

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	0.9156
Size	261 138 EUR thousand
Equity	109 532 EUR thousand
LTV	57%
Distribution to investors since first listing	approx. 45.3 mEUR

Portfolio

Cost of debt ²	5.20%
NOI for Q1 2023 - Q4 2023	14 617 EUR thousand
NOI for 2022	17 430 EUR thousand
Number of cash-flow properties	12
GRESB rating	★★★★☆
Portfolio NIY ¹	4.50%
Occupancy rate ²	81.1%

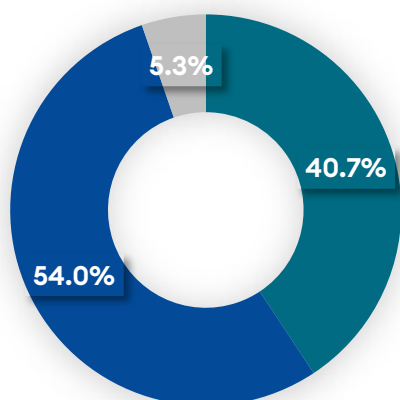
¹ The net initial yield (NIY) is calculated by dividing annualized NOI by the market value of the property. Data is as of Q4 2023

² As of December 31, 2023

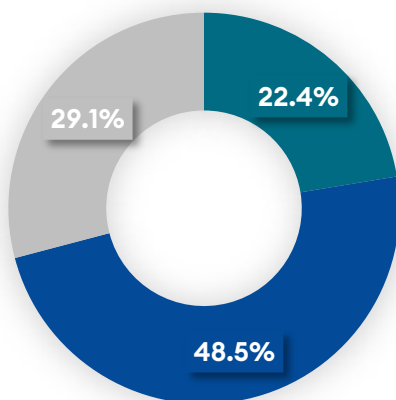
Summary of recently signed lease agreements

Property	Tenant name	Net Leased area, sqm
Upmalas Biroji	Latvian State Police	4,128
Europa	IKI Lietuva	1,869
Meraki	Vlantana	923
Meraki	HSC Baltic	300
Others		1,864
Total		9,084

Properties by NOI (Q4 2023)



■ Office ■ Retail ■ Leisure



■ Estonia ■ Latvia ■ Lithuania

Fund objective

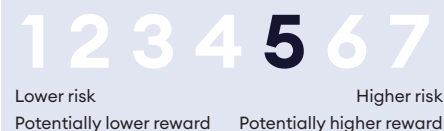
Baltic Horizon's primary focus is to invest directly into commercial real estate located in Estonia, Latvia and Lithuania with a particular focus on the capitals – Tallinn, Riga and Vilnius.

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



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 Q4 2023
Lincona BC	Tallinn	10 775	8.31%
CC Plaza	Tallinn	9 139	7.22%
Pirita SC	Tallinn	5 425	6.51%
Postimaja SC	Tallinn	9 232	11.26%
Sky SC	Riga	3 259	3.57%
Upmalas Biroji BC	Riga	11 212	7.47%
Vainodes I BC	Riga	8 128	12.18%
S27 BC	Riga	7 450	3.52%
Galerija Centrs SC	Riga	19 306	13.46%
Europa SC	Vilnius	17 047	13.78%
North Star BC	Vilnius	10 579	12.83%
Meraki BC	Vilnius	8 162	-0.11%
SC - Shopping centre BC - Business centre	Total NLA	119 714	100%

Top tenants

Rimi (ICA Group)
Latvian State Forestry
Apollo Group
Latvian State Police
Lithuania Tax Inspectorate
LNK Industries
EIS Group
Swedbank
IKI
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 Q4 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 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

Colliers was chosen for the management of the office buildings Upmalas Biroji BC, Vainodes I and S27.

Fund is actively engaged in reletting current and forthcoming office vacancies, particularly in light of EMERGN's decision to reduce their rented area in LNK and the SEB exit from Upmalas Biroji. Proactive measures are being taken to fill these vacancies, with the Fund securing the Latvian State Police as a tenant for approximately 4,060 sq. m in Upmalas Biroji to partially offset the vacancy from SEB premises. The agreement with the Latvian State Police was signed in November 2023.

Retail portfolio overview

Newsec has been designated as a strategic partner for the management of the shopping centres Galerija Centrs and Sky.

Baltic Horizon Fund announced the successful BREEAM certification of its remaining retail assets.

NOI grew by 11.3% over the last 12 months to EUR 5.4 million. New major tenants include ARKET, H&M Home and IKI. The team has either renegotiated or leased out 34% of the total retail lettable area. This development has positively impacted the terms that we have obtained for the new bank loans for the retail assets which will further allow us to reduce the outstanding bond amount at a lower financing cost.

Gross & Net Asset Value

At the end of Q4 2023, the Fund's GAV was EUR 261.1 million (31 December 2022: EUR 344.0 million), 24.1% 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 2023, the Fund's NAV was EUR 109.5 million (31 December 2022: EUR 133.7 million). Compared to the year-end 2022, the Fund's NAV decreased by 18.0%. The operational performance result was offset by the EUR 21.9 million loss on property valuations and EUR 4.0 million loss from the disposal of the BH Domus Pro UAB and BH Duetto UAB shares. These were the main factors behind the fall in the Fund's NAV.

Net profit and net rental income

In 2023, The Group recorded a net loss of EUR 23.0 million against a net profit of EUR 3.9 million for 2022. The net result was strongly impacted by the negative valuation result of EUR 21.9 million.

The Group earned net rental income of EUR 14.6 million in 2023 (2022: EUR 17.4 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. The net rental income of the same portfolio mix (like-for-like portfolio) remained at a level similar to the previous year.