

Fund overview

Ticker (TLN/STO)	NHCBHFFT/ NHCBHFFSDB
Fund manager	Northern Horizon Capital AS
Number of units	119 635 429
Type	closed-end contractual evergreen
Unit Net Asset Value, EUR	0.9905
Size	278 822 EUR thousand
Equity	118 504 EUR thousand
LTV	59.90%
Distribution to investors since first listing	approx. 45.3 mEUR

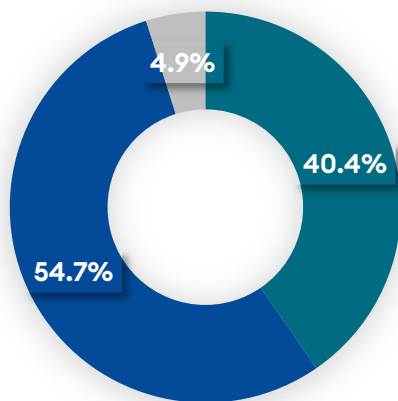
Portfolio

Cost of debt ²	4.20%
NOI for Q3 2022 - Q2 2023	17 250 EUR thousand
NOI for 2022	17 430 EUR thousand
Number of cash-flow properties	12
GRESB rating	★★★★☆
Portfolio NIY ¹	5.90%
Occupancy rate ²	84.6%

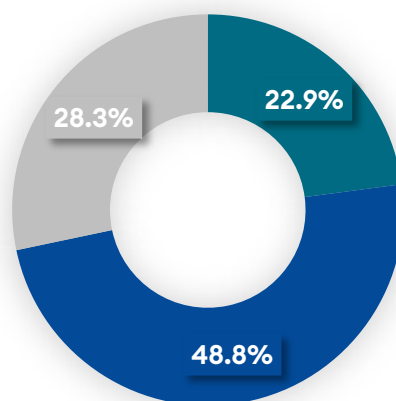
¹ The net initial yield (NIY) is calculated by dividing annualized NOI by the market value of the property. Data is as of Q2 2023

² As of June 30, 2023

Properties by NOI (Q2 2023)



■ Office ■ Retail ■ Leisure



■ Estonia ■ Latvia ■ Lithuania

Dividend capacity

EUR '000	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Generated net cash ow (GNCF)	2 250	1 858	1 136	1 477	1 209
GNCF per weighted unit	0.019	0.016	0.009	0.01	0.01
12-months rolling GNCF yield ¹	8.0%	9.4%	10.4%	10.1%	11.3%

¹ 12-month rolling GNCF and dividend yields are based on the closing market price of the unit as at the end of the quarter (Q2 2023: closing market price of the unit as of 30 June 2023).

Fund objective

Baltic Horizon's primary focus is to invest directly into commercial real estate located in Estonia, Latvia and Lithuania with a particular focus on the capitals – Tallinn, Riga and Vilnius.

The Fund aims to pay regular dividends and create long-term value from active asset management of its holdings.

Financial goals

- 10-12% return on equity p.a.
- 40-50% long-term leverage target
- Equity Ratio > 35.0%
- Debt Service Coverage Ratio > 1.20

Risk and reward profile

1 2 3 4 **5** 6 7

Lower risk Higher risk
Potentially lower reward Potentially higher reward

Fund management

Baltic Horizon Fund is managed by Northern Horizon Capital AS, a subsidiary of Northern Horizon group. Northern Horizon Capital AS is a licensed AIFM and is supervised by Estonian FSA.

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Owned properties

Property name	City	NLA (m ²)	% of NOI for Q2 2023
Lincona BC	Tallinn	10 775	7.18%
CC Plaza	Tallinn	9 139	5.62%
Pirita SC	Tallinn	5 425	5.24%
Postimaja SC	Tallinn	9 232	8.88%
Sky SC	Riga	3 259	2.75%
Upmalas Biroji BC	Riga	10 459	12.75%
Vainodes I BC	Riga	8 128	9.54%
LNK Centre BC	Riga	7 450	7.20%
Galerija Centrs SC	Riga	19 293	21.07%
Europa SC	Vilnius	17 051	10.02%
North Star BC	Vilnius	10 579	9.72%
Meraki BC	Vilnius	8 275	0.04% ¹
SC - Shopping centre BC - Business centre	Total NLA	119 065	100%

¹ The Fund completed the development of the first tower of the Meraki building in September 2022. Rental income has been received starting from October 2022. Initial rental costs were recognised in September 2022.

Top tenants

Latvian State Forestry
SEB Bank
Rimi (ICA Group)
Apollo Group
Lithuania Tax Inspectorate
LNK Industries
New Yorker Eesti
EIS Group
Swedbank
Estonian Information System Authority

Top 6 investors

Svenska kyrkans pensionskassa
SEB Baltic Pensions
Skandinaviska Enskilda Banken S.A.
Vienna Insurance Group
VP Bank S.A.
EIKOS AB

Fund facts

As of Q2 2023, Baltic Horizon Fund is one of the biggest real estate funds listed in the Baltics.

Baltic Horizon Fund is also the first AIF on the alternative (SDR) investment funds list of Nasdaq Stockholm.

Baltic Horizon Fund operates under the REIF concept where vast majority of Fund's cash earnings are paid out to investors.

Baltic Horizon Fund has declared approx. 45.3 mEUR dividend distribution to investors since first listing in 2016.

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Office portfolio overview

As of H1 2023 Baltic Horizon Fund is in the final stage of lease agreement coordination with a new tenant for 2850 sqm in Upmalas Biroji.

Baltic Horizon Fund has signed new lease agreement in Meraki for 170 sqm premises with 7Fridays restaurant, which will be open in Autumn 2023.

Retail portfolio overview

As of H1 2023 Baltic Horizon Fund has prolonged anchor lease agreements in Galerija Centrs and Postimaja.

The opening of the BURZMA food hall and the successful negotiation of deals with new tenants, including international fashion brand ARKET, at Galerija Centrs have created a strong basis for growth in its operating results.

Fund has managed to significantly decrease vacancy in Pirita shopping center and achieved 100% occupancy in SKY shopping center.

SKY and EUROPA shopping centers have been certified BREEAM In Use.

EUROPA shopping center won the BREA award as the "Best Shopping Center in The Baltics".

Gross & Net Asset Value

At the end of H1 2023, the Fund's GAV was EUR 278.8 million (31 December 2022: EUR 344.0 million), 18.9% lower than at the end of the previous period. The decrease is mainly related to the sale of the shares in BH Domus Pro UAB and BH Duetto UAB.

At the end of H1 2023, the Fund's NAV was EUR 118.5 million (31 December 2022: EUR 133.7 million). Compared to the year-end 2022 NAV, the Fund's NAV decreased by 11.3%.

Net profit and net rental income

The Group recorded a net loss of EUR 15.0 million for H1 2023 against a net profit of EUR 4.2 million. The net result was strongly impacted by the negative valuation result of EUR 14.6 million.

The Group earned net rental income of EUR 8.5 million in H1 2023 (H1 2022: EUR 8.7 million). The results for 2023 include two months' net rental income of the Domus Pro Retail and Office property (EUR 0.3 million) and five months' net rental income of the Duetto properties (EUR 1.2 million), which were sold in February and May 2023, respectively. Rent indexations and the recovery of income improved the net rental income of the same portfolio mix (like-for-like portfolio).