

## 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	0.9862
Size	269 462 EUR thousand
Equity	117 984 EUR thousand
LTV	56.10%
Distribution to investors since first listing	approx. 45.3 mEUR

## Portfolio

Cost of debt <sup>2</sup>	5.10%
NOI for Q4 2022 - Q3 2023	16 180 EUR thousand
NOI for 2022	17 430 EUR thousand
Number of cash-flow properties	12
GRESB rating	★★★★☆
Portfolio NIY <sup>1</sup>	5.00%
Occupancy rate <sup>2</sup>	77.1%

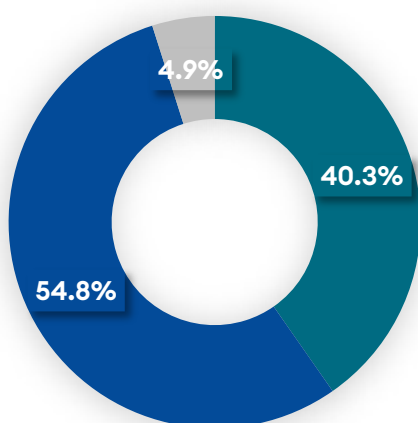
<sup>1</sup> The net initial yield (NIY) is calculated by dividing annualized NOI by the market value of the property. Data is as of Q3 2023

<sup>2</sup> As of September 30, 2023

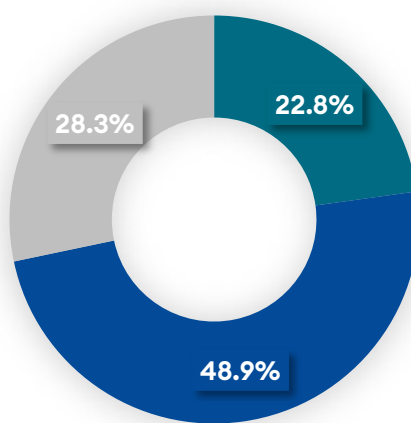
## Summary of recently signed lease agreements

Property	Tenant name	Net Leased area, sqm
Upmalas	Latvian State Police	4,060
Europa	IKI Lietuva	1,869
Pirita	Dentores Dental Care	212
Lincona	Pet24 OÜ	187
Other		457
<b>Total</b>		<b>6,784</b>

## Properties by NOI (Q3 2023)



■ Office ■ Retail ■ Leisure



■ Estonia ■ Latvia ■ Lithuania

## 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 > 1.10

## 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 <sup>2</sup> )	% of NOI for Q3 2023
Lincona BC	Tallinn	10 775	8.65%
CC Plaza	Tallinn	9 139	5.75%
Pirita SC	Tallinn	5 425	6.08%
Postimaja SC	Tallinn	9 232	10.25%
Sky SC	Riga	3 259	3.47%
Upmalas Biroji BC	Riga	10 594	5.53%
Vainodes I BC	Riga	8 128	11.52%
S27 BC	Riga	7 450	4.43%
Galerija Centrs SC	Riga	19 294	21.45%
Europa SC	Vilnius	17 051	11.30%
North Star BC	Vilnius	10 579	11.47%
Meraki BC	Vilnius	8 275	0.11%
SC - Shopping centre BC - Business centre	<b>Total NLA</b>	<b>119 065</b>	<b>100%</b>

## Top tenants

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

## 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 Q3 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.

In Q3 2023, Baltic Horizon maintained the GRESB 4 star rating for the second year in a row.

Baltic Horizon Fund has been honoured with a Gold BPR Award for its financial reporting from the European Public Real Estate Association (EPRA) for the fourth year in a row.

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

Proactive measures are being taken to fill office vacancies, with the Fund securing the Latvian State Police as a tenant for approximately 4,060 sq. m for 12 years in Upmalas Biroji to partially offset the vacancy from SEB premises. The agreement with the Latvian State Police was signed in November and the move is expected early next year.

In Meraki, one new lease agreement was successfully executed during Q3 2023. Furthermore, we have initiated at least five active negotiations with potential new tenants.

## Retail portfolio overview

Baltic Horizon Fund has obtained BREEAM In-Use certificates for its Estonian retail assets: Postimaja, CC Plaza and Pirita – have all achieved BREEAM InUse certification with a 'Good' rating.

The anchor grocery tenant Rimi extended its leases on the same favourable terms in both Postimaja and Galerija Centrs.

The H&M store will be upgraded in Postimaja to include the H&M Home concept in November 2023, while ARKET will open in Galerija Centrs in December 2023.

## Gross & Net Asset Value

At the end of Q3 2023, the Fund's GAV was EUR 269.5 million (31 December 2022: EUR 344.0 million), 21.7% 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 Q3 2023, the Fund's NAV was EUR 118.0 million (31 December 2022: EUR 133.7 million). Compared to the year-end 2022, the Fund's NAV decreased by 11.7%. The increase in operational performance was offset by a EUR 14.6 million property valuation loss and EUR 3.8 million loss from the disposal of the BH Domus Pro UAB and BH Duetto UAB shares.

## Net profit and net rental income

The Group recorded a net loss of EUR 15.2 million for Q1-Q3 2023 against a net profit of EUR 6.2 million for the corresponding period in 2022. The net result was strongly impacted by the negative valuation result of EUR 14.6 million. Meanwhile in Q1-Q3 2022, the valuation resulted in a net fair value gain of EUR 0.2 million.

The Group earned net rental income of EUR 11.7 million in Q1-Q3 2023 (Q1-Q3 2022: EUR 13.0 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.