prospectus, the Issuer is rated MM3 by S&P Global Ratings which is established in the European Union and registered under Regulation (EC) No 1060/2009, as amended (the "CRA Regulation"). MME rating is S&P Global Ratings' forward-looking opinion about the creditworthiness of a mid-market company relative to other mid-market companies. It assesses a mid-market company's relative capacity and willingness to meet its financial obligations as they come due. The "MM3" rating on the MME scale corresponds indicatively to the "BB +" / "BB" rating on the global rating scale. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

An investment in the Fund units involves certain risks. Prospective investors should read this entire Prospectus. In particular, prospective investors should read "Risk Factors" for a discussion of certain factors that the prospective investors should consider before investing in the Fund units. The contents of this Prospectus are not intended to be construed as legal, financial or tax advice. Each prospective investor should consult its own legal advisor, financial advisor, or tax advisor for such advice.

The Prospectus is valid until commencement of trading with the New Units on Nasdaq Tallinn and Nasdaq Stockholm, whichever occurs later. The Issuer is obligated to update the Prospectus by publishing a supplement only in case new facts, material errors or inaccuracies occur, and such an obligation does not apply after the end of the validity period of the Prospectus. In case there should be any discrepancies between English and Estonian version of the Prospectus, English version shall prevail.

The date of this Prospectus is 2 October 2020

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1. INTRODUCTORY INFORMATION

1.1. APPLICABLE LAW

This Prospectus has been drawn up in accordance with the Prospectus Regulation and in accordance with the Delegated Regulation. The Prospectus comprises of three mandatory elements: summary of the Prospectus, registration document and securities note. The summary of this Prospectus is drawn up in accordance with Article 7 of the Prospectus Regulation, a registration document of the Fund is drawn up in accordance with Annexes 1, 3, 4 and 20 of the Delegated Regulation and the securities note of units issued by the Fund is drawn up in accordance with Annex 12 of the Delegated Regulation.

This Prospectus shall be governed by the laws of Estonia, except to the extent the rules of private international law applied by the competent court provide for the mandatory application of the laws of any other jurisdiction. Any disputes arising in connection with the Prospectus shall be settled by Harju County Court (Harju maakohus) in Estonia unless the exclusive jurisdiction of any other court is provided for by the provisions of law, which cannot be derogated from by an agreement of the parties. Each purchaser and subscriber of the Units must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, subscribes, offers or sells the Units or possesses or distributes this Prospectus and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Fund Units under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales, and the Management Company shall have no responsibility for these obligations.

1.2. PERSONS RESPONSIBLE

The information contained in this Prospectus has been provided by the Management Company and received from other sources identified herein. It is prohibited to copy or distribute the Prospectus or to reveal or use the information contained herein for any other purpose than considering an investment in the Units. The Management Company accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Management Company, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Where information used in this Prospectus has been sourced from a third party, this information has been accurately reproduced and as far as the Management Company is aware and has been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information has been sourced from third parties, a reference to the respective source has been provided together with such information where presented in this Prospectus. Certain information with respect to the markets in which the Issuer operates is based on the best assessment made by the Management Company. With respect to the industry in which the Issuer is active and certain jurisdictions in which it conducts its operations, reliable market information is often not available or is incomplete. While every reasonable care was taken to provide best possible assessments of the relevant market situation and the information on the relevant industry, such information may not be relied upon as final and conclusive. Investors are encouraged to conduct their own investigation of the relevant markets or employ a professional consultant.

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult with its own legal adviser, business adviser or tax adviser as to legal, business and tax advice.

Tallinn, 2 October 2020

Northern Horizon Capital AS

Tarmo Karotam	*Ausra Stankevičienė*	*Algirdas Vaitiekūnas*
Member of the Management Board	*Member of the Management Board*	*Member of the Management Board*
/signed electronically/	*/signed electronically/*	*/signed electronically/*

1.3. DEFINITIONS

Baltics	Estonia, Latvia and Lithuania
BOF	Baltic Opportunity Fund, a predecessor of Baltic Horizon Fund, a non-public closed-ended contractual real estate fund, was established under the laws of the Republic of Estonia and was managed by the Management Company (with a previous name BPT Baltic Opportunity Fund). Baltic Opportunity Fund merged into Baltic Horizon Fund.
CBD	Central business district
Colliers	Colliers International Advisors OÜ and any of its affiliates belonging to the same consolidation group with it
CPI	Consumer price index
Delegated Regulation	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004
Dividend	Cash distributions paid out of the cash flows of the Fund in accordance with the Fund Rules
EC	The European Commission
EFSA	Estonian Financial Supervision Authority, which is the capital market regulatory authority of the Republic of Estonia
EMU	European Economic and Monetary Union
EPRA NAV	A measure of long-term NAV, proposed by European Public Real Estate Association (EPRA) and widely used by listed European property companies. It is designed to exclude assets and liabilities that are not expected to crystallize in normal circumstances such as the fair value of financial derivatives and deferred taxes on property valuation gains. Calculation of EPRA NAV is explained in greater detail in section 9.2 "NAV".
EU	The European Union
EUR, €, euro	The lawful currency of the European Economic and Monetary Union
Euroclear Sweden	Euroclear Sweden AB
Europa SC	Europa shopping centre held by Europa SPV which is fully owned by the Fund
Europa SPV	BOF Europa UAB, registry code 300059140, a special purpose vehicle registered in the Republic of Lithuania and holding title to the Europa SC property
Fund	Baltic Horizon Fund, a public closed-ended contractual real estate investment fund
Fund Rules	Rules of the Fund as registered with the Estonian Financial Supervisory Authority on 23 May 2016 and appended to the Prospectus as Appendix A
Galerija Centrs	Galerija shopping centre held by Galerija SPV which is fully owned by the Fund
Galerija SPV	TAMPERE INVEST SIA, registry code 40003311422, a special purpose vehicle registered on 02.10.1996 in the Republic of Latvia and holding title to the Galerija Centrs property
Gross leasable area (GLA)	Total floor space (measured in sqm) at a property including areas dedicated as public spaces or thoroughfares such as building service areas
IAS	The International Accounting Standards forming part of the IFRS
IFA	Investment Funds Act of Estonia
IFRS	The International Financial Reporting Standards as adopted by the European Union
Institutional Investors	The qualified investors as defined in Prospectus Regulation and/or other types of investors as defined by the national securities legislation of each relevant country where the Offer Units are being offered without requirement to publish the prospectus
Investors	Institutional Investors and Retail Investors
Issuer	The Fund
KIID	Key Investor Information Document of the Fund drawn up in accordance with Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)
Listing	Start of trading with the Offer Units on Nasdaq Tallinn on or about 28 October 2020
LTV	Loan to value ratio. It is calculated as a ratio of interest-bearing debt to the value of investment property
Management Company	Northern Horizon Capital AS, the management company of the Fund
Member State	A member state of the European Economic Area

Merger	The merger of the Fund and BOF on 30 June 2016. The Fund took over all assets and liabilities of BOF. Units of BOF were converted into units of the Fund at a ratio of 1:100 (1 unit of BOF was exchanged into 100 Units of the Fund). At the time of the merger, the Fund had no assets and liabilities of its own.
NAV	Net Asset Value of the Fund or a Unit as calculated in accordance with the Fund Rules
New Units	Up to 17,292,062 Units issued in connection with the Offering
Offering	The offer of Offer Units by the Management Company on behalf of the Fund
Offer Price	Price per New Unit
Offer Units	Up to 17,292,062 Units offered in connection with the Offering
Prospectus	This public offering and listing prospectus, which will be registered with EFSA on 5 October 2020 under the registration number 4.3-4.9/2289
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71
Register, ERS	Estonian Register of Securities operated by the Registrar, the register of the Units
Registrar	Nasdaq CSD SE Estonian branch
Related Parties	As defined in the International Accounting Standard 24, *Related Party Disclosures*
Rentable area, leasable area, net leasable area (NLA)	Floor space (measured in sqm) at a property that can be leased out to tenants. It excludes areas dedicated as public spaces or thoroughfares such as building service areas
Retail Investors	Any investor in Estonia or Lithuania other than the Institutional Investors
Retail Offering	The public offering of the Offer Units to the Retail Investors Estonia and Lithuania
SC	Shopping center
SSC	Shared services centre
SPA	Sale and Purchase Agreement
SPV	A special purpose vehicle established for the purposes of making and maintaining real estate investments for the benefit of the Fund
sqm	Square meter
Summary	The summary of this Prospectus presented on page 10-17
Unit	A unit of the Fund
Unit-holder	A person holding Units of the Fund and entitled to exercise rights attached to the Units in accordance with the Fund Rules
Upsizing Option	The Management Company's right to increase the number of Offer Units to be offered in the Offering by up to additional 17,292,062 Offer Units
WAULT	Weighted average unused lease term calculated by weighting remaining terms of each lease contract by rental income
Website	www.baltichorizon.com, website of the Fund

1.4. INFORMATION INCORPORATED BY REFERENCE

The Issuer´s financial results for the financial year ended 31 December 2019, 31 December 2018 and 31 December 2017 are incorporated in and form part of the Prospectus by reference. The referenced documents are available for inspection at the offices of the Management Company at Tornimäe 2 (24th floor) Tallinn, 10145 Estonia, as well as on the Issuer Website at https://www.baltichorizon.com/reports-and-financialcalendar/. For the avoidance of doubt, other than the documents incorporated by reference, the contents of Issuer´s website or any other website do not form a part of this Prospectus and prospective investors should not rely on such information in making their decision to invest into the Units. The parts of the following documents that have not been incorporated by reference to this Prospectus are either not relevant for the investors or covered elsewhere in the Prospectus.

The documents incorporated by reference to this Prospectus are presented below:

Document	Link to the website	Information incorporated by reference
Interim report Q2 2020	https://www.baltichorizon.com/wp-content/uploads/2020/08/BHF-semi-annual-report-H1-2020.pdf	Issuer's unaudited interim financial statements for the 6-month period ended 30 June 2020

Issuer Annual Report 2019, pages 49-96	https://www.baltichorizon.com/wp-content/uploads/2020/03/2BHF-annual-report-2019_final_EN.pdf	Issuer's IFRS financial statements for the year 2019
Issuer Annual Report 2019, pages 44-48	https://www.baltichorizon.com/wp-content/uploads/2020/03/2BHF-annual-report-2019_final_EN.pdf	Auditor´s report for the year 2019
Issuer Annual Report 2018, pages 26-73	https://www.baltichorizon.com/wp-content/uploads/2019/03/BHF-annual-report-2018.pdf	Issuer's IFRS financial statements for the year 2018
Issuer Annual Report 2018, pages 21-25	https://www.baltichorizon.com/wp-content/uploads/2019/03/BHF-annual-report-2018.pdf	Auditor´s report for the year 2018
Issuer Annual Report 2017, pages 25-69	https://www.baltichorizon.com/wp-content/uploads/2018/03/BHF-annual-report-2017.pdf	Issuer's IFRS financial statements for the year 2017
Issuer Annual Report 2017, pages 20-24	https://www.baltichorizon.com/wp-content/uploads/2018/03/BHF-annual-report-2017.pdf	Auditor´s report for the year 2017
Management Company Annual Report 2019, pages 3-16	https://www.baltichorizon.com/wp-content/uploads/2020/09/NHC-Annual-Report-2019-incl-auditors-report-EN.pdf	Management Company's IFRS financial statements for the year 2019
Management Company Annual Report 2019, pages 17-18	https://www.baltichorizon.com/wp-content/uploads/2020/09/NHC-Annual-Report-2019-incl-auditors-report-EN.pdf	Auditor's report for the year 2019
Management Company Annual Report 2018, pages 3-18	https://www.baltichorizon.com/wp-content/uploads/2020/09/Northern-Horizon-Capital-AS-Annual-report-2018.pdf	Management Company's IFRS financial statements for the year 2018
Management Company Annual Report 2018, pages 19-20	https://www.baltichorizon.com/wp-content/uploads/2020/09/Northern-Horizon-Capital-AS-Annual-report-2018.pdf	Auditor's report for the year 2018
Management Company Annual Report 2017, pages 3-17	https://www.baltichorizon.com/wp-content/uploads/2020/09/NHC-AS-FS-2017-NHC-eng.pdf	Management Company's IFRS financial statements for the year 2017
Management Company Annual Report 2017, pages 18-19	https://www.baltichorizon.com/wp-content/uploads/2020/09/NHC-AS-FS-2017-NHC-eng.pdf	Auditor's report for the year 2017

1.5. AVAILABLE INFORMATION

In accordance with the rules of the Issuer (the "Fund Rules") copies of the following documents and the following information will be available free of charge at the office of the Management Company at Tornimäe 2, Tallinn 10145, during the normal business hours and on the Website:

- the Fund Rules;
- KIID (in Estonian, English and Lithuanian)
- the three most recent annual reports of the Fund;
- internal rules and procedures of the Management Company for determination of the net asset value;
- the rules for the valuation of real estate;
- the rules for handling conflicts of interest;
- a description of the Issuer's liquidity risk management;
- 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;
- the NAV of the Fund and of a Unit;
- information on the size of the holding by the Management Company in the Fund;
- marketplaces where Units are admitted to trading, and the latest closing price of a Unit on each marketplace;

- the most recent semi-annual report of the Fund if this was approved after the most recent annual report;
- the three most recent annual reports of the Management Company;
- other information required under the laws, regulations, or guidelines by any competent authority.

Additionally, the copies of three most recent annual reports of Galerija SPV are appended to the Prospectus (Appendices C, D and E) and available free of charge at the office of the Management Company during the normal business hours.

This Prospectus has been published in an electronic form on the Website and on the website of the EFSA (www.fi.ee). The information available on the Website or on the website of the Management Company does not form part of the Prospectus unless otherwise stated in 1.4 “Information Incorporated by Reference”. The EFSA has not scrutinised or approved the information available on the Website.

The Management Company has disclosed and will disclose in the future also other information on the Webpage and also through stock exchange releases regarding the Issuer in accordance with the Fund Rules, applicable laws and regulations.

1.6. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in sections 2 “Summary”, 3 “Risk Factors”, 8.8.6 “Investment Pipeline”, 9 “Presentation of Financial Information”, 8.8.3 “Dividends and Dividend Policy” and elsewhere in this Prospectus are forward-looking. Such forward-looking statements and information are based on the beliefs of the Management Company’s management (the “Management”) or are assumptions based on information available regarding the Fund. When used in this document, the words “believe”, “estimate”, “target” and “expect” and similar expressions, as they relate to the Fund or the Management Company, are intended to identify forward-looking statements. Such forward-looking statements reflect the current views of the Management Company or its management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, risks or uncertainties associated with the Issuer’s development, growth management, relations with tenants and suppliers and, more generally, general economic and business conditions, changes in domestic and foreign laws and regulations (including those of the EU), taxes, changes in competition and pricing environments, and other factors referenced in this document. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document as anticipated, believed, estimated or expected.

The Management Company does not intend, and does not assume any obligation, to update the forward-looking statements included in this Prospectus as at the date set forth on the cover.

1.7. APPROVAL OF PROSPECTUS

This Prospectus has been drawn up as a simplified prospectus on the basis of and in accordance with Article 14(1)(a) of the Prospectus Regulation. This Prospectus has been approved as such under the registration number 4.3-4.9/2289 by the EFSA. Registration of Prospectus in the EFSA does not mean that the EFSA has controlled the correctness of the information presented in this Prospectus. The EFSA has only approved this Prospectus as meeting the standard of completeness, comprehensibility and consistency imposed by Prospectus Regulation and Delegated Regulation. The approval of this Prospectus by the EFSA shall not be deemed to be an endorsement of the Fund or the Units which are subject of this Prospectus. The investors should make their own assessment as to the suitability of investing in the Units.

1.8. AVAILABILITY OF PROSPECTUS

This Prospectus in English will be published in an electronic form on the Website and on the website of the EFSA (www.fi.ee). Additionally, the Summary in Lithuanian will be published in an electronic form on the Website and on the website of the EFSA.

1.9. PRESENTATION OF FINANCIAL INFORMATION

Financial information presented in this Prospectus

The Issuer and the Management Company prepare their financial statements in a consolidated form and according to international financial reporting standards as adopted by the EU (“IFRS”).

In accordance with item 2.2(a)(i) of Annex 4 of the Delegated Regulation, the Management Company has included historical financial information of TAMPERE INVEST SIA, a Latvian registered entity holding the Fund’s property investment in Galerija shopping centre in Riga (the “Galerija SPV”), into this Prospectus. The financial statements of Galerija SPV have been prepared in accordance with Latvian Business Accounting Standards. Financial statements of Galerija SPV were prepared in accordance with the Law of the Republic of Latvia on Annual Reports and Consolidated Annual Reports.

Approximation of Numbers

Numerical and quantitative values in this Prospectus (e. g. monetary values, percentage values, etc.) are presented with such precision which the Management Company deems sufficient in order to convey adequate and appropriate information on the relevant matter. From time to time, quantitative values have been rounded up to the nearest reasonable decimal or whole value in order to avoid excessive level of detail. As a result, certain values presented as percentages do not necessarily add up 100% due to effects of approximation. Exact numbers may be derived from the financial statements of the Issuer, to the extent that the relevant information is reflected therein.

Currencies

In this Prospectus, financial information is presented in euro (EUR), i. e. the official currency of the EU Member States participating in the EMU. In case the information is presented in any other currency than euro respective currency is stated in the Prospectus. With respect to the state fees, taxes and similar country specific values, information may occasionally be presented in currencies to the state fees, taxes and similar country specific values information may be occasionally presented in currencies other that EUR. The exchange rates between such currencies and the euro may change from time to time.

Dating of Information

This Prospectus has been drawn up based on the financial information valid for the Issuer's most recent reporting date of 30 June 2020 for which unaudited interim consolidated financial statements were prepared. The information regarding the most recent NAV of the Fund in section 9.1 "NAV" is presented as calculated as of 31 August 2020 which is the last calculated NAV immediately prior to the date of this Prospectus.

Where not expressly indicated otherwise, all information presented in this Prospectus (including the financial information of the Issuer, the facts concerning its operations and any information on the markets in which it operates) must be understood to refer to the state of affairs as at the aforementioned date. Information referring to the other than 30 June 2020 is identified either by specifying the relevant date through the use of such expressions as "the date of this Prospectus", "to date", "until the date of this document" and other similar expressions, which must all be construed to mean the date of this Prospectus.

2. SUMMARY

Introduction and Warnings

Name and international securities identifier number (ISIN) of the securities	Baltic Horizon Fund unit; ISIN code EE3500110244.
Identity and contact details of the issuer, including its Legal Entity Identifier (LEI), the identity and contact details of the offeror, including its LEI	The name of the Issuer is Baltic Horizon Fund. The contact details of the Issuer are: - address: Tornimäe 2, 10145 Tallinn, Estonia; - telephone number: +372 674 3200. The LEI code of the Issuer is 5299008IKT93E4SA0G49. In the course of the Offering, the Fund units are offered by Northern Horizon Capital AS, address Tornimäe 2, 10145 Tallinn, Estonia; telephone number: +372 674 3200; LEI code 529900GDVTNNYQBDU208.
Identity and contact details of the competent authority approving the prospectus	The Prospectus has been approved by the EFSA, as competent authority, with its head office at Sakala 4 Tallinn 15030 Estonia, and telephone number +372 668 0500.
Date of approval of the prospectus	This Prospectus will be approved on 5 October 2020, under registration number 4.3-4.9/2289.

This summary should be read as an introduction to the Prospectus focusing on key information about the Fund. The summary information set out below is based on, should be read in conjunction with, and is qualified in its entirety by, the full text of this Prospectus, including the financial information presented herein. Any consideration to invest in the Units should be based on consideration of the Prospectus as a whole by the investor. Investing in the Units involves risks and the investor may lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the applicable law, have to bear the costs of translating the Prospectus in the course of the legal proceedings or before such proceedings are initiated.

No person who has prepared the summary assumes civil liability for this summary or the information herein, including any translation thereof, unless the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Units.

Who is the issuer of the securities?

The legal name of the Issuer is Baltic Horizon Fund. The issuer is a public close-ended contractual investment fund registered in the Republic of Estonia with the EFSA on 23 May 2016. The Fund has been registered and is currently operating under the laws of the Republic of Estonia and the Fund is established for an undetermined period.

The Fund is a real estate fund and invests directly or indirectly into real estate located in Estonia, Latvia and Lithuania, with a particular focus on capitals – Tallinn, Riga and Vilnius. The Issuer generates returns to the Unit-holders by investing in commercial real estate assets primarily at central and strategic locations in the Baltic capital cities. The Issuer focuses on fully-developed premium office and retail properties with high-quality tenants mix, low vacancy and stable and strong cash flows. The Fund seeks to become the largest commercial property owner in the Baltics.

As at the date of this Prospectus, to the extent known to the Management Company, no Unit-holder holds the majority of the Units and controls the Issuer. As at 2 October 2020, the Unit-holders holding directly over 5% of all Units in the Issuer are the following:

Name of unitholder	Number of units	Percentage
Nordea Bank Abp/Euroclear Sweden Non-Treaty Clients	51,500,332	45.41%
Raiffeisen Bank International AG	16,300,147	14.37%

Both Nordea Bank Abp/Euroclear Sweden Non-Treaty Clients and Raiffeisen Bank International AG act as a nominee account holders. Based on the information available to the Management Company, the single largest unitholder and the only Unit-holder who holds directly over 5% of all Units in the Fund is Church of Sweden (*Svenska kyrkans pensionskassa*). As of 31 December 2019, the Church of Sweden held 13,970,696 of the Units, which constitutes approximately 12.32 per cent of the total.

In accordance with the Fund Rules and the IFA, the governance of the Fund is divided among the Management Company, the General Meeting of Unit-holders and the Supervisory Board. The governance of the Fund is based on the Fund Rules and the IFA and its' governance structure is different from a regular company. As the Fund is not a legal person, it is not subject to the corporate governance regime applicable to companies.

The Management Company is responsible for the investment management, administration and marketing of the Issuer. The Management Company has a three-tier management: Management Board, Supervisory Council and General Meeting. In order to manage the assets of the Fund, the Management Board of the Management Company appoints fund manager, whose duty is to coordinate the investment of the Fund's assets and other activities related to the management of the Fund and to monitor that the Fund is managed pursuant to the provisions of legislation and the Rules (the "Fund Manager").

As at the date of the Prospectus, the Management Company's Management Board is composed of three members: Tarmo Karotam (Chairman of the Management Board, Fund Manager), Ausra Stankevičienė (Member of the Management Board) and Algirdas Jonas Vaitiekunas (Member of the Management Board).

As at the date of the Prospectus, the Management Company's Supervisory Council is composed of three members: Milda Dargužaitė (Chairman of the Supervisory Council), Nerijus Žebrauskas (Member of the Supervisory Council), Daiva Liubomirskiene (Member of the Supervisory Council).

The Fund additionally has a supervisory board (the "Supervisory Board"). The Supervisory Board acts solely in the advisory capacity and the Management Company is fully responsible for making the decisions in connection with the fund management. As at the date of the Prospectus, the Fund's Supervisory Board is composed of four members: Raivo Vare (chairman of the Supervisory Board), Andris Kraujins, Per Møller and David Bergendahl.

The auditor of the Issuer is the audit company KPMG Baltics OÜ, Narva mnt 5, 10117 Tallinn, Estonia, registry code 10096082. KPMG Baltics OÜ is a member of the Estonian Board of Auditors.

What is the key financial information regarding the Issuer

The Table 1, Table 2 and Table 3 set forth the key financial information as at the end of each of the financial years ended 31 December 2019, 31 December 2018 and 31 December 2017 and the six months ended 30 June 2020 and 30 June 2019 which have been extracted or derived from the Audited Financial Statements and Interim Financial Statements included by reference to this Prospectus, respectively. All audited financial statements provided in this Prospectus received unqualified opinions from independent auditors. The information has been presented in accordance with Annex VI of European Commission Delegated Regulation (EU) 2019/979 as deemed most appropriate in relation to the offering and listing of the Units by the Fund.

Table 1: Additional information

Unit Class	Total NAV, EUR thousand*	No. of units*	NAV per unit, EUR*	Historical performance (measured in NAV per unit)
One class of Units	138,121	113,387,525	1.2181	31.12.2019: 1.35 EUR (audited) 30.06.2019: 1.34 EUR (audited) 31.08.2019 : 1,33 EUR

			31.12.2018: 1.40 EUR (audited) 31.12.2017: 1.38 EUR (audited)
Total	138,121	113,387,525	

* As at 31 August 2020 (unaudited)

Table 2: Consolidated income statement, EUR thousand (unless otherwise stated)

	2017 (audited)	**2018 (audited)**	**2019 (audited)**	**6M 2019 (unaudited)**	**6M 2020 (unaudited)**
Net rental income	**10,768**	**14,804**	**19,219**	**8,172**	**10,390**
Administrative expenses	-2,774	-2,813	-3,251	-1,526	-1,523
incl. performance fee (accrued/paid)	-	-166	-379	-146	-124
incl. investment management fee (accrued/paid)	-1,153	-1,391	-1,679	-761	-862
Other operating income	14	74	26	6	186
Valuation gains (losses) on investment properties	3,676	2,014	-2,064	-2,439	-15,753
Operating profit (loss)	**11,684**	**14,079**	**13,930**	**4,213**	**-6,700**
Net financing costs	-1,481	-2,781	-4,713	-1,973	-2,748
Profit (loss) before tax	**10,203**	**11,298**	**9,217**	**2,240**	**-9,448**
Net profit (loss) for the period	**9,444**	**9,990**	**8,791**	**2,317**	**-9,456**
Weighted average number of units outstanding	62,270,694	78,764,895*	96,718,348	86,732,299*	113,387,525
Earnings (loss) per unit (EUR)	**0.15**	**0.13**	**0.09**	**0.03**	**-0.08**

*The number of units excludes 255,969 units acquired by the Fund as part of the unit buy-back program

Table 3: Consolidated financial position, EUR thousand (unless otherwise stated)

	31.12.2017 (audited)	**31.12.2018 (audited)**	**31.12.2019 (audited)**	**30.06.2020 (unaudited)**
Investment property in use	189,317	245,160	356,575	342,267
Investment property under construction	-	-	2,367	3,274
Gross asset value (GAV)	**215,785**	**260,878**	**371,734**	**356,751**
Interest bearing loans and borrowings	98,087	140,507	206,132	206,009
incl. lease liabilities	0	0	305	297
Interest bearing loans and bonds[1]	98,087	140,507	205,827	205,712
Total liabilities	**108,809**	**151,073**	**219,216**	**218,774**
Net asset value (NAV)	**106,976**	**109,805**	**152,518**	**137,977**
Loan-to-Value ratio (LTV)[2]	51.8%	57.3%	57.3%	59.5%
Average effective interest rate	1.7%	2.4%	2.6%	2.6%

[1] Interest bearing loans and bonds = interest bearing loans and borrowings – lease liabilities

[2] Loan-to-value ratio (LTV) = interest bearing loans and bonds / (investment property in use + investment property under construction)

The following unaudited pro forma financial information is presented for illustrative purposes only and relates to the acquisition of Galerija SPV. It is presented as if the acquisition of Galerija SPV had taken place on 1 January 2019 with respect to unaudited pro forma income statement. Because of its nature, the pro forma financial information addresses a hypothetical situation how the income statement of the Issuer would have formed in case the acquisition of Galerija SPV had taken place on 1 January 2019. Therefore, the unaudited pro forma financial information does not represent the Issuer´s actual financial position or results. An assurance engagement to report on the compilation of pro forma income statement has been carried out by an independent auditor.

Table 4: Unaudited pro forma income statement for the year 2019

Euro '000	**The Issuer for the year 2019**[1]	**Tampere Invest SIA for the year 2019**[2] **(pre-acquisition)**	**Harmonisation of accounting policies**	**New debt arrangements**	**Shareholder debt settlement**	**Recalculation of property management services fee**	**Pro forma Consoli-dated**
Rental income	20,776	2,382	-	-	-	-	23,158
Service charge income	4,525	1,058	(438)	-	-	-	5,145
Cost of rental activities	(6,082)	(1,541)	438	-	-	50	(7,135)
Net rental income	**19,219**	**1,899**	**-**	**-**	**-**	**50**	**21,168**
Administrative expenses	(3,251)	(64)	-	-	-	-	(3,315)
Other operating income/(expenses)	26	(15)	16	-	-	-	27
Valuation gains/(loss) on investment properties	(2,064)	355	(16)	-	-	-	(1,725)
Operating profit	**13,930**	**2,175**	**-**	**-**	**-**	**50**	**16,155**
Financial income	5	2	-	-	-	-	7
Financial expenses	(4,718)	(924)	-	(314)	277	-	(5,679)
Net financing costs	**(4,713)**	**(922)**	**-**	**(314)**	**277**	**-**	**(5,672)**
Profit before tax	**9,217**	**1,253**	**-**	**(314)**	**277**	**50**	**10,483**
Income tax charge	(426)	-	-	-	-	-	(426)
Profit for the period	**8,791**	**1,253**	**-**	**(314)**	**277**	**50**	**10,057**

[1] The financial information of the Issuer reflects the historical consolidated statement of profit or loss and other comprehensive income of the Issuer for the year ended 31 December 2019 as presented in the Issuer's annual report 2019.

[2] The financial information of Tampere Invest SIA for the year 2019 represents historical operating results attributable to Tampere Invest SIA for the period ended 12 June 2019. Figures are adjusted for consistency of presentation of financial information between the Issuer and Tampere Invest SIA. Please refer to explanatory note no. 2 under section "Pro forma financial information".

What are the key risks that are specific to the issuer?

Exposure to risks related to public health crises. The Issuer's operations are subject to the risks of unforeseen public health crises (such as pandemics and epidemics). In particular, the recent outbreak of coronavirus (COVID-19) which has spread throughout the world has had its impact on the Issuer's business as well as the general economic conditions in the countries where the Issuer operates. The cautionary measures adopted by authorities around the globe have also had impact and caused financial hardship for the tenants primarily in the retail sector.

Exposure to macroeconomic fluctuations. Real estate industry in general and the Issuer are materially exposed to macroeconomic fluctuations. Such factors as general business cycle, GDP growth, inflation, employment, wage growth and interest rates influence demand and supply in the property market. Economic downturn could negatively affect rent rates, vacancy levels, rental yields and cost of financing which, in turn, could have an adverse effect on the Fund's value of properties, financial position and cash flows.

What is more, real estate properties that the Issuer owns are all located in the Baltic States. Because Baltic economies are closely linked with the health of the overall EU and the euro area, a slowdown in the EU may negatively affect economies of the Baltic States leading to an adverse effect on the Issuer's business operations.

Acquisition and performance of properties. There is a risk that the Issuer in its examination of potential investment target could fail to identify and address certain important factors and associated risks. There are numerous factors which shall be taken into consideration by the Issuer when deciding whether to acquire a specific property. These factors include the technical shape of a property, operating and financial performance, tenants mix, future cash flow generation, rate of return and how an asset fits the Issuer's investment strategy and existing portfolio.

Additionally, and although the Issuer aims to acquire full title to each property, in some cases the Issuer may decide to acquire property in co-ownership with third parties. Acquisition of a property in co-ownership may impose a risk for the Issuer, which may materialize in inability to use the acquired land on commercially acceptable terms due to the use of land or conditions set by other co-owners. In addition, disagreements or lack of agreements with other co-owners may restrict the Issuer to obtain relevant construction permits for reconstruction or repair the property. If the co-ownerships were to develop in a way that is disadvantageous to the Issuer, this could have a negative impact on the Issuer's operation, financial positions and earnings.There is no guarantee that cash flow projections in property appraisals will resemble actual future cash flows. Hence, newly acquired real estate assets could require unforeseen investments and/or demonstrate lower than expected performance and financial return adversely affecting the Issuer's financial position and cash flows.

Tenants and rental income

The Issuer’s revenue will be mainly comprised of rents paid by tenants at its retail and office properties. If a tenant decides not to renew or extend a lease agreement, there is a risk that a new tenant may not be found at the equivalent economic terms or at all for some time adversely affecting rental income of the property. There is also a risk that a tenant may not pay rent on time or at all failing to meet its contractual obligations to the Issuer. This risk increases in the times of economic downturn. Any decrease in rental income is likely to negatively affect the Issuer’s value of properties, financial position and cash flows.

Refinancing risk

At maturity of the Issuer’s debts, the Issuer will be required to refinance such debt. The Issuer’s ability to successfully refinance such debt is dependent on the conditions of the financial markets in general at such time. As a result, the Issuer’s access to financing sources at a particular time may not be available on favorable terms, or at all. The Issuer’s inability to refinance its debt obligations on favorable terms could have a material adverse effect on the Issuer’s business, financial condition and results of operations.

<u>What are the main features of the securities?</u>

The Issuer has one class of Units and all Units rank pari passu without preference or priority among themselves and without nominal value. A Unit represents the Unit-holder’s share in the assets of the Issuer. Units are freely transferable and can be freely pledged or otherwise encumbered by a Unit-holder subject to the rules of respective marketplace where the Units are admitted to trading, and also subject to the rules of the Registrar and respective securities account provider of a Unit-holder.

All New Units will be registered with the Estonian Register of Securities, with ISIN EE3500110244. Units traded on Nasdaq Stockholm are also held with Euroclear Sweden. Units are issued in euros. Units listed on Nasdaq Stockholm are nominated in SEK.

The rights and obligations attached to a Unit with respect to a Unit-holder shall enter into force upon acquisition of a Unit and shall terminate upon disposal or redemption of a Unit. In accordance with the Fund Rules, a Unit-holder has the following rights deriving from the Units: to purchase, sell, pledge or otherwise dispose of the Units; to own the share of the Fund's assets corresponding to the number of Units owned by the Unit-holder; to receive, when payments are made, pursuant to the Fund Rules, the share of the cash flows of the Fund proportional to the number of Units owned by the Unit-holder; to receive, pursuant to the Fund Rules, the share of the assets remaining upon liquidation of the Fund proportional to the number of Units owned by the Unit-holder; to convene a General Meeting of Unit-holders in accordance with the Fund Rules and the law; to participate and vote in the General Meeting pursuant to the number of votes;to propose Supervisory Board member candidates for election in the General Meeting; to request that the Registrar issue a certificate or an extract from the Register concerning the Units owned by the Unit-holder; to demand that the Management Company compensate for any damage caused by a breach of its obligations; to access, at the registered address of the Management Company, the documents and information specified in the Fund Rules and receive, upon respective request, copies of any of the documents specified in the Fund Rules without charge; to exercise other rights and take other action as prescribed by law or the Fund Rules.

The Issuer paid out 8% annual Dividend yield based on 2019 year-end market price and aims to continue paying out regular Dividends on a quarterly basis.

<u>Where will the securities be traded?</u>

The New Units issued during the Offering will be admitted to trading on Nasdaq Tallinn and Nasdaq Stockholm. For that purpose the Management Company is going to file an application to list New Units with Nasdaq Tallinn, New Units will be also listed on Nasdaq Stockholm and additional application is going to be filed by the Management Company in order to list New Units with Nasdaq Stockholm.

<u>What are the key risks that are specific to the securities?</u>

Market risks and volatility. No assurance can be made that following the Offering the Units will be actively traded on Nasdaq Tallinn or Nasdaq Stockholm. There is no guarantee that an active trading market on Nasdaq Tallinn or Nasdaq Stockholm will be developed or sustained. Market price and trading volume could fluctuate substantially reacting to a number of factors including changes in the Fund’s actual results and investors’ and analysts’ expectations of its future results, developments in real estate market and general economic conditions, valuations of comparable companies and general stock market trends. Since prices of publicly traded securities can increase as well as decrease, investors that acquire the Units may not be able to resell them in the secondary market at or above the purchase price.

Adverse change in the financial condition or prospects of the Issuer. Any adverse change in the financial condition or prospects of Issuer may have a material adverse effect on the liquidity of the Units, and may result in a material decline in their market price.

New issues of the Fund’s Units. The future additional Units may lead to dilution of holdings of Unit-holders. In addition, new issues could reduce earnings per Unit and NAV per Unit. Therefore, offering of additional Units in the future may negatively affect the market price of the Unit.

The Issue of Units can be decided without adopting respective decision at the Unitholders meeting. According to the Fund Rules the issuance of Units can be determined either (i) at the general meeting of the Unitholders; or (ii) 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.

Future dividends. Neither the payment of future distributions out of the cash flows of the Issuer, nor their size can be guaranteed. The Management Company targets to pay out to Unit-holders at least 80% of the distributable cash flow which is defined as cash flow from operating activities less capital expenditure to maintain the quality of properties and less financing expenses. The Issuer’s ability or willingness to make distributions will depend on other factors including its financial position, capital expenditure and outlook for future cash flows. Thus, distributions are not certain.

Exchange rate fluctuations. The Fund conducts its business in euro. Properties in the Fund's portfolio generate cash flows in euro and, thus, their primary values are also in euro. Should the Fund pay dividends, such dividends will be paid in euro as well, however, Unit-holders of Units held with Euroclear Sweden will, in general, receive dividend distributions in Swedish kronas. The conversion in relation to dividends will be made by Euroclear Sweden. Any depreciation of euro in relation to SEK could reduce the value of the investment or of any dividends, and any appreciation of euro could increase the value in any such investment or dividends. Furthermore, the holding of Units held with Euroclear Sweden by an investor whose principal currency is not SEK would expose the investor to additional foreign currency exchange rate risk.

Under which conditions and timetable can I invest in this security?

In the course of the Offering, up to 17,292,062 Offer Units will be offered by the Management Company and issued by the Fund. The Management Company has the right to exercise the Upsizing Option. In exercising the Upsizing Option the Management Company has the right to increase the number of new Offer Units by up to additional 17,292,062 Offer Units.

Right to participate in the Offering

The Retail Offering consists of a Retail Offering to all natural and legal persons in Estonia and Lithuania except for any persons who are categorised as qualified investors pursuant to Article 2(e) of the Prospectus Regulation who should submit their offers in the Institutional Offering.

Placement of Purchase Orders

Placement of Purchase Orders by Retail Investors in Estonia

In order to subscribe for the Offer Units, an investor must have a securities account with the ERS. Such securities account may be opened through any custodian (securities account administrator) of the ERS. A complete and up to date table of account operators of ERS can be found on the following address: https://nasdaqcsd.com/list-of-account-operators/

An Investor wishing to subscribe for the Offer Units should contact a custodian that operates such investor's ERS securities account and submit a Purchase Order for the purchase of Offer Units materially in the form set out below. The Purchase Order must include the following information:

Owner of the securities account	[name of the investor]
Securities account:	[number of the investor's securities account]
Custodian:	[name of the investor's custodian]
Security:	Unit of Baltic Horizon Fund
ISIN code:	EE3500110244
Amount of securities:	[the number of Offer Units for which the investor wishes to subscribe]
Price (per one Offer Unit):	1.1566
Transaction amount:	[the number of Offer Units for which the investor wishes to subscribe multiplied by the Offer Price]
Counterparty:	Baltic Horizon Fund
Securities account of counterparty:	99102152485
Custodian of the counterparty:	Swedbank AS
Value date of the transaction:	28 October 2020
Type of transaction:	purchase
Type of settlement:	delivery versus payment

An Investor may submit a Purchase Order through a nominee account only if such investor authorises the owner of the nominee account to disclose the investor's identity to the registrar of the ERS in writing. The Purchase Order submitted through nominee accounts will be taken into consideration in the allocation only if the owner of the nominee account has actually disclosed the identity of the investor to the registrar of the ERS in writing. An investor may submit a Purchase Order either personally or through a representative whom the investor has authorised (in the form required by law) to submit the Purchase Order.

Placement of Purchase Orders by Retail Investors in Lithuania

An investor wishing to subscribe for the Offer Units must contact the financial institution, which is a member of Nasdaq Baltic exchange (Tallinn Stock Exchange) and manages such investor's securities account and submit a Purchase Order for the purchase of Offer Units in a form accepted by the financial institution and in conformity with the terms and conditions of the Prospectus.

The list of financial institutions that are members of the Nasdaq Baltic exchanges is available on the Nasdaq Baltic exchange's website https://nasdaqbaltic.com/statistics/en/members (to get acquainted with the list of members of the Tallinn Stock Exchange, select "Tallinn").

Placement of Purchase Orders by other Investors than Retail Investors in Estonia and Lithuania

An Institutional Investor wishing to submit a Purchase Order should contact the Manager and register a transaction instruction for the purchase of securities in the form as set out by the Manager.

Offer price

The Offer Price per New Unit was decided by the General Meeting of the Unit-holders at the extraordinary General Meeting held on 9 June 2020, which was held as a repeat meeting and where 17.03% of the total votes were registered as attending. The Offer Price per New Unit is 1,1566.

Offer period

Investors may submit purchase orders for the Offer Units (a "Purchase Order") during the offer period, which commences at 10:00 (Eastern European Summer Time – Estonian time) on 8 October 2020 and terminates at 16:00 (Eastern European Summer Time – Estonian time) on 22 October 2020 (the "Offer Period"). The Management Company has a right to prolong the Offer Period before the end of the Offer Period for a maximum of two weeks by announcing new timetable on the Website and through stock exchange announcement.

Timetable of the Offering:

8 October 2020 to 22 October 2020	Offer Period
On or about 23 October 2020	Determination and announcement of the results of the Offering and of the allotment of the Offer Units (the "Allotment Date")
On or about 27 October 2020	Delivery of the New Units to Investors and payment for the New Units (the "Settlement Date")
On or about 28 October	Start of trading on Nasdaq Tallinn (the "Listing Date in Tallinn")
On or about 28 October	Start of trading on Nasdaq Stockholm (the "Listing Date in Stockholm")

Placement of Purchase Orders

Purchase Orders can only be submitted for a full number of Units. The minimum amount of a Purchase Order is 1,000 Units. Purchase Orders may be withdrawn (and new orders placed) at any time until the end of the Offer Period.

Dilution

As at the date of this Prospectus, the total number of Units is 113,387,525. After the completion of the Offering, existing Unit-holders of the Fund will own approximately 76.6% of the total number of Units provided that all the Offer Units in an amount of 34,584,124 (including Offer Units under Upsizing Option in an amount of 17,292,062) will be issued as a result of the Offering and the existing unitholders do not subscribe in the course of the Offering. If the Upsizing Option is not exercised, existing Unit-holders of the Fund will own approximately 86.8% of the total number of Units provided that all the Offer Units in an amount of 17,292,062 (excluding Upsizing Option) will be issued as a result of the Offering and the existing unitholders do not subscribe in the course of the Offering.

Distribution and allocation plans

The Management Company together with the Manager will decide on the allocation on discretionary basis after the expiry of the Offer Period, and no later than on 23 October 2020. The division of the Offer Units between the Institutional Offering and the Retail Offering has not been predetermined and no Offer Units have been reserved for any tranche. For the purposes of allocation of the Offer Units, multiple Purchase Orders by one Investor, if submitted, will be merged.

Cancellation of the Offering

The Management Company reserves the right to cancel the Offering or change the terms and conditions thereof as described in this Prospectus.

Trading

At the date this Prospectus, the Units are admitted to trading on Nasdaq Tallinn under the symbol "NHCBHFFT" and ISIN code EE3500110244 and commenced trading on 6 July 2016. The Units are issued under Estonian law, and are traded on the Nasdaq Tallinn in EUR. The Fund is secondary listed on the Alternative Investments Funds market on Nasdaq Stockholm under the symbol "NHCBHFFS" and the ISIN code EE3500110244. On Nasdaq Stockholm, the Units are traded in SEK and settled in SEK. The trading with Units on Nasdaq Stockholm commenced on 23 December 2016.

The New Units issued during the Offering will be admitted to trading on Nasdaq Tallinn and Nasdaq Stockholm. For that purpose the Management Company is going to file an application to list New Units with Nasdaq Tallinn, New Units will be also listed on Nasdaq Stockholm and additional application is going to be filed by the Management Company in order to list New Units with Nasdaq Stockholm. It is expected that the trading of the New Units on Nasdaq Tallinn will start on or about 28 October 2020 and on Nasdaq Stockholm on or about 28 October 2020.

Why is this prospectus being produced?

The purpose of the Offering is to raise new equity capital to the Issuer which will be used to fund the development of already owned investment properties and also to acquire new properties on account of the Issuer and thus achieve wider diversification of the investments.

The Issuer is looking to engage additional capital (net proceeds) in the amount of up to EUR 18,800,000 and should the Issuer choose to exercise the right to increase the number of Offer Units and the volume of the Offering, in the amount of up to EUR 37,900,000. Approximately one third of the net proceeds of the Issuer from the Offering will be used to fund the development of already owned investment properties (including CC Plaza and Postimaja, Upmalas Biroji complex, Pirita, Vainodes I and G4S properties and further expansion of Domus PRO complex). The remaining two thirds of the net proceeds of the Issuer from the Offering will be used in relation to acquisition of new targets (incl. in logistics and office segment), which fit the investment strategy of the Issuer and which offer attractive risk-return profile and are for sale.

Assuming all Offer Units will be issued and paid in, but the Upsizing Option will not be exercised, the variable expenses of the Offering are estimated to amount to approximately EUR 1m or 5% of the capital raised. This corresponds to 0,724% of the Fund's total NAV immediately after the Offering. Assuming all Offer Units will be issued and paid in and the Upsizing Option will be exercised fully, the variable expenses of the Offering are estimated to amount to approximately EUR 1.9m or 4,75% of the capital raised. This corresponds to 1.375% of the Fund's total NAV immediately after the Offering.

According to the knowledge of the Management, there are no personal interests of the persons involved in the Offering material to the Offering. The Management Company is unaware of any conflicts of interests related to the offering.

The Offering is not subject to an underwriting agreement on a firm commitment basis.

3. RISK FACTORS

Any investment in the Units is subject to a number of risks. Accordingly, prior to making any investment decision, prospective investors should carefully consider all the information contained in this Prospectus and, in particular, the risk factors described below. The Management Company considers the following risks to be material for prospective investors in the Issuer.

However, the following is not an exhaustive list or explanation of all risks that prospective investors may face when making an investment in the Units and should be used as guidance only. Additional risks and uncertainties not currently known to the Management Company, or that the Management Company currently deems immaterial, may also have an adverse effect on the Issuer's financial condition, business, prospects and/or results of operations. In such case, the market price of the Units could decline and investors may lose all or part of their investment. Investors should consider carefully whether an investment in the Units is suitable for them in light of the information in this Prospectusand their personal circumstances. Investors should consult a competent independent professional advisor who specializes in advising on the acquisition of fund units. The risk factors are divided into categories based on the principle that each risk factor is represented only once, in the most relevant category, despite suitability for several categories. The first risk factor of each category represents the risk most material in the opinion of the Managing Company. The rest of the risk factors are not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks or of the scope of any potential harm to the Issuer's business, financial condition, results of operations and prospects.

Prospective investors should read this section in conjunction with this entire Prospectus. This Prospectus is not, and does not purport to be, an investment advice or an investment recommendation to acquire the Units.

Risks related to the Issuer

Exposure to risks related to public health crises

The Issuer's operations are subject to the risks of unforeseen public health crises (such as pandemics and epidemics). In particular, the recent outbreak of coronavirus (COVID-19) which has spread throughout the world has had its impact on the Issuer's business as well as the general economic conditions in the countries where the Issuer operates. The cautionary measures adopted by authorities around the globe has also had impact and caused financial hardship for the tenants primarily in the retail sector. Operations of the tenants in the retail sector were also most severely affected by the outbreak and the restrictive measures implemented by the Baltic governments to limit the spread of contagion. Hence, as a result of the recent outbreak of coronavirus and restrictive measures implemented by Baltic governments, tenants of the Issuer may face problems with paying rent and may ultimately go bankrupt. The foregoing could disrupt the Issuer operations, affect regional economies, damage Issuer's assets or adversely affect the business or financial condition of the Issuer's customers, any of which could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects. For example, as a result of payment default of a tenant, the Issuer may need to cancel a rental agreement with respective tenants which would ultimately bring along reduced income for the Issuer and also a necessity to find new tenant(s) to the vacant space.

Exposure to macroeconomic fluctuations

Real estate industry in general and the Issuer are materially exposed to macroeconomic fluctuations. Such factors as general business cycle, GDP growth, inflation, employment, wage growth and interest rates influence demand and supply in the property market. Economic downturn could negatively affect rent rates, vacancy levels, rental yields and cost of financing which, in turn, could have an adverse effect on the Fund's value of properties, financial position and cash flows.

Real estate properties that the Issuer owns are all located in the Baltic States. The Issuer's investment strategy stipulates that all additions to the property portfolio will also be based in the Baltics. Hence, the Issuer is primarily exposed to the economic developments in Lithuania, Latvia and Estonia. However, since these economies are rather small and actively engaged in foreign trade, the Baltics are not immune to regional and global macroeconomic fluctuations. Baltic economies are closely linked with the health of the overall EU and the euro area - their main trading partner, a source of structural funds and, due to the adoption of single currency, a base for monetary policy. A slowdown in the EU may negatively affect economies of the Baltic States leading to an adverse effect on the Issuer's business operations.

Economic growth impacts employment which drives demand for office space. Employment and wage growth, also influenced by GDP expansion, affect retail trade – a basis for demand for retail space. Thus, GDP growth rate (as well as expectations for future growth) is an important factor in regard to formation of demand for commercial space.

Expansion rates of Baltic economies gathered pace in the course of 2019 with Estonian GDP adding 4.3%, Lithuanian 3.9% and Latvian 2.2%. In Estonia, the largest contributor to the GDP growth in Estonia was the construction sector, which remains highly dependent on public sector demand and, in turn, susceptible to fluctuations in the absorption EU funding. According to OECD the employment level stands above 76% placing Estonia at the top in the ranking of EU countries (Q4 2019). The employment levels in Latvia and Lithuania are respectively 72.7% and 73.2% measured at the end of the same period. According to Eurostat, unemployment rate in Estonia in January 2020 was 4.7%. The situation in Lithuanian and Latvian labour markets has also become tighter, mainly due to COVID-19 outbreak and unemployment in all Baltic states will exceed 8% in 2020.

Due to the COVID-19 pandemic, which started in China, the near-term outlook for economic activity in euro area has sharply deteriorated and is surrounded by high uncertainty. The pandemic implies a significant negative shock, which is expected to have a strong adverse impact for euro area in short term. GDP growth in all three Baltic countries is expected to deteriorate. Estonian GDP is expected to decline 6%, Latvian decline is 5.8% and Lithuanian fall is expected at 1.3%. Extended periods of declining or slower economic growth could put pressure on vacancy levels, rent rates and yield requirements that may negatively affect the Issuer's value of properties, financial position and cash flows.

The majority of the Issuer's lease agreements with tenants stipulate that rent rates are indexed to CPI. Low inflation or deflation could result in slower than anticipated growth in rent rates and rental income. The European Central Bank (ECB), which sets the monetary policy for the Baltic States (as they are members of the euro zone), targets consumer price growth of slightly below 2%. In 2019, the rate of inflation in the Baltics increased well above the ECB target and was among the highest in EU-28 (prices increased 2.4% in Estonia and 2.4% in Lithuania, whereas in Latvia a rate of 3.1% was registered). In 2020-2021, price growth in all three countries is expected to slow. More moderate price growth should ease the downward pressure on private consumption in the Baltics.

Acquisition of properties and their performance

Any decision by the Issuer to acquire a property is based on thorough evaluation and due diligence of an asset. Numerous factors that the Issuer assesses include the technical shape of a property, operating and financial performance, tenants mix, future cash flow generation, rate of return and how an asset fits the Issuer's investment strategy and existing portfolio. However, there is a risk that the Issuer in its examination of potential investment target could fail to identify and address certain important factors and associated risks.

The Issuer aims to acquire full title to each property, however in some cases the Issuer may decide to acquire property in co-ownership with third parties. Thus, situations may arise where the Issuer may be prevented from the use of land on commercially acceptable terms due to the use of land or conditions set by other co-owners. For example, Europa SC is located on land plots in co-ownership with third persons. Although, Europa SPV is in the process of agreeing on specific land use and lease terms with the other co-owner, there is a risk in such situations that the Issuer may be obliged to pay unplanned rent for the use of the land (also retrospectively). In addition, disagreements or lack of agreements with other co-owners may restrict the Issuer to obtain relevant construction permits for reconstruction or repair the property. If the co-ownerships were to develop in a way that is disadvantageous to the Issuer, this could have a negative impact on the Issuer's operation, financial positions and earnings.

There is no guarantee that cash flow projections in property appraisals will resemble actual future cash flows. Hence, newly acquired real estate assets could require unforeseen investments and/or demonstrate lower than expected performance and financial return adversely affecting the Issuer's financial position and cash flows.

Tenants and rental income

The Issuer's revenue will be mainly comprised of rents paid by tenants at its retail and office properties. If a tenant decides not to renew or extend a lease agreement, there is a risk that a new tenant may not be found at the equivalent economic terms or at all for some time adversely affecting rental income of the property. The Issuer seeks to minimize this risk by limiting concentration of tenants, signing long term lease agreements and scattering their ending dates over time horizon (to avoid many lease contracts ending at one point in time). There is also a risk that a tenant may not pay rent on time or at all failing to meet its contractual obligations to the Issuer. This risk increases in the times of economic downturn. Any decrease in rental income is likely to negatively affect the Issuer's value of properties, financial position and cash flows.

Two of the properties belonging to the Issuer - Coca Cola Plaza and G4S Headquarters in Tallinn - have only two tenants, occupying 100% of the properties. If they terminate their lease agreements, there is a risk involved with finding new tenants. Furthermore, the premises may have to be renovated and adjusted to serve new tenants, which could affect the Issuer's financial condition and returns negatively.

If tenants risk realizes, the Issuer's ability to comply with the loan agreements may be endangered. Should the Issuer breach the covenants of the loan agreements, additional financing costs may arise and accelerated debt repayments may be demanded. That may lead to additional capital raisings by the Issuer or its restructuring.

Refinancing risk

At maturity of the Issuer's debts, the Issuer will be required to refinance such debt. The Issuer's ability to successfully refinance such debt is dependent on the conditions of the financial markets in general at such time. As a result, the Issuer's access to financing sources at a particular time may not be available on favorable terms, or at all. The Issuer's inability to refinance its debt obligations on favorable terms could have a material adverse effect on the Issuer's business, financial condition and results of operations.

Interest rate risk and leverage

Debt is a significant source of financing for the Issuer. It targets 50% LTV ratio implying that half of the capital requires interest payments. The Issuer's cost of debt depends primarily on the market interest rates, margin demanded by credit providers and Issuer's targeted debt management strategy – weights of fixed and variable debt, duration of debt. Fluctuations in interest rates could adversely affect the Issuer's financial position, cash flows and its ability to acquire new properties.

The past performance is not a guarantee of the future performance of the Fund

The Issuer is reliant on the Management Company to identify and manage prospective investments in order to create value for Issuer unit-holders and bondholders. The past performance of the Issuer is not indicative, or intended to be indicative, of the future performance or results of the Issuer. As a result, none of the historical information presented by the Issuer or available publicly is directly comparable to the Issuer's business or the returns which the Issuer may generate. In addition, the previous investments of the Issuer may not be directly comparable with the Issuer's proposed business.

Fluctuations in value of property portfolio

The Issuer's properties will be recognized at fair value on the balance sheet while changes in this value are recorded on the income statement. The fair value of each property is estimated by an independent appraiser twice a year. Valuation is based on a discounted cash flow model which takes into account property-specific factors (rents, vacancy rates and operating costs) and industry-specific factors (costs of capital and exit yield). Since these factors are subject to variation over time, the fair value of the Issuer's properties could both appreciate and depreciate. Weakening characteristics of the property portfolio (declining rents and occupancy) and/or negative climate in the real estate industry (increased cost of capital and higher yield requirement) would result in the decrease in the fair value of the Issuer's assets adversely affecting its earnings and financial position.

Imbalance of the EMU could have a material impact on the Fund's business

All the countries where the Issuer holds its real estate property are member states of the EU as well as belong to the EMU, i. e. have euro as their currency. Financial risks related to the euro area and its member states may affect the Issuer's operating environment either directly or indirectly through the common currency and monetary policy. The prolonged and deep fiscal deficits, high indebtedness and unemployment rate in certain EMU member state constitute significant economic problems. If the normalization of the imbalances arisen in the economy of the euro area cannot be solved to a sufficient extent and confidence in the public economy of the euro area cannot be restored, this may have a material adverse on the Issuer's business, results of the operations, or financial condition.

Liquidity risk

Liquidity risk is the possibility of sustaining significant losses due to the inability to liquidate open positions, to realise assets by the due time at the prescribed fair price or to refinance loan obligations. Real estate investments have low liquidity and there can be no assurance that the Fund will be able to exit the investments in a timely manner. By their nature, real estate investments or interests in other non-public entities are subject to industry cyclicality, downturns in demand, market disruptions and the lack of available capital for potential purchasers and therefore often difficult or time consuming to liquidate. The Management Company makes its best efforts to ensure sufficient liquidity by efficient cash management, by maintaining a liquidity buffer and organizing longterm diversified financing for real estate investments.

Damage to the Fund's reputation risk

The Issuer's ability to attract and retain tenants at its properties as well as Management Company's ability to retain personnel in its employment may suffer if the Issuer's reputation is damaged. Matters affecting the Issuer's reputation may include, among other things, the quality and safety of its properties and compliance with legislation and official regulations. Any damage to the Issuer's reputation may have a material adverse effect on the Issuer's business, results of operation, and financial condition.

Changes in legislation and taxes

The Issuer's operations are regulated by the legislation of each country where itself or its SPVs operate. In addition, the Issuer's operations may be affected by regional or supranational regulations, such as EU legislation. In the view of the Management Company, the Issuer complies with all legislative requirements and other regulations as at the date of this Prospectus. Legislation and other regulations may, however, change, and the Management Company cannot guarantee that it would in such cases be able to comply immediately, without material measures, with the requirements of changed legislation or other regulations. For instance, changes in law and regulations or their interpretation or application practices concerning investment activities, environmental protection and taxation may have a material adverse effect on the Issuer's operations. Adapting the Issuer's operations to any of the changes described above may incur costs for the Issuer that are difficult to anticipate, which in turn may have a material adverse effect on the Issuer's business, results of operations, and financial condition.

Implementation of investment strategy

As at the date of this Prospectus, the Issuer owns 16 commercial properties, representing a total rentable area of 153.4 thousand sqm. Using proceeds from the Offering, the Issuer continues developing existing portfolio. Proceeds can also be used for possible future acquisitions. Over long term the Issuer aims to expand the property portfolio substantially by acquiring attractive commercial, primarily office and retail, real estate assets at central and strategic locations in Lithuania, Latvia and Estonia. The successful implementation of the investment strategy is subject to risks such as limited availability of attractive commercial properties for sale, unfavorable economic terms of potential investment targets, intensive competition among investors for high quality properties and inability to raise debt financing at attractive terms.

Availability of properties for potential acquisitions depends on the total size of the real estate market, development activity of new projects, yield dynamics and general macroeconomic conditions. According to Colliers, in 2019 volume of property transactions in the Baltics reached EUR 1.01 bn. At the end of 2019 existing office space in the capital cities of the Baltic States amounted to approximately 2.0 million sqm GLA with approximately 0.4 million sqm currently under construction. Existing retail space in Tallinn, Riga and Vilnius amounted to approximately 2.2 million sqm GLA at the end of 2019 with approximately 0.2 million sqm under construction. Development of new projects has accelerated in recent years and most of new developments were successful in attracting tenants so far. Not all properties fall under the Issuer's selection criteria for investment targets. The Issuer is pursuing top-of-the-market assets at central and strategic locations and in high demand from tenants.

Availability of commercial properties is also determined by their owners' willingness to sell which tends to increase with declining yield requirements in the real estate market. However, this may result in assets being too highly priced and, hence, economically unattractive for investment. Property prices may also be pushed up by intensive competition among real estate investors. Competitors could have greater financial resources and lower cost of capital than the Issuer allowing them to pay higher prices.

In long term, the Issuer targets LTV ratio of 50%. Ability to borrow at attractive terms plays a major role in the investment strategy. Availability and attractiveness of debt financing are linked to interest rates and general situation in financial markets. Increased interest rates and a negative climate in the markets could limit the Issuer's ability to pursue its investment strategy.

Real estate investments are relatively illiquid

Investments in property can be relatively illiquid for reasons including but not limited to the long-term nature of leases, commercial properties being tailored to tenants' specific requirements and varying demand for commercial property. Such illiquidity may affect the Issuer's ability to vary its portfolio or dispose of properties in a timely fashion and/or at satisfactory prices in response to changes in economic, property market or other conditions. This may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

If the Issuer is required to dispose of investments at any time (for example due to a requirement of the lending bank), there can be no assurance that, at the time the Issuer seeks to dispose of assets (whether voluntarily or otherwise) relevant market conditions will be favorable or that the Issuer will be able to maximize the returns on such disposed assets. It may be especially difficult to dispose of certain types of real estate during recessionary times. To the extent that market conditions are not favorable, the Issuer may not be able to dispose of property assets at a gain and may even have to dispose of property assets at a loss. Furthermore, the Issuer may be unable to dispose of investments at all, which would tie up the capital invested in such assets and could impede the Issuer's ability to take advantage of other investment opportunities.

The unaudited pro forma financial information may not provide correct image of the past or future financial position or business results of the Issuer

The purpose of the unaudited pro forma financial statements included in Section 9.2 – Pro Forma Financial Information – is to demonstrate the possible effect of acquiring Galerija SPV on the Issuer´s results and financial position in case the transaction would have taken place at the time presented in the pro forma financial information. The unaudited pro forma information is presented for illustrative purposes only. Because of its nature, the pro forma financial information addresses a hypothetical situation how the income statement of the Issuer would have formed in case the acquisition of Galerija SPV had taken place on 1 January 2019. Since the acquisition of Galerija SPV is already integrated in the balance sheet of the most recent completed financial statements of the Issuer, no pro forma balance sheet is required.

Pro forma adjustments are based on the available information and the assumptions made by the Management Company. There is no certainty that the actual financial position or results of the Issuer would have developed as assumed in pro forma financial information or that the assumptions used on drawing up the pro forma financial information turn out to be correct in the future.

Specific investment risks

With respect to investments in the form of real estate property, the Issuer will incur the burden of ownership, which includes the paying of expenses, taxes, maintaining such property and any improvements thereon and ultimately disposing of such property. In order to meet demands from the market or government authorities or other legal requirements, maintenance costs may be substantial and unforeseen. In addition, certain of the mortgage financing is structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the risk of default at that time. The risk of partial or a total loss of capital does exist and investors should not subscribe unless they can readily bear the consequences of such a loss.

Competition

Commercial real estate is a competitive industry. To maintain the attractiveness of its properties the Issuer has to react quickly to changes in the competitive environment. Possible responses to competitors' actions include upgrading properties with new features (for instance, smart technologies and environmental solutions), their refurbishment, rent discounts and greater promotion and marketing activities. These could result in unforeseen substantial expenses adversely affecting the Issuer's financial position and cash flows.

Supply of commercial premises increases with commissioning of newly developed properties. If additions to the supply are not matched by an increase in demand for commercial space, new properties could raise vacancy levels and reduce rent rates in the market, especially, for older and lower quality premises as tenants tend to prefer newer spaces. Therefore, elevated development activity in office and retail property markets in the Baltics may have an adverse effect on the Issuer's rental income and, in turn, on its value of properties, financial position and cash flows.

Property development risk

The Issuer may, to a limited extent, invest in distressed assets, undeveloped land and certain development properties. Such investments may also be made in companies or ventures, with a view to acquiring or leasing land upon which such co-investors may become tenants on favorable terms. Undeveloped land and development properties typically involve greater risk than existing properties as they do not generate operating revenue while incurring costs, including construction and development costs, property taxes and insurance. Risks associated with development activities also include the risk of spending capital and resources on projects that may end up being abandoned, construction cost overruns, time delays and that occupancy levels and rental rates are lower than originally anticipated.

Moreover, if the Issuer's third party contractors fail to successfully perform the services for which they have been engaged, either as a result of their own fault or negligence, or due to the Issuer's failure to properly supervise any such contractors, this could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Hedging Risks

In connection with certain investments the Management Company may employ hedging techniques designed to protect the Assets against adverse movements in for example interest rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. In case the derivative has to be terminated prematurely due prepayment of the loan ahead of its schedule, change of other financing terms or full repayment of the loan before its maturity, termination cost of hedging might be very high depending on interest rate on the market.

Thus, while the Issuer may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates or currency exchange rates may result in a poorer overall performance for the Issuer than if it had not entered into such hedging transactions

Reliance on the performance of the Management Company

The Issuer's asset portfolio is to be externally managed and the Issuer will rely on the Management Company, and the experience, skill and judgment of the Management Company, in identifying, selecting and negotiating the acquisition of suitable investments. Furthermore, the Issuer will be dependent upon the Management Company's successful implementation of the Issuer's investment policy and investment strategies, and ultimately on its ability to create a property investment portfolio capable of generating desirable returns. There can be no assurance that the Management Company will be successful in achieving the Issuer's objectives.

The Management Company is also responsible for carrying out the day-to-day management and administration of the Issuer's affairs and, therefore, any disruption to the services of the Management Company could cause a significant disruption to the Issuer's operations until a suitable replacement is found. The Management Company holds an alternative investment fund manager license issued by EFSA. If due to any reason the license is revoked or suspended, the Management Company will not be allowed to manage the Issuer. In such case the management of the Issuer will be transferred to the Depositary of the Issuer, who will have to find a new management company, or start liquidation. During such period the Issuer will not have active management, which may have negative consequences for the financial results of the Issuer.

Moreover, there may be circumstances in which the members of the Management Board or Supervisory Council of the Management Company have, directly or indirectly, a material interest in a transaction being considered by the Issuer or a conflict of interest with the Issuer. The Supervisory Board of the Issuer has the right to decide on the situations of conflict of interest.

The Issuer or its subsidiaries employ no staff. However, the Management Company of the Issuer needs personnel in order to facilitate management of the Issuer and provide related services. Therefore, the success of the Issuer's operations depends on its Management Company's ability to hire, motivate and retain professionals with required skills, knowledge and experience. An unexpected departure of a fund manager and delays in selection of a replacement may negatively affect the Issuer's operations, implementation of its strategy and financial results.

Dispute risks

The Issuer has currently no ongoing tax or civil court cases or other issues that could have a significant negative impact on the Issuer's business, financial position and earnings.

The Issuer's business is investing in real estate properties whose space is leased out to tenants. There is a risk that the Issuer may be drawn into legal disputes with tenants or counterparties in real estate transactions. Negative outcome of such disputes could adversely affect Issuer's operations, financial position and cash flows. The Management Company uses its best endeavors to conclude agreements correctly and communicate in a respectful manner with all counterparties. All misunderstandings are tried to be settled by a mutual agreement. Nevertheless, the emergence of disputes cannot be excluded.

Use of external service providers

The Management Company utilizes external service providers in its operations in connection with maintaining and constructing the Issuer's properties, generally in relation to the Issuer management, as well as in connection with the planning development projects. The availability, terms and conditions, price, and quality of these external services, as well as the possibility of transferring any increases in the cost of these services to the tenants, are material to the Issuer's business. The failure to procedure services or to transfer the increase in their costs to tenants may have a material adverse effect on the Issuer's business, result of operations, and financial condition. Nevertheless, the Management Company does not regard this risk as a major risk, because firstly, the Management Company chooses service providers with due care, and secondly, in case of a failure of a service provider to provide a service, the Management Company is able to find a replacement or is able to provide the services itself.

Insurance coverage

The Issuer's insurance policies could be inadequate to compensate for losses associated with damage to its property assets, including loss of rent. According to the Issuer's strategy, insurance of each property has to include rent coverage of at least 18 months in the case of fire, destruction or other events that could damage a property. Any losses exceeding amounts covered by insurance contracts may have an adverse effect on the Issuer's business operations, financial position and cash flows.

Environmental liabilities

As the owner of real estate property, the Issuer could be held liable for possible environmental damage caused by operations carried out in such property if such operations have not been carried out in accordance with applicable regulations. Although in the Management Company's view properties that the Issuer targets to invest in are generally not used for operations that could be particularly harmful to the environment, it cannot be ruled out that the Issuer could be held liable for environmental damage incurred in a property owned by the Issuer. Such environmental liability could, if materialized, have a material adverse effect on the Issuer's business, results of operations, and financial condition.

Technical risks

Although the Issuer invests in the maintenance of its existing properties and conducts a thorough technical examination of potential investment targets, its properties could be subject to technical problems such as construction defects, other hidden defects and contamination. Elimination of these problems could require substantial investments and, thus, have an adverse effect on Issuer's financial position and cash flow.

Risks Related to the Units, Listing and Secondary Listing

Market risks and volatility

No assurance can be made that following the Offering the Units will be actively traded on Nasdaq Tallinn or Nasdaq Stockholm. Since 6 July 2016 the Units have been listed on Nasdaq Tallinn where the total turnover of trading in the Units since listing has been over EUR 40m. Since 23 December 2017, the Units have been listed on Nasdaq Stockholm where the total turnover of trading in the Units since listing has been over EUR 16m. There is no guarantee that an active trading market on Nasdaq Tallinn or Nasdaq Stockholm will be developed or sustained.

The level of liquidity of the Units will affect formation of their market price. The Offer Price may not be representative of the Unit market price after the Listing. What is more, market price and trading volume could fluctuate substantially reacting to a number of factors including changes in the Fund's actual results and investors' and analysts' expectations of its future results, developments in real estate market and general economic conditions, valuations of comparable companies and general stock market trends. Such factors as general macroeconomic and stock market trends fall out of control of the Issuer and the Management Company. Hence, there is a risk that Unit price performance will not reflect operating performance of the Fund, especially, during stock market downturns. Since prices of publicly traded securities can increase as well as decrease, investors that acquire the Units may not be able to resell them in the secondary market at or above the purchase price.

In addition, the Units are not redeemable at the request of a Unit-holder, which means that the Management Company will not redeem Units at the NAV of the Unit. The Unit-holder can only dispose its Units via market trade on the stock exchange or over-the-counter trade with a third person at the price as agreed between the parties. Therefore, the Unit-holder may need to sell its Units at a price lower than the NAV of the Unit.

Adverse change in the financial condition or prospects of the Issuer

Any adverse change in the financial condition or prospects of Issuer may have a material adverse effect on the liquidity of the Units, and may result in a material decline in their market price.

New issues of the Fund's Units

In the future additional Units may be issued in order to finance acquisition of new properties, reduce debt or due to other reasons. This could lead to dilution of holdings of Unit-holders. In addition, new issues could reduce earnings per Unit and NAV per Unit. Therefore, offering of additional Units in the future may negatively affect the market price of the Unit.

To the extent that a Unit-holder of the Issuer decides not to subscribe, or is restricted from subscribing, for the full amount of Units such Unit-holder would be entitled to in any possible future Unit issues by the Issuer, the proportionate ownership and voting interest in the Fund of such Unit-holder would be diluted accordingly and the percentage of the Units of the Fund represented by such Unit-holder's original Units will be proportionally reduced.

Future dividends

Neither the payment of future distributions out of the cash flows of the Issuer, nor their size can be guaranteed. The Management Company targets to pay out to Unit-holders at least 80% of the distributable cash flow which is defined as cash flow from operating activities less capital expenditure to maintain the quality of properties and less financing expenses. The Issuer's ability or willingness to make distributions will depend on other factors including its financial position, capital expenditure and outlook for future cash flows. These factors are affected by numerous Issuer- and industry-specific risks. Thus, distributions are not certain.

As a fund listed on Nasdaq Tallinn and Nasdaq Stockholm, the Fund will be subject to both Estonian and Swedish laws, regulations and policies

Swedish laws, regulations and policies may differ in some respects from comparable laws, regulations and policies in Estonia. The differences in compliance requirements may expose the Fund to additional regulatory burdens. In the event of any conflict between the applicable laws, regulations and policies in Estonia and those in Sweden, the Issuer will have to comply with the more onerous rules and may incur additional costs and require additional resources.

Exchange rate fluctuations

The Fund conducts its business in euro – the official currency in all three Baltic States. Properties in the Fund's portfolio generate cash flows in euro and, thus, their primary values are also in euro. Should the Fund pay dividends, such dividends will be paid in euro as well, however, Unit-holders of Units held with Euroclear Sweden will, in general, receive dividend distributions in SEK. The conversion in relation to dividends will be made by Euroclear Sweden. Any depreciation of euro in relation to SEK could reduce the value of the investment or of any dividends, and any appreciation of euro could increase the value in any such investment or dividends. Furthermore, the holding of Units held with Euroclear Sweden by an investor whose principal currency is not SEK would expose the investor to additional foreign currency exchange rate risk.

The Fund is subject to regulatory and legal risks related to the securities' issues

An issuance of Units or other securities by the Issuer in or into certain jurisdiction may be subject to specific registration, admission or qualification requirements or other restrictions imposed by local law or regulatory authorities or be prohibited altogether. The Management Company uses its best efforts to comply with restrictions, but it cannot be excluded that due to ambiguities related to the application of and practice related to such restrictions, or due to any other reason, the Issuer may become subject to regulatory or legal proceedings potentially resulting in fines or penalties or liability for damages.

Future sales of the Issuer's Units

After the completion of the Offering, existing Unit-holders of the Fund will own approximately 76.6% of the total number of Units provided that all the Offer Units in an amount of 34,584,124 (including Offer Units under Upsizing Option in an amount of 17,292,062) will be issued as a result of the Offering and the existing unitholders do not subscribe in the course of the Offering. If the Upsizing Option is not exercised, existing Unit-holders of the Fund will own approximately 86.8% of the total number of Units provided that all the Offer Units in an amount of 17,292,062 (excluding Upsizing Option) will be issued as a result of the Offering and the existing unitholders do not subscribe in the course of the Offering. A sale of a large number of Units (or an expectation of such a sale by the market) may negatively impact the Unit market price.

No assurance on change of laws or practices

The Units are governed by the laws of the Republic of Estonia. Estonian laws (including but not limited to tax laws) and regulations governing the Units may change during the life of the Units, and new judicial decisions can be issued and/or new administrative practices be adopted. No assurance can be given as to the impact of any of such possible changes of laws or regulations, or new judicial decision or administrative practice taking place after the date of purchase of the Unit. Hence, such change may have a material adverse effect on the Issuer's business, financial condition, results of operations and/or future prospects.

Adverse changes in the tax regime applicable in respect of transacting with the Units or receiving dividends based on the Units may result in an increased tax burden of the Unit-holders and may therefore have adverse effect on the rate of return from the investment into the Units.

Court proceedings in Estonia and enforcement of judgements by foreign courts

The Issuer and the Management Company are registered in Estonia, and the Management Company has its registered office in Estonia. Any disputes regarding the rights and obligations under the Fund Rules and regarding the operations of the Management Company thereunder shall be resolved in the courts of Estonia. Therefore, for the investors in Sweden, Finland or Denmark, or elsewhere outside Estonia, it may be more difficult and expensive to file claims or other documents relating to the court proceedings in Estonia than in their home country. For example, investor may need to translate the prospectus or other fund documentation in foreign language into Estonian. Should a foreign court accept proceedings against the Fund or the Management Company, the judgements of the courts of the member states of the European Union (except Denmark) must be recognised and enforced in Estonia either under Council Regulation (EC) No 1215/2012 or Regulation (EC) No 805/2004 of the European Parliament and of the Council without any special procedure being required. However, the enforcement process may be more complicated and expensive than in the investor's home country.

Nasdaq CSD SE

The Units will be affiliated to the account-based system of the Nasdaq CSD SE (Societas Europaea) – the regional central securities depository in the Baltics. Clearing and settlement relating to the Units will be carried out within the depository's book-entry system. Book-entry entry system means that no security certificates are issued and the ownership of securities are recorded digitally. This means that Unitholders are entitled to exercise Unitholders' rights only after the Unitholder has been recorded to the list of Unitholders maintained by Nasdaq CSD SE). Investors are therefore dependent on the functionality of the Nasdaq CSD SE's account-based system and therefore in order to exercise any right as an owner of Units, the Unitholder must rely upon the procedures of Nasdaq CSD SE.

Double affiliation to CSDs

All Units traded will be registered with the Register. Units traded at the Nasdaq Stockholm will be held through a custodian and mirrored in Euroclear Sweden. Euroclear Sweden will hold all interests in relation to the Swedish Registered Units (please see definition below under "SERVICE PROVIDERS - EUROCLEAR SWEDEN") for the sole purpose of enabling clearing and settlement of such interests in uncertified and dematerialised book-entry form in the records maintained by Euroclear Sweden, for the benefit of the ultimate beneficial owners. There is a risk that this solution could entail logistic and technical problematics for Unit-holders who have their Units held by Euroclear Sweden. Such issues may lead to disruptions in *e.g.* transfers of Units between the CSDs, receipt of dividends and messages sent via the CSDs.

The Nasdaq Tallinn and the Nasdaq Stockholm have different characteristics

The Nasdaq Tallinn and the Nasdaq Stockholm have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading price of the Units on the Nasdaq Tallinn and the Nasdaq Stockholm may not be the same at any given time. Also, the liquidity on Nasdaq Stockholm and Nasdaq Tallinn may be different.

Furthermore, fluctuations in the Unit price on the Nasdaq Tallinn could materially and adversely affect the Unit price on the Nasdaq Stockholm (and vice versa). Moreover, fluctuations in the exchange rate between the euro and the Swedish krona could materially and adversely affect the prices of the Units listed on the Nasdaq Tallinn and the Nasdaq Stockholm.

4. TERMS AND CONDITIONS OF THE OFFERING

4.1. GENERAL INFORMATION

In the course of the Offering, up to 17,292,062 Offer Units will be offered by the Management Company and issued by the Fund. None of the existing Unit-holders sell any Units in the Offering. Together with determining the completion of the allocation process the Management Company has the right to exercise the Upsizing Option, taking into consideration the total demand in the Offering and the quality of such demand. In exercising the Upsizing Option the Management Company has the right to increase the number of new Offer Units by up to additional 17,292,062 Offer Units.

The Offering consists of (i) the Retail Offering in Estonia and Lithuania and (ii) the Institutional Offering in and outside Estonia in reliance on certain exemptions available under the laws of each jurisdiction where the Institutional Offering is being made. Investors in the Offering are collectively referred to as the "Investors", an investor in the Retail Offering as the "Retail Investor", and an investor in the Institutional Offering as the "Institutional Investor".

The Prospectus has been approved by the EFSA in its capacity as the competent authority in the Republic of Estonia, the Member State of EU where the Fund is registered.

The Offering will be conducted on the basis of the resolution of the Unit-holders Annual General Meeting held on 9 June 2020 according to which a resolution was made by the Unit-holders to approve the issue of Units during 2020 under the conditions set forth in the resolution. The Annual General Meeting held on 9 June 2020 was held as a repeat meeting and 17.03% of the total votes were registered as attending. The Management Company will be authorised to carry out the Retail Offering in Lithuania once the Prospectus has been published and EFSA has notified the Lithuanian financial supervision authority of the registration of the Prospectus pursuant to Article 25 of the Prospectus Regulation.

In addition, the Management Company has notified the EFSA in accordance with the Estonian Investment Funds Act of its intention to market the Offer Units in certain other Member States of the European Union to professional investors as part of the Institutional Offering. EFSA has forwarded these notifications to the respective competent authorities in these Member States and the Management Company is authorised to market the Offer Units to Institutional Investors in Member States to where the notification is forwarded. For further information on selling restrictions regarding the Offer Units, see section 4.17 "Terms and Conditions of the

Offering - Selling Restrictions" below, and with respect to the rights pertaining to the Units, see section 6 "Units and Rights of Unit-holders".

The Management Company is aware of a possible intention of one of the major Unitholders to subscribe for more than five per cent of the Units during the Offering.

The Management Company expects to announce the results of the Offering, including the final number of New Units on or around 23 October 2020 on the Website and through Nasdaq Tallinn (http://www.nasdaqbaltic.com/market/) and Nasdaq Stockholm (http://www.nasdaqomxnordic.com/).

4.2. OFFERING PERIOD AND TIMETABLE OF THE OFFERING

Investors may submit purchase orders for the Offer Units (a "Purchase Order") during the offer period, which commences at 10:00 (Eastern European Summer Time – Estonian time) on 8 October 2020 and terminates at 16:00 (Eastern European Summer Time – Estonian time) on 22 October 2020 (the "Offer Period").

The timetable below lists key dates related to the Offering:

8 October 2020 to 22 October 2020	Offer Period
On or about 23 October 2020	Determination and announcement of the results of the Offering and of the allotment of the Offer Units (the "Allotment Date")
On or about 27 October 2020	Delivery of the New Units to Investors and payment for the New Units (the "Settlement Date")
On or about 28 October 2020	Start of trading on Nasdaq Tallinn (the "Listing Date in Tallinn")
On or about 28 October 2020	Start of trading on Nasdaq Stockholm (the "Listing Date in Stockholm")

After consultation with the Manager, the Management Company may decide to amend the above dates. Changes made to the stated dates, if any, will be made public in the form of an announcement pursuant to the Prospectus Regulation. If in the Management Company's opinion, a change of dates for subscriptions would be a material factor affecting the evaluation of the Offer Units, then such changes would be made public in the form of a supplement to this Prospectus.

The Management Company reserves a right to prolong the Offer Period if deemed to be necessary. The Management Company has a right to prolong the Offer Period before the end of the Offer Period for a maximum of two weeks. This means that the Management Company would be entitled to prolong the Offer Period until 5 November 2020. In case the Management Company decides to use the right to prolong the Offer Period, it will inform the public about the prolongation of the Offer Period at least one business day before the end of the Offer Period by respective announcement on the Website and through the Nasdaq Tallinn (www.nasdaqbaltic.com/market/) and Nasdaq Stockholm (http://www.nasdaqomxnordic.com/) and the indicative timetable as dislcosed above will shift forward accordingly.

4.3. RIGHT TO PARTICIPATE IN THE OFFERING

Institutional Offering

The Institutional Offering is directed at qualified investors within the meaning of Article 2(e) of the Prospectus Regulation in Estonia and in certain selected member states of the European Economic Area and to other selected investors in reliance on certain exemptions available in the laws of respective member states. The Institutional Offering is carried out non-publicly.

Retail Offering

The Retail Offering comprises an offer of Offer Units to all natural and legal persons in Estonia and Lithuania except for any persons who are categorised as qualified investors pursuant to Section 6(2) of the Estonian Securities Market Act and Article 2(e) of the Prospectus Regulation who should submit their offers in the Institutional Offering.

For the purposes of the Offering:

1) a natural person is considered to be "in Estonia" and has the right to participate in the Retail Offering, if all the following conditions are met: (i) such person has a securities account with the ERS; and (ii) such person's address recorded in the ERS records in connection with such person's securities account is located in Estonia; (iii) such person submits Purchase Order (as defined below) in relation to Offer Units via that securities account;.
2) a legal person is considered to be "in Estonia" and has the right to participate in the Retail Offering, if all the following conditions are met: (i) such person has a securities account with the ERS; and (ii) such person's address recorded in the ERS

records in connection with such person's securities account is located in Estonia or its registration code recorded in the ERS records is the registration code of the Estonian Commercial Register, (iii) such person submits Purchase Order (as defined below) in relation to Offer Units via that securities account;.

3) a natural person is considered to be "in Lithuania" and has the right to participate in the Retail Offering, if all the following conditions are met: (i) such person has a securities account with a financial institution who is a member of the Tallinn Stock Exchange or Nasdaq CSD account operator; (ii) such person's address is recorded in connection with such person' securities account in Lithuania; (iii) such person submits Purchase Order (as defined below) in relation to Offer Units via that securities account;
4) a legal person is considered to be "in Lithuania" and has the right to participate in the Retail Offering, if all the following conditions are met: (i) such person has a securities account with a financial institution who is a member of the Tallinn Stock Exchange or Nasdaq CSD account operator; (ii) such person's address is registered in connection with such person's securities account in Lithuania or its registration code is the registration code of the Lithuanian commercial register; (iii) such person submits Purchase Order (as defined below) in relation to Offer Units via that securities account.

4.4. PLACEMENT OF PURCHASE ORDERS

Purchase Orders can only be submitted for a full number of Units. The minimum amount of a Purchase Order is 1,000 Units. Purchase Orders may be withdrawn (and new orders placed) at any time until the end of the Offer Period. Investors have the right to place multiple Purchase Orders in which case the multiple Purchase Orders submitted by one Investor will be merged for the purposes of allocation.

An Investor must ensure that all information contained in the Purchase Order is correct, complete and legible. The Purchase Orders which are incomplete, incorrect unclear or illegible, or which have not been completed and submitted during the Offer Period in accordance with all requirements set out in these terms and conditions may be rejected.

An Investor may amend or withdraw a Purchase Order at any time before the expiry of the Offer Period in accordance with the procedure described in section "Withdrawal or Amendment of Purchase Orders".

By submitting a Purchase Order each Investor:

- confirms that they have read and understood the Prospectus or its translation in Estonian and the Prospectus summary translated into Estonian or Lithuanian and accepts the terms and conditions of the Offering as described in the Prospectus;
- in relation to Retail Investors in Estonia and Lithuania, confirms that they have read the KIID for the Fund;
- in relation to Retail Investors, the Retail Investor confirms that he/she/it is located within Estoniaor Lithuania, as the case may be, and not subject to the laws of any other jurisdiction which would prohibit the placement of the Purchase Order and represents that he/she/it is authorised to place a Purchase Order in accordance with the Prospectus;
- accepts the terms and conditions of the Offering set out in this section and elsewhere in this Prospectus and agrees with the Management Company that such terms will be applicable to the Investor's acquisition of any Offer Units;
- acknowledges that the Offering does not constitute an offer of the Offer Units by the Management Company in legal terms (within the meaning of Section 16(1) of the Estonian Law of Obligations Act) or otherwise and that the submission of a Purchase Order does not itself entitle the Investor to acquire the Offer Units nor result in a contract for the sale of the Offer Units;
- accepts and agrees to the Fund Rules;
- accepts that the number of the Offer Units indicated by the Investor in the Purchase Order will be regarded as the maximum number of the Offer Units which the Investor wishes to acquire (the Maximum Amount) and that the Investor may receive less (but not more) Offer Units than the aforementioned maximum amount;
- undertakes to acquire and pay for any number of the Offer Units allocated to them in accordance with these terms and conditions, up to the Maximum Amount.
- confirms his/her/its awareness that investing in shares is inherently associated with investment risk that can be inadequate for his/her/its knowledge and experience
- accepts and agrees that the Issuer has a right for daily update of received Purchase Orders provided by the Registrar;
- authorizes Registrar, the Issuer, the Sales Partner and the Manager to process, forward and exchange information on the identity of the investor and the contents of respective investor's Purchase Order before, during and after the Offer Period;
- authorizes the financial institution through which the Purchase Order is submitted, and Registrar, as the case may be, to amend the information contained in the Purchase Order, including to (a) specify the value date of the transaction, (b) specify the number of Units to be purchased by the investor and the total amount of the transaction; (c) correct or clarify obvious mistakes or irregularities in the Purchase Order, if any.

Any costs or fees to be paid by the Investors in submitting, cancelling or amending their Purchase Orders are expected to be charged in accordance with the price list of the Managers, the Sales Partner or respective custodian in case of Retail Investors. The Management Company shall not deduct any subscription fees from Offer Price paid by the Investor.

Placement of Purchase Orders by Retail Investors in Estonia

In order to subscribe for the Offer Units, an investor must have a securities account with the ERS. Such securities account may be opened through any custodian (securities account administrator) of the ERS. A complete and up to date table of account operators of ERS can be found on the following address: https://nasdaqcsd.com/list-of-account-operators/.

An Investor wishing to subscribe for the Offer Units should contact a custodian that operates such investor's ERS securities account and submit a Purchase Order for the purchase of Offer Units materially in the form set out below. The investor may use any method or form that such Investor's custodian offers to submit the Purchase Order (e.g. physically at the client service venue of the custodian, over the internet or by other means). The Purchase Order must include the following information:

Owner of the securities account	[name of the investor]
Securities account:	[number of the investor's securities account]
Custodian:	[name of the investor's custodian]
Security:	Unit of Baltic Horizon Fund
ISIN code:	EE3500110244
Amount of securities:	[the number of Offer Units for which the investor wishes to subscribe]
Price (per one Offer Unit):	1.1566
Transaction amount:	[the number of Offer Units for which the investor wishes to subscribe multiplied by the Offer Price]
Counterparty:	Baltic Horizon Fund
Securities account of counterparty:	99102152485
Custodian of the counterparty:	Swedbank AS
Value date of the transaction:	28 October 2020
Type of transaction:	purchase
Type of settlement:	delivery versus payment

An Investor may submit a Purchase Order through a nominee account only if such investor authorises the owner of the nominee account to disclose the investor's identity to the registrar of the ERS in writing. The Purchase Order submitted through nominee accounts will be taken into consideration in the allocation only if the owner of the nominee account has actually disclosed the identity of the investor to the registrar of the ERS in writing. Among other information it is also requested to disclose a permanent address and personal identification code in case of a natural person or a registration address for a legal entity. An investor may submit a Purchase Order either personally or through a representative whom the investor has authorised (in the form required by law) to submit the Purchase Order. A Purchase Order is deemed submitted from the moment the registrar of the ERS receives a duly completed transaction instruction from the custodian of the respective investor.

Placement of Purchase Orders by Retail Investors in Lithuania

An investor wishing to subscribe for the Offer Units must contact the financial institution, which is a member of Nasdaq Baltic exchange (Tallinn Stock Exchange) and manages such investor's securities account and submit a Purchase Order for the purchase of Offer Units in a form accepted by the financial institution and in conformity with the terms and conditions of the Prospectus. The investor may use any method that such investor's account operator offers to submit the Purchase Order (e.g. physically at the client service venue of the account operator, over the internet or by other means).

The list of financial institutions that are members of the Nasdaq Baltic exchanges is available on the Nasdaq Baltic exchange's website https://nasdaqbaltic.com/statistics/en/members (to get acquainted with the list of members of the Tallinn Stock Exchange, select "Tallinn").

Placement of Purchase Order by Institutional Investors

An Institutional Investor wishing to submit a Purchase Order should do so by informing the Manager of the number of Offer Shares that the investor wishes to order and register a transaction instruction for the purchase of securities in the form as set out by the Manager. The Purchase Order can be submitted by any means accepted by the Manager.

4.5. OFFER PRICE

The Offer Price per New Unit was decided by the General Meeting of the Unit-holders at the extraordinary General Meeting held on 9 June 2020. The Offer Price per New Unit is 1.1566. The New Units will be issued at a price corresponding to the year-to-date weighted average price of Units on the Nasdaq Tallinn Stock Exchange until a date preceding 7 calendar days to first day of the subscription period, i.e. 1 October 2020.

The Offer Price will be the same in the Institutional Offering and in the Retail Offering.

4.6. MANAGER AND SALES PARTNER OF THE OFFERING

AS Redgate Capital, a licensed investment firm holding a license allowing to arrange public and non-public securities' issues in Baltics and to receive and transmit orders related to securities, address Pärnu mnt 10, 10148 Tallinn, Estonia, e-mail: equities@redgatecapital.eu, is acting as Manager of the Offering with respect to Retail Offering in Estonia and Lithuania as well as for Institutional Offering in other selected European markets.

AB Šiaulių bankas, a licensed credit institution registered in Lithuania, address Tilžės g. 149, LT-76348 Šiauliai, Lithuania is acting as Sales Partner in relation to Retail Investors in Lithuania. The Manager and the Sales Partner or their related parties have, from time to time, performed banking and advisory services for the Management Company or its affiliates for which they have received fees. The Manager and the Sales Partner or their related parties may, from time to time, engage in transactions with the Management Company and perform services for the Management Company in the ordinary course of its business. For example, Redgate Capital AS has acted as the financial advisor to the Management Company in connection with the Offering. The Manager and the Sales Partner or their related parties may acquire financial instruments issued by the Management Company, its related parties, or out of the Fund, or financial instruments related to the financial instruments issued by any of these entities or the Fund.

In connection with the Offering, the Manager and the Sales Partner or their affiliates may also, acting as an investor on his own account, purchase the Offer Units in the Offering, and either hold, sell or otherwise dispose of them. The Manager and the Sales Partner will be obliged to deliver information regarding the purchase of the Offer Units or performance of the transactions described above in the event the obligation to disclose such information arises under general binding laws or regulations.

4.7. DISTRIBUTION AND ALLOCATION

The Management Company together with the Manager will decide on the allocation on discretionary basis after the expiry of the Offer Period, and no later than on 23 October 2020. The division of the Offer Units between the Institutional Offering and the Retail Offering has not been predetermined and no Offer Units have been reserved for any tranche nor for Investors from any specific jurisdiction where the Offering takes place. For the purposes of the distribution and allocation, there are no preferred classes of Investors and all the Investors will be treated equally. Treatment of the Purchase Orders in relation to the distribution and allocation will not depend on the company by or through which the Purchase Order is made.

For the purposes of allocation of the Offer Units, multiple Purchase Orders by one Investor, if submitted, will be merged.

The Manager and the Sales Partner shall inform all Investors about the number of the Offer Units allocated to them immediately after the results of the Offering are announced.

4.8. PAYMENT AND DELIVERY

By submitting a Purchase Order, an Investor agrees to pay for the subscribed Offer Units the Offer Price. In accordance with the allotments determined and announced for each specific Investor, trade instructions for the Offer Units may be placed on or after 24 October 2020 and must reach the relevant custodian bank in a manner which allows the settlement on 27 October 2020. Payments must be made in Euros (EUR). In case the trade instructions for the Offer Units reach the relevant custodian bank at any later date which would not allow the settlement on 27 October 2020, the Issuer has a right not to take such a trade instruction into account and cancel the Purchase Order of respective Investor. If – by that time – the New Units have been transferred to the securities account of the Issuer, the Issuer shall cancel the New Units within three months as of the date when the New Units were transferred to the securities account of the Issuer.

By submitting a Purchase Order, an Investor authorises and instructs the institution operating such investor's cash account connected to its securities account to immediately block the whole transaction amount on investor's cash account until the settlement is completed or funds are released in accordance with Section 4 "Terms and Conditions of the Offering". The transaction amount to be blocked will be equal to the Offer Price multiplied by the amount of Units such investor has subscribed to. Transaction related charges of the institution operating the investors securities account may be also blocked from the cash account (as agreed between the investors and the institution operating the investors securities account). Investor may submit a Purchase Order only when there are sufficient funds on the cash account connected to its securities account or its securities account to cover the whole transaction amount for that particular Purchase Order.

The New Units will be initially issued and transferred to the securities account of the Issuer from where these will be transferred to the Investors. For the purposes of completing the settlement of the securities, it may be necessary that the New Units will stay on the securities account of the Issuer for a few additional days as of transferring the New Shares to the securities account of the Issuer and the the New Units will not be transferred to the Investors within the same value date as of transferring the New Units to the securities account of the Issuer. The Offer Units allocated to the Investors will be transferred to their securities accounts or to the security account of their nominee or any other person acting on Investors behalf on or about 27 October2020 simultaneously (delivery versus payment; DVP) with the transfer of payment for such Units. Any excess amounts paid by Investors to the Manager or the Sales Partner in advance (i.e. the actual allocation is lower than the amount indicated in the Purchase Order), shall be released or returned to the Investor on the Settlement Date or immediately thereafter. The Management Company, the Manager or the Sales Partner will not be liable for the payment of interest on the payment amount paid in advance or blocked in excess of the actual payment amount.

In order to receive New Units to be listed on Nasdaq Tallinn, all Investors are required to have a securities account with an Estonian custodian bank or directly with the Register, either directly or indirectly through their own custodian banks outside Estonia.

In order to receive New Units to be listed on Nasdaq Stockholm all such investors are required to have a securities account (VP-konto) or a custodian account (värdepappersdepå) with a Swedish bank or investment firm (only Units held with Euroclear Sweden will be subject to trading on Nasdaq Stockholm).

The number of New Units to be transferred to each securities account may be rounded up or down, as necessary, in order to ensure that a full number of New Units is transferred to each securities account. In the event that the settlement cannot be completed due to lack of sufficient funds on the Investor's cash account, the Purchase Order which was made through the securities account connected to such cash account will be rejected and the Investor will lose all rights to the respective Offer Units covered by such Purchase Order.

4.9. ADMISSION TO TRADING AND DEALING ARRANGEMENT

Listing

At the date of this Prospectus, the Fund is admitted to trading on Nasdaq Tallinn under the symbol "NHCBHFFT" and ISIN code EE3500110244 and commenced trading on 6 July 2016. The Units are issued under Estonian law, and are traded on the Nasdaq Tallinn in EUR.

The Fund is secondary listed on the Alternative Investments Funds market on Nasdaq Stockholm under the symbol NHCBHFFS and the ISIN code EE3500110244 (the "Listing in Stockholm"). On Nasdaq Stockholm, the Units are traded in SEK and settled in SEK. The trading with Units on Nasdaq Stockholm commenced on 23 December 2016.

The purpose of the Offering was also to list the New Units on Nasdaq Tallinn and Nasdaq Stockholm. For that purpose the Management Company is going to file an application to list additional Units with Nasdaq Tallinn. The Management Company will additionally file an application to list additional units with Nasdaq Stockholm. Filing an application to list additional units does not mean that the admission of additional units to trading will necessarily be approved. However, it is expected that the trading of the New Units on Nasdaq Tallinn will start on or about 28 October 2020 and on Nasdaq Stockholm on or about 28 October 2020. After completion of the Offering and successful Listing, up to 34,584,124 Units will be listed altogether on Nasdaq Tallinn and on Nasdaq Stockholm.

Registration with Euroclear Sweden

In respect of the Swedish Registered Units (please see definition below under "SERVICE PROVIDERS - EUROCLEAR SWEDEN"), the Fund may appoint one or more issuer agent(s) acting on its behalf in Sweden. The Swedish Registered Units listed for trading on Nasdaq Stockholm will also be issued in Estonia and registered with the Register and will be mirrored with the Swedish central securities depositary, Euroclear Sweden. Euroclear Sweden will hold all interests in relation to the Swedish Registered Unites for the sole purpose of enabling clearing and settlement of such interests in uncertified and dematerialised book-entry form in the records maintained by Euroclear Sweden, for the benefit of the ultimate beneficial owners. No beneficial owner is entitled to transfer (and Euroclear Sweden will not allow such transfer) any such Swedish Registered Units directly to the register of another settlement system and thereby removing such Swedish Registered Units from the records of Euroclear Sweden.

Euroclear Sweden is a subsidiary within the Euroclear group of companies and is authorised and regulated by the Swedish Financial Supervisory Authority (*Finansinspektionen*) as a central securities depository within the meaning of the Swedish Financial Instruments Accounts Act (1998:1497) and as a clearing organisation within the meaning of the Swedish Securities Markets Act (2007:528).

Beneficial interests in the Swedish Registered Units will be held in uncertificated and dematerialised book-entry form and all transactions relating to the beneficial interests in the Swedish Registered Units (such as issuance, sale and transfer, pledge arrangements and other dispositions and redemptions) are executed as computerised book-entry registrations in accordance with the Swedish Financial Instruments Accounts Act and all such other Swedish laws, regulations and operating procedures applicable to and/or issued by Euroclear Sweden (the "CSD Rules"). Consequently, in order to affect such entries, beneficial owners must establish a book-entry account through a Swedish bank or an investment firm acting as an account operator with Euroclear Sweden. Beneficial interests in Swedish Registered Units shown in the records of Euroclear Sweden will be treated as negotiable instruments and not subject to any restrictions on free negotiability under Swedish Law.

Beneficial interests in the Swedish Registered Units shown in the records of Euroclear Sweden will be transferable only in accordance with the CSD Rules. Title to such beneficial interest in the Swedish Registered Units shall pass in the record maintained by Euroclear Sweden in accordance with the CSD Rules. Subject to the CSD Rules, the Fund and Management Company, acting on behalf of the Fund, are entitled to receive the records from Euroclear Sweden and thereby entitled to receive information about the Unit-holders and their respective holdings.

Dividend procedure

Each holder of beneficial interests in the Swedish Registered Units must observe Euroclear Sweden's interest in the Swedish Registered Units, for its share of the payments made by the Issuer. Euroclear Sweden does not assume the obligations of the Issuer and is only obliged to distribute payments it has received in its capacity of Swedish central securities depository in respect of the Swedish Registered Units.

It is expected that payments in respect of the Swedish Registered Units will be received by holders of the beneficial interests in the Swedish Registered Units no later than the seventh business day (as defined by the (then) applicable CSD Rules) after the date on which such payment becomes due and payable in accordance with the Fund Rules.

Pursuant to the CSD Rules, payments in respect of any such beneficial interest shall be made to the holders shown as such holder on the record date (as defined by the (then) applicable CSD Rules) before the due date for such payment.

Trading between the two markets

Only Units held with Euroclear Sweden will be subject to trading on the Nasdaq Stockholm following the listing. A securities account or a custodian account with a Swedish bank or an investment firm is required in order for the Units to be held with Euroclear Sweden. Holders of Units listed on the Nasdaq Tallinn are entitled to instead have those Units held with Euroclear Sweden in order to trade their Units on Nasdaq Stockholm. In order to trade Units on Nasdaq Stockholm, Unit-holders are advised to contact their bank or investment firm.

4.10. LOCK-UP

As of the date of this Prospectus, no Units are under lock-up agreements.

4.11. EXPENSE OF THE ISSUER

Assuming all Offer Units will be issued and paid in, but the Upsizing Option will not be exercised, the variable expenses of the Offering are estimated to amount to approximately EUR 1m or 5% of the capital raised. This corresponds to 0,724% of the Fund's total NAV immediately after the Offering. Assuming all Offer Units will be issued and paid in and the Upsizing Option will be exercised fully, the variable expenses of the Offering are estimated to amount to approximately EUR 1.9m or 4.75% of the capital raised. This corresponds to 1.375% of the Fund's total NAV immediately after the Offering.

In addition, the Fund is estimated to incur approximately EUR 0.2m of fixed expenses related to legal advice, audit and marketing in conjunction with the Offering. Assuming all Offer Units (including Upsizing Option) will be issued and paid in the total expenses of the Offering are estimated to be approximately EUR 2.1m. Assuming all Offer Units (without Upsizing Option) will be issued and paid in the total expenses of the Offering are estimated to be approximately EUR 1.2m.

After deducting the expenses, and assuming all Offer Units (including Upsizing Option) will be issued and paid in, the Fund is estimated to receive net proceeds of approximately EUR 38.9m. Assuming all Offer Units (without Upsizing Option) will be issued and paid in, the Fund is estimated to receive net proceeds of approximately EUR 18.8m.

4.12. DILUTION

As at the date of this Prospectus, the total number of Units is 113,387,525. After the completion of the Offering, existing Unit-holders of the Fund will own approximately 76.6% of the total number of Units provided that all the Offer Units in an amount of 34,584,124 (including Offer Units under Upsizing Option in an amount of 17,292,062) will be issued as a result of the Offering and the existing unitholders do not subscribe in the course of the Offering. If the Upsizing Option is not exercised, existing Unit-holders of the Fund will own approximately 86.8% of the total number of Units provided that all the Offer Units in an amount of 17,292,062 (excluding Upsizing Option) will be issued as a result of the Offering and the existing unitholders do not subscribe in the course of the Offering.

4.13. WITHDRAWAL OR AMENDMENT OF THE PURCHASE ORDER

Withdrawal of the Purchase Order

The Investors have the right to withdraw the Purchase Orders at any time until the end of the Offer Period. In order to cancel the Purchase Order, the Investor must contact the Manager, the Sales Partner or in case of investor from Estonia or Lithuania, its custodian through whom the Purchase Order in question has been made and carry out the procedures required by the Manager, the Sales Partner or respective custodian for withdrawing a Purchase Order. All fees payable in connection with withdrawal of the Purchase Order will be borne by the Investor. A withdrawal of the Purchase Order becomes effective at the moment when the transaction instruction of the Investor in question has been withdrawn by the Manager, the Sales Partner or custodian.

If a supplement to this Prospectus is published no later than on the Settlement Date then the Investors who have placed their Purchase Orders before publication of the supplement shall have the right to withdraw their Purchase Order within 2 business days of its publication, and any paid-in moneys shall be repaid to the Investors not later than within 10 business days. In such case, and if necessary, the Allotment Date will be adjusted in order to enable the Investors to withdraw their Purchase Orders.

A supplement to this Prospectus will be published in accordance with the Prospectus Regulation and the Estonian Securities Market Act applicable to public securities offerings, and to the admission of securities to trading on a regulated market, if any significant new factor, material error or inaccuracy related to the information included in this Prospectus which could affect the assessment of the Offer Units arises or becomes known between the date of approval of this Prospectus and the Listing dates on Nasdaq Tallinn and Nasdaq Stockholm.

Amendment of the Purchase Order

An Investor may amend a Purchase Order at any time until the end of the Offer Period. To do so the Investor from Estonia or Lithuania must contact its custodian through whom the Purchase Order in question has been made and carry out the procedures required by the Manager, the Sales Partner or respective custodian for amending a Purchase Order. All fees payable in connection with an amendment of the Purchase Order will be borne by the Investor.

An amendment of the Purchase Order becomes effective at the moment when the transaction instruction of the Investor in question has been amended by the respective Manager, the Sales Partner or custodian.

4.14. CANCELLATION OF THE OFFERING

The Management Company may cancel all or part of the Offering and/or modify the terms and dates of the Offering at any time prior to the completion of the Offering, without disclosing any reason for doing so. Information on modification of the terms of the Offering will be made available publicly in the form of an announcement on the Website and through Nasdaq Tallinn and Nasdaq Stockholm.

The Management Company may also cancel or suspend the Offering at any time after the opening of the Offer Period up until completion of the settlement of the Offering, if it considers there are reasons to believe that proceeding with the Offering is, or has become, impracticable or inadvisable. Such reasons may include, but are not limited to: (i) the suspension of, or material limitation in, trading in securities generally on the Nasdaq Stockholm or Nasdaq Tallinn, as well as on any other official stock exchange in the U.S. or EU; (ii) a sudden and material adverse change in the economic or political situation in the Republic of Lithuania, Republic of Latvia, Republic of Estonia or elsewhere in Europe; (iii) a material loss, or interference with the Fund’s business or assets; (iv) an insufficient, in the opinion of the Management Company, the Partner or the Managers, expected free float of the Units on the Nasdaq Stockholm or on Nasdaq Tallinn, or (v) an unsatisfactory level of demand for the Offer Units in the book-building process.

Any cancellation of the Offering or any part thereof will be announced on the Website and through the Nasdaq Tallinn (www.nasdaqbaltic.com/market/) and Nasdaq Stockholm (http://www.nasdaqomxnordic.com/). All rights and obligations of the parties in relation to the cancelled part of the Offering will be considered terminated at the moment when such announcement is made public.

4.15. RETURN OF FUNDS

If the Offering or a part thereof is cancelled in accordance with the terms and conditions described in section 4.14 “Cancellation of the Offering” , if the Investor’s Purchase Order is rejected or if the allocation is less than the amount of Units applied for:

- the funds blocked on the Investor's cash account or a part thereof (the amount in excess of the payment for the allocated Offer Units) will be relased; and
- the payments already made by Investors, if any, will be returned.

Regardless of the reason for which funds are released on the payment are returned, the Management Company, the Sales Partner or the Manager will not be liable for the payment of the interest on the payment amount for the time it was held.

4.16. CONFLICT OF INTERESTS

According to the knowledge of the Management Company, there are no personal interests of the persons involved in the Offering which could be deemed material to the Offering. The Management Company is unaware of any conflicts of interests related to the Offering.

4.17. SELLING RESTRICTIONS

No Public Offering Outside of Estonia and Lithuania

This Prospectus has been prepared on the basis that there will be no offers of the Offer Units in territories which would require publication of the prospectus other than the Offering to the Retail Investors in the territories of Estonia andLithuania in accordance with the Prospectus Regulation and AIFMD, as implemented in respective countries. Accordingly, any person making or intending to make any offering, resale or other transfer within the European Economic Area (the "EEA"), other than in respective countries, of the Offer Units may only do so in circumstances under which no obligation arises for the Fund, the Management Company, the Sales Partner or the Managers to produce an approved prospectus or other Prospectus for such offering. Neither the Management Company, the Sales Partner nor the Manager have authorised, nor will any of them authorise, the making of any offer of the Offer Units to the public through any financial intermediary other than offers made by the Manager or the Sales Partner under this Prospectus.

No action has been or will be taken by the Management Company, the Sales Partner or the Manager in any jurisdiction other than Estonia and Lithuania that would permit a public offering of the Offer Units, or the possession or distribution of the Prospectus or any other offering material related to the Fund or the Offer Units in any jurisdiction where action for that purpose is required. Accordingly, the Offer Units may not be offered or sold, directly or indirectly, and neither the Prospectus, nor any other offering material or advertisements in connection with the Offer Units may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction.

The distribution of the Prospectus and the Offering in certain jurisdictions may be restricted by law and therefore, persons into whose possession the Prospectus comes should inform themselves of and observe any such restrictions on the distribution of the Prospectus and the Offering, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. The Prospectus does not constitute an offer to subscribe for or buy any of the Offer Units offered hereby to any person/entity in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

European Economic Area

Offer Units will be marketed as part of the Institutional Offering to professional investors, as defined in Article 4(1)(ag) of the AIFM Directive, in countries within the EEA in accordance with laws implementing AIFM Directive, and also to other types of investors in reliance on certain exemptions available under the laws of each jurisdiction where the Offering is being made.

The Management Company has notified the EFSA of the countries where it intends to market the Offer Units to professional investors in accordance with Article 410 (1) of the Estonian Investment Funds Act. Notification was in place before this Offering regarding the following countries within the EEA: Luxembourg, Sweden, Finland, Norway, Latvia, Lithuania, Poland, Netherlands, the United Kingdom and Denmark.

United Kingdom

This Prospectus is exempt from the restriction set out in section 21 of the Financial Services and Markets Act 2000 (FSMA) on the communication of invitations or inducements to engage in investment activity on the grounds that it is made to a certified sophisticated investor as defined in article 50 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (FPO). A certified sophisticated investor is a person who has a current certificate in writing or other legible form signed by an authorised person to the effect that he is sufficiently knowledgeable to understand the risks associated with the investment set out in this communication and has, within the previous 12 months, signed a statement complying with article 50(1)(b) of the FPO. The content of this Prospectus has not been approved by an authorised person and such approval is, unless this exemption or any other exemption applies, required by section 21 of FSMA.

Reliance on this Prospectus for the purpose of engaging in any investment activity may expose an Investor to a significant risk of losing all of the property invested or of incurring additional liability. If an Investor is in doubt about the investment to which this Prospectus relates, the Investor should consult an authorised person specialising in advising on investments of the kind in this communication.

United States

The Offer Units have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state in the U.S., and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

Switzerland

The Fund has not been licensed for distribution to non-qualified investors with the Swiss Financial Market Supervisory Authority as a foreign collective investment scheme pursuant to Article 120 para 1 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("CISA"). Accordingly, pursuant to Article 120 para. 4 CISA, the Units may only be offered and this Prospectus may only be distributed in or from Switzerland by way of distribution to qualified investors as defined in the CISA and its implementing ordinance ("Qualified Investors") if the Fund has entered into written agreements with a representative (the "Representative") and a paying agent (the "Paying Agent") in Switzerland.

The Representative of the Fund is Fundbase Fund Services AG, Bahnhofstrasse 3, CH-8808 Pfaeffikon Switzerland. The Paying Agent is Neue Helvetische Bank Ltd., Seefeldstrasse 215, CH-8008 Zurich, Switzerland.

The statutory documents of the Fund such as the Fund Rules, the Prospectus, and the annual reports are available only to Qualified Investors free of charge from the Representative. In respect of the Units distributed in or from Switzerland to Qualified Investors, the place of performance and jurisdiction is at the registered office of the Representative.

This document may only be issued, circulated or distributed so as not to constitute an offering to the general public in Switzerland. Recipients of the document in Switzerland should not pass it on to anyone without first consulting their legal or other appropriate professional adviser, or the Representative.

The fees and expenses of the Representative and the Paying Agent will be payable by the Fund. Further information in respect of fees and expenses of the Fund is disclosed in the Fund Rules and in the audited annual report of the Fund. The Fund, the Management Company and each of their agents do not pay any retrocessions to third parties as remuneration for distribution activity in respect of Units in or from Switzerland. In respect of distribution activity in or from Switzerland, the Fund, the Management Company and their agents will not pay any rebates that aim to reduce the fees or costs incurred by the investor and that are charged to the Fund.

5. REASONS FOR THE OFFERING AND USE OF PROCEEDS

Reasons for the Offering

The Issuer was established with the aim to become the largest publicly listed property group in the Baltics and to generate its investors attractive returns by investing into commercial, primarily office and retail, properties located in the capital cities of the Baltic States. The reason for the Offering was to raise new equity capital to the Issuer which will be used in accordance with the following section – Use of Proceeds.

Use of Proceeds

The Management Company will use the net proceeds of the Issuer from Offering to acquire commercial properties (incl. in logistics and office segment) comprising the Fund's investment pipeline (see section 8.8.6 "Investment Pipeline") and to fund the development of already owned investment properties (including CC Plaza and Postimaja, Upmalas Biroji complex, Pirita, Vainodes I and G4S properties and further expansion of Domus PRO complex). The Management Company estimates that the investment pipeline has an aggregated value of approximately EUR 100m and in aggregate assets could be acquired at an average yield of 6.5-8.0%. It consists of commercial properties located at central and strategic locations in the capital cities of the Baltic States and expansions of current properties. The target properties are fully operational and cash flow generating (except for 1 property which is under construction) with attractive risk-return profile, high-quality tenants mix, low vacancy rates and long lease maturities. Negotiations and preparations for their acquisitions are well-advanced.

Provided that the Offering is successful and that all the Offer Units (including Offer Units under Upsizing Option) in a total amount of 34 584 124 are subscribed for and issued by the Fund, the expected amount of gross proceeds of the Offering is EUR 39.99 million. In case the Upsizing Option will not be exercised and that all the Offer Units (excluding Offer Units under Upsizing Option) in a total amount of 17,292,062 are subscribed for and issued by the Fund, the expected amount of gross proceeds of the Offering is EUR 19.99 million.

In addition, the Fund is estimated to incur approximately EUR 0.2m of fixed expenses related to legal advice, audit and marketing in conjunction with the Offering. Assuming all Offer Units (including Upsizing Option) will be issued and paid in the total expenses of the Offering are estimated to be approximately EUR 2.1m. Assuming all Offer Units (without Upsizing Option) will be issued and paid in the total expenses of the Offering are estimated to be approximately EUR 1.2m.

After deducting the expenses, and assuming all Offer Units (including Upsizing Option) will be issued and paid in, the Fund is estimated to receive net proceeds of approximately EUR 37.9m. Assuming all Offer Units (without Upsizing Option) will be issued and paid in, the Fund is estimated to receive net proceeds of approximately EUR 18.8m. Approximately one-third of the net proceeds of the Issuer from the Offering will be used to fund the development of already owned investment properties (including CC Plaza and Postimaja, Upmalas Biroji complex, Pirita, Vainodes I and G4S properties and further expansion of Domus PRO complex). The remaining two-thirds of the net proceeds of the Issuer from the Offering will be used in relation to acquisition of new targets, which fit the investment strategy of the Issuer and which offer attractive risk-return profile and are for sale.

To the extent the net proceeds of the Offering are not used according to the purposes stated above, they will otherwise be used for the general purposes of the Fund in accordance with the Fund Rules.

6. UNITS AND RIGHTS OF UNITHOLDERS

General Information on the Units

The Management Company has the right to issue Units on behalf of the Fund in order to raise capital for investments. Units are issued and held in the registered and book-entry form and no certificates are issued. The Units are registered with the Estonian Register of Securities, with ISIN EE3500110244. Units traded on Nasdaq Stockholm will also be held by Euroclear Sweden.

Prior to completion of the Offering the Fund has 113,387,525 Units. After the completion of the Offering, the Issuer will issue New Units at the price of 1.1566 euros. After the Offering has been completed, the total number of Units will be 130 679 587 in case the Upsizing Option is not exercised. If the Upsizing Option is fully exercised, the total number of Units will be 147 971 649.The Units have no nominal value.

Units are issued, and the net asset value per Unit is expressed, in euros.

The Issuer has one class of Units and all Units rank pari passu without preference or priority among themselves. A Unit represents the unit-holder’s share in the assets of the Issuer. A Unit-holder cannot request that the common ownership of the Issuer be terminated or that the Unit-holder’s share be separated from the Issuer’s assets.

A Unit is divisible. The fractions of Units 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). However, 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. The Management Company aims to issue new Units in a way that 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.

Units are freely transferable and can be freely pledged or otherwise encumbered by a Unit-holder subject to the rules of respective marketplace where the Units are admitted to trading, and also subject to the rules of the Registrar and respective securities account provider of a Unit-holder.

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

Unit-holders

According to the Register as maintained by the Registrar, as at 2 October 2020 there are approximately 2000 unit-holders. However, the number of ultimate unit-holders (including nominee registered Units) are considered to be more than 4500. As of the date of the Prospectus, the largest Unit-holder of the Issuer is Nordea Bank Abp/ Euroclear Sweden Non-Treaty Clients holding 45% of the total number of Units. As the Issuer has one class of Units, there are no differences in voting rights attached to units. As at the date of this

Prospectus, the Management Board of the Management Company is not aware of any person with direct or indirect control over the Issuer or any agreement or circumstances which later might cause a change in the control of the Issuer.

According to the Estonian law, Unit-holders are not subject to notification requirements of their holdings or of the voting rights arising from the Units**.**

Issue, Redemption and Purchase of Units

Units are not available for subscription at all times. In order to raise new capital to the Issuer, the Management Company may issue new Units through a public offering or a private placement. Units are issued and offered only during specific times determined by the Management Company. The current Unit-holders have no pre-emption right to subscribe New Units offered by the Management Company through a public offering or a private placement foreseen by applicable laws or the Fund Rules. Investors and unit-holders may acquire Units through trading on the securities market where the Units have been admitted to trading, or otherwise from other unit-holders.

The issue of new Units may be determined by:

- the General Meeting, or
- the Management Company, if it has received approval from the Supervisory Board and if new Units will be issued at the most recent NAV.

New Units shall be issued in accordance with the Fund Rules and applicable laws and regulations and the terms and conditions of the specific issue. The terms and conditions of the offering are determined by the Management Company. In order to acquire Units, an investor must subscribe for the Units and pay the full subscription price. By submitting the subscription order an investor agrees to the Fund Rules and to the terms and conditions of the specific issue of Units, and undertakes to adhere thereto.

The Units are not redeemable at the request of the Unit-holder. The Units are redeemed upon liquidation of the Issuer. In accordance with regulations or precepts or orders by competent authorities or courts, the Management Company may be obliged to redeem Units. For example, if a Unit-holder is acting in violation of applicable laws and regulations.

In accordance with the Fund Rules, the Management Company is entitled to purchase Units on account of the Fund, provided that:

- 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 Delegated Regulation (EC) No 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures;
- 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;
- Units held by the Fund shall not grant any unit-holder rights to the Fund or to the Management Company;
- any purchase shall be executed in accordance with applicable legislation and with the rules of the trading venue; and
- the Management Company shall either cancel or sell the Units within 3 months after the purchase.

On 19th May 2018 annual general meeting of Issuer´s unitholders approved the establishment of the buy-back program. In that regard, the Issuer has concluded an agreement with SEB Pank AS (Broker) according to which the Broker will to carry out the buy-back program on behalf of the Issuer. The Broker carried out the buy-back of Units between 22 October 2018 and 14 December 2018 in accordance with the regulations and within the framework of the buy-back program. The Management Company applied to Nasdaq CSD SE for the cancellation of 255,969 Units acquired during the buy-back period on 30 January 2019 after which the Units which were purchased back were cancelled.

Rights of the Unitholders

The rights and obligations attached to a Unit with respect to a unit-holder shall enter into force upon acquisition of a Unit and shall terminate upon disposal or redemption of a Unit. Each unit-holder is deemed to have agreed to the Fund Rules by subscribing for new Units or upon the Units have been credited to the securities account of the Unit-holder as a result of a trade with a third person.

In accordance with the Fund Rules, a Unit-holder has the following rights deriving from the Units:

- to purchase, sell, pledge or otherwise dispose of the Units;
- to own the share of the Fund's assets corresponding to the number of Units owned by the Unit-holder;
- to receive, when payments are made, pursuant to the Fund Rules, the share of the cash flows of the Fund proportional to the number of Units owned by the Unit-holder;

- to receive, pursuant to the Fund Rules, the share of the assets remaining upon liquidation of the Fund proportional to the number of Units owned by the Unit-holder;
- to convene a General Meeting of Unit-holders in accordance with the Fund Rules and the law;
- to participate and vote in the General Meeting pursuant to the number of votes;
- to propose Supervisory Board member candidates for election in the General Meeting;
- to request that the Registrar issue a certificate or an extract from the Register concerning the Units owned by the Unit-holder;
- to demand that the Management Company compensate for any damage caused by a breach of its obligations;
- to access, at the registered address of the Management Company, the documents and information specified in the Fund Rules and receive, upon respective request, copies of any of the documents specified in the Fund Rules without charge;
- to exercise other rights and take other action as prescribed by law or the Fund Rules.

After the registration of the New Units in the Register, the New Units confer the same rights as the Units and the New Units will give rights to dividends that are decided to be paid and will be paid for the third quarter of 2020 and for the subsequent financial periods.

A Unit-holder must exercise the rights attached to the Units in good faith and in accordance with legislation and the Fund Rules. The objective of exercising the rights of a Unit-holder may not be causing damage to other Unit-holders, the Fund, the Management Company, the Depositary or third persons.

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

Register of the Units

Units shall be issued and registered in the Unit-holder’s securities account at the Register on the payment date specified in the terms and conditions of respective issue. Units traded on Nasdaq Stockholm are also held by Euroclear Sweden. Such Units will be registered in the Unit-holder’s securities account or a custodian account.

A Unit is deemed issued upon registration thereof with the Register and a Unit is deemed redeemed upon cancellation thereof with the Register. Units acquired by an investor shall be registered in the investor’s or in a nominee holder’s, acting on the account of the investor, registry account in the Register.

The register of the Units is maintained by the Registrar. See section 8.9.5 “The Registrar”.

7. TAXATION

The following information is of a general nature only and is based on the laws in force in the territory of Estonia andLithuania, at the date of this Prospectus. The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in Estonia and Lithuania and does not address all the tax consequences applicable to all categories of investors, some of which (such as look-through entities, undertakings for collective investment in transferable securities or holders of the bonds by reason of employment) may be subject to special rules. The laws of the member state of an investor and of the Issuer’s country of registration may have an impact on the income received from the securities. Prospective purchasers of the Units are advised to consult their own tax advisors as to the tax consequences, under the tax laws of the country in which they are resident, of a purchase of the Units.

The information contained within this section is limited to certain Estonian andLithuanian tax issues and prospective investors in the Units should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Estonian or Lithuanian tax law, as the case may be and to which they may be subject. Application of a specific tax treaty concluded between Estonian and investor’s tax residency state may lead to different taxation as described under the headings of “Non-resident Holders”.

7.1. ESTONIAN TAXATION

Where in this summary English terms and expressions are used to refer to Estonian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Estonian concepts under the Estonian law. The *expressions of resident/non-resident refer to tax residency. References to double tax treaties do not determine what tax rate is applicable in other jurisdictions besides Estonia but just describes the division of taxing rights between jurisdictions.*

Overview on Estonian tax system

Rules on personal income taxation (in Estonian: *füüsilise isiku tulu maksustamine*), corporate income taxation applicable to legal entities and permanent establishments of non-residents (in Estonian: *tulumaksu maksmise erijuhud*) and taxation of non-residents' income (in Estonian: *mitteresidentide tulu maksustamine*) are provided in Estonian Income Tax Act of 15 December 1999 currently in force, as amended (in Estonian: *Tulumaksuseadus*, hereinafter "EITA"). Estonian tax residents are taxed under the principle of world-wide income, while only limited taxation is applied to non-residents. As per the income of contractual investment funds from Estonian real estate, special regulation applies to real estate related profits earned by contractual investment funds which are treated as tax payers in a number of limited cases.

Resident Corporate entities

The Estonian income tax system encompasses corporate income tax ("CIT") which is levied on a deferred basis. This means that the CIT falls due only at the moment of making a profit distribution or deemed profit distribution in the form of dividend payments and other profit distributions; non-business payments or costs; hidden profit distributions in the form of loans to related entity; fringe benefits; gifts and donations; costs related to entertainment of guests. No CIT is due on received, retained and reinvested business income. An exception applies to credit institutions which pay advance payments of CIT at the rate of 14 percent on a quarterly basis.

The CIT rate is 20 percent (of the gross amount). The reduced CIT rate of 14 percent (of the gross amount) is applicable to profit distributions that qualify as "regular profit distributions". This reduced rate will partially be available for payments made from January 1, 2019 onwards and will take full effect from January 1, 2021. The amount of "regular dividends" subject to reduced rate is calculated based on the taxable profit distributions made within last three years before the profit distribution under question (specific calculation method is applied during the transition period in 2019 and 2020).

An additional 7 percent personal income tax ("PIT") is applied (withheld) to regular profit distributions taxed under a reduced rate, provided the distribution was made to a natural person (both resident and non-resident). The applicable double tax treaty may limit such withholding for tax non-residents of Estonia. No additional 7 percent tax applies if the dividend is distributed to corporate shareholders (except tax transparent legal entities, such as trust funds (in Estonian: usaldusfond)).

Estonia applies transfer pricing rules that are based on the Organization for Economic Co-operation and Development ("OECD") Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations. Under this, transactions between related entities not made under the arm's length conditions may result in income tax liabilities.

Value-added tax is regulated under the Estonian Value-Added Tax Act of 10 December 2003 currently in force, as amended (in Estonian: Käibemaksuseadus, hereinafter "EVTA"). EVTA is based on the European Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax.

Resident individual taxpayers

Estonian tax resident individual taxpayers are generally subject to PIT at the flat rate of 20 percent, including tax on interests and capital gains. Yearly income tax allowance of €6,000 is decreasing if the annual income exceeds €14,400 and will be calculated under the formula of 6,000 – 6,000 / 10,800 × (annual income – 14,400), while the allowance cannot be lower than zero.

A natural person is an Estonian tax resident for income tax purposes if his or her place of residence is in Estonia or if he or she stays in Estonia for at least 183 days over the course of a period of 12 consecutive calendar months. A legal person, excluding a trust fund which is tax transparent entity, is a resident if it is established pursuant to Estonian law. European public limited companies (SE) and European associations (SCE) whose registered office is registered in Estonia are also residents. A non-resident is a natural or legal person which does not meet the definitions of residency above. The provisions concerning non-residents apply also to a foreign association of persons or pool of assets (excluding contractual investment fund) without the status of a legal person, which pursuant to the law of the state of the incorporation or establishment thereof is regarded as a legal person for income tax purposes. Please note that depending on the specific facts the double residency may emerge and application of double tax treaty may lead to allocation of residency regardless of meeting the definition above.

Contractual investment funds

Contractual investment fund is not a legal entity. Contractual investment fund is a taxpayer only in limited cases, i.e. for Estonian real estate income. In general, income tax is charged on gains derived by a contractual investment fund if it:

- transfers immovable which is located in Estonia;

- transfers a right or claim which relates to Estonian real estate;
- transfers or returns holding in a company, contractual investment fund or other pool of assets of whose property, at the time of the transfer or return or during a period within two years prior to that, more than 50 per cent was directly or indirectly made up of immovables or structures as movables located in Estonia and in which the transferor had a holding of at least 10 per cent at the time of conclusion of the specified transaction; or such company or pool of asset is liquidated;
- receives rent from Estonian real estate;
- receives interest in connection with holding in a common investment fund or other pool of assets of whose property, at the time of the payment of interest or during a period within two years prior to that, more than 50 per cent was directly or indirectly made up of immovables or construction works as movables located in Estonia and in which the recipient of interest had a holding of at least 10 per cent at the time of the payment of interest.

Taxation applies also at the level of a special purpose vehicle company (SPV), if the contractual investment fund has invested through SPV, and at the level of investor. While to SPV's are taxed under the general tax regime applicable to such type of SPV, the interest received from the contractual investment fund or capital gains from the sale of the fund unit or liquidation of the fund will be taxed at the investor level. For non-residents, such investor level taxation is generally limited to gains from Estonian real estate contractual investment funds.

Withholding Tax

Non-resident Holders

According to the EITA, interest payments made by the Issuer to Estonian non-resident Holders (both corporate entities and natural persons) will not be subject to withholding tax in Estonia. The permanent establishments of non-residents in Estonia share the same tax treatment as resident corporate entities (see "—Resident Holders" below).

As an exception from the above, withholding tax is charged on interest which a non-resident Holder received in connection with holding in the Issuer, provided it qualifies as a real estate fund. However, no withholding tax applies on interest if the income of the fund has already been taxed with income tax or it is exempt from the income tax.

Resident Holders

Pursuant to the EITA, interest payments made by the Issuer to Estonian resident corporate taxpayer Holders will not be subject to withholding tax in Estonia.

Withholding tax at the rate of 20 percent will be levied on the taxable interest payments made by the Issuer to Estonian resident natural person Holders. However, the Issuer will not withhold income tax if the Estonian resident natural person Holder has notified the Issuer that the income tax liability on the interest income has been postponed due to using an investment account regime by the Holder as specified in Article 17^2 of the EITA.

No withholding tax is applicable to capital gains received by corporate and natural person residents of Estonia from the sale of the Units.

Income Taxation

Non-resident Holders

According to the EITA, interest payments made by the Issuer to Estonian non-residents Holders (corporate entities and natural persons) are subject to income tax in Estonia, provided the Issuer qualifies as a contractual investment fund for real estate (i.e. of whose property, at the time of the payment of interest or during a period within two years prior to that, more than 50 per cent was directly or indirectly made up of immovables or structures as movables located in Estonia) and the non-resident has at least 10 per cent holding in the fund at the time of receipt of interest. Such tax is subject to withholding as described under "Withholding Tax. Non-resident Holders". No income tax applies if the profit from which the interest is paid has been taxed at the fund level or which is exempt from the income tax under the law.

The capital gains from the sale of the fund units is subject to income tax in Estonia under the same conditions as interest. Exemption applies to payments for returning the fund unit or liquidation proceeds which have been subject to tax at the fund level or which is exempt from income tax under the law.

With regard to interest income received by a permanent establishment located in Estonia, see "Resident Holders" below.

Resident Holders

Corporate residents

Interest income and capital gains received by resident legal entities and permanent establishments of non-residents is not subject to CIT in Estonia upon receiving the profit. Such income is included in their profits of the resident or a permanent establishment and taxed upon distribution of profit pursuant to the respective procedures. CIT is levied on a deferred basis upon distributing profits.

Permanent establishments of non-residents of Estonia are taxed under the same rules as resident corporate entities, with some special rules. Profit attributed to permanent establishment is subject to CIT when it has been taken out of the permanent establishment in monetary or non-monetary form.

Resident individuals

The interest income received by Estonian tax resident individuals is subject to 20 percent PIT in Estonia which is withheld by the Issuer acting through a fund manager. Interest income covers all interest accrued from loans, leases and other debt obligations, as well as securities and deposits, including such amount calculated on the debt obligations by which the initial debt obligations are increased. No income tax applies if the profit of the Issuer from which the interest is paid has been subject to tax already or it is exempt from income tax.

Capital gains earned by Estonian tax resident individuals from the sale or exchange of fund units is taxed as profit from the transfer of property, which is subject to PIT at the rate of 20 percent. Pursuant to Section 37 (1) of the EITA, a the gains or loss derived from the sale of fund units is the difference between the acquisition cost and the selling price of the fund units The gain or loss derived from the transfer of fund units is the difference between the acquisition cost and the sale price of the fund units. The gains or loss derived from the exchange of property is the difference between the acquisition cost of the property subject to exchange and the market price of the property received as a result of the exchange. Additionally, the Holder has the right to deduct certified expenses directly related to the sale or exchange of property from the Holder's gain or to add such expenses to the Holder's loss.

Income tax is charged on the part of payment received upon the return of a unit of a contractual investment fund and the liquidation of a contractual investment fund, which exceeds the acquisition cost of the unit or share, unless the fund's income from which such payment is made has been subject to income tax or it was exempt from income tax.

Exclusively for natural person taxpayers, EITA enables postponement of the taxation of income derived from the publicly offered securities by using an investment account regime specified in Section 17^2 of the EITA. This special regime applies strictly to the securities referred to in section 17^1 of the EITA. The moment of taxation of the financial income held on an investment account is postponed until such income is withdrawn from the investment account (i.e., the amount withdrawn from the account exceeds the amount which had been previously paid into the account).

Other Taxes and Duties

Estonia does not apply any other taxes or state effected duties on transferring the fund units. Estonia does not apply gift taxes, except making a gift by a corporate entity is taxable as deemed profit distribution at the rate of 20 percent (from the gross amount). Estonia does not apply inheritance tax and wealth taxes. Respective state fees are applicable in case of initiating a judicial procedures against debtor, subject to partial of full reimbursement in case of successful judicial procedure. In case of using notarized form for certain transactions, the notary fees may be applicable.

There is no Estonian value-added tax payable in respect of payments in consideration for the issue of the fund units or in respect of the payment of a redemption amount or principal under the fund units or the transfer of a fund units. Transactions and acts related to the issue, sales and purchase of securities are value-added tax exempt.

7.2. LITHUANIAN TAXATION

This section outlines the principal Lithuanian tax consequences of the acquisition, holding and disposal of the Units. It does not present a comprehensive or complete description of all aspects of Lithuanian tax law which could be relevant to the Holders. Prospective Holders should consult their own tax adviser regarding the tax consequences of acquisition, holding or disposal of the Units.

This section is based on Lithuanian tax law as applied and interpreted by Lithuanian courts and as published and in effect on the date of this prospectus, including the tax rates applicable on that date, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect. Lithuanian tax laws contain no specific provisions relating to the taxation of the holders of the units of collective investment undertakings established outside of Lithuania, including but not limited to undertakings that are tax transparent in the country of establishment of an undertaking. The Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital has been entered into between the Republic of

Estonia and the Republic of Lithuania, which shall be referred to by the Holders with respect to the elimination of the double taxation of the income of the Holders from the Units, where applicable.

For Lithuanian tax purposes, a Holder may include a resident individual, a non-resident individual acting through a fixed base in Lithuania, a resident entity and a non-resident entity acting through a permanent establishment in Lithuania. Please be aware that the residence concept referred to below applies for Lithuanian income tax assessment purposes only.

Taxation of individual Holders of the Units

A "resident individual" means an individual whose permanent place of residence is in Lithuania; or whose personal, social or economic interests are located in Lithuania; or who is present in Lithuania continuously or intermittently for at least 183 days in the relevant tax period, or at least 280 days in two consecutive tax periods and at least 90 days in one of these tax periods; or who is a citizen of Lithuania and who does not meet any of the aforesaid criteria but for whom remuneration for the work carried out abroad is paid or costs of living abroad are covered by the Republic of Lithuania or any of the municipalities thereof.

Taxation of non-resident individuals acting through a fixed base in Lithuania is the same as that of resident individuals defined below, if such a non-resident individual earns income from the Units performing activity through a fixed base in Lithuania. Therefore, it is not separately outlined in the further sections of this prospectus.

Interest from the Units and capital gain from the disposal of the Units earned by a resident individual is subject to personal income tax at progressive tax rates: (i) 15%, which applies on income not exceeding the established threshold; and (ii) 20%, which applies on income exceeding the threshold. The threshold is equal to 120 state average monthly salaries (as established by the Parliament of the Republic of Lithuania on a yearly basis) and in 2020 equals to €148,968. This threshold applies to the total annual worldwide income of an individual other than (i) employment and employment related income, (ii) dividends, (iii) management board and supervisory board member's remuneration, (iv) income from individual entrepreneurship, (v) income received under copyright contracts from a person related to the individual through employment or similar relations, and (vi) income received under civil service agreements by directors of small partnerships who are not the members thereof. Certain exemptions apply on income from the sale of securities under the conditions established in the Law on Personal Income Tax of the Republic of Lithuania.

Personal income tax is payable by self-assessment, under an annual personal income tax return.

Taxation of corporate Holders of the Units

A "resident entity" means an entity which is legally established in Lithuania.

Taxation of a non-resident entity acting through a permanent establishment in Lithuania is the same as that of a resident entity defined above, if such a non-resident entity earns income from the Units through its permanent establishment in Lithuania. Therefore, it is not separately outlined in the further sections of this prospectus.

Interest from the Units and capital gains from the disposal of the Units earned by resident entities is to be included into the taxable income of an entity and profit of such entity is to be taxed with 15% corporate income tax (unless a reduced 0% or 5% corporate income tax applies to a small enterprise under the Law on Corporate Income Tax of the Republic of Lithuania) under the general taxation rules applicable to the taxation of income from general activities and income from transactions in securities.

Other taxes and duties

Lithuania does not apply any other taxes or state effected duties on transferring of the Units. Lithuania applies inherintence tax under the rules established in the Law on the Inheritence Tax. Respective state fees are applicable in case of initiating judicial procedures against a debtor, subject to a partial of full reimbursement in case of successful judicial procedure. In case of using notarized form for certain transactions, the notary fees may be applicable.

Value added tax

There is no Lithuanian value-added tax payable in respect of payments of consideration for the issue of the Units or in respect of the payment of a redemption amount or principal under the Units or the transfer of the Units. Transactions and acts related to the issue, sales and purchase of securities either fall outside of the scope of value-added tax or are value-added tax exempt, which effects the input VAT deductibility.

8. THE FUND

8.1. GENERAL INFORMATION OF THE FUND

The Issuer is a real estate fund investing primarily in real estate, portfolios of real estate, and/or real estate companies. The legal address of the Issuer is Tornimäe 2, 10145 Tallinn, Estonia, telephone number of the Issuer is +372 674 3200 and the e-mail address is estonia@nh-cap.com. The LEI-code of the Issuer is 5299008IKT93E4SA0G49.

Northern Horizon Capital AS, registry code 11025345, is acting as the management company of the Issuer. Further information on the Management Company is set out in section 8.9.2 "The Management Company".

Fund Rules were registered with Estonian Financial Supervision Authority on 23 May 2016. The Issuer and the Management Company are regulated and supervised by the EFSA. The Issuer and the Management Company operate under the laws of Estonia and any disputes regarding rights and obligations under the Fund Rules and regarding the operations of the Management Company thereunder shall be resolved in the courts of Estonia. The Fund Rules are enclosed to the Prospectus as Appendix A.

The Issuer is established without specified term.

The Issuer is a public fund. Units of the Issuer are made available to the public in accordance with the Fund Rules and applicable laws. Units of the Issuer are listed on Nasdaq Tallinn and secondary listed on Nasdaq Stockholm.

A typical investor of the Issuer is either an institutional or a retail investor seeking to have a medium- or long-term indirect exposure to commercial real estate property. Investors should be ready to accept investment risk generally inherent to real estate markets. Provided that Issuer's investments are made with a long-term perspective with a view to gain both from the increase of the property value over economic cycles and through continuous cash flow generation, also investors are expected to invest with a long term view. Furthermore, investors who expect regular distributions out of cash flows (e.g. dividends, interests) should consider an investment in the Issuer. Any investor, who has had no or very little experience in investing in real estate funds or directly in commercial real estate property, should consult their professional adviser in order to learn about the characteristics and risks associated with such investments.

8.2. ORGANISATIONAL STRUCTURE OF THE FUND

The Issuer is a contractual fund and not legal entity. Thus the Issuer does not belong to a group neither does the Issuer have any subsidiaries.

8.3. REGULATORY STATUS OF THE FUND

The Issuer is a closed-ended contractual investment fund registered in Estonia and acting in accordance with the Estonian Investment Funds Act ("IFA"). A contractual fund is not a legal person, whereas it is the money collected through the issue of units and other assets acquired through the investment of such money, which is owned jointly by the unit-holders. A unit represents the unit-holder's share in the assets of a fund.

Regulatory Disclosures

The regulatory disclosures carried out by the Issuer are categorised into four categories: (i) dislcosures regarding financial results of the issuer; and (ii) disclosures regarding cash distributions made to the investors of the Issuer; (iii) disclosure regarding acquisition of an asset; and (iv) disclosure regarding completion of bond program. The Issuer has disclosed the following information under Regulation (EU) 596/2014 over the last 12-month period:

Date	Disclosure
Disclosures regarding financial results of the Issuer	
16 August 2019	Information disclosed regarding Fund's Consolidated Un-Audited Results for H1 2019
15 November 2019	Information disclosed regarding Fund's Consolidated Un-Audited Results for Q3 2019
14 February 2020	Information disclosed regarding Baltic Horizon Fund Consolidated Un-Audited Results for Q4 2019
20 March 2020	Information disclosed regarding Baltic Horizon Fund Consolidated Audited Results for 2019
15 May 2020	Information disclosed regarding Fund's Consolidated Un-Audited Results for Q1 2020
7 August 2020	Information disclosed regarding Fund's Consolidated Un-Audited Results for H1 2020

Disclosures regarding cash distributions made to the investors of the Issuer

2 August 2019	Information disclosed regarding a cash distribution of approximately EUR 2.62 million to Fund investors and information regarding total pay-outs to investors from Fund's operating results over the twelve-month period prior to the latest distribution.
18 October 2019	Information disclosed regarding a cash distribution of approximately EUR 3.06 million to Fund investors and information regarding total pay-outs to investors from Fund's operating results over the twelve-month period prior to the latest distribution.
31 January 2020	Information disclosed regarding a cash distribution of approximately EUR 3.18 million to Fund investors and information regarding total pay-outs to investors from Fund's operating results over the twelve-month period prior to the latest distribution.
24 April 2020	Information disclosed regarding a cash distribution of approximately EUR 1.70 million to Fund investors and information regarding total pay-outs to investors from Fund's operating results over the twelve-month period prior to the latest distribution.
24 July 2020	Information disclosed regarding a cash distribution of approximately EUR 1.70 million to Fund investors and information regarding total pay-outs to investors from Fund's operating results over the twelve-month period prior to the latest distribution.

Disclosures regarding organising public offering of Units

28 August 2020	Information disclosed regarding plans of the Management Company to for the next public offering of Units during autumn 2020.

Galerija SPV has not made any regulatory disclosures under Regulation (EU) 596/2014 over the last twelve-month period since Regulation (EU) 596/2014 is not applicable to Galerija SPV.

8.4. MANAGEMENT

8.4.1. MANAGEMENT STRUCTURE

In accordance with the Fund Rules and the IFA, the governance of the Fund is divided among the Management Company, the General Meeting of Unit-holders and the Supervisory Board. The governance of the Fund is based on the Fund Rules and the IFA and its' governance structure is different from a regular company. As the Fund is not a legal person, it is not subject to the corporate governance regime applicable to companies. The Fund does not have an audit committee or remuneration committee.

The Management Company is responsible for the everyday management of the Fund, including investment activities. For more detailed description of the Management Company, its responsibilities and the Fund Manager, see Section 8.9.2 "Management Company".

8.4.2. THE GENERAL MEETING OF UNIT HOLDERS

In accordance with the Fund Rules, the General Meeting is entitled to resolve the following matters:

- issue new Units;
- amend the procedure for the making of distributions to Unit-holders;
- approve and recall the members of the Supervisory Board and determine the remuneration of the members;
- change the Management Company at the initiative of the Unit-holders;
  liquidate the Issuer;
- amend the procedure for the redemption of Units;
- increase the Management fee and Depositary fee and other fees and charges payable on account of the Issuer;
- decide on the merger and transformation of the Fund unless otherwise provided by the IFA;
- amend the fundamental principles of the investment policy of the Issuer;
- establish a term for the Issuer and amending the term, if established;
- amend the Fund Rules;
- purchase of Units on account of the Issuer.

In accordance with IFA, new Units of the Fund may be issued with a price different than latest NAV only upon conditions approved by the General Meeting of Unit-holders.

Convening the meeting

The Management Company shall convene the General Meeting at least once a year, after the Management Company has approved the annual report of the Issuer. In addition to the annual meeting, the Management Company shall convene the General Meeting as often as there is a need. 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.

The EFSA or Unit-holders whose Units represent at least 1/10 of the votes are entitled to request the Management Company to convene the General Meeting and to 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 EFSA or Unit-holders have the right to convene the General Meeting themselves.

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 a 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.

Participation and voting in the meeting

Only a Unit-holder, who is a registered unit-holder in the Register, or a representative of the Unit-holder, who has been granted an authorisation document in writing, may participate in a General Meeting. The participation of a representative shall not deprive the Unit-holder of the right to participate in the General Meeting. To participate in a General Meeting, a Unit-holder is required to have Units registered in its name in the Register as at ten days before the date of the General Meeting.

A list of the Unit-holders participating in a General Meeting including the names of the Unit-holders, the number of votes attached to their Units, and the names of the representatives of the Unit-holders, 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 Unit-holder 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.

At the General Meeting, Unit-holders 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, unless a higher quorum is required under the Fund Rules.

Each Unit shall carry one vote in the General Meeting.

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 greater majority requirement is prescribed in the Fund Rules or IFA.

Pursuant to IFA, at least 2/3 of the votes represented by Units at the meeting shall be required to adopt a resolution regarding issue of new Units with a price different than the latest NAV.

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 resolutions in matters related to:

- amending the procedure for the making of distributions to Unit-holders;
- liquidation of the Fund;
- amending the procedure for the redemption of Units;
- deciding on the merger and transformation of the Fund unless otherwise provided by the IFA;
- deciding to amend the fundamental principles of the investment policy of the Fund;
- establish a term for the Fund and amending the term, if established
- amending the Fund Rules.

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, and also excluding votes represented by any Unit-holder holding, directly or indirectly via its related persons, more than 50% of all Units, shall vote in favour to adopt a resolution regarding the change of the Management Company at the initiative of the Unit-holder(s).

In addition, a resolution on amending the procedure for the redemption of Units may only be taken together with a resolution on liquidation of the Issuer.

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 Issuer and the Management Company, including but not limited to voting on raising the management fee.

8.4.3. SUPERVISORY BOARD

Responsibility

The Supervisory Board acts solely in the advisory capacity and the Management Company shall remain responsible for making the decisions in connection with the fund management. It is the responsibility of the Supervisory Board to consult the Management Company on, and the Management Company shall address to the Supervisory Board, the following matters:

- the approval of an appraiser for the valuation of real estate in the Fund to be appointed by the Management Company;
- the approval of an auditor of the Fund to be appointed by the supervisory council of the Management Company;
- the approval of the depositary bank of the Fund to be chosen by the Management Company;
- the approval of the issue of new Units under the Fund Rules;
- any issues that may involve conflicts of interest related to the Fund;
- any other issues in accordance with the Fund Rules.

The Supervisory Board members fulfill the abovementioned consultation responsibilities collectively.

Supervisory Board members are entitled to remuneration for their service in the amount determined by the General Meeting. As of the date of this Prospectus, the chairman of the Supervisory Board is entitled to an annual remuneration of EUR 16,000 and a regular member is entitled to an annual remuneration of EUR 11,000. On the basis of the agreements concluded with each Supervisory Board member, Supervisory Board members are not entitled to any benefits from the Issuer or the Management Company upon termination of their position. The members of Supervisory Board are also not entitled to any other benefits in kind by the Issuer for services in all capacities to the Issuer.

Composition and Term

In accordance with the Fund Rules, members of the Supervisory Board are appointed by the General Meeting. The Supervisory Board shall consist of three to five members. The following principles shall be followed when appointing the Supervisory Board members:

- 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;
- 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;
- at least one of the members should represent Unit-holders who are not related to the Management Company and are not related to the ten largest Unit-holders 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 Unit-holder.

The members of the Supervisory Board shall be appointed for a period of at least two years.

At the date of the Prospectus, the members of the Supervisory Board are:

Name	Born	Affiliation	Professional experience	Date of Appointment	Expiration of term of office
Andris Kraujins	1963	*Independent*	Several years of investment and real estate management experience in the Baltics	2 June 2016	unspecified term
Per Møller	1967	*Independent*	Several years of experience in audit services, asset management and real estate investments in the Nordics and the Baltics	2 June 2016	unspecified term
Raivo Vare	1958	*Independent*	Several years of experience in financial, transit and logistics and real estate sectors in the Baltics	2 June 2016	unspecified term
David Bergendahl	1962	*Independent*	Several years of experience in company management and real estate investments in the Nordics and in Russia	11 November 2016	unespecified term

The following table sets out current and past directorships held by the Supervisory Board members over the past five years:

Name	Former positions	Current positions
Andris Kraujins	- BOF, Member of the Investment Committee - MAK AUTO SIA, Member of Board - Cerfs SIA, Member of Board	- AKCI SIA, Member of Board, Founder - Sievietes veselības centrs SIA, Chairman of Board, Founder - MAK AUTO SIA, Founder
Per Møller	- Altechna UAB, CEO - Dansk Farm Management A/S, Chairman of the Supervisory Board - Ernst & Young, Denmark, CEO - Ernst & Young, Baltic's, Managing Partner - Infotrust P/S, Member of the Supervisory Board - Flextown ApS, Member of the Supervisory Board	- 70Ventures UAB, Managing Partner - VoiceBoxer ApS, Chairman of the Supervisory Board - Volt ApS, Chairman of the Supervisory Board - Circle Venture Capital UAB, Founder & CEO - Opeepl ApS, Chairman of the Supervisory Board - FinPro ApS, Member of the Supervisory Board - UAB Efektyvus procesai, Chairman of the Supervisory Board - Royalty Range Europe UAB, Member of the Supervisory Board - Paysolut UAB, Member of the Supervisory Board
Raivo Vare	- AS Eesti Raudtee, Chairman of the Supervisory Board - AS SmartCap, Chairman of the Supervisory Board OÜ - RVVE Group, Member of the Supervisory Board - A/S Trigon Agri, Member of the Board of Directors - President's Academic Advisory Board, Member - Estonian Cooperation Assembly, Member of the Supervisory Board - 3D Technologies R&D AS, Member of the Supervisory Board - Estonian Business School, Member of the Advisory Council	- Vareholding OÜ, Owner and CEO - Live Nature OÜ, Partner, Member of the Management Board - AS Sthenos Grupp, Partner, Chairman of the Supervisory Board - Trigon Dairy Farming Estonia AS, Member of the Supervisory Board - AS Smart City Group, Member of the Supervisory Board - AS Mainor Ülemiste, Member of the Supervisory Board - Öpiku Majad OÜ, Member of the Supervisory Board
David Bergendahl	- Torslanda Property Investment AB (publ), Member of the Board	- Hammarplast AB, CEO - Hammarplast Medical AB, Chairman of the Board - Transcutan AB, Chairman of the Board - Link Prop Investment AB (publ), Member of the Board

Andris Kraujins. Mr. Kraujins, born 1963, is the member of the Supervisory Board of the Fund. During the last ten years, Mr. Kraujins has acted as a private investor investing into different projects in health care, food processing, financial and hi-tech sectors. He graduated from Riga Technical University, Faculty of Automation and Computing Technique in 1986. In 1991, Mr. Kraujins graduated from Institute of International Relations at the University of Latvia.

Per Møller. Mr. Møller, born 1967, is the member of the Supervisory Board of the Fund. Per Møller is active in providing funding to start-up companies and also in offering his management expertise to entrepreneurs and executives. He has long-standing experience at Ernst & Young, Denmark, in transaction advisory, restructuring and reorganization as well as assurance/audit with companies in Denmark and the Baltics. Prior to joining Ernst & Young, Mr. Møller acted as the Managing Partner in Arthur Andresen, Baltic's. He graduated from Baltic Management Institute, International Executive MBA, in 2000 and from Copenhagen Business School, M.Sc. in Business Economics and Auditing, in 1991.

Raivo Vare. Mr. Vare, born 1958, is the Chairman of the Supervisory Board of the Fund. Raivo Vare is a well-recognised expert in the areas of infrastructure, logistics and corporate strategy. He has many managerial positions both in private and listed companies. Mr. Vare graduated from Law Faculty of University of Tartu (summa cum laude) in 1980, and from the Executive MBA programme of Estonian Business School (cum laude) in 2003.

David Bergendahl. Mr Bergendahl, born 1962, is the member of the Supervisory Board of the Fund. David Bergendahl graduated from Göteborgs universitet in 1988 receiving a Bachelor's degree in Economics. Mr Bergendahl is a co-owner and Chief Executive Officer of Hammarplast AB and is a board member in two public real estate investment companies in Sweden.

The Management Company is not aware of any compulsory liquidations of companies in which any of the members of the Supervisory Board has acted as a member of the administrative, management or supervisory body or as a senior manager. The Management Company is not aware of any convictions in relation to fraudulent offences, bankruptcies, receiverships or any official public incrimination and/or sanctions which would disqualify any of the Supervisory Board members from acting as a member of the Supervisory Board of the issuer with respect to the members of its Supervisory Board. The Management Company is not aware of any potential conflicts of interest between the duties of the members of its Supervisory Board and their private interests or other duties.

David Bergendahl holds at the date of this Prospectus 854,808 Units of the Fund, which constitutes 0,76% of total Units. Other members of the Supervisory Board do not hold any Units of the Fund as of the date of this Prospectus.

Meetings of the Supervisory Board

A meeting of the Supervisory Board shall be convened by the Management Company at least once in a quarter. Each member of the Supervisory Board and the Fund Manager(s) 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 Supervisory Board is entitled to pass decisions if more than half of the members take part in the meeting. 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.

Board Practices in the Management of SPVs

In order to make indirect investments in real estate property, the Management Company shall establish a special purpose entity separately for each investment. The Fund owns SPVs that have been established in the form of private limited companies in accordance with local company law (i.e. osaühing (OÜ) in Estonia, sabiedrība ar ierobežotu atbildību (SIA) in Latvia, and uždaroji akcinė bendrovė (UAB) in Lithuania). For more details on the SPVs, see section 8.8.5 “Asset Portfolio”.

The Management Boards of the SPVs are usually composed of two to three members, appointed by the Management Company. Management Board of the SPVs can include a representative from the Fund’s property management service provider. See further in section 8.9.8 “Property Management Service”. The everyday management of a SPV and the property will usually be the responsibility of one of the board members or the general director, if appointed. However, in order to ensure adequate risk management and informed decision-making, a Management Board member or the general director of a SPV may represent the SPV only together with another board member.

The Management Board members shall not be paid any remuneration, unless it is mandatory under local legislation. If the remuneration is mandatory under local legislation, a minimum salary under the law shall be paid. There are no, and is not expected to be, benefits foreseen in the service contracts with the Management Board members upon termination of employment or service.

8.5. FEES AND EXPENSES

In accordance with the Fund Rules, a Management fee, a Performance fee, a Depositary fee and certain expenses are paid on the account of the Fund. In addition, a fee for the services of Depositary is paid on the account of the Issuer. The total amount of fees and other expenses paid out of the Issuer (including out of SPVs) shall not exceed 30% of the NAV of the Fund per calendar year. Only the expenses specified in the Fund Rules can be paid on the account of the Isuer.

Management fee and Performance fee shall be calculated by the Management Company and paid in euros in accordance with respective invoice issued by the Management Company. The Depositary fee is calculated by the Depositary and paid in euros in accordance with respective invoice issued by the Depositary. Expenses are paid in currencies in which respective invoice has been issued. Fees and expenses are paid out of the Fund or directly by the SPVs in relation to which such fees or expenses have occurred to the extent that is allowed under applicable legislation. Value added tax (if applicable) is added to the fees and expenses.

The Management Company notes regarding section 15.4.1(r) of the Fund Rules that operational expenses include also accounting costs, due to which Issuer's accounting expenses are borne on the account of the Issuer. 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". The Unit-holders recognised and shared the understanding of the Management Company at the annual general meeting of the Unit-Holders held on 19 June 2018.

The amounts of fees paid are discussed in section 8.7 – Related party transactions.

Management fee

The Management Company shall be paid a management fee on account of the Fund for managing the Fund ("Management fee"). The Management fee shall be calculated as follows:

- 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.
  (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")).

- the Management fee shall be calculated based on the following rates and in the following tranches:
  - 1.50% of the Market Capitalisation below EUR 50 million;
  - 1.25% of the part of the Market Capitalisation that is equal to or exceeds EUR 50 million and is below EUR 100 million;
  - 1.00% of the part of the Market Capitalisation that is equal to or exceeds EUR 100 million and is below EUR 200 million;
  - 0.75% of the part of the Market Capitalisation that is equal to or exceeds EUR 200 and is below EUR 300 million;
  - 0.50% of the part of the Market Capitalisation that is equal to or exceeds EUR 300 million.

- the Management Fee shall be calculated after each quarter as follows:
  - the Market Capitalisation as calculated on the Fee Calculation Date, split into the tranches and each tranche of the Market Capitalisation (MCapt) multiplied by
  - respective fee rate (Fn) applied to the respective tranche, then the aggregate of the fees from each tranches multiplied by
  - the quotinent of the actual number of days in the respective quarter (Actualq) divided by 365 days per calendar year, as also indicated in the formula below

$$((MCap1 \times F1)+...+(MCap5 \times F5)) \times (Actualq / 365)$$

- 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.

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.

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

Performance fee

For each year, if the annual adjusted funds from operations of the Issuer 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% ("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 Issuer. New investments and acquisitions and follow-on investments into properties are not considered to be capital expenditures.

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. 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 Issuer's average NAV per year (upper Performance fee limit). Negative Performance Fee shall not be less than -0.4% of the Issuer's average NAV per year (lower Performance fee limit).

A Performance fee for the first year of the Issuer (i.e. 2016) shall not be calculated. The Performance fee first becomes payable in the fifth year of the Issuer (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 Issuer (i.e. 2017).

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

Depositary Fee

The annual Depositary fee will be 0.03% of the GAV, but not less than EUR 10 thousand per annum. The Depositary fee shall be calculated monthly and paid to the Depositary on the basis of an invoice submitted by the Depositary. 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 Issuer.

Other Expenses

The following other expenses are payable on account of the Issuer:

- fees for property management services;
- fees and costs related to the administration and maintenance of real estate properties belonging, directly or indirectly, to the Issuer;
- costs (including interest costs) relating to borrowing by the Issuer or SPV;
- costs for the valuation of real estate belonging, directly or indirectly, to the Issuer (when related to the regular valuation pursuant to the Fund Rules);
- costs and expenses related to set-up, restructuring, and liquidation of the Issuer, including fees of external consultants;
- the Registrar's fees for registering Units and for other services provided by the Registrar to the Unit-holders (when not payable directly by the Unit-holders);
- remuneration payable to Supervisory Board members;
- costs related to convening and holding General Meetings;
- costs related to convening and holding Supervisory Board meetings;
- costs for translating regular Investor notifications and reports that are required under legislation or the Fund Rules;
- costs for the Issuer's and SPVs' tax planning/tax structuring and tax advice, unless related to a direct or indirect acquisition of real estate by the Issuer;
- fees for the auditing of the annual reports of the Issuer and SPVs;
- costs of accounting and preparing the quarterly, semi-annual, and annual reports of the Issuer and SPVs, including tax statements and tax returns;
- tenant brokerage fees related to real estate belonging, directly or indirectly, to the Issuer;
- insurance costs and property taxes related to real estate belonging, directly or indirectly, to the Issuer;
- fees for marketing services related to the Fund and real estate belonging, directly or indirectly, to the Issuer, including expenses in relation to the marketing and distribution of the Issuer;
- costs and fees related to the listing of the Issuer pursuant to the Fund Rules;
- all other operational and financial expenses attributable to investments of the Issuer, including but not limited to capital expenditures;
- damages reimbursable in connection with the real estate investments of the Fund and with the management of such property;
- other charges concerning the Issuer 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);

- 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 Issuer or SPVs;
- 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;
- 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 Issuer's SPVs;
- the costs incurred in connection with any litigation, arbitration, or other proceedings in relation to the Issuer's assets, including any such proceedings in relation to assets held by SPVs;
- 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;
- taxes to be added to costs provided in above.

In addition, the Issuer 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 Issuer.

Contractual obligations towards investment properties

On 6 February 2020, the Fund signed a construction contract for the Meraki development project in Vilnius, Lithuania. The total capital commitment in respect to construction costs contracted amounts to EUR 2.5 million for the current construction phase. The total construction commitment could increase to EUR 22.9 million once the Fund approves all construction phases. The Fund has no other material commitments relating to the purchase, construction and development of investment properties.

8.6. CONFLICT OF INTERESTS

According to the knowledge of the Management Board of the Management Company, there are no known actual or potential conflicts of interests between the duties of any of the members of the Management Board and the Supervisory Council of the Management Company or the Supervisory Board of the Issuer, and their private interests and duties as at the date of this Prospectus.

8.7. RELATED PARTY TRANSACTIONS

During the reporting period, the Issuer entered into transactions with related parties. Those transactions and related balances are presented below. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. All transactions between related parties are priced on an arm's length basis.

Northern Horizon Capital AS

As set out in Baltic Horizon Fund Rules, Northern Horizon Capital AS (the Management Company) carries out asset manager functions on behalf of the Issuer and the Issuer pays management fees for it.

The Issuer´s transactions with related parties during the twelve-month periods ended on 31 December of 2019, 2018 and 2017 respectively and during the 8 months period ended on 31 August 2020 were the following:

Euro '000	**01.01.2020 – 31.08.2020**	**01.01.2019-31.12.2019**	**01.01.2018-31.12.2018**	**01.01.2017-31.12.2017**
Northern Horizon Capital AS group				
Management fees	1,145	1,679	1,391	1,153
Performance fees	124	379	166	-

The Issuer´s balances with related parties as at 31 August 2020, 31 December 2019, 2018 and 2017 were the following:

’000 Euro	31.08.2020	31.12.2019	31.12.2018	31.12.2017
Northern Horizon Capital AS group				
Management fees payable	283	474	354	311
Accrued performance fees	124	545	166	-

The Management Company is entitled to receive an annual management fee and performance fee as discussed in section 8.5 – Fees and expenses. The performance fee first becomes payable in the fifth year of the Issuer (i.e. 2020).

The Management Company owns, as at 31 August 2020, 7,737 units of the Issuer which represent 0.0068% of the total number of Units.

Entities having control or significant influence over the Issuer

The holders of units owning more than 5% of the units in total as of 2 October 2020, 31 December 2019, 2018 and 2017 are presented in the tables below:

As at 2 October 2020

	Number of units	Percentage
Nordea Bank AB clients	51,500,332	45.41%
Raiffeisen Bank International AG clients	16,300,147	14,37%

Both Nordea Bank Abp/Euroclear Sweden Non-Treaty Clients and Raiffeisen Bank International AG act as a nominee account holders. Based on the information available to the Management Company, the single largest unitholder and the only Unit-holder who holds directly over 5% of all Units in the Fund is Church of Sweden (*Svenska kyrkans pensionskassa*). As of 31 December 2019, the Church of Sweden held 13,970,696 of the Units, which constitutes approximately 12.32 per cent of the total.

As at 31 December 2019

	Number of units	Percentage
Nordea Bank AB clients	54,428,197	48.00%
Raiffeisen Bank International AG clients	17,561,032	15.49%

As at 31 December 2018

	Number of units	Percentage
Nordea Bank AB clients	34,630,979	43.97%
Clearstream Banking Luxembourg S.A.A clients	16,474,489	20.92%
Skandinaviska Enskilda Banken SA clients	4,565,556	5.80%

As at 31 December 2017

	Number of units	Percentage
Nordea Bank AB clients	35,335,740	45.63%
Catella Bank SA on behalf of its clients	17,705,618	22.86%
Skandinaviska Enskilda Banken SA clients	4,766,470	6.15%

Except for Dividends paid, there were no transactions with the Unit-holders disclosed in the tables above.

8.8. BUSINESS OVERVIEW

The Fund had a successful year of 2019 and achieved most of its targets also in Q1 2020. As the situation is uncertain and developing fast the Fund management team at this point is not yet able to make the final assessment of the full financial consequences of the virus outbreak. It is evident that the operating results of Q2 2020 and property valuations were affected by the COVID-19 effects on the tenants’ financial performance and relief measures taken to deal with the pandemic. However, based on the currently available information, the Management Company believes that the COVID-19 pandemic should rather have a temporary effect on the Fund’s results. Broad portfolio diversification should allow the Fund to limit the COVID-19 impact on the whole portfolio and maintain healthy consolidated operational performance.

In the response to COVID-19 outbreak, Northern Horizon Capital AS, the management company of the Fund has taken assertive action to manage the risks arising from the pandemic and to protect the health and safety of the public, our tenants, employees and partners.

The following measures are also in place to further mitigate the risks and protect the long-term interests of Baltic Horizon Fund and its investors:

- active communication channels with our tenants and property managers who on a regular basis inform us on the measures they are taking to ensure their business continuity. We have agreed on regular updates on tenants‘ performance and any issues.
- sufficient liquidity buffer in a form of cash balance to meet financial obligations in case of any temporary shortages in liquidity
- approached the developers and construction companies to inform us promptly of any potential delays in development projects.
- continuous stress testing of debt covenants to be able to take any necessary measures in due time.
- additional measures to protect the key staff of the Fund and ensure continuity: all employees are working remotely, all business travel is suspended, and succession plan has been reviewed and updated.

Baltic Horizon Fund implemented a number of relief initiatives during Q2 2020 focused on alleviating the financial hardship of the most vulnerable group of SME tenants, primarily in the retail sector, whose operations were most severely affected by the outbreak and the restrictive measures implemented by the Baltic governments to limit the spread of contagion.

The following relief measures were put in place:

- initial rent payment deferral for the period of 90 days (3 months) which could be extended depending on the development of the pandemic and governmental restrictions. Services charges and utilities should be paid as usual unless instructed otherwise by the service providers or the government.
- discuss and agree on an individual support package with each tenant and details around future cooperation.
- waiver of all penalties and interest arising from current rent deferral.

While the relief measures programme is no longer active, the Issuer and the Management Company will maintain an active dialogue with its tenants and property managers throughout the crisis period caused by COVID-19 outbreak and will carefully consider whether any additional measures will be needed in the future on a case-by-case basis.

Despite the impact of COVID-19, the Fund is looking forward to the recovery of Baltic economies and is monitoring the different acquisition opportunities during this crisis. With a long-term view, the Fund is also continuing with the preparations for its expansion projects aiming to be a solid long-term landlord partner for the top tenants in the region.

8.8.1. INVESTMENT OBJECTIVE AND POLICY

The objective of the Issuer 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 Issuer is to provide its unit-holders 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.

The focus of the Issuer is to 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. The Issuer seeks to become the largest commercial property owner in the Baltics. In the longer term it targets to reach a property portfolio size of EUR 1,000m and NAV of EUR 500m in order to maximize unitholder returns through cost efficiencies, increase negotiation power with tenants and sellers of properties and ensure high liquidity of its Units.

The investment strategy of the Issuer aims to take advantage of higher property yields in the Baltics. According to Colliers, prime yields for office and retail properties in the Baltic capitals stood at 6.0-6.5% at the end of 2019 exceeding yields in Western Europe, the Nordics and certain countries in Central Eastern Europe. Higher property yields enable the Issuer to generate greater cash returns, which are paid out to unitholders as dividends, and also offer a potential for capital appreciation due to possible compression in the Baltic yields. Dividends are payable quarterly (see section 8.8.3 “Dividends and Dividend Policy”).

The focus on the Baltic commercial real estate is also based on positive leasing trends: low vacancy (approximately 5% for offices and 2% for retail at the end of 2019, Colliers), gradually growing rent rates and a significant and still increasing presence of large international tenants. In addition, rising activity in Baltic property transaction market leads to greater availability of potential acquisition targets which is important for the implementation of the Issuer’s investment strategy. The turnover of property transactions, aggregated for all three Baltic countries, reached an all-time record of EUR 1.4bn in 2015 and remained high at EUR 1.07bn in 2019, which is 4% lower than in 2018.

The Issuer's geographical focus on the Baltics is supported by the stable macroeconomic situation in the region. All three Baltic countries are members of the EU and have euro as a national currency. Their economies have been growing at a higher pace than the EU average. Over the period from 2000 to 2019, annual real GDP growth averaged 3.5% in Lithuania (the 4th fastest in the EU), 2.6% in Latvia (the 10th fastest) and 3.7% in Estonia (the 3rd fastest). In contrast, the overall EU's GDP expanded by only 1.6% real per annum over the same period. Furthermore, government debt and private debt levels of the Baltic countries are among the lowest in the EU. Whereas the overall EU had a gross government debt to GDP ratio of 80% at the end of 2018, Estonia's government debt amounted to only 8,4% of GDP (the lowest in the EU), Lithuania's 34,2% and Latvia's 35,9% of GDP (the 6th and the 8th lowest respectively).

Up to 100% of the assets of the Issuer may be invested in real estate and securities related to real estate. The Issuer may invest in all types of real estate properties, including retail, office and logistics properties. Up to 20% of the Issuer's gross asset value may be invested in other types of properties, such as forward funding development projects and undeveloped land plots. Properties may also include real estate properties experiencing financial or economic distress.

The investments in real estate property are made either directly by acquiring title to the property or indirectly through holding shares in investment vehicles (e.g. special purpose vehicles, joint ventures) that hold title to the property. The Management Company holds investments through a separate investment vehicle for each investment that is made indirectly and aims to hold 100% shares in respective SPV.

The Management Company has, on account of the Issuer, 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 Issuer aims to leverage its assets and targets a debt level of 50% of the value of its assets. At no point in time may the Issuer's leverage exceed 65% of the value of its assets. Loans may be taken for periods of up to 30 years.

In investing in cash-flow-generating properties, the focus of the Management Company is on properties which hold long-term tenants and have opportunities for active asset management. The Management Company seeks to build and maintain a diversified portfolio of properties across cities, segments and tenants.

Investment objective and policy of the Issuer may only be amended by amending the Fund Rules under the resolution of the General Meeting. See section 8.4.2 "Management – the General Meeting of the Unit holders".

Although the objective of the Issuer is to generate positive returns to the Unit-holders, the profitability of the Issuer and positive returns for the Unit-holders are not guaranteed.

8.8.2. INVESTMENT RESTRICTIONS

General

The Issuer is a real estate investment fund and the Management Company aims to have adequate flexibility to pursue the investment opportunities available in the market. In addition to the limitations deriving from the investment objectives and policy of the Issuer, the IFA and the Fund Rules stipulate restrictions for investing the Issuer's assets.

In general, the weighting of each asset class, type of issuer, region and sector in the assets of the Issuer shall be determined in the course of the everyday management of the Issuer in line with the investment objectives, policy and restrictions. As the purpose of the Issuer is to invest in real estate property the acquisition process of which may be time-consuming, and provided further that new capital is raised to the Issuer via public or targeted offers of the Units, the Management Company aims to invest any new capital raised to the Issuer within a reasonable time period after the new capital is paid in. During that period of time the Issuer may not be in line with the investment restrictions. For example, the requirement to invest at least 80% of the assets in real estate property may not be met immediately after new capital has been raised by the Issuer until the property investment is made. The Management Company aims to raise new capital only when it has identified specific target investments and has achieved reasonable certainty in acquiring the property or properties.

Risk diversification requirements provided for in the Fund 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 Issuer is to observe the aforementioned requirements, taking into account the interests of the Unit-holders.

In general, in the event of breach of the investment restrictions stipulated in the IFA or in the Fund Rules that have occurred due to reasons outside the control of the Management Company, the Management Company will immediately take action to cure the situation in line with the Fund Rules. The Management Company shall inform investors of any material breach of the investment restrictions and of any actions taken to cure the breach via stock exchange release or by respective notice disclosed on the Website if the Units are not listed on a stock exchange.

Restrictions on Property Investments

In accordance with the IFA and the Fund Rules, at least 80% of the Issuer's assets shall be invested in real estate and securities relating to real estate in accordance with the investment objectives and policy of the Issuer. The following are securities relating to real estate:

- 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;
- the shares of special purpose vehicles whose main activity is direct or indirect (through subsidiaries) investment in real estate or management of real estate;
- derivative instruments the underlying assets of which are securities specified in above.

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

Additionally all investments of the Issuer are guided by the following principles set by the Management Company:

- the Fund only invests in properties where the investors can expect a steady income stream and have a good chance of a medium-term capital gain.
- the Fund actively focuses on minimizing and managing any potential downside risks while protecting the full upside potential of the investments.
- investment opportunities which challenge the integrity of the Management Company or is in conflict with the mission statement and core values is refused.
- each individual property is assessed upon acquisition as well as on an annual basis by independent valuators in compliance with the International Financial Reporting Standards (IFRS) and local valuation methods.
- the investment portfolio of the Fund shall consist of at least 4 separate real estate objects.
- the Fund may directly or indirectly (through SPV) invest into single real estate object and (or) SPV no more than 30% of the Fund's net asset value.
- the total sum of investments directly or indirectly (through SPV) into single real estate object and the movable property needed for its maintenance and (or) equipment cannot exceed 40% of the Fund's net asset value.
- the Fund may invest into derivative instruments (including derivative instruments relating to real estate whose underlying are units or shares of real estate fund or shares of SPV-s investing into or managing real estate) no more than 20% of the Fund´s net asset value.

For more detailed information on the property investments of the Fund, the valuation of the assets and the costs relating to the acquisition and holding of such property see the following sections of this Prospectus– 8.8.5 "Asset Portfolio", 8.5 "Fees and Expenses", 8.9.6 "Appraiser".

Restrictions on Other Types of Assets

Up to 20% of the Fund's assets may be invested in the following types of assets:

- deposits with credit institutions;
- shares and other similar tradable rights;
- bonds, convertible bonds and other tradable debt obligations issued;
- subscription rights and other tradable rights granting the right to acquire shares or bonds or similar tradable rights;
- money market instruments;
- tradable depositary receipts;
- derivative instruments.

Transactions with Derivate Instruments

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 Fund 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.

Other Restrictions

The Issuer 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.

8.8.3. DIVIDENDS AND DIVIDEND POLICY

In accordance with the Fund Rules, the Management Company intends to distribute the Issuer's cash flows ("Dividends"). The Issuer targets dividend distributions to its Unit-holders in the range between 80% of generated net cash flow (calculation explained in Table 5) and net profit adjusted for unrealized P&L items[1]. The distribution is based on the Issuer's short-term and long-term performance projections. The Management Company has discretion to distribute lower dividends than 80% of generated net cash flow in case liquidity of the Issuer is endangered. Dividends are to be paid on a quarterly basis.

Table 5 : Generated net cash flow calculation formula

Item	Comments
(+) Net rental income	
(-) Fund administrative expenses	
(-) External interest expenses	Interest expenses incurred for bank loan financing
(-) Capital expenditure	The expenditure incurred in order to upgrade investment properties; the calculation will include capital expenditure based on annual capital investment plans
(+) Added back listing related expenses	
(+) Added back acquisition related expenses	Include the expenses for acquisitions that did not occur
Generated net cash flow	

Table 6 illustrates historical dividend payments. Since the initial public offering in June 2016, the Issuer has distributed dividends each quarter – in line with its strategy to pay dividends quarterly. Until the date of this Prospectus, 16 quarterly dividends in total have been announced: 2 for distributing profits in 2020, 4 for distributing 2019 profits, 4 for distributing 2018 profits, 4 for distributing 2017 profits and 2 for distributing 2016 profits. The last 4 quarterly dividends (from Q3 2019 to Q2 2020) sum up to EUR 0.085 per unit representing an annual dividend yield of 7.2% on the Unit market price on Nasdaq Tallinn on the last day of the second quarter of 2020 (EUR 1.1758).

In total, the Fund has paid out EUR 11.31 million from the operating results of 2019 (EUR 2.45 million from Q1 2019, EUR 2.62 million from Q2 2019, EUR 3.06 million from Q3 2019 and EUR 3.18 million from Q4 2019).

In Q2 2020, the Fund generated an unaudited net cash flow from operations of approx. EUR 2.59 million. With a reduced payout of EUR 1.70 million in the light of prevailing market uncertainty, the Fund has opted to retain EUR 0.86 million of distributable cash flow. Over the past two quarters, the Fund has increased its cash distribution reserve to EUR 3.5million. The management company believes that it is in the best interest of the unitholders and the Fund to reduce its cash distribution at this time in order to protect and strengthen the Fund's financial position. The reduced cash distribution will improve the Fund's liquidity which should offer additional safety and confidence to all stakeholders.

In Q1 2020, the Fund generated net cash flow from operations of approx. EUR 3.50 million. With a reduced payout of approx. EUR 1.70 million in light of prevailing market uncertainty, the Fund has opted to retain approx. EUR 1.80 million of distributable cash flow. The Management Company believes that it is in the best interest of the Unitholders and the Fund to reduce its cash distribution at this time in order to strengthen the Fund's financial position until the extent of the potential impact of the COVID-19 pandemic becomes clearer. Lower quarterly cash distribution will be accompanied by operating cost reductions which will enable the Fund to maintain positive free cash flow during these difficult market conditions and put it on a sustainable path to return to previous distribution levels in the future. The Management company will continue to actively monitor the economic impact of the pandemic and reassess future distribution levels depending on the upcoming operating results.

As at the date of this Prospectus, the Issuer's total number of Units amounts to 113,387,525. Historical dividends adjusted to reflect the current number of Units are presented in Table 6.

[1] Such items include valuation gains/losses on investment properties, net gains/losses on disposals of investment properties and deferred income tax.

Table 6: History of dividend distributions

	2017				2018				2019				2020	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Per unit														
Dividend per unit, EUR	0.023	0.018	0.020	0.023	0.024	0.025	0.026	0.027	0.025	0.026	0.027	0.028	0.015	0.015
Trailing 12-month dividend yield[1]	-	6.8%	6.5%	6.8%	7.2%	7.5%	7.8%	7.8%	7.7%	7.5%	7.8%	8.0%	9.6%	7.2%
Dividend per unit adjusted for number of units as a the date of this Prospectus[2], EUR	0.012	0.010	0.011	0.016	0.017	0.017	0.018	0.019	0.022	0.023	0.027	0.028	0.015	0.015
Total, EUR thousand														
Dividends declared	1,317	1,164	1,293	1,781	1,900	1,977	2,044	2,119	2,449	2,624	3,061	3,175	1,701	1,701
Dividends paid	1,317	1,164	1,293	1,781	1,900	1,977	2,044	2,119	2,449	2,624	3,061	3,175	1,701	1,701

[1] *Computed as: a sum of 4 quarterly dividends per unit over a 12-month period / Unit market price on Nasdaq Tallinn on the last day of the last quarter in a 12-month period.*

[2] *Calculated as total amount of dividends declared for a period divided by the number of Units as at the date of this Prospectus – 113,387,525 Units.*

8.8.4. VALUATION

The net asset value of the Issuer 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 Issuer from which claims against the Issuer are deducted (the "NAV"). If it is not possible to determine market value of the assets, the value of the assets shall be determined on the basis of their probable sales price which has been determined reasonably, in good faith and proceeding from the best interests of Unit-holders and for which independent and competent parties would agree to conclude the transaction (fair value). The assets of the Issuer are securities (including shares of SPVs), other things and rights belonging to the Issuer. The NAV of a Unit equals the NAV of the Issuer divided by the number of Units issued and not redeemed as at the point of valuation. The Management Company is responsible for determining NAV of the Issuer and of a Unit. The NAV of the Issuer and of a Unit shall be calculated in euros and they shall be calculated monthly as of last banking day of each calendar month. The NAV of the Unit shall also be calculated as of each day when Units are issued. The valuation is conducted in accordance with the Valuation Policy of the Management Company, Fund Rules and Internal Rules for Determination of the NAV of the Issuer.

The main valuation principles for real estate property belonging to the Issuer are the following:

(i) to determine the market value of real estate property belonging to the Issuer, the Management Company shall ensure appraisal of such property at least once a year as at the end of the financial year and prior to auditing of the Issuer's annual report;

(ii) any real estate belonging to the Fund shall be appraised by one independent real estate appraiser appointed by the Management Company after consultation with the Supervisory Board. See section 8.9.7 "Appraiser";

(iii) report prepared by the real estate appraiser shall be accompanied with Management Company's internal valuation statement.

The NAV of the Issuer and of a Unit as of each last banking day of each calendar month, and issue price of a Unit shall be made available on the Website, by a stock exchange release disclosed on the website of the trading venue where the Units are admitted to trading, and at the registered office of the Management Company on the 15th day of the month following each calendar month.

In the event of inaccuracies in the NAV, which were caused by miscalculations or errors made in the determination of the NAV, the circumstances that caused the miscalculation or error shall be ascertained. The permitted error margin for the NAV of a Unit is 3% of the correct NAV of the Unit. Damage caused to Unit-holders by an error exceeding 3% in the determination of the NAV shall be compensated to Unit-holders on account of the Issuer either by issuing new Units or in money from the surplus assets of the Issuer.

The Management Company may suspend the determination of the NAV 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 Issuer would be impracticable or when, for any other reason, the prices of any investments owned by the Issuer cannot be promptly or accurately ascertained provided the suspension is justified with regard to the interests of Unit-holder. The suspension of the determination of the NAV of the Issuer will be announced on the Website.

8.8.5. ASSET PORTFOLIO

On the date of this Prospectus, the Issuer held a portfolio of 16 commercial properties (see Table 7) all of which were based in the capital cities of the Baltic States. All buildings in the portfolio were operational and generating rent revenue. In addition, the Issuer owned a 0.87 hectare land plot (Meraki) next to Domus Pro for its further expansion. The total size of the Issuer's property portfolio amounted to EUR 358.9m of fair value (including a land plot for Domus Pro's expansion) and 153.4 thousand sqm of rentable area as at 31 December 2020. As per annual valuation of the assets carried out by the Issuer at the end of 2019, Galerija Centrs SC was the largest holding accounting for 21% of the portfolio's value. Europa SC was the second largest asset constituting approximately 12% of the total fair value followed by Postimaja and Upmalas Biroji which accounted for 9% and 7%, respectively. The smallest property – Sky Supermarket – accounted for 1% of the total value.

The Issuer carried out a mid-year valuation of the assets in the portfolio dated 30 June 2020. The appraised value of the Issuer's asset as at 30 June 2020 constituted EUR 345.5 million. The total net leasable are has remained the same as was in 31 December 2019. Galerija Centrs SC was still the largest holding accounting for 20,6% of the portfolio's value. Europa SC was the second largest asset in the protfolio and constituted 11,5% of the total fair value. The mid-year valuations carried out by the Issuer as of 30 June 2020 are prepared as desktop valuations instead of full valuation reports. Desktop valuations do not have all parts required to classify it as full scope valuation report. Annual valuation carried out by the Issuer shall be classified as full scope valuation reports.

The property portfolio was well diversified in terms of both sectors and locations. In December 2019, retail and office segments constituted 51% and 45% of the total fair value of developed properties respectively. The remaining 4% were attributable to Coca Cola Plaza cinema complex representing a leisure segment. In 30 June 2020, retail segment constituted 50% of the total fair value of the portfolio, while office segement constituted 46%. Leisure segment is represented in the Issuer's asset portfolio as at 30 June 2020 by 4% of the total fair value of developed properties.

Location-wise, as at 31 December 2020, Riga with 5 properties comprised 40% (40% as at 30 June 2020) of the total fair value of developed properties followed by Vilnius with 6 properties at 34% (35% as at 30 June 2020) and Tallinn with 5 properties at 26% (25% as at 30 June 2020).

Figure 1: Value of developed properties breakdown by sector, 30 June 2020

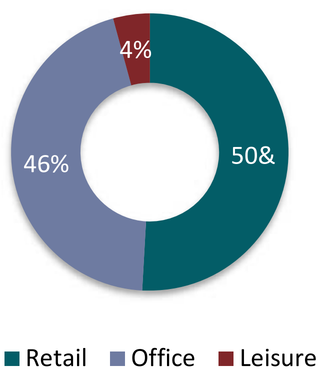
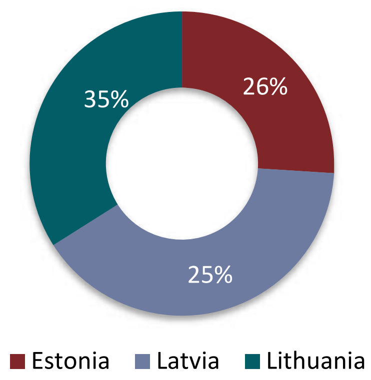


Figure 2: Value of developed properties breakdown by location, 30 June 2020



Low level of vacancy – 1.7% for the overall portfolio in December 2019 – indicated strong demand for space at the Issuer's properties. 7 buildings – Duetto I, Duetto II, Domus Pro Office, Upmalas Biroij, Vainodes I, LNK Centre, G4S, Lincona and Coca Cola Plaza – had no vacant space. Vacant premises in Domus Pro and Sky Supermarket comprised less than 2% of their rentable area. Overall vacancy in Riga is 1.8%, in Vilnius 1.3% and in Tallinn 4.0%. Although the overall vacancy rate increased by 1.4% from 1.7% to 3.04% between 31 December 2019 and 30 June 2020 (5.9%, 3.7% and 2.7% respectively in Riga, Tallinn and Vilnius as at 30 June 2020), 10 buildings out of 15 had no vacant space.

Table 7: Details of existing property portfolio, 31 December 2019 (and on 30 June 2020, if expressly stated)

Property	Acquisition date	Sector	Fair value, EUR'000[1]	Fair value EUR '000 (as at 30 June 2020)[2]	Rentable area, sqm	Vacancy	Vacancy (as at 30 June 2020)	WAULT, years
Vilnius								
Europa SC	2-Mar-2015	Retail	40,711	39,691	16,856	3.3%	8.4%	3.1
Domus Pro Office	1-Oct-2017	Office	7,740	7,590	4,831	0.0%	0.0%	2.3
Domus Pro Retail Park	1-May-2014	Retail	16,670	16,170	11,247	2.5%	2.34%	3.8
Duetto I	22-Mar-2017	Office	16,460	16,250	8,586	0.0%	0.0%	2.4
Duetto II	27-Feb-2019	Office	18,935	18,665	8,674	0.0%	0.0%	4.2
North Star	11-Oct-2019	Office	20,092	19,743	10,550	2.1%	0.0%	4.1
Total Vilnius			**120,608**	**118,109**	**60,744**	**1.7%**	**2.7%**	**3.4**
Riga								
Galerija Centrs	13-June 2019	Retail	76,409	71,277	20,022	4.0%	14.2%	2.5
Upmalas Biroji	30-Aug-2016	Office	24,198	23,011	10,458	0.0%	0.0%	2.5
Vainodes I	12-Dec-2017	Office	20,890	20,830	8,052	0.0%	0.0%	14.0
LNK Centre	15-Aug-2018	Office	17,000	16,490	7,453	0.0%	0.0%	6.2
Sky Supermarket	1-Jan-2013	Retail	4,850	4,960	3,254	0.6%	1.6%	2.9
Total Riga			**143,347**	**136,558**	**49,239**	**1.7%**	**5.94%**	**4.4**
Tallinn								
Postimaja	13-Feb-2018	Retail	32,250	30,550	9,145	7.6%	4.4%	4.7
G4S Headquarters	12-Jul-2016	Office	17,550	16,790	9,179	0.0%	0.0%	3.2
Lincona	1-Jul-2011	Office	17,820	16,470	10,871	0.0%	1.8%	3.7
Coca Cola Plaza	8-Mar-2013	Leisure	15,150	14,250	8,664	0.0%	0.0%	3.1
Pirita	16-Dec-2016	Retail	9,850	9,540	5,508	9.3%	18.0%	5.4
Total Tallinn			**92,620**	**87,600**	**43,367**	**2.8%**	**3.7%**	**4.0**
TOTAL DEVELOPED PROPERTIES			**356,575**	**342,267**	**153,350**	**2.0%**	**4.03%**	**3.9**
Meraki land	16-May-2018		2,367	3,274				
TOTAL INVESTMENT PROPERTIES			**358,942**	**345,541**				

[1] *Based on the latest valuation as at 31 December 2019 and recognised right-of-use assets.*
[2] *Based on the latest mid-year valuation as at 30 June 2020 and recognised right-of-use assets.*

An average remaining lease term was in line with the Issuer's targets. As of December 2019, the portfolio's WAULT stood at 3.9 years. Of all holdings, Vainodes I, which was acquired in December 2017, had by far the longest remaining lease term of 14.1 years thanks to a long lease contract with its anchor tenant – Latvia's State Forests. LNK Centre had the 2nd longest WAULT of 6.2 years followed by Pirita with 5.4 years. The shortest WAULT was 2.3 years of Domus Pro Office. Galerija Centre was acquired in June 2019 and it is the biggest asset in portfolio with a WAULT on 2.5 years.

Realisability of the portfolio

The Fund has no restrictions on the realisability of its investment properties.The group, where the Fund belongs to, complies with all special conditions and covenants set under the bank loan agreements and bond issue terms and conditions. As of 30 June 2020, the Group complied with all the covenants set under the bond issue terms and conditions and bank loan agreements.

Galerija Centrs

Additional information is presented in relation to Galerija SPV in accordance with Item 2.2 of Annex 4 of the Delegated Regulation. According to Item 2.2 (a) of Annex 4 of the Delegated Regulation, certain information shall be disclosed if more than 20% of the gross assets of a collective investment undertaking is invested in issuer's subsidiary. Galerija SPV, being one hundred per cent subsidiary of the Management Company constitutes, at the date of this Prospectus, approximately 20.6 per cent from the total gross assets of the Issuer.

Galerija Centrs was acquired on 13 June 2019 with a purchase price of EUR 75 million, which corresponds to an estimated entry yield of 6.7%. It is the largest asset in portfolio, as of 31 December 2019, the property comprised 21% of the portfolio's total fair value and as of 30 June 2020 it comprised 20.6% of the portfolio's total fair value.

Galerija Centrs is held by Galerija SPV - TAMPERE INVEST SIA, a special purpose vehicle registered in the Republic of Latvia with a registration number 40003311422 and holding title to the Galerija Centrs property with a registered share capital of 5,438,595 euros and with a nominal value of 1 euro per share. The LEI code of Galerija SPV is 549300EK0SDVHMS24I95.Galerija SPV was established in 02.10.1996 as a private limited liability company and without specific term. Galerija SPV operates under the laws of Republic of Latvia. Galerija SPV has no subsidiaries or affiliates. Galerija SPV is one hundred per cent subsidiary of Northern Horizon Capital AS. The management board of the Galerija SPV has three members: Tarmo Karotam, Algirdas Vaitiekunas and Ausra Stankeviciene with the terms of of office beginning at 17 June 2019 and lasting three years as of the date of beginning of the term. All the board members are entitled to receive minimum salary payments in accordance with Latvian laws, however no salary payments were made in 2019. For more details about the management board members of Galerija SPV, please see Section 8.9.2 – "The Management Compay - Supervisory Council, Management Board and Key Executives".

Galerija SPV does not have audit commitee or remuneration committee. Galerija SPV does not follow a specific corporate governance regime as none of those are directly applicable to Galerija SPV. There are currently no changes planned in relation to the composition of the the management board of Galerija SPV.

Galerija SPV does not have a separate dividend policy. The assessment whether to pay dividends will be made by the management team of the sole-shareholder of Galerija SPV each year. A decision whether to distribute dividends is based on Galerija SPV's performance and liquity at the moment of potential distribution. For the past three years, Galerija SPV has distributed dividends to its sole-shareholder if the following amounts: 2,392,715 euros in 2017, 42,761,675 euros in 2018 and 0 euros in 2019.

The only investment and significant asset of Galerija SPV is Galerija Centrs. Galerija Centrs is located in Riga, Latvia and Galerija SPV has no other business activity than owning, developing and managing the investment by managing the lease agreements of the tenants of the property. Galerija SPV only operates in Riga. It has no employees, the property management service was outsourced to a related company of previous owner of Galerija SPV, as of the closing of acquisition property management is outsourced to property management company BPT Real Estate SIA, also managing other properties in Fund´s portfolio. For more details about the property management service, please see Section 8.9.8 – "Property Management Service".

The Galerija Centrs property is located on Audeju Street 16, 1050 in Riga Old Town, next to the National Opera. As a block of Old Town, the 5-floor property complex consists of two buildings connected with a passage of glass roofed arcade. Originally opened as Army Department Store in 1938, the high street retail centre was last refurbished in 2006 with an added extension. The net leasable area of the property is 20,073 m^2 . The anchor tenants include H&M, RIMI, Massimo Dutti, Douglas, Lindex, Esprit, Gant, Marc O'Polo, Max Mara Weekend and others. The fifth floor houses a healthcare centre, a beauty salon and a fitness club.

Table 8: Details of Galerija Shopping Centre, 30 June 2020

Acquisition date	13 June 2019
Acquisition price	EUR 75,000 thousand
Construction	1938/2006 (renovation)
Type	Shopping center
Location	Audeju Street 16, 1050 Riga, latvia
SPV	TAMPERE INVEST SIA, registry code 40003311422, date of incorporation 02.10.1996, registered address Audēju iela 16, Riga LV-1050, Latvia. The sole shareholder of the company is the Management Company on behalf of and for the benefit of the Fund.
NLA	20.022 sqm
Fair value	EUR 71,277 thousand
Vacancy	14.2%
WAULT (as of 31 December 2019)	2.5 years
No of tenants (as of 31 December 2019)	84
Major tenants	H&M (apparel) Rimi (grocery) Sporta Klubs (fitness club) Lindex (apparel) Reserved (apparel)

Europa SC

Europa SC is the second largest asset in the Issuer's property portfolio. As of 31 December 2019, the property comprised 11,4% of the portfolio's total fair value and 11.5% as at 30 June 2020. With 16,856 sqm of leasable space Europa SC is one of the largest shopping malls in Vilnius. It was built in 2004 together with a connected office tower (known as Europa Business Centre) by Hanner, a Lithuania-based construction and real estate development group, which still owns the adjacent office tower. At the completion of construction, the SC was purchased by BPT Secura AS, a private real estate fund managed by Northern Horizon Capital group, which held the property for more than 10 years. As BPT Secura AS was nearing its fund term, it launched a sale tender process for Europa SC. BOF won the process leading to the acquisition of the property in March 2015.

Compared to other large shopping malls in Vilnius, Europa SC is the most centrally located. Its location in the very heart of CBD means that its catchment area includes surrounding office towers/complexes such as Europa Business Centre, 3 Bures, Vilnius Municipality, Swedbank's Lithuanian headquarters, K29 and Quadrum Business City. In addition, there are three large hotels, Radisson Blu, Best Western and Holiday Inn, closely located enabling Europa to attract tourists.

The location of Europa SC has solid future potential too. The number of people working in its catchment area will continue growing since there is still plenty of undeveloped space around Konstitucijos avenue, the artery of Vilnius CBD. Construction of 30,000 sqm Quadrum Business City was completed in September 2016 bringing Lithuanian headquarters of DNB, the third largest bank in the country, to CBD. In 2018 construction of a 10,000 sqm expansion of Quadrum began. In 2018, Eastnine commissioned a 13,000 sqm office tower, the third one in its 3 Bures complex which is located next to Europa SC. What is more, in 2018 Lords LB began construction of a 12,700 sqm office building, majority of which was pre-leased to SEB, one of the two largest banks in Lithuania. Lords LB is also preparing to build a 19,000 sqm office tower just on the opposite side of Konstitucijos avenue to Europa SC. Development of new office projects is highly positive for the property as they increase a number of potential shoppers in the area.

Europa SC markets itself as a "City Style Centre". Fashion products are the key focus. Visitors are offered a wide selection of clothing, footwear, accessories and beauty shops. In recent years the SC has attracted more and more upscale brands such as Michael Kors (flagship store), Karen Millen, MaxMara, etc. The Management Company believes that, of the large shopping malls in Vilnius, Europa now has the most upscale fashion offering. As a result, its target customer group is leaning towards higher income shoppers. This market positioning is supported by Europa's location in CBD where people with generally higher wages are employed.

Europa's anchor tenant is a grocery store of Maxima – a leading Baltic retail chain. In the first quarter of 2014 the lease contract with Maxima was renewed for another 10 years. At the same time a 10-year lease contract was signed with fitness club Lemon Gym which became the third largest tenant in the property. This move reflects the strategy to expand consumer experience in the SC by offering activities alternative to shopping. Apranga, a leading fashion retailer in the Baltics, has 9 stores in Europa SC of which 6 are franchises of upscale international brands including MaxMara and Karen Millen. Confirming the primary focus on fashion offering, in October 2015 Europa saw the opening of a 347 sqm Michael Kors store – the first one in Lithuania. Among the largest tenants, there is also a number of restaurants including one from Vapiano, a global chain. Thanks to its location in CBD, Europa is an important lunch spot.

An expansion project has been drawn up for Europa SC which would add 300-500 sqm of new area by constructing a first floor extension on the south side of the SC. The new premises would be dedicated to restaurants, cafes and stores. The expansion project would also include a renewal of the SC's main entrance and installation of windows to upper facade where restaurants are located. The Management Company estimates the investment to be in the area of EUR 300 thousand. At the date of the Prospectus, the development process in ongoing.

Europa SC is situated on two land plots, whereas land plot 1 is in the co-ownership of Europa SPV, Hanner AB and the Republic of Lithuania and land plot 2 is in the co-ownership of Europa SPV and Hanner AB. Co-owners of land plot 1 have entered into the Agreement of Co-owners, which provides for the exact parts of the land plot 1 used by each of the parties. Europa SC occupies also 2,154 m² (comprising 23.7% of the total land area of Europa SC) of the land attributed to the Republic of Lithuania. Therefore, Europa SPV and the Republic of Lithuania are in the process of concluding a lease agreement for such land.

The Issuer also owns 50% of the 7-floor parking house connected to Europa SC which constitutes approx. 500 parking places. The parking house is in co-ownership with Hanner AB.

Table 9: Details of Europa SC, 30 June 2020

Acquisition date	2 March 2015
Acquisition price	EUR 35,787 thousand
Construction	2004
Type	Shopping centre
Location	Konstitucijos av. 7A, 7B, Vilnius, Lithuania
SPV[1]	BOF Europa UAB, registered on 6 October 2004, registry code 300059140, registered address at Gyneju st. 16, Vilnius, Lithuania. The sole shareholder of the company is the Management Company on behalf of and for the benefit of the Fund.
NLA	16,856 sqm
Fair value	EUR 39,691 thousand
Vacancy	8.4%
WAULT (as of 31 December 2019)	3.1 years
No of tenants (as of 31 December 2019)	62
Major tenants	Maxima (grocery) Apranga (fashion): *MaxMara Karen Millen, Strellson, Marella, etc.* Vapiano (restaurant) Suit Supply (fashion) Michael Kors (fashion) Douglas (cosmetics) Fortas (restaurant) LPP (fashion) Gerry Weber (fashion) Lemon Gym (fitness club)

Postimaja

Postimaja, purchased by the Issuer in February 2018, is the 3rd largest property in the portfolio comprising 9% of its total fair value at the end of December 2019 and 8.8% at the end of June 2020. It is a shopping centre situated in the heart of Tallinn next to Coca Cola Plaza, a cinema property owned by Issuer since March 2013.

One of the key reasons for investing in Postimaja was a development plan to connect it with Coca Cola Plaza. That includes a new exterior design, expansion in existing leasable area and improvement in functionality between the two buildings as well as the Rotermann Quarter, an old industrial part of Tallinn, which has been redeveloped into a modern urban area. The expansion follows social responsibility principles closely cooperating with the city of Tallinn, as it is one of the prime locations of the city. The key goal is to facilitate pedestrian traffic moving from the city center towards the central harbour area and improve the access to Rotermann Quarter. HG Arhitektuur OÜ with its work the "Rotermann Passage" was selected as the partner to work out the architectural solution for connecting Postimaja and Coca Cola Plaza. The expansion would add approximately 5,000 sqm of new space that could be rented out to tenants looking for retail and office premises in the center of Tallinn.

The property is former headquarters of Estonian Post, which in 2013 was completely reconstructed converting it into a modern shopping centre. It currently offers more than 9,000 of retail space across 3 storeys which is occupied by a varied mix of tenants including a grocery, clothing stores, restaurants and a fitness club. At the date of the Prospectus, the development process is ongoing.

Fashion chains – H&M, New Yorker and NS King – are among major tenants at Postimaja. Another key tenant is Rimi grocery shop (part of ICA Gruppen, a listed Nordic retailer). The Issuer has a well-established relationship with Rimi retail chain as it also leases space at the Issuer's two other properties (Pirita in Tallinn and Domus Pro in Vilnius). Customer experience is supplemented by a fitness club run by MyFitness, the largest network of sports clubs in Estonia, which is also a tenant at Pirita.

Table 10: Details of Postimaja, 30 June 2020

Acquisition date	13 February 2018
Acquisition price	EUR 34,477 thousand
Construction	2013
Type	Shopping centre
Location	Narva road 1, Tallinn, Estonia
SPV	BOF CC Plaza OÜ, registry code 12399823, registered address at Rävala st. 5, Tallinn, Estonia. The sole shareholder of the company is the Management Company on behalf of and for the benefit of the Issuer.
NLA	9,145 sqm
Fair value	EUR 30,550 thousand
Vacancy	4.4%
WAULT (as of 31 December 2019)	4.7 years
No of tenants (as of 31 December 2019)	14
Major tenants	H&M (fashion) New Yorker (fashion) Rimi (grocery) MyFitness (fitness club)

Domus Pro

Domus Pro is the 4th largest asset in the portfolio comprising 6.84% of its fair value as of 31 December 2019 and 6.9% as at 30 June 2020. The property is a neighborhood shopping center located in Perkunkiemis district in the north eastern part of Vilnius. Perkunkiemis is one of the newest and one of the fastest growing neighborhoods in Vilnius. It is primarily seen as a residential area since a large number of residential projects were developed there in recent years. On the other hand, new office buildings were also constructed as the area attracted the interest of both local and international companies (for instance, Swedbank and Affecto) requiring large office spaces.

Initially, Domus Pro was a typical neighborhood-type shopping center offering everyday goods and services. However, thanks to its two expansions developed over 2015-2017 the property significantly expanded and diversified its tenants mix and substantially widened customer experience it offers to its visitors. With the completion of the 2nd stage, a large home-improvement store and a fitness club moved in while the 3rd stage added over 4,500 sqm of office space.

Domus Pro is the only asset in the portfolio in which the investment was made while the property was still in a development phase. The acquisition process was initiated in July 2013 by singing a share purchase agreement with Domus Pro project's developer TK Development. It is a Denmark-based real estate development company active in Nordics and CEE and specializing in development of SCs. After signing of SPA, forward financing of around EUR 2.0m was provided to the developer. This led to the start of construction of the first stage (7,500 sqm) of the project. Domus Pro opened its doors in early 2014 and the acquisition was closed in May 2014.

The anchor tenant at the first stage is a grocery store of Rimi retail chain (part of ICA Gruppen, a listed Nordic retailer). Other major tenant is Assorti – an upscale grocery store focusing on more premium and rarer products than a general grocer. Smaller tenants are common to neighbourhood SCs: a pharmacy, a restaurant, a pet shop, etc.

Following the positive performance of the first stage, the option to build the second stage (3,700 sqm) was exercised and construction began in March 2015. New space was fully pre-let to two tenants. The first part of the expansion with 1,500 sqm of rentable space was opened to shoppers in December 2015 and it houses Hansa Plyteliu Turgus home-improvement store. The second part of the new stage was commissioned in May 2016. Its 2,200 sqm is occupied by Fitus, a fitness club with a 25-meter swimming pool, enabling the SC to offer a wider customer experience to its visitors.

The Management Company decided to expand Domus Pro complex further by developing its 3rd stage – a 6 story building with net rentable area of 4,831 sqm. The first floor is dedicated for retail purposes while upper floors house office space. The extension has a 2-story underground parking lot with 50 spaces. Development was carried out by TK Development which also worked on the development of the first two stages of Domus Pro. Construction of the 3rd stage began in December 2016 while commissioning took place in October 2017. At the end of December 2018, the new expansion had only 1.6% of vacant space. The largest tenant, occupying around a third of rentable area, is Narbutas, a leading Lithuanian producer of office furniture. The building has BREAAM certification indicating high standards of environmental sustainability and efficiency.

Following successful development of two expansions, in May 2018, the Issuer purchased a 0.87 hectare land plot (Meraki) next to Domus Pro for EUR 1.7m with a goal to expand the property further. At the date of the Prospectus, the development process is ongoing.

Table 11: Details of Domus Pro, 30 June 2020

Acquisition date	SPA signed in July 2013, final closing in 1 May 2014
Acquisition price	EUR 12,087 thousand
Construction	1st stage 2014; 2nd stage 2015/2016; 3rd stage 2017
Type	Shopping centre (1st and 2nd stages) and office (3rd stage)
Location	Bieliunu st. 1, Vilnius, Lithuania
SPV	BOF Domus Pro UAB, registry code 225439110, registered address at Gyneju st. 16, Vilnius, Lithuania. The sole shareholder of the company is the Management Company on behalf of and for the benefit of the Issuer.
NLA	16,078 sqm, of which 11,247 sqm retail and 4,831 sqm office
Fair value	EUR 23,760 thousand, of which EUR 16,170 thousand retail and EUR 7,590thousand office; In addition, EUR 3,274 thousand value of a land plot for further expansion
Vacancy	Office 0.0%; retail park 2.34%
WAULT (as of 31 December 2019)	Office 2.3 years; retail park 3.8 years
No of tenants (as of 31 December 2019)	30
Major tenants	**Retail:** Rimi (grocery) Fitus (health and fitness club) Hansa Plyteliu Turgus (home-improvement) MyOutlet (fashion) **Office:** Narbutas (furniture) Pet City (pet store and veterinary clinic) Baltic Consol Line (transportation)

Upmalas Biroji

Upmalas Biroji office in Riga is the second of the two properties (the other one is G4S Headquarters) acquired by investing proceeds from the Issuer's initial public offering in June 2016. Its purchase was closed on 30 August 2016.. As of 30 June 2020 Upmalas Biroji represents approximately 6,7% of the total portfolio making it the 5th largest asset in Issuer´s portfolio.

Upmalas Biroji is a 5-storey office building located in Southern Riga, 10 minutes away from Riga's center and 15 minutes away from Riga's airport. It was built in 2008 by a German developer Bauplan Nord which continues to act as a property manager for Upmalas Biroji. The building is equipped with modern technological solutions with a clear focus on sustainability and efficiency. In 2013 it won "The Most Sustainable Building in Latvia" award.

As of 31 December 2019, the property was leased to 9 tenants and had 100% occupancy, which has remained the same as of 30 June 2020 The tenants were mostly comprised of top-class international companies such as SEB, a Nordic bank, Cabot, a US-based specialty chemicals and performance materials company, Bosch, a Germany-headquartered global engineering and electronics group, and

Johnson & Johnson, an American multinational pharmaceutical and consumer products company. The tenants use the building primarily for back-office operations. SEB is the largest leaseholder constituting approx. half of property's total annualized rental income (as of 31 December 2019) followed by Cabot comprising approx. a fifth of annualized rental income.

Table 12: Details of Upmalas Biroji, 30 June 2020

Acquisition date	30 August 2016
Acquisition price	EUR 23,573 thousand
Construction	2008
Type	Office
Location	Mukusalas st. 101, Riga, Latvia
SPV	Kontor SIA, registry code 40003771618, registered address at Mukusalas st. 101, Riga. The sole shareholder of the company is the Management Company on behalf of and for the benefit of the Fund.
NLA	10,458sqm
Fair value	EUR 23,001 thousand
Vacancy	0.0%
WAULT (as of 31 December 2019)	2.5 years
No of tenants (as of 31 December 2019)	9
Major tenants	SEB (banking) Cabot (specialty chemicals) Bosch (engineering and electronics) Johnson & Johnson (pharmaceutical and consumer products) Mylan (pharmaceutical)

Vainodes I

In December 2017, the Issuer completed the acquisition of the 10th building in its property portfolio – Vainodes I in Riga. The asset comprised 5,8% of the portfolio's total fair value at the end of December 2019 and 6.0% at the end of June 2020.

The property is a 4-storey office complex with 8,052 sqm of leasable area (9,538 sqm of gross area) and 300 onground parking spaces. The full reconstruction and expansion of the property was completed in 2014. There is also significant development potential – the property has building rights for a 17-storey extension with over 18,000 sqm of leasable office space and a 4-storey car park with over 250 places.

The building is located within 10 minute drive from the city centre, next to Karla Ulmana avenue which is one of the main roads in Riga connecting its centre with periphery districts and the airport. The building boasts easy access both by public and private transport. The newly acquired property is fully occupied and has 3 tenants. The anchor tenant, occupying 92% of total NLA, is Latvia's State Forests – a state-owned enterprise responsible for management of state-owned forests in Latvia. In November 2014, it signed a lease agreement for a 10-year unbreakable term plus another 10-year term with a 2-year break option. The other two tenants include Abbvie, a US-based international pharmaceutical company, and Baltic Restaurants Latvia which operates a restaurant on the 1st floor of the property.

Table 13: Details of Vainodes I, 30 June 2020

Acquisition date	12 December 2017
Acquisition price	EUR 21,296 thousand
Construction	2014
Type	Office
Location	Vainodes st. 1, Riga, Latvia
SPV	Vainodes Krasti SIA, registry code 50103684291, registered address at Agenskalna st. 33, Riga. The sole shareholder of the company is the Management Company on behalf of and for the benefit of the Issuer.
NLA	8,052 sqm
Fair value	EUR 20,830thousand
Vacancy	0.0%
WAULT (as of 31 December 2019)	14.0 years
No of tenants (as of 31 December 2019)	3
Major tenants	Latvia's State Forests (forestry) Abbvie (pharmaceutical) Baltic Restaurants Latvia (restaurant)

North Star

On 11 October 2019, the Fund completed the acquisition of the North Star Business Centre located in Vilnius, Lithuania. North Star is a B-class office building comprising of a net leasable area of 10,550 sqm over 7 floors with 310 underground parking spaces situated over two underground floors plus additional 60 parking spaces on the ground level. The asset is located in Zirmunai district, in close vicinity to Ogmios City, boasting good connectivity to Vilnius CBD, Vilnius downtown and the majority of the residential districts in Vilnius. The asset was fully leased out by the end of Q4 2019, with the Lithuanian Tax Inspectorate occupying approx. 43% of the leasable area. The asset is expected to boost Issuer´s long term dividend yield. North Star delivered a 6.8% direct property yield and 6.9% net initial yield for Q4 2019. The fair value of the property decreased from EUR 20,792 thousand measured as acquisition costs to EUR 20,010 thousand as of 31 December 2019. As of 30 June 2020 the fair value of the property was EUR 19,743 thousand. As of 30 June 2020, North Star the 7th largest property on the Issuer's portfolio with approximately 5,7% of the total.

Table 14: Details of North Star Business Centre, 30 June 2020

Acquisition date	11 October 2019
Acquisition price	EUR 20,792 thousand
Construction	2009
Type	Business center
Location	Ulonų Street 2, 08245 Vilnius, Lithuania
SPV	BH NORTHSTAR UAB, registry code 305175896, date of incorporation 29.05.2019, registered address Ulonu g. 2, LT-08245 Vilnius, Lithuania. The sole shareholder of the company is the Management Company on behalf of and for the benefit of the Fund.
NLA	10,550 sqm
Fair value	EUR 19,743 thousand
Vacancy	0.0%
WAULT (as of 31 December 2019)	4.1 years
No of tenants (as of 31 December 2019)	8
Major tenants	*Lithuanian State Tax Inspectorate*

Duetto II

Duetto II is a newly built 10-storey office center with an underground parking lot. It is located in the western part of Vilnius, next to a recently constructed Vilnius western ring road. The property has an A class in energy efficiency and BREEAM certification. Duetto II was developed by a Lithuanian subsidiary of YIT, a listed Finnish real estate and construction company. The seller provided a 2-year (from the acquisition date) guarantee for starting net rental income which at an acquisition price of EUR 18.3m implies a 7.1% annual yield. Duetto II constituted 5,3% of the value of the Issuer's property portfolio on 31 December 2019 and 5.4% at the end of June 2020. It is the newest property in the Issuer's portfolio in terms of construction completion (finished in 2018).

NLA at the property amounts to over 8,500 sqm. Given the 2-year guarantee of full-occupancy net rental income by the seller, effective vacancy is zero. Any shortage between an actual rent and the guaranteed amount is covered by YIT Kausta on a monthly basis. As at February 2019 Duetto II had 6 market leading tenants. Main tenants were Rimi Office, Vilnius Heating, Sweco, Astra Zeneca.

Table 15: Details of Duetto II, 30 June 2020

Acquisition date	27 February 2019
Acquisition price	EUR 18,323 thousand
Construction	2018
Type	Office
Location	Spaudos st. 8, Vilnius, Lithuania
SPV	BH Duetto UAB, registry code 304443754, registered address at Jogailos st. 9, Vilnius. The sole shareholder of the company is the Management Company on behalf of and for the benefit of the Issuer.
NLA	8,674 sqm
Fair value	EUR 18,665thousand
Vacancy	0.0%
WAULT (as of 31 December 2019)	4.2 years
No of tenants (as of 31 December 2019)	10
Major tenants	Rimi Office (grocery) Vilniaus Heating (heating-utility) Astra Zeneca (pharmacy)

Lincona

Lincona accounted for 5% of the portfolio's total fair value on 31 December 2019 and 4,8% at the end of June 2020. The property is a complex of three connected office buildings (total NLA of 10,870 sqm) and a parking facility for 378 vehicles. Babycenter, a standalone building of 674 sqm acquired together with the whole complex in July 2011, was disposed in March 2015 for EUR 1.0m with an annualised return of 24%. Lincona was the first asset in BOF's portfolio acquired in 2011.

The property is located in a southern part of Tallinn next to Pärnu road, one of the city's main transport arteries. It is also close to two main street intersection (Tammsaare Road and Järvevana Road) which makes the office easily accessible from all major districts of Tallinn. The first floor premises are used for retail and catering while upper floors are dedicated to offices.

At the end of December 2019, there were 13 tenants at Lincona. An anchor tenant is Swedbank which uses premises for back office operations. In August 2017, the Issuer successfully renewed a lease agreement with Swedbank for another 7 years until August 2024. The second largest leaseholder is Information System Authority of the Republic of Estonia constituting around a fifth of total annualized rent. It is a public institution responsible for developing Estonia's national information system. Creative Mobile – an independent mobile game developer whose games are in the top charts at Google Play and Apple's App Store – is the third largest tenant at Lincona.

Table 16: Details of Lincona, 30 June 2020

Acquisition date	1 July 2011
Acquisition price	EUR 15,396 thousand (incl. divested Babycenter part)
Construction	2002/2008 (renovation)
Type	Office
Location	Pärnu rd. 139a / Kohila st. 2a, Tallinn, Estonia
SPV	BOF Lincona OÜ, registry code 12127485, registered address at Rävala pst 5, Tallinn. The sole shareholder of the company is the Management Company on behalf of and for the benefit of the Fund.
NLA	10,871 sqm
Fair value	EUR 16,470 thousand (excl. Babycenter which was sold for EUR 1.0m)
Vacancy	1.8%
WAULT (as of 31 December 2019)	3.7 years
No of tenants (as of 31 December 2019)	13
Major tenants	Swedbank (banking) Information System Authority (public institution) Creative Mobile (game developer) Muster (interior design) – shop Liewenthal Electronics (IT & engineering)

G4S Headquarters

G4S Headquarters office building in Tallinn was the first of the two properties that were acquired by deploying proceeds from June 2016 initial public offering of the Fund. The Management Company had signed a sale and purchase agreement for the property before the start of the public offering. This ensured that the purchase was closed just 1 day after the listing of Units on the Nasdaq Tallinn. As of 31 December 2019, the building comprised 4.9% of the total fair value of the Issuer's portfolio and 4,9% as at 30 June 2020.

G4S Headquarters is a 9,179 sqm 9-story office building situated in Western Tallinn next to arterial Paldiski road and 4.5 km away from Tallinn's Old Town. It is a relatively new building, constructed only in 2013. G4S Headquarters features all modern office amenities and efficient layout. The land plot next to the building where a parking lot is now located offers additional development potential of up to 20,000 sqm.

The property is fully leased to G4S – the world's largest security company. The firm operates in 110 countries and employs 623 thousand people. It is listed on London and Copenhagen stock exchanges and has a market capitalization of over GBP 3bn. G4S uses the building as their Estonian headquarters. A lease agreement is effective until 2022. At the time of this Prospectus part of the premises is subleased by G4S.

Table 17: Details of G4S Headquarters, 30 June 2020

Acquisition date	12 July 2016
Acquisition price	EUR 15,454 thousand
Construction	2013
Type	Office
Location	Paldiski Road 80, Tallinn, Estonia
SPV	BH P80 OÜ, registry code 14065606, registered address at Hobujaama st. 5, Tallinn. The sole shareholder of the company is the Management Company on behalf of and for the benefit of the Fund.
NLA	9,179 sqm
Fair value	EUR 16,790 thousand
Vacancy	0.0%
WAULT (as of 31 December 2019)	3.2 years
No of tenants (as of 31 December 2019)	2
Major tenants	G4S (security services)

LNK Centre

LNK Centre, a Class A office building in Riga, was acquired in August 2018 and was the 12th asset in the Issuer's portfolio. The property is located in Skanste – a growing new central business district that is a few kilometres from Riga's centre and its Old Town. As of 31 December 2019, the building comprised 4,7% of the total fair value of the Issuer's portfolio and 4,8% as at 30 June 2020.

LNK Centre has approx. 7,500 of NLA across its 8 storeys. It also boasts an underground parking with 64 spaces plus an onground parking with 22 spaces. The office is fully leased to 6 tenants of which two, Exigen Services and LNK Group, occupy approx. 90% of total area. Exigen Services is a leading Latvian IT development company with 280 employees. It is owned by Emergn Global, an international IT firm with offices in the US and Europe. LNK Group is one of the largest real estate and infrastructure development and construction companies in Latvia. As part of the acquisition of the building, LNK Group extended its lease agreement for 10 years. On the 1st floor of the building there is a restaurant.

Table 18: Details of LNK Centre, 30 June 2020

Acquisition date	15 August 2018
Acquisition price	EUR 17,068 thousand
Construction	2006
Type	Office
Location	Skanstes st. 27, Riga, Latvia
SPV	BH S27 SIA, registry code 40103810023, registered address at Skanstes st. 27, Riga. The sole shareholder of the company is the Management Company on behalf of and for the benefit of the Issuer.
NLA	7,453 sqm
Fair value	EUR 16,490 thousand
Vacancy	0.0%
WAULT (as of 31 December 2019)	6.2 years
No of tenants (as of 31 December 2019)	4
Major tenants	Exigen Services (IT) LNK Group (construction and real estate)

Duetto I

Duetto I office building in Vilnius is the second of the two properties (Pirita being the other one) acquired using proceeds from the secondary public offering completed in November 2016. It is the second newest property in the Issuer's portfolio after Duetto II in terms of construction completion (finished in 2017). As of 31 December 2019, the asset constituted 4,6% of the portfolio's total fair value and 4.7% as of 30 June 2020.

Duetto I is a newly built 10-storey office center with an underground parking lot. It is located in the western part of Vilnius, next to a recently constructed Vilnius western ring road. The property has an A class in energy efficiency and will have a BREEAM certification. Duetto I was developed by a Lithuanian subsidiary of YIT, a listed Finnish real estate and construction company. The seller provided a 2-year (from the acquisition date) guarantee for starting net rental income which at an acquisition price of EUR 14.6m implies a 7.2% annual yield. On 27 February 2019 the Issuer also closed the acquisition of Duetto II, a twin office building.

NLA at the property amounts to over 8,000 sqm. Given the 2-year guarantee of full-occupancy net rental income by the seller, effective vacancy is zero. Any shortage between an actual rent and the guaranteed amount is covered by YIT Kausta on a monthly basis. Actual vacancy amounted to 1.2% in December 2018. At that time Duetto I had 7 tenants. Anchor tenant Intrum is a market leader in credit management services, headquartered in Sweden. The company is a result of a merger between Intrum Justitia and Lindorff in June 2017. It employs 7,750 specialists across 23 European countries. The second largest tenant is Vilniaus Vandenys, a water-utility company servicing the city of Vilnius and nearby counties. It has around 250 thousand of clients and is fully owned by the municipality of Vilnius. At Duetto I, Vilniaus Vandenys has both its headquarters and the main customer service center. The third largest tenant is Pernod Ricard, one of the largest producers of beverages in the world. Its annual sales amount to approx. EUR 9bn. The firm's shares are traded on Paris stock exchange and its market cap is over EUR 35bn.

Table 19: Details of Duetto I, 30 June 2020

Acquisition date	22 March 2017
Acquisition price	EUR 14,642 thousand
Construction	2017
Type	Office
Location	Spaudos st. 8, Vilnius, Lithuania
SPV	BH Duetto UAB, registry code 304443754, registered address at Jogailos st. 9, Vilnius. The sole shareholder of the company is the Management Company on behalf of and for the benefit of the Fund.
NLA	8,586 sqm
Fair value	EUR 16,250thousand
Vacancy	0.0%
WAULT (as of 31 December 2019)	2.4 years
No of tenants (as of 31 December 2019)	11
Major tenants	Lindorff (credit management) Vilniaus Vandenys (water-utility) Pernod Ricard (beverages)

Coca Cola Plaza

Coca Cola Plaza constituted 4.2% of the value of the Issuer's property portfolio on 31 December 2019 and 4.1% at the end of June 2020. It is the largest cinema complex in Tallinn with 11 screens and 1,967 seats. The property is situated in the heart of Tallinn, next to the eastern edge of the old town. Most of the building's area (96%) is let to Forum Cinemas AS, a cinema operator in Estonia running three movie theaters in the country (the other two are located in different Estonian cities). It was announced on 31 August 2020 that Forum Cinemas, which has for approximately last three years (acquisition completed in March 2017) been owned by AMC, will be acquired by UP Invest AS, who is owner of Apollo Group which is the largest cinematographer in Estonia with 10 cinema centers and 39 screens. At the time of the Prospectus, completion of the acquisition by UP Invest AS remains contingent on the approval of the Estonian, Latvian, and Lithuanian competition authorities.. Movie theatres under Forum Cinemas brand operate in the Baltic States. Coca Cola Plaza is one of the two large-size (more than 1,000 seats) movie theaters in Tallinn.

The property is a 6-storey building with underground parking for 43 cars. A lease contract with Forum Cinemas AS was signed in 2013 for a 10-year term. Part of the premises is subleased by Forum Cinemas. As a result, the building also houses catering and retail facilities which together occupy around 1,000 sqm of space.

In February 2018, the Issuer acquired Postimaja shopping centre, located next to Coca Cola Plaza. One of the key reasons for investing in Postimaja was a development plan to connect it with Coca Cola Plaza. That includes a new exterior design, expansion in existing leasable area and improvement in functionality between the two buildings as well as the Rotermann Quarter, an old industrial part of Tallinn which has been redeveloped into a modern urban area. HG Arhitektuur OÜ with its work the "Rotermann Passage" was selected as the partner to work out the architectural solution for connecting Postimaja and Coca Cola Plaza. The expansion would add approximately 5,000 sqm of new space which could be rented out to tenants looking for retail and office premises in the center of Tallinn. As of the date of the Prospectus, the development process is ongoing.

Table 20: Details of Coca Cola Plaza, 30 June 2020	
Acquisition date	8 March 2013
Acquisition price	EUR 11,944 thousand
Construction	2001
Type	Cinema
Location	Hobujaama st. 5, Tallinn, Estonia
SPV	BOF CC Plaza OÜ, registry code 12399823, registered address at Rävala pst 5, Tallinn, Estonia. The sole shareholder of the company is the Management Company on behalf of and for the benefit of the Fund.
NLA	8,664 sqm
Fair value	EUR 14,250 thousand
Vacancy	0.0%
WAULT (as of 31 December 2019)	4.2 years
No of tenants (as of 31 December 2019)	2
Major tenants	Forum Cinemas (cinema operator)

Pirita

Pirita SC in Tallinn is the first of the two properties purchased using equity raised in the secondary public offering in November 2016. The acquisition was finalized on 16 December 2016 – approximately only two weeks after the completion of the offering proving the Issuer's ability to employ newly raised capital quickly. Pirita was acquired for EUR 12.2m. Its seller provided a 2-year (from the acquisition date) guarantee for full-occupancy net rental income which implies a 7.4% yield on the acquisition price. Pirita SC constituted 2.7% of the value of the Issuer's property portfolio on 31 December 2019 and 2.8% on 30 June 2020.

Pirita is a neighborhood-type SC with NLA of close to 5,500 sqm. The building was completely reconstructed in 2016 for retail purposes. It is situated in Pirita district about 10 min by car away from the center of Tallinn. It is close to Pirita beach – a popular spot among Tallinn residents in summer.

The SC is anchored by Rimi, a Baltic grocery chain owned by ICA Gruppen, a listed Nordic retailer. Rimi is also an achor tenant at Domus Pro in Vilnius. A 10-year lease agreement was signed with Rimi. MyFitness, the second largest tenant at Pirita, is the largest network of sports clubs in Estonia. It operates 15 clubs in Estonia as well as 7 clubs in Latvia. In total Pirita had 15 tenants on 31 December 2019 including a diverse mix of restaurants.

Table 21: Details of Pirita, 30 June 2020	
Acquisition date	16 December 2016
Acquisition price	EUR 12,200 thousand
Construction	2016 (reconstruction)
Type	Shopping center
Location	Merivälja rd. 24-2, Tallinn, Estonia

SPV	Pirita Center OÜ, registry code 12992834, registered address at Hobujaama st. 5, 10151, Tallinn. The sole shareholder of the company is the Management Company on behalf of and for the benefit of the Fund.
NLA	5,508 sqm
Fair value	EUR 9,540 thousand
Vacancy	18.0%
WAULT (as of 31 December 2019)	3.1 years
No of tenants (as of 31 December 2019)	15
Major tenants	Rimi (grocery) MyFitness (health and fitness club) Südameapteek (pharmacy)

Sky Supermarket

Sky Supermarket, the smallest holding in the property portfolio, comprises approximately 1.4% of the portfolio's fair value as of 31 December 2019 and on 30 June 2020. It is a neighborhood shopping centre with upmarket grocery chain Sky as an anchor tenant and a number of satellite tenants. The building was built in 2000 and renovated in 2010. In 2017, the Issuer together with the anchor tenant modernized a façade of the property.

The SC is located in the centre of Mežciems residential suburb in the north eastern part of Riga. It has good transport connections with a city centre and suburbs thanks to its location on Bikernieku street – one of the main traffic arteries in Mežciems district connecting it with the centre of Riga.

Anchor tenant Sky comprises approximately a half of the property's annualized rental income (as of 31 December 2019). Sky is an upmarket grocery chain operating 4 shops, all in Riga. It distinguishes itself from larger country-wide retail chains (for example, Maxima and Rimi) by stocking higher quality, more exclusive products. Hence, its target customer group is of higher income than average customer of national retailers. Sky chain is owned by local investors. Satellite tenants in the property are typical to a neighborhood SC including a pharmacy, a restaurant, a pet shop, etc. Only two of them, Cup & Cino (café) and A Aptieka (pharmacy), occupy larger than 100 sqm spaces.

Table 22: Details of Sky Supermarket, 30 June 2020	
Acquisition date	1 January 2013
Acquisition price	EUR 4,510 thousand
Construction	2000/2010 (renovation)
Type	Shopping center
Location	Bikernieku st. 120B, Riga, Latvia
SPV	BOF Sky SIA, registry code 40103538571, registered address at Krisjana Valdemara st. 21-20, Riga, Latvia. The sole shareholder of the company is the Management Company on behalf of and for the benefit of the Fund.
NLA	3,254 sqm
Fair value	EUR 4,960 thousand
Vacancy	1.6%
WAULT (as of 31 December 2019)	2.9 years
No of tenants (as of 31 December 2019)	12
Major tenants	Sky (grocery) A Aptieka (pharmacy) Cup & Cino (restaurant) ZooZone (pet store) Grenardi (jewellery)

Tenants, Lease Contracts and Property Management

The Fund outsources daily property management services from a specialized property management services provider. Outsourced property management functions include letting out vacant premises, organising lease contract negotiations with tenants, day-to-day relationship with tenants, marketing of properties (for instance, developing marketing strategies), invoicing tenants and paying property operating expenses. Successful property management is an important value driver for the Fund as it maximizes returns of owned real estate assets. The Management Company closely oversees property managers and reviews their performance on a continuous basis. Representatives of the Management Company in boards of SPVs must sign off all newly negotiated lease contracts with a size of 100 sqm or more. Furthermore, their approval is required for investing in redesigning/adopting premises to tenants' needs. Property management service providers for newly acquired properties are selected via tenders on a property by property basis. For more details on the property managers that are now contracted by the Fund see section 8.9.8 "Property Management Service".

Under majority of the Fund's existing lease contracts, rent rates are indexed once a year to Euro area CPI or local CPI (Lithuanian, Latvian or Estonian). When lease agreements are negotiated, the Fund generally seeks lease term to be as long as possible. With anchor tenants the Fund aims to sign 10-year or longer contracts. Regarding smaller tenants, contract lengths of 3-5 years are in line with market practice. The Fund targets WAULT of 5 years for multi-tenant properties. Lease contracts have been concluded on market terms. The Management Company has tried to minimise the tenant risk (failure to pay) and therefore most of the lease contracts include the obligation of the lessee to provide a bank guarantee and/or a deposit. Also, in most of the lease contracts the lessor has restricted its liability to damages caused by gross negligence or intent.

Table 23: Rental concentration of 10 largest tenants, 30 June 2020

No	Tenant	% of total annualized rental income
1	Rimi Baltic	9.4%
2	Latvian State Forestry	5.4%
3	Forum Cinemas	4.5%
4	G4S Eesti	4.3%
5	SEB	4.2%
6	Intrum Global Business Services	3.3%
7	EMERGN AS	3.2%
8	Lithuania Tax Inspectorate	3.0%
9	Vilnius Heating Network	1.9%
10	New Yorker	1.8%
	Total of 10 largest tenants	**41.0%**

The tenant base of the Fund is well diversified. The rental concentration of the 10 largest tenants of the Fund's subsidiaries is shown in table 23 with the largest tenant Rimi Baltic accounting for 9.4% of the annualized rental income and all 10 largest tenants account for 41.0%.

8.8.6. INVESTMENT PIPELINE

The Issuer aims to grow its asset base by acquiring carefully selected investment properties that best fit the Issuer´s very long-term strategy. Growing by acquiring established properties with long-term tenants allows the Issuer to become more efficient and diversify its risks further across segments, tenants and geographical locations.

Management Company has considerably increased its focus on creating added value in the already owned investment properties. In addition to CC Plaza and Postimaja expansion, this also includes preparing for the expansion of the Upmalas Biroji complex, Pirita, Vainodes I and G4S properties and further expansion of Domus PRO complex. The period of these expansions to be completed falls in 2020-2023 and depends on a sufficient level of new tenant interest, some of which is anticipated from expanding tenants in the existing portfolio. The Management Company continues to monitor closely the economic recovery process and developments of the property markets and aims to react in case of good investment opportunities, however, this will not be the main focus in the near future.

The Issuer´s investment pipeline is comprised of potential acquisition targets (incl. logistics and office segment), which fit the investment strategy of the Issuer, offer attractive risk-return profile and are for sale. The investment pipeline also entails expansion investments into current properties owned by the Issuer. As of the date of the Prospectus, all the developments and expansion projects referred to in this Prospectus are continuing.

The Management Company sees three property segments as the most attractive for the Issuer in terms of strategic fit and financial profile: premium offices in CBD, B class offices for shared service centers/back-offices of international companies and neighborhood shopping centers.

The Management Company mainly targets to increase Issuer's portfolio allocation to office segments in capital cities with strong international tenants.

8.8.7. CUSTODY OF THE FUND'S ASSETS

The Issuer's assets are generally invested, directly or indirectly, into real estate property or held as deposits with a credit institution. According to the IFA, Issuer's assets do not belong to the bankruptcy estate of the Management Company and, if the assets are safe-kept by the Depositary, the assets do not belong to the bankruptcy estate of the Depositary. In order to clearly distinguish its activities as the fund management company of the Issuer from its own operations, the Management Company clearly identifies in making the investments and transactions with the Issuer's assets that it is acting for the benefit and on account of the Issuer.

Cash and Financial Instruments

All assets that are held either in cash on the bank account or invested into financial instruments in the book-entry form held on the securities account with an investment services provider are kept with the Depositary. Further description on the Depositary, the services provided by the Depositary, and on how the Depositary may delegate its responsibilities to third persons is in section 8.9.3 "The Depositary".

Current and securities accounts with the Depositary are held in the name of the Management Company and for the benefit of the Issuer. In opening the account with the Depositary, the Management Company has made reference to the Issuer in the account details. Current and securities accounts of SPVs are held in the name of respective SPVs with credit institution licensed and operating in respective country.

Direct Investments into Real Estate Property

The Issuer has not invested directly into real estate property and holds directly no title any of the real estate property in the Issuer. All investments into real estate property are made indirectly by entities specifically established for holding the title of the real estate property belonging to the Issuer (the SPVs).

Indirect Investments into Real Estate Property

The Issuer holds shares in SPVs. The Management Company, acting in its own name but for the benefit of the Issuer, has been entered into the shareholders' list of each respective SPV.

SPVs hold either title to or lease rights regarding the real estate property belonging to the Issuer. Where a SPV holds full title to the property it is registered in the respective land registry as the owner of the property. All other rights regarding the property are established by and for the benefit of the respective SPV.

Information on the SPVs and on the real estate property each of them holds is provided in section 8.8.5 "Asset Portfolio".

8.8.8. MATERIAL AGREEMENTS

This section provides a general description of the most relevant agreements where the Issuer, theManagement Company or Galerija SPV is a party. The level of detail of the information provided is limited due to the confidentiality provisions included in such agreements. However, the Management Board of the Management Company believes that the provided data is sufficient for comprehending the overall contents of the agreements. The following agreemenets have been entered into by the Issuer or the Management Company within the two years immediately preceding the date of this Prospectus.

Material agreements of the Issuer

Issuer considers the following agreements to be material for the purposes of the Prospectus: loan agreements, property management agreements, financial advisory agreements, audit agreements.

The Issuer considers financing arrangements to be material in the context of the Prospectus. The Issuer has obtained external financing by way of bank loans as well as carrying out bond issuance.

Corporate bonds

The Issuer has completed the issuance of bonds within a bond programme in three stages:

- On May 8, 2018, the Issuer completed the 5-year unsecured in the amount of EUR 30 million for the subscription of bonds. The transaction took place as a private placement and the bonds were subscribed by the Baltic institutional investors, mainly pension funds, asset managers, insurance companies and banks. The bonds were listed on the Nasdaq Tallinn Stock Exchange on August 28, 2018 .
- On 13 December 2018, the Issuer completed a subsequent issue of bonds by way of private placement in the amount of 10 million. The additional bonds were issued under the same conditions as the first issue on 8 May 2018. On December 20, 2018, additional bonds were listed on Nasdaq Tallinn Stock Exchange.
- On May 8, 2019, the Issuer completed the second additional private placement of bonds in the amount of EUR 10 million. It was the third and final tranche, concluding the bond issue in the total amount of 50 million euros. The transaction took place under the same conditions as the initial issue of the bonds.

The ISIN code of the bonds is EE3300111467. The issued bonds constitute direct, unsecured and unsubordinated obligation of the issuer which rank pari passu among each other and with all other unsecured and unsubordinated indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of the law. The bonds bear interest at the fixed rate of 4.25 per cent per annum. The interests are payable quarterly. The maturity date of the bonds is 8 May 2023, at which date the bonds will be repaid in full at their nominal principal amount. The proceeds from the issue of the Bonds were used mainly for new acquisitions, for investing into expansion of existing properties and for refinancing loan agreements with banks.

Bank loans

The ability to borrow on attractive terms plays a major role in the investment strategy and cash distributions to Unit-holders. The Issuer has entered into several loan agreements in order to finance new acquisitions or to invest into expansion of current properties:

- during Q4 2017, the Issuer successfully refinanced the loan related to the Lincona property. The loan was extended until 31 December 2022, the creditor – SEB Pank AS.
- during Q4 2017, new loans amounting to EUR 12.9 million in total were drawn down for the Domus Pro property. According to the agreement, the maturity of the loans is 31 May 2022, the creditor - SEB Bankas AB
- the new loan for the acquisition of Vainodes I was taken at the end of November 2017 in an amount of EUR 12.9 million. The maturity date of the loan is 13 November 2024, the creditor – SEB Banka AS
- in February 2018, a new loan of EUR 25.3 million was taken for the acquisition of Postimaja and refinancing the loan taken for CC Plaza. The maturity date of the loan is 12 February 2023, the creditor – Swedbank AS.
- in May 2018, EUR 15.9 million from bond proceeds were used for bank loan refinancing in order to reduce bank loan amortisations and margins:
    - The Issuer prepaid EUR 1.0 million for Lincona bank loan;
    - The Issuer prepaid EUR 1.6m for Pirita bank loan;
    - The Issuer prepaid EUR 8.0m for Postimaja and CC Plaza bank loan;
    - The Issuer prepaid EUR 3.0m for Vainodes bank loan;
    - The Issuer prepaid EUR 1.7m for Domus PRO;
    - The Issuer prepaid EUR 0.6m for Duetto bank loan.
- in November 2018, a new loan amounting to EUR 0.7 million (out of EUR 9.4 million in total) was drawn down for the LNK Centre property. The remaining loan amount (EUR 8.7 million) was drawn down in Q1 2019. According to the agreement, the maturity of the loan is 27 September 2023, the creditor – SEB Banka AS.
- during Q2 2019, the Issuer drew down an EUR 9.7 million bank loan for Duetto II under the existing BH Duetto UAB bank loan facility agreement. In 2019, the Fund repaid EUR 1.6 million of Duetto II bank loan to reduce bank loan amortisation. The Fund reached an agreement with the bank to amend loan terms and Duetto I and II loan maturity was prolonged to 31 March 2023, the creditor – Swedbank AB.
- during Q3 2019, the Issuer drew down an additional EUR 30.0 million bank loan to finance the Galerija Centrs shopping centre acquisition. According to the agreement, the maturity of the loan is 26 May 2022, the creditor – OP Corporate Bank plc.
- during Q4 2019, the Fund drew down a EUR 9.0 million bank loan to finance the North Star Business Centre acquisition in October 2019. According to the agreement, the maturity of the loan is 15 March 2024, the creditor – SEB Bankas AB.

Material agreements of the Management Company

Management Company considers the following agreements to be material for the purposes of the Prospectus: compliance service agreement, fund administration agreement, depositary agreement. More information about the agreements, except compliance service agreement, can be found in Section 8.9 – Service Providers.

Compliance service agreement has been concluded between Northern Horizon Capital AIFM Oy and the Management Company on 9 August 2017. Northern Horizon Capital AIFM Oy shall provide the following complance services to the Management Company in accodance with the applicable compliance policy:

- Maintaining and developling applicable internal rules;
- Organising compliance training if needed;
- Advising on compliance matters;
- Acting as a point of contact for compliance queries from employees;
- Drafting a yearly compliance plan;
- Identifying and evaluating compliance risks and propose possible corrective measures;
- Reporting on compliance risk to the board of the Management Company;
- Analysing the impact of newly established regulations to the Fund's activities and making proposals to amend internal rules, if needed;
- Handling the customer complaints in co-operations with the Management Company;
- Supervising the internal rules for checking conformity in respect of compliance function;
- Handling all relations of the Management Company with regulators in terms of compliance matters, including provision of non-financial reports required by regulators;
- Monitoring the measures taken to remedy the defiances in the adequancy and effeciveness in respect of compliance obligations;
- Supervising that the activities of the Management Company is in compliance with the relevant legislation including, but not limited AIFMD (Directive 2011/61/EU); and
- Maintaining the relevant procedures to combat monay laundering required under the EU Money Laundering Directive, as applicable to the listed entity.

Material agreement of Galerija SPV

Galerija SPV has concluded loan agreement with the Issuer. The Issuer granted a loan to Galerija SPV in sum of EUR 30.7 million during 2019 to finance the Galerija Centrs shopping centre acquisition. According to the agreement, the maturity of the loan is 26 May 2022 and interest expense that arose from that loan is EUR 0.6 million.

8.8.9. LEGAL AND ARBITRATION PROCEEDINGS

During the last 12 months period there have not been any governmental, legal or arbitration proceedings which may have, or have had in the recent past significant effects on the Issuer's and/or the Management Company's, acting for the benefit of the Issuer, and/or Galerija SPV´s financial position or profitability.

8.9. SERVICE PROVIDERS

8.9.1. GENERAL INFORMATION

The main service providers for the Issuer are the Management Company, the Depositary, the Registrar, the Fund Administrator, auditors and property management service providers.

The Management Company is not informed of any actual or potential conflicts of interest which any of the service providers to the Issuer may have as between their duty to the Issuer and duties owed by them to third parties and their other interests. For the purposes of efficient identification and management of actual and potential conflicts of interest situations, the Management Company has established Conflicts of Interest Policy that applies to its activities in managing the Issuer. The Management Company shall consult with the Supervisory Board of the Issuer on any issues that may or do involve conflicts of interest in relation to the Issuer.

Swedbank AS and other financial institutions belonging to the same consolidation group with it provide different services to the Issuer (e.g. the fund depositary service, certain supporting services of fund administration). Swedbank AS maintains and operates effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent potential conflicts of interest in its activities, especially those potentially affecting the independence of its activities as the Depositary.

8.9.2. THE MANAGEMENT COMPANY

General Information

Northern Horizon Capital AS is a public limited company (in Estonian: aktsiaselts) registered in the Estonian Commercial Register under the registry code 11025345 (acts as the fund management company of the Issuer) and operates under the laws of the Republic of Estonia. The LEI-code of the Management Company is 529900GDVTNNYQBDU208.

The majority shareholder of the Management Company is Northern Horizon Capital A/S, a public limited company registered in the Central Business Register of Denmark with the registry code 27599397, holding 125,000 shares in the Management Company which amounts to approximately 90% of the votes. Northern Horizon Capital JIC OÜ, a limited liability company (in Estonian: osaühing) registered in the Estonian Commercial Register under the registry code 14341220, holds 13,899 shares in the Management Company, amounting to approximately 10% of the votes. Northern Horizon Capital JIC OÜ is established in order to enable key managers of the Management Company to acquire shares in the Management Company with majority of the shares held by Northern Horizon Capital A/S and minority by the key executives of the Management Company. The Management Company does not have an audit committee or remuneration committee.

The Management Company has several subsidiaries in order to make indirect investments in real estate property. For each investment in real estate property, the Management Company has established separate special purpose vehicle. For more information in relation to the special purpose vehicles, see section 8.8.5 “Asset Portfolio”.

The contact details of the Management Company are the following:

- Address: Tornimäe 2 (24th floor), Tallinn, 10145 Estonia
- Telephone number: +372 674 3200

On 23 May 2016, the EFSA issued the Management Company a license to operate as an alternative investment fund manager, as defined in § 3 (5) of the IFA. Prior to obtaining the alternative investment fund manager license, the Management Company held the investment fund management license issued by the EFSA on 14 October 2009.

As at the date of this Prospectus, the Management Company acts as the fund management company only for the Issuer. No other services are provided to any other person or fund, except for the services provided to SPVs of the Issuer. No other person provides investment advice or investment management service to the Issuer in relation to the assets of the Issuer.

The Management Company was registered with the Estonian commercial register on 7 April 2004 for an indefinite period. After receiving investment fund management license in 2009, the Management Company managed only BOF with EUR 89.7 million under management in total as of 31 December 2015 and from 23 May 2016 also the Issuer (while from 30 June 2016 only the Issuer remained as the merger of the Issuer and BOF was completed).

The Good Corporate Governance Code (the “GCC”) as approved by the EFSA is not applicable to the Management Company because the Management Company is not publicly listed company to whom the GCC is directed. The Management Company is a member of leading ESG (Environmental, Social and Governance) frameworks such as the UN Principles of Responsible Investment (PRI) and the Global Real Estate Sustainability Benchmark (GRESB). It is committed to integrating ESG factors into all of its operations. To govern the sustainability efforts, the Management Company has defined nine guiding ESG principles and operational instructions to ensure an effective implementation. The guiding principles and operational instructions form the Responsible Investment Policy which can be found on the Management Company’s webpage www.nh-cap.com.

Personal Data Processing

The Management Company processes the personal data of all investors, including the Holders in accordance with the privacy policy and data protection notices published and accessible on the Website.

Key Responsibilities of the Management Company

The Management Company is responsible for the investment management, administration and marketing of the Issuer. In performing its obligations, the Management Company acts in accordance with the IFA, the Fund Rules and its internal rules.

The Management Company makes the investment and divestment decisions regarding the Issuer’s assets in accordance with the investment policy and restrictions set out in Fund Rules. The Management Company is also responsible for arranging risk management in connection with the investment management. See sections 8.8.1 “Investment Objective and Policy” and 8.8.2 “Investment Restrictions”.

In addition to the investment management, the Management Company is also responsible for the following tasks:

- account keeping of the Issuer's assets and arranging the accounting of the Issuer and SPVs;
- arranging the issue and redemption, if required by law, of the Units;
- calculation of the Issuer's net income and arranging the distribution of the cash flows to the unit-holders in accordance with the Fund Rules;
- arranging sales and marketing of the Units;
- determining the NAV of the Issuer;
- preparing information on the Issuer and SPVs to be reported to the authorities and disclosed to the unit-holders of the Issuer;
- monitoring compliance of the activities of the Management Company itself and the Issuer with legislation;
- any other activities directly related to the above tasks and necessary for management of the Issuer.

In accordance with the Fund Rules, the Management Company may delegate its responsibilities to third party service providers. As at the date of this Prospectus the Management Company has delegated certain of its responsibilities to third parties as is described in more detail in section 8.9.5 "Registrar", 8.9.4 "Fund Administration" and 8.9.8 "Property Management Service" below. The Management Company remains liable to the Unit-holders for the services that are provided by third party service providers.

For the purposes of covering potential professional liability risks resulting from its activities as the management company, the Management Company has additional own funds which are appropriate to cover potential liability risks arising from professional negligence.

For description of the fees payable to the Management Company, and expenses to be reimbursed, on account of the Issuer, see section 8.5 "Fees and Expenses".

Supervisory Council and Management Board

Supervisory Council

As at the date of the Prospectus, the Management Company's Supervisory Council is composed of three members. The table below sets forth the names, positions, appointment date, and terms of office of the current members of the Supervisory Council as at the date of the Prospectus.

Name	Position/Function	Date of Appointment	Expiration of term of office
Milda Dargužaitė	Chairman of the Supervisory Council	9 July 2018	9 July 2023
Nerijus Žebrauskas	Member of the Supervisory Council	20 March 2019	20 March 2024
Daiva Liubomirskiene	Member of the Supervisory Council	5 September 2017	5 September 2022

The following table sets out current and past directorships held by the Management Company's Supervisory Council members over the past five years:

Name	Former positions	Current positions
Milda Dargužaitė	- Northern Horizon Capital Oy, Member of the Board	- BGO Property Management GmbH, Managing Director - Northern Horizon Capital A/S, CEO - Northern Horizon Capital GmbH, Managing Director - Northern Horizon Capital AIFM Oy, Member of the Board and CEO - Northern Horizon Capital UAB, General Director - Northern Horizon Capital AB, Member of the Board - Northern Horizon Capital AS Member of Supervisory Board

Nerijus Žebrauskas	- BIG Klapipeda UAB, Member of the Board - Laurus Gene UAB, Member of the Board - BH Europa UAB, Member of the Board	- Northern Horizon Capital UAB, Member of Board - Northern Horizon Capital JIC OÜ, Member of Board - Northern Horizon Capital AS, Member of the Supervisory Board - NH-CAP A7S, Member of Board
Daiva Liubomirskiene	- Northern Horizon Capital Oy, Member of the Board - Northern Horizon Russia Partners I Oy, Member of the Board - Northern Horizon Healthcare II Partners Oy, Member of the Board - Northern Horizon Capital Health Care Denmark K/S, Member of the Board	- NH-CAP A/S, Member of the Board - Northern Horizon Capital UAB, Member of the Board - Northern Horizon Nordic Aged Care S.a.r.l, Member of the Board - Northern Horizon Capital AIFM Oy, Chairman of the Board - Northern Horizon Capital AB, Member of the Board - Laurus S.a.r.l., Member of the Board - Nordic Aged Care Holding 1 S.a.r.l, Member of the Board - Nordic Aged Care Holding 2 S.a.r.l. Member of the Board - Northern Horizon Capital JIC OÜ, Member of the Board - Nordic Aged Care Investments S.a.r.l., Member of the Board - Northern Horizon Aged Care IV GP S.a.r.l., Member of the Board - Nordic Aged Care IV S.a.r.l., Member of the Board

Milda Dargužaitė. Ms. Dargužaitė, born 1976, is the member of the Supervisory Council of the Management Company. Ms. Dargužaitė has extensive experience in investment management and investment banking having previously worked at Donaldson, Lufkin & Jenerette and Goldman Sachs in New York. She also worked for the Government of Lithuania as the adviser to the Minister of Economy, CEO of State Investment Agency "Investuok Lietuvoje" and as the State Chancellor. Ms Dargužaitė previously served on the board of NHC A/S and has recently joined as the CEO at NHC group level. She holds bachelor's degree from Middlebury College and Master's degree from Princeton University in the U.S (2004).

Nerijus Žebrauskas. Mr. Žebrauskas, born in 1980, is the member of the Supervisory Council of the Management Company. Since joining Northern Horizon Group in 2007, Nerijus has worked in Northern Horizon Group as Fund Controller and as Head of Fund Controlling. Currently he is working as Group Finance Manager and Risk Manager. Before joining Northern Horizon Group, Mr. Žebrauskas worked in the audit and assurance field at EY (2001-2004) and KPMG (2005-2006) locally and abroad. In 2001, he graduated from Stockholm School of Economics in Riga with a B.Sc. in Economics and Business Administration and in 2003 Vilnius University with an MBA in Economic Analysis and Planning.

Daiva Liubomirskiene. Ms. Liubomirskiene, born 1975, is the member of the Supervisory Council of the Management Company. She holds MA degree in Faculty of Law from University of Vilnius (2001). She acts as a General Legal Counsel to Northern Horizon Capital Group since 2017. Before joining Northern Horizon Capital Group she was working as an attorney at Sorainen Law Firm.

Management Board

As at the date of the Prospectus, the Management Company's Management Board is composed of three members. The table below sets forth the names, positions, appointment date, and terms of office of the current members of the Management Board as at the date of the Prospectus.

Name	Position/Function	Date of Appointment	Expiration of term of office
Tarmo Karotam	Chairman of the Management Board Fund Manager	17 April 2014	30 April 2022
Ausra Stankevičienė	Member of the Management Board	17 April 2014	30 April 2022
Algirdas Vaitiekunas	Member of the Management Board	29 January 2016	29 July 2024

The following table sets out past and current directorships held by the Company's Management Board members over the past five years:

Name	Former positions	Current positions
Tarmo Karotam	- Baltic Opportunity Fund, Fund Manager - Estonian Academy of Sciences Male Choir, Chairman of the Board - Northern Horizon Capital JIC OÜ, Member of the Board	- Euro-Products OÜ, Member of the Board - BOF Sky SIA, Member of Board - Kontor SIA, Member of Board - BH Europa UAB, Member of Board - BH Health OÜ, Member of Board - BH Domus Pro UAB, Member of Board - BH Lincona OU, Member of Board - BH CC Plaza OU, Member of Board - BH Health OÜ, Member of Board - BH P80 OU, Member of Board - BH Duetto UAB, Member of Board - Pirita Centre OÜ, Member of Board - ZM Development SIA, Member of Board - BH Meraki UAB, Member of Board - BH S27 SIA, Member of Board - SIA Tampere Invest, Member of Board - CEO at BH Domus Pro UAB - Magnetic Capital OÜ, Member of Board.
Ausra Stankevičienė	- Cromary Investments Sp. Z o.o. - ZM Development SIA	- BOF Sky SIA, Member of Board - Kontor SIA, Member of Board - BH Europa UAB, Member of Board - BH Domus Pro UAB, Member of Board

		- Laurus Holding UAB, Member of Board - Hobujaama Kinnisvara OU, Member of Board - Laurus Gene UAB, Member of Board - Northern Horizon Nordic, Member of Board - Aged Care S.a.r.l., Member of Board - Nordic Aged Care Holding 1 S.à.r.l., Member of Board - Nordic Aged Care Holding 2 S.à r.l., Member of Board - BH Lincona OU, Member of Board - BH CC Plaza OU, Member of Board - BH P80 OU, Member of Board - BH Duetto UAB, Member of Board - Pirita Centre OU, Member of Board - Real Invest SIA, Member of Board - ZM Development SIA, Member of Board - SIA Tampere Invest, Member of Board - Vainodes Krasti SIA, Member of Board - BH Meraki UAB, Member of Board - BH S27 SIA, Member of Board - Nordic Age Care IV Sarl, Member of Board - Northern Horizon Capital AIFM Oy, Member of Board - Northern Horizon Aged Care IV SCSp SICAV-RAIF, Member of Board - Northern Horizon Aged Care IV GP Sarl, Member of Board - Northern Horizon Capital UAB, Fund Service Director
Algirdas Vaitiekunas	- BPT Secura A/S, CEO, Fund Manager - Seimyniskiu verslo centras UAB, Member of Board - SVC Holdingas UAB, Member of Board - Kontor SIA, Member of Board - ZM Development SIA, Member of Board	- Northern Horizon Capital UAB, Chairman of the Board, Business Development Director - Koalos Investicijos UAB, General Director - DMGL UAB, General Director - DM Domus Pro UAB, Member of Board - BH Europa UAB, Member of Board - Vainodes Krasti SIA, Member of Board - General Director of BH Europa UAB - BH Duetto UAB, General Director

	- BOF Sky SIA, Board member - BH Meraki UAB, General Director - SIA Tampere Invest, Member of Board - BH Northstar UAB, General Director - BH S27 SIA (formerly SIA LNK Centre), Member of Board

Tarmo Karotam. Mr. Karotam, born 1981, is the member of the Management Board of the Management Company. Mr. Karotam has been a long-time member of Northern Horizon Capital investment management team and has acted as the Fund Manager for BOF, which is the predecessor fund for the Fund, from the beginning. Mr. Karotam is a member of RICS (MRICS). He graduated from Eçole Hôtelière de Lausanne (B.Sc.) in 2005.

Ausra Stankevičienė. Mrs. Stankevičienė, born 1974, is the member of the Management Board of the Management Company. Prior to joining Northern Horizon Capital group as fund treasurer and later as head of fund administration and from 1 March 2019 as Fund Service Director, she has worked at Swedbank Lithuania. She holds a Chartered Financial Analyst (CFA) credential. She graduated from Vilnius University (MBA) in 1998. In addition to holding board member positions in Northern Horizon Nordic Aged Care S.a.r.l. and Northern Horizon Capital A/S, she also serves as a board member in the SPVs belonging to the Issuer, the Laurus Fund and Nordic Aged Care Fund.

Algirdas Vaitiekunas. Mr. Vaitiekunas, born 1963, is the member of the Management Board of the Management Company. Prior to joining Northern Horizon Capital group, he has held senior positions at PwC in Melbourne, Hong Kong and Vilnius. He is Chairman of RICS Baltics being also a Fellow member (FRICS), and a member of the CAANZ, Institute of Chartered Accountants in Australia and New Zealand. He graduated from University of Melbourne (B.Sc.) in 1984 and again from the same university (B.Com.) in 1988.

The Management Board members and General Directors, in jurisdictions where applicable, are the only personnel of the SPVs, there are no other employees.

Dividends and divided policy

Shareholders of the Management Company decide on dividend distribution on an annual basis, taking into account regulatory capital requirements as well financial position and cash flows of the Management Company. Dividends which were declared and distributed by the Management Company during the last 3 years are presented in the table below.

	2017	2018	2019
Per share, EUR			
A shares	0	0	64
B shares	0	0	0
Total, EUR thousand			
Dividend declared*	0	0	800
Dividend paid*	0	0	800

**Net of 20% withholding tax*

Other information on the Management Board and Supervisory Council

The members of Management Board and Supervisory Council of the Management Company are employees of the Management Company or its affiliates and do not receive remuneration for taking the board positions. Total remuneration paid to the members of the Management Board as employees of the Management Company and its affiliates amounts to 24,000 euros per annum. Total remuneration paid to the members of Supervisory Council as employees of the Management Company amounts to 0 euros per annum. The members of the Management Board or the Supervisory Council are not entitled to any other benefits in kind by the Management Company and/or affiliates for services in all capacities to the Management Company and its affiliates nor are the

Management Board members and Supervisory Council members entitled to any benefits from the Management Company and/or affiliates of the Management Company upon termination of their position.

The business address of the members of the Supervisory Council and the Management Board is the Management Company's principal place of business at Tornimäe 2, 10145 Tallinn, Estonia.

Management Board member Algirdas Jonas Vaitiekunas directly and indirectly holds as at 2 October 2020 33,356 Units in the Issuer, which represent 0.03% of the total amount of units. Management Board member Tarmo Karotam directly and indirectly holds as at 2 October 2020 10,915 Units in the issuer, which represent 0.01% of the total amount of units. Other Management Board and Supervisory Council members of the Management Company do not hold Units in the Issuer at the date of this Prospectus.

There are currently no future changes decided in relation to corporate governance of the Management Company, including in the composition of Supervisory Council of Management Board of the Management Comapany.

The Management Company is not aware of any compulsory liquidations of companies in which any of the members of its Supervisory Council, Management Board or the Supervisory Board of the Issuer has acted as a member of the administrative, management or supervisory body or as a senior manager. The Management Company is not aware of any convictions in relation to fraudulent offences, bankruptcies, receiverships or any official public incrimination and/or sanctions with respect to the members of its Supervisory Council, Management Board or the Supervisory Board of the Issuer. The Management Company is not aware of any potential conflicts of interest between the duties of the members of its Supervisory Council, Management Board or the Supervisory Board of the Issuer to the Management Company and the Issuer, and their private interests or other duties. The Management Company is not aware of any conflicts of interests between the duties of the members of the management board of affiliates or susbsidiaries of the Management Company (including Galerija SPV) to the Management Company and the Issuer, and their private interests or other duties.

8.9.3. THE DEPOSITARY

Pursuant to the IFA, the Issuer shall have a depositary. Swedbank AS, a public limited company registered in the Estonian Commercial Register under the registry code 10060701, with a registered address at Liivalaia 8, 15040 Tallinn, Estonia, acts as the depositary for the Issuer. The Depositary holds a credit institution license issued by the EFSA on 26 January 1993.

In accordance with the IFA and the depositary agreement entered into between the Management Company and Swedbank AS on 3 June 2016 for an unlimited period (the "Depositary Agreement"), the Depositary provides the following services:

- safekeeping of the Issuer's assets; and
- monitoring and overseeing the Management Company's activities in managing the Issuer in the following aspects:
- ensuring that the sale, issue, repurchase, redemption, and cancellation of Units are carried out in accordance with the IFA and the Fund Rules;
- ensuring that the NAV of the Units is calculated in accordance with the IFA and the Fund Rules;
- carrying out the instructions of the Management Company, and assessing their compliance with the IFA, and with the Fund Rules;
- ensuring that in transactions involving the Issuer's assets, any consideration is remitted to the Issuer in full and within the usual time limits;
- ensuring that the income of the Issuer is applied in accordance with the IFA and the Fund Rules;
- ensuring that the cash flows of the Issuer are properly monitored, and, in particular, that all payments made by or on behalf of Unit-holders, upon the subscription of Units, have been received, and credited to the Issuer account.

In accordance with the Depositary Agreement, the Depositary safekeeps financial instruments that are eligible for safekeeping with the Depositary (e.g. instruments in book-entry form recorded on securities accounts). Regarding other types of assets of the Issuer the Depositary shall verify the ownership of the Issuer or the Management Company acting on behalf of the Issuer of such assets and shall maintain a record of those assets for which it is satisfied that the Issuer or the Management Company acting on behalf of the Issuer holds the ownership of such assets. A description of the custody arrangements and the Issuer's assets is provided in sections 8.8.7 "Custody of the Fund's Assets".

The Depositary may delegate its tasks to third party service provider, provided however, that (i) the intention of delegation is not to avoid the requirements of IFA; (ii) there is an objective reason for the delegation; (iii) the Depositary has exercised all due skill, care and diligence in the selection and the appointment of any third party to whom it wants to delegate parts of its tasks, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its tasks and of the arrangements of the third party in respect of the matters delegated to it; (iv) the Depositary ensures that the third party has the structures and the expertise that are adequate and proportionate to the nature and complexity of the assets of the Issuer, or the Management Company acting on behalf of the Issuer, which have been entrusted to it, and the third party is subject to effective prudential regulation, including minimum capital requirements, and supervision in the jurisdiction concerned and; (v) the third party is subject to an external periodic audit to ensure that the financial instruments are in its possession. The third party may sub-delegate its tasks only if that other third party meets the same requirements as applicable to the Depositary.

Depositary is liable to the Issuer and the Unit-holders for any damages due to a breach of its obligations under IFA and the Depositary Agreement. The Depositary shall be liable to the Issuer or to the Unit-holders, for the loss of the Issuer's assets safe-kept 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 a financial instrument held in custody, the Depositary shall return a financial instrument of identical type or the corresponding amount to the Issuer or the Management Company acting on behalf of the Issuer 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 to the contrary.

For description of the fees payable to the Depositary on the account of the Issuer, see section 4.11 "Fees and Expenses".

8.9.4. FUND ADMINISTRATION

Fund administration services in relation to the Issuer are provided by the Management Company.

Certain supporting services of fund administration have been outsourced to Swedbank AS and Northern Horizon Capital UAB (registry code 300022971, Sporto Str 18, Business Centre PREMIUM, LT-09238 Vilnius, Lithuania). Swedbank AS is among other services providing the Management Company the service of calculating the net asset value and gross asset value of the assets and the unit of the Issuer. For the purpose of clarity, the Management Company has not delegated the function of determination of net asset value and gross asset value of the assets and the unit of the Issuer to Swedbank AS. Swedbank AS additionally provides the following services to the Issuer: settlement of the transactions with the assets of the Fund, maintenance of accounting of the Fund, regulatory and financial reporting on behalf of the Fund, communication with the auditor of the Fund and delivery of necessary information to the auditor of the Fund. Northern Horizon Capital UAB is providing the Management Company various financial management services, support services in relation to existing customers and investors and human resource services (including various IT services).

8.9.5. REGISTRAR

Nasdaq CSD SE Estonian branch, registered in the Estonian Commercial Register under the registry code 14306553 keeps the Register of the Units (the "Registrar"). In accordance with the Securities Register Maintenance Act of Estonia units of a fund that is registered in Estonia and the units of which are traded on a regulated securities market must be registered at the Register kept by the Registrar. The Register is kept in accordance with the Securities Register Maintenance Act of Estonia. Further information on the Registrar and the Register is available at the website of the Registrar – www.nasdaqcsd.com.

The Register and the registration of the Units is described in more detail in section 6 "Units and Rights of the Unit-holders".

8.9.6. EUROCLEAR SWEDEN

Euroclear Sweden AB, a public limited liability company registered with the Swedish Companies Registration Office with the registration number 556112-8074, is a central securities depositary in Sweden. Units listed on Nasdaq Stockholm (the "Swedish Registered Fund Units") will be held by Euroclear Sweden. Euroclear Sweden is a subsidiary within the Euroclear group of companies and is authorised and regulated by the Swedish Financial Supervisory Authority (Finansinspektionen) as a central securities depository within the meaning of the Swedish Financial Instruments Accounts Act (1998:1497) and as a clearing organisation within the meaning of the Swedish Securities Markets Act (2007:528).

8.9.7. APPRAISER

In accordance with the Fund Rules, the Management Company, after consultation with the Supervisory Board, appoints a licensed and independent real estate appraiser. Only a person with high repute and sufficient experience in appraising similar property and operating in a country where any relevant real estate property is located may appraise the real estate belonging to the Issuer. The

Management Company will assess different valuation service providers and carefully select the service provider for the Issuer prior to every valuation of the Issuer's property.

The most recent external property valuations were performed in December 2019 for all the properties held by the Fund. Condensed valuation reports for each property are provided in Appendix B. All appraisals were performed by licensed appraisers at Newsec.

For the purposes of appraising Postimaja, G4S Headquarters, Lincona, Coca Cola Plaza and Pirita properties in Tallinn, the valuation reports were prepared by licensed appraisers of Newsec Valuations OÜ, a private limited company registered in the Republic of Estonia under the registry code 11930446. Newsec Valuations OÜ is established and operates under the laws of the Republic of Estonia. The registered address of Newsec Valuations OÜ is Rooseni 7, Tallinn 10111, Estonia, and telephone number in the registered office is +372 664 5090.

For the purposes of appraising Galerija Cents, Upmalas Biroji, Vainodes I, LNK Centre and Sky Supermarket properties in Riga, the valuation reports were prepared by licensed appraisers of Newsec Valuations LV SIA, a private limited company registered in the Republic of Latvia under the registry code 40103216919. Newsec Valuations LV SIA is established and operates under the laws of the Republic of Latvia. The registered address of Newsec Valuations LV SIA is Vilandes 1-16, Riga 1010, Latvia, and telephone number in the registered office is +371 6750 8400.

For the purposes of appraising North Star, Europa SC, Domus Pro (and a land plot for Domus Pro's further expansions),Duetto I and Duetto II properties in Lithuania, the valuation reports were prepared by licensed appraisers of Newsec Valuations UAB, a private limited company registered in the Republic of Lithuania under the registry code 126212869. Newsec Valuations UAB is established and operates under the laws of the Republic of Lithuania. The registered address of Newsec Valuations UAB is Konstitucijos av. 21C, Vilnius 08130, Lithuania, and telephone number in the registered office is +370 5 252 6444.

8.9.8. PROPERTY MANAGEMENT SERVICE

Successful management of properties with a property management partner is an important value driver for the Issuer as it maximises returns of owned real estate assets. Renting out vacant spaces and renegotiating expiring lease agreements result in higher rent revenue, cash flows and, in turn, property value. Therefore, the Management Company puts high emphasis on selecting a strong property management company to partner in managing day-to-day operations for its properties.

For the purposes of arranging the day-to-day management of the property investments of the Issuer, the Management Company has procured the property management service from the following persons:

- BPT Real Estate AS, a public limited company registered under the laws of the Republic of Estonia under the registry code 12203487, with a registered address at Rävala pst 5, Tallinn 10143, Estonia, and telephone number +372 6 309 420. As at the date of the Prospectus, BPT Real Estate AS provides services to the following properties located in Tallinn: Lincona, Coca Cola Plaza, G4S Headquarters, Pirita and Postimaja.
- BPT Real Estate SIA, a private limited company registered under the laws of the Republic of Latvia under the registry code 40003674473, with a registered address at 21 K. Valdemara Street, Riga LV 1010, Latvia, and telephone number +371 6 735 7392. As at the date of the Prospectus, BPT Real Estate SIA provides services to Sky Supermarket, Vainodes I, LNK and Galerija Centrs in Riga.
- BPT Real Estate UAB, a private limited company registered under the laws of the Republic of Lithuania under the registry code 302702539, with a registered address at Gediminas ave 20, LT-01103 Vilnius, Lithuania, and telephone number +370 5 268 3337. As at the date of the Prospectus, BPT Real Estate UAB provides services to Domus Pro, North Star and Europa SC in Vilnius.
- Bauplan Nord SIA, a private limited company registered under the laws of the Republic of Latvia under the registry code 40003697298, with a registered address at 101 Mūkusalas street, Riga LV-1004, Latvia, and the telephone number +371 6 707 9223. As at the date of the Prospectus, Bauplan Nord SIA provides services to Upmalas Biroji in Riga.
- YIT Kausta UAB, a private limited company registered under the laws of the Republic of Lithuania under the registry code 133556411, with a registered address at Naglio st. 4A, 52600, Kaunas, Lithuania, and telephone number +370 374 52348. As at the date of the Prospectus, YIT Kausta AB provides services to Duetto I and Duetto II in Vilnius.

BPT Real Estate companies have operated in the property management and administration field in the Baltics for more than ten years. BPT Real Estate was owned by the Management Company until September 2015 when its shareholding was fully sold to Baltcap, a Baltic private equity firm.

Property management service entails mostly the following services regarding the real estate property of the Issuer:

- managing tenant and owner relationships;

- marketing and letting activities management;
- organising lease agreement negotiations;
- coordination of services provided in the building (cleaning, security, maintenance, utilities, etc.);
- coordination of repair and construction works;
- arranging of utility agreements (water, electricity, gas, etc.);
- bookkeeping of property turnover and expenditures, invoice issuing and reporting;
- budgeting on a property level;
- arranging the good standing of respective SPV;
- property business planning.

Property management service providers for newly acquired properties will be selected via tenders on a property by property basis. The Management Company prioritizes property management firms with extensive experience in Baltic property markets, strong track record of managing properties and long term relationships with major tenants.

8.9.9. STATUTORY AUDITORS

Pursuant to the IFA, the Issuer shall have an auditor and the annual report of the Issuer must be audited. In accordance with the IFA, the Supervisory Council of the Management Company appoints the auditor of the Issuer.

The auditor of the Issuer is the audit company KPMG Baltics OÜ, Narva mnt 5, 10117 Tallinn, Estonia. KPMG Baltics OÜ is a member of the Estonian Board of Auditors with an authorisation number 17. The financial information of the Issuer for the years ending 31 December 2019, 31 December 2018 and 31 December 2017 were audited by auditors of KPMG Baltics OÜ.

The auditor of the Management Company is Ernst & Young Baltic AS, Rävala pst 4, 10145 Tallinn, Estonia. Ernst & Young Baltic AS is a member of the Estonian Board of Auditors with an authorisation number 58. The financial information of the Management Company for the years ending 31 December 2019, 31 December 2018 and 31 December 2017 were audited by auditors of Ernst & Young Baltic AS.

The auditor of Galerija SPV for the calendar year ending 31 December 2019 is a licenced audit company "KPMG Baltics" SIA, Vesetas iela 7, Vidzemes priekšpilsēta, Rīga, LV-1013, Latvia. "KPMG Baltics" SIA is a member of Latvian Association of certified auditors. The financial information of Galerija SPV for the years ending 31 December 2018 and 31 December 2017 were audited by auditors of SIA "Ernst &Young Baltic".

9. PRESENTATION OF FINANCIAL INFORMATION

9.1. NAV

The table below depicts the Fund's NAV per financial statements and EPRA NAV, a measure of long-term NAV, which is presented in order to provide additional information to potential investors. While starting from the 6-month period ended 30 June 2020, the Fund adopted the new best practices recommendation (BPR) published by the European Public Real Estate (EPRA), which replaced the old EPRA net asset value metrics, including EPRA NAV, and introduced three new features of the Net Asset Valuation metrics, namely EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV), the table below presents the old EPRA NAV to ensure comparability with previous years. Apart from disclosing NAV figures in interim and annual financial statements, the Fund also reports monthly NAV figures, the most recent of which is for August 2020 (EUR 1,2181 per Unit).

Table 24: NAV metrics, EUR thousand (unless stated otherwise)

	31 Dec 2017 audited	31 Dec 2018 audited	31 Dec 2019 audited	H1 2019 unaudited	H1 2020 unaudited
NAV (per financial statements)	**106,976**	**109,805**	**152,518**	**131,082**	**137,977**
IFRS NAV per unit, EUR	**1.38**	**1.40**	**1.35**	**1.34**	**1.22**
Reversals:					
Derivative financial instruments	14	1,061	1,655	2,153	1,879
Deferred tax asset related to derivative financial instruments	2	-56	-99	-131	-114
Deferred tax liability related to investment property fair and tax value differences	6,763	7,731	8,440	7,751	8,156

EPRA NAV	**113,755**	**118,541**	**162,514**	**140,855**	**147,898**
EPRA NAV per unit, EUR	**1.47**	**1.51**	**1.43**	**1.44**	**1.30**
Number of units	77,440,638	78,496,831[1]	113,387,525	97,964,044	113,387,525

Source: H1 2020 is based on unaudited interim consolidated financial statements of the Fund for the 6-month period ended 30 June2020. H1 2020 is based on unaudited interim consolidated financial statements of the Fund for the 6-month period ended 30 June 2019, audited consolidated financial statements of the Issuer for the year 2017-2019.

[1] The number of units excludes 225,969 units acquired by the Fund as part of the unit buy-back program.

The Fund's most recent NAV per financial statements, dated 31 August 2020, stood at EUR 138.1m corresponding to EUR 1,2181 per unit compared to EUR 152.5m or EUR 1.3470 per unit at the end of 2019. Since the Fund targets to pay out majority of generated cash flows in dividends to Unitholders, changes in NAV per unit predominantly reflect gains or losses in fair values of owned properties. The Fund's NAV as at the end of September will be announced during the Offering Period and will be communicated to the public through Website and stock exchange announcement.

The decrease of the Fund's NAV per unit at the end of the H1 2020 was a result of negative portfolio revaluation, which was impacted by the high market uncertainty surrounding the COVID-19 pandemic. Before that, growth in absolute NAV exceeded that of NAV per unit as the Fund carried out a number of equity raisings to finance new property acquisitions. In June 2016, the Fund completed an initial public offering selling 16,962 thousand new Units and raising EUR 21.0m of new equity capital. In November 2016, the Fund carried out a secondary public offering selling 15,286 thousand new Units and attracting EUR 19.6m of new equity. In June 2017, the Fund completed third public offering selling 7,397 thousand new Units and raising EUR 9.4m of additional equity. In November 2017, the Fund completed fourth public offering selling 12,784 thousand new Units and raising EUR 17m of additional equity. In 2018 February, the Fund complited a private placement selling 1,716 thousand new Units and raising 2.3m additional equity in relation to acquisition of Postimaja Shopping Centre. In April 2019, the Issuer completed two private placements of Fund units by which 15,699,366 and 3,139,873 new units corresponding to gross value of EUR 20,5 million and EUR 4,1 million were issued. In May 2019, another private placement of Fund units were completed by which 627,974 new Fund units corresponding to EUR 0,8 million were issued. In addition to the four mentioned private placements executed in 2019, in October 2019 the Issuer completed further two private placements by which 8,669,592 and 3,772,731 units were issued and raised in total of of EUR 16.5 million gross equity through these transactions. The proceeds from all of the private placements carried out during 2019 were used for new investments into real estate properties, including the acquisition of Galerija Centrs shopping centre in Riga, acquired in June 2019, and acquisition of the North Star Business Centre in Vilnius, acquired in October 2019. As a result of the private placements executed in 2019, the total number of Issuer units registered in the Estonian Register of Securities is 113,387,525.

In April 2018 the Fund completed subscription to 5-year Unsecured Notes of EUR 30 million (30,000 Notes with nominal value of EUR 1,000 each). The Notes were issued on 8 May 2018. The Notes bear a fixed rate coupon of 4,25% to be paid quarterly. In December 2018, the Fund completed subsequent 5-year unsecured notes subscription of 10 million. In May 2019, the Issuer completed another subscription to 5-year unsecured notes worth EUR 10 million. The notes issue was the third and final offering of unsecured notes which completed the full EUR 50 million issue under the terms and conditions of the initial issue of 8 May 2018.

EPRA NAV, and indicator of long term NAV, was computed following the definition and calculation guidelines provided by European Public Real Estate Association (EPRA) in its Best Practices Recommendations (December 2016[2]). According to EPRA, EPRA NAV measure was designed to reflect the fair value of net assets of an entity that invests in real estate with a long-term investment strategy. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value of financial derivatives and deferred taxes on property valuation gains are therefore excluded. NAV per financial statements is adjusted to exclude:

1. Derivative financial instruments liability (EUR 1.9m on 30 June 2020) which reflects the fair value of interest rate swap contracts. This liability would materialize only if the contracts were terminated. The Fund, however, intends to keep the contracts until their expiry which will lead to cancellation of the liability.
2. Deferred tax asset related to derivative financial instruments (EUR 114 thousand on 30 June 2020). This asset would crystallise only if the interest rate swap contracts (discussed above) were terminated. Maintaining the contracts until expiry will cancel the related tax asset.
3. Deferred tax liability related to investment property fair and tax value differences (EUR 8.22m on 30 June 2020). The tax would have to be paid only if properties were sold. However, the term of the Fund is indefinite and it invests in properties for the long term.

[2] Available publicly at https://www.epra.com/finance/financial-reporting/guidelines

No adjustments are needed regarding the value of investment properties since they are recorded at fair value on the balance sheet of the Fund – in line with the definition of EPRA NAV. The Fund's most recent EPRA NAV, dated 31 August 2020, amounted to EUR 148.5m or EUR 1.3060 per unit.

In October 2019, EPRA published new Best Practices Recommendations (BPR)[3] that became effective for accounting periods starting on 1 January 2020 and have been adopted by the Fund to present the financial figures for the 6-month period ended 30 June 2020. New EPRA BPR introduced three new measures of net asset value: EPRA net tangible assets (NTA), EPRA net reinvestment value (NRV) and EPRA net disposal value (NDV). EPRA NRV aims to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. The EPRA NTA is focused on reflecting a company's tangible assets and assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax liability. EPRA NDV aims to represent the shareholders' value under an orderly sale of business, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.

All three new NAV metrics share the same starting point, namely NAV per financial statements. For the computation of EPRA NRV and EPRA NTA, NAV per financial statements are adjusted to exclude the same items as described above by the computation of EPRA NAV. For the computation of EPRA NDV, NAV per financial statements is adjusted to include revaluation at fair value of fixed-rate loans (EUR 114 thousand on 30 June 2020). No adjustments are needed regarding the value of investment properties since they are recorded at fair value on the balance sheet of the Fund – in line with the new EPRA BPR. The table below summarises the similarities and differences between the different EPRA net asset value metrics computed based on the old (2016) and new (2019) EPRA BPR as at 30 June 2020.

Table 25: EPRA NAV metrics, EUR thousand (unless stated otherwise)

	30 June 2020			
	EPRA NRV unaudited	EPRA NTA unaudited	EPRA NDV unaudited	EPRA NAV unaudited
NAV (per financial statements)	**137,977**	**137,977**	**137,977**	**137,977**
IFRS NAV per unit, EUR	**1.22**	**1.22**	**1.22**	**1.22**
Exclude:				
Derivative financial instruments	1,879	1,879	-	1,879
Deferred tax asset related to derivative financial instruments	-114	-114	-	-114
Deferred tax liability related to investment property fair and tax value differences	8,156	8,156	-	8,156
Include:				
Revaluation at fair value of fixed-rate loans	-	-	114	-
NAV	**147,898**	**147,898**	**138,091**	**147,898**
NAV per unit, EUR	**1.30**	**1.30**	**1.22**	**1.30**
Number of units	113,387,525	113,387,525	113,387,525	113,387,525

9.2. UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma financial information is presented for illustrative purposes only and relates to the acquisition of Tampere Invest SIA. On 13 June 2019, the Issuer closed the acquisition of Tampere Invest SIA and thus acquired the 14th asset (Galerija Centrs) into its portfolio. The following unaudited pro forma financial information is presented as if the transaction had taken place:

- 1 January 2019 with respect to the unaudited pro forma income statement.

Because of its nature, the pro forma financial information addresses a hypothetical situation of how the income statement of the Issuer would have formed in case the acquisition of Tampere Invest SIA had taken place on 1 January 2019. Therefore, the unaudited pro forma financial information does not represent the Issuer´s actual financial position or results. The unaudited pro forma financial information has been prepared in accordance with the Annex 20 of the Delegated Regulation.

[3] Available publicly at https://www.epra.com/finance/financial-reporting/guidelines

Pro forma adjustments are based on the available information and the assumptions made by the Management Company. There is no certainty that the assumptions used on drawing up the pro forma financial information turn out to be correct in the future.

The unaudited pro forma financial statements should be read together with the Issuer´s IFRS financial statements for the year 2019 (incorporated by way of reference and available on Issuer´s website at https://www.baltichorizon.com/reports-and-financialcalendar/.

Auditor´s report on the unaudited pro forma financial information has been presented in Appendix F of the Prospectus.

In the following tables the following pro forma financial information has been presented:

- Unaudited pro forma income statement for the year 2019.

The pro forma income statement has been based on the assumption that the acquisition of Tampere Invest SIA had taken place on 1 January 2019.

The unaudited pro forma financial information has been drawn up in accordance with International Financial Reporting Standards (IFRS) applicable within the European Union. The financial statements of Tampere Invest SIA have been prepared in accordance with the Law of the Republic of Latvia on Annual Reports and Consolidated Annual Reports. Therefore the accounting standards used by Tampere Invest SIA have been corrected in material parts with IFRS principles followed by the Issuer.

Basis of pro forma financial information

Unaudited pro forma financial information is based on financial information derived from the following sources:

- audited financial statements of the Issuer for 2019 which have been incorporated by way of reference and are available on Issuer´s website at https://www.baltichorizon.com/reports-and-financialcalendar/
- audited financial statements of Tampere Invest SIA for 2019 which have been appended to the Prospectus (Appendix F)

In the pro forma income statement, the financial information has been corrected in material parts with IFRS principles followed by the Issuer in order to have comparable data (see notes 1 and 2 below).

Table 26: Unaudited pro forma income statement for the year 2019

Euro '000	The Issuer for the year 2019[4]	Tampere Invest SIA for the year 2019[5] (pre-acquisition)	Harmonisation of accounting policies	New debt arrangements	Shareholder debt settlement	Recalculation of property management services fee	Pro forma Consolidated
Rental income	20,776	2,382	-	-	-	-	23,158
Service charge income	4,525	1,058	(438)	-	-	-	5,145
Cost of rental activities	(6,082)	(1,541)	438	-	-	50	(7,135)
Net rental income	**19,219**	**1,899**	**-**	**-**	**-**	**50**	**21,168**
Administrative expenses	(3,251)	(64)	-	-	-	-	(3,315)
Other operating income/(expenses)	26	(15)	16	-	-	-	27
Valuation gains/(loss) on investment properties	(2,064)	355	(16)	-	-	-	(1,725)
Operating profit	**13,930**	**2,175**	**-**	**-**	**-**	**50**	**16,155**
Financial income	5	2	-	-	-	-	7
Financial expenses	(4,718)	(924)	-	(314)	277	-	(5,679)
Net financing costs	**(4,713)**	**(922)**	**-**	**(314)**	**277**	**-**	**(5,672)**
Profit before tax	**9,217**	**1,253**	**-**	**(314)**	**277**	**50**	**10,483**
Income tax charge	(426)	-	-	-	-	-	(426)
Profit for the period	**8,791**	**1,253**	**-**	**(314)**	**277**	**50**	**10,057**
Explanatory notes			**(1,2)**	**(3)**	**(4)**	**(5)**	

Pro forma explanatory notes

1. The unaudited pro forma financial information has been prepared and presented on the basis of accounting policies followed by the Issuer. The following financial information of Tampere Invest SIA has been corrected in order to have comparable data:
    a. Property, plant and equipment are measured by the Issuer under the revaluation model. According to accounting policies followed by the Issuer, an adjustment of EUR 0.02 million has been recorded to decrease other operating expenses and increase valuation gains on investment properties by EUR 0.02 million as depreciation is not calculated under the revaluation model.
    b. The Issuer has adopted IFRS 15 "Revenue from contracts with customers" and determined that it acts in the capacity of an agent for certain transactions. For the purpose of the preparation of the unaudited pro forma financial information, IFRS 15 requirements and accounting policies followed by the Issuer were applied to Tampere Invest SIA historical financial information. The Issuer determined that Tampere Invest SIA acted as an agent for certain transactions and partially offset (EUR 0.44 million) the company's service charge income and cost of rental activities.
2. The following presentation adjustments have been made to ensure consistency of presentation of financial information between Issuer and Tampere Invest SIA:
    a. Tampere Invest SIA selling expenses (EUR 0.67 million) have been presented under the cost of rental activities;
    b. Tampere Invest SIA administrative expenses (EUR 0.16 million) have been presented under the cost of rental activities;

[4] The financial information of the Issuer reflects the historical consolidated statement of profit or loss and other comprehensive income of the Issuer for the year ended 31 December 2019 as presented in the Issuer's annual report 2019.

[5] The financial information of Tampere Invest SIA for the year 2019 represents historical operating results attributable to Tampere Invest SIA for the period ended 12 June 2019. Figures are adjusted for consistency of presentation of financial information between the Issuer and Tampere Invest SIA. Please refer to explanatory note no. 2.

   c. Tampere Invest SIA other operating income (EUR 1.75 million) has been presented under valuation gains/(loss) on investment properties.

3. The Issuer has agreed on new financing arrangement in order to acquire Tampere Invest SIA, consisting of (a) 5-year unsecured bonds amounting to EUR 10 million at an effective interest rate of 4.25% per annum and (b) 3-year Tampere Invest SIA bank loan amounting to EUR 30 million at an effective interest rate of 2.75% per annum. Bank loan and bonds transaction costs of EUR 0.14 million were capitalized as non-current debt.

   The Issuer refinanced outstanding Tampere Invest SIA bank loans upon acquisition of Tampere Invest SIA. At the time of the acquisition, Tampere Invest SIA had an outstanding bank loan of EUR 35.8 million. Refinancing of outstanding Tampere Invest SIA was funded from newly raised equity and external debt.

   Financial expenses have been adjusted for estimated additional finance costs of (a) EUR 0.15 million relating to the issuance of bonds and (b) EUR 0.15 million relating to the drawdown of bank loan used to refinance outstanding Tampere Invest SIA bank loans (c) EUR 0.02 million relating to the amortisation of loan arrangement fee. Interest expenses relating to original Tampere Invest SIA bank loans have been excluded from pro forma financial information.

4. Pursuant to the share purchase agreement, the Issuer has agreed to settle outstanding shareholder loan in full amount upon acquisition of Tampere Invest SIA. The repayment of shareholder loan was funded from newly raised equity and external debt. The Issuer issued a new shareholder loan to Tampere Invest SIA in the amount of EUR 31.7 million upon closing of the acquisition.

   Financial expenses have been adjusted to exclude EUR 0.28 million relating to interest expenses on shareholder loan provided by the seller of Tampere Invest SIA. Intercompany interest expenses relating to shareholder loan issued by the Issuer have been excluded from pro forma financial information to eliminate intercompany transactions.

5. Prior to share purchase agreement property and asset management services were carried out by the seller, but the agreement was terminated upon closing of Tampere Invest SIA. As of the acquisition, property management is outsourced to property management company BPT Real Estate SIA. The pro forma financial information adjustment for the cost of rental activities represents property management services fee assuming Tampere Invest SIA was acquired on 1 January 2019 and property management services were provided by BPT Real Estate SIA.

   The cost of rental activities has been adjusted for estimated additional costs of EUR 0.11 million relating to the property management fees paid to BPT Real Estate SIA. Property management expenses in the amount of EUR 0.16 million relating to the original Tampere Invest SIA property and asset management services contract with the seller have been excluded from pro forma financial information. Prior to the acquisition of Tampere Invest SIA property and asset management services were rendered by the subsidiary of the previous owner. As part of the acquisition, it was agreed that BPT Real Estate SIA will takeover property and asset management services instead of the previous provider. Recalculation of property management services fee represents the difference between BPT Real Estate SIA and the seller's subsidiary property management fees in the amount of EUR 0.05 million assuming the change of property management company would have taken place on 1 January 2020.

9.3. WORKING CAPITAL STATEMENT

The Issuer is of an opinion that its working capital is, as at the date of this Prospectus, sufficient for the Fund's financing requirements for the period covering at least twelve months following the date of this Prospectus. Working capital refers to the Fund's ability to access cash and cash equivalents to fulfil its payment obligations as they become due.

9.4. CAPITALISATION AND INDEBTEDNESS

The following table presents the capitalisation and indebtedness of the Issuer as at 31 August 2020 . The table should be read together with the Issuer´s interim financial statements for the six month period ended 30 June 2020 (incorporated by way of reference and available on Issuer´s website at https://www.baltichorizon.com/reports-and-financialcalendar/).

Table 27: Capitalisation and indebtedness of the Company as at 31 August 2020

	As at 31 August 2020
Capitalisation	
Current debt	
Guaranteed	0
Secured[1]	10,238
Unsecured / unguaranteed	3,161
Total current debt	**13,399**
Non-current debt	
Guaranteed	0
Secured[1]	145,624
Unsecured / unguaranteed	59,137
Total non-current debt	**204,761**
Shareholder's equity	
Share capital	138,064
Cash flow hedge reserve	-1,697
Retained earnings	1,753
Total equity	**138,120**
Total capitalisation	**356,280**
Net indebtedness	
Cash at bank and on hand	7,077
Trading securities	0
Liquidity (1)	**7,077**
Current Financial Receivable	**2,062**
Current bank debt	0
Current portion of non-current financial debt	10,238
Other current financial debt	3,161
Current Financial Debt (2)	**13,399**
Net Current Financial Indebtedness (3)	**4,260**
Non current bank loans	145,624
Bonds issued	49,815
Other non current loans	277
Non-current financial indebtedness (4)	**195,716**
Net Financial Indebtedness (5)	**199,976**
(1) Aggregate of cash, cash equivalents and trading securities	
(2) Aggregate of current bank debt, current portion of non-current debt and other current financial debt	
(3) Current financial debt deducted by liquidity and current financial receivables	
(4) Aggregate of non-current bank loans, bonds issued and other non-current loans (excluding current portion of long-term debt)	
(5) Aggregate of net current financial indebtedness and non-current financial indebtedness	

[1]The Fund's properties have been pledged as loan collateral

Disclosure of indirect and contigent indebtedness

The Issuer did not have any indirect and contigent liabilities as at 31 August 2020.

Profit forecasts or estimates

The Issuer does not compile and publish a profit forecast or a profit estimate nor does the Issuer compile and publish financial forecasts or estimates in this Prospectus.

9.5. SIGNIFICANT CHANGE IN THE FINANCIAL OR TRADING POSITION

Since 30 June 2020 - the last reporting date of the Issuer - there has been no significant events nor change in the financial or trading position of the Issuer.

Since 31 December 2019 – the last reporting date of Management Company – there has been no significant changes in the financial or trading position of Management Company.

Since 31 December 2019 – the last reporting date of Galerija SPV – there has been no significant changes in the financial or trading position of Galerija SPV.

The Issuer

BALTIC HORIZON FUND

Tornimäe 2, 10145 Tallinn, Estonia
www.baltichorizon.com

Management Company

NORTHERN HORIZON CAPITAL AS

Tornimäe 2, 10145 Tallinn, Estonia
www.nh-cap.com

Manager of the Offering

AS REDGATE CAPITAL

Pärnu mnt 10, 10148 Tallinn, Estonia
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Legal Advisor to the Management Company

ADVOKAADIBÜROO SORAINEN AS

Kawe Plaza, Pärnu mnt 15, 10141 Tallinn, Estonia
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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

$$((MCap_1 \text{ x } F_1)+...+(MCap_5 \text{ x } F_5)) \text{ x } (Actual_q / 365)$$

(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.

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

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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

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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).

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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.

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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.

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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).

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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.

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.

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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.

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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).

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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).

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VAT payer code: EE101366122

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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).

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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

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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.**

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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 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.

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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).

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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

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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).

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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.

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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
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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.

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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"

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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.

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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"

NEWSEC

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

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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

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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

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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.

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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

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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"

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.

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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 insturnments 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.

	2019	**2018**
Line of business	**EUR**	**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	**2018**
	EUR	**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	**2018**
EUR	**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	**2018**
EUR	**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

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Latvia

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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 Riga, 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.

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Board Member

E. Korsakova

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

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Board Member

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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
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Board Member

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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

E. Korsakova

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	significant observable inputs	insignificant observable inputs
			(Level 1)	(Level 2)	(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	Elvīra Korsakova Board Member

Larisa Aleksandrova
Accountant

1 April 2019

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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	Mārcis Budļevskis	Elvīra Korsakova
Chairman of the Board	Board Member	Board Member

26 April 2018

Statement of profit or loss

	Notes	2017 EUR	2016 (restated*) 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.

Frode Gronvold
Chairman of the Board

Mārcis Budļevskis
Board Member

E. Korsakova
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

	Note	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

E. Korsakova
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	Elvīra Korsakova Board Member
Larisa Aleksandrova Accountant		

26 April 2018

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SIA "Ernst & Young Baltic"
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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.

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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
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Tallinn 10117
Estonia

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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.

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

1. Firma

1.1. Sabiedrības firma ir **SIA "TAMPERE INVEST"** (turpmāk – Sabiedrība).

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).

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.

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

ARTICLES OF ASSOCIATION OF SIA "TAMPERE INVEST"

1. The Name

1.1. The firm name of the Company is **SIA "TAMPERE INVEST**" (hereinafter – the Company).

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. 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. 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 **"Sabiedriba"**) 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, Riga 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**

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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.

IV NODAĻA.

Ieguldījumi statūtu fondā un Dalībnieku atbildība

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.

4.2. 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;

4.3. 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.

4.4. 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.

4.5. 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.

4.6. 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.

4.7. Par pilnībā neieguldītu daļu Sabiedrība izdod Daļas pagaidapliecību, kura tiek nomainīta pret Daļas apliecību ne vēlāk kā mēnesi pēc galīgā maksājuma izdarīšanas.

3.2.12. wide range consultative services and other business activities not contradicting the Legislation.

ARTICLE IV

Investments to the Authorized Capital (capitalization) and Liability of the Participants

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. 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. 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. 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. 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. 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. 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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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

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.

10.2. Likvidācijas procedūra. Sabiedrība tiek likvidēta Statūtos un Likumdošanā noteiktajā kārtībā.

ARTICLE X

Term, termination and liquidation.

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. Liquidation Procedure. The Company is liquidated in the order stipulated by the Statutes of the Company and the Legislation.

XI NODAĻA

Dažādas papildus saistības

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.

11.2. 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.

11.3. 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.

ARTICLE XI

Additional provisions.

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. 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. 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.

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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 cauraukiotas 9
/deniņa/ lapas