Baltic Horizon

Extraordinary General Meeting

8 December 2025

Fund Manager´s proposal for the EGM on 8 Dec 2025

Propose to resolve on the issuance of new units during Q1 2026 in order to strengthen the balance sheet of the Fund.

The quorum requirement has not been met for the current general meeting, therefore a repeat meeting will take place on 16 December 2025. Currently and based on the votes received, the management company expects the decision to be passed in the 16 December meeting, therefore the subscription and offering period is expected to further take place during the beginning of Q1 2026.

- The Fund Manager proposes that the General Meeting resolve to issue up to 169,147,497 new Baltic Horizon Fund units:
  - EUR 25 million is the amount which would fully meet capital needed to repay the bond and fund necessary property enhancements. However, it is not likely that all unitholders will take part, therefore a realistic target is around 50% of the total new units offered. In case at least EUR 7.5 million is not secured, the management may consider terminating the offering as the lower amount would not be sufficient to meet all the covenants.
  - The new units are to be issued at a price of EUR 0,1478 per unit, corresponding to approx. 30% discount to the closing price of the unit on Nasdaq Tallinn on 13 November 2025. Currently it is at approx. 10% discount to the most recent market price.
  - Supported by the independent members of the Supervisory Board of the Fund and a number of surveyed largest unitholders.
  - Management can accept subscriptions from ALL existing Baltic Horizon Fund investors, i.e. persons entered in the unit-holders' register as of the end of the Nasdaq CSD SE working day preceding the date of the first day of the offering period.
  - The Existing Investors have the pre-emptive right to subscribe for new units in proportion to the total number of their units (pro-rata), which does not limit or exclude the existing Investors' right to subscribe for new units in smaller quantities or not to subscribe for new units at all.

Equal opportunity for all existing investors

- No preferential access / allocation advantages: The offering is structured pro-rata to ensure fairness for all unitholders. No major or any other investor is receiving preferential access or allocation advantages.

- No allocation of unsubscribed units: No investor can acquire more units in the offering than their existing proportional ownership in the Fund by the time of the offering. In case the offering is not fully subscribed, the management will consider the possibility to pay back the bond partially and will prudently assess its alternatives to continue strengthening liquidity and reducing indebtedness.

- Investor interest: Many unitholders, also the shareholders of the management company Baltic Horizon Capital AS, have expressed their support for the new units issue. However, it is not guaranteed that the the full pro-rata allocation will be taken up. Subscription decision remains at the discretion of all existing investors during the time of the offering.

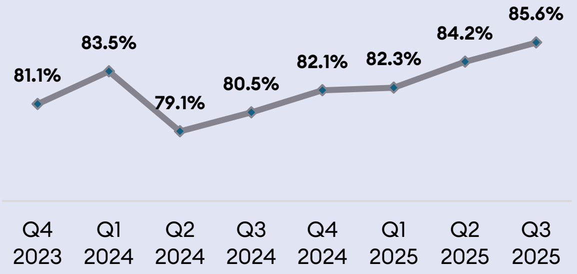
- Careful consideration of the trade-off: Management understands that it is essentially sacrificing current NAV per unit via potential dilution to secure the future solvency and success of the Fund. We believe that the reduction of expensive debt is ultimately in the long-term interest of all unitholders holding also potential in the future market price for the Fund.

Why new unit offering instead of property disposals?

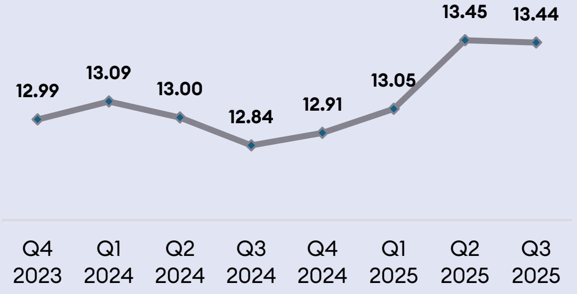
- Management acknowledges that certain property disposals were completed but some did not realize, leaving the discounted equity issue currently as the only viable path to stabilize the Fund’s balance sheet.
- Evaluation of Asset Fire-Sale Scenario
  - Property Disposals were Attempted: The Fund sold Meraki Business Center in Vilnius at terms close to the most recent valuation and attempted property disposals throughout 2025. No other reasonable realistic proposals have been received for the Fund’s assets. Market for commercial properties is currently extremely illiquid, especially for larger complex assets.
  - Market Feasibility: Current market buyers are highly opportunistic and very selective, meaning sales would likely only occur at prices potentially in some cases at similar level than the current equity discount. Furthermore, the management believes in the future value potential of its portfolio from its most recent valuations, which would also be forgone in the Asset Fire-Sale scenario. Based on the outcome and own assessment accelerated disposal of the investment properties of the Fund could result in a wipe out of the equity of the fund and is still very uncertain.
  - Risk to Income Generation: disposing of a critical volume of properties would reduce the Fund’s income generation capacity. This would compromise the Fund’s ability to potentially cover its debt service and overall running costs.
  - Work on selected disposals continues: Nevertheless, individual property disposals remain on the agenda and will be pursued at any reasonable opportunity.

KPI Overview

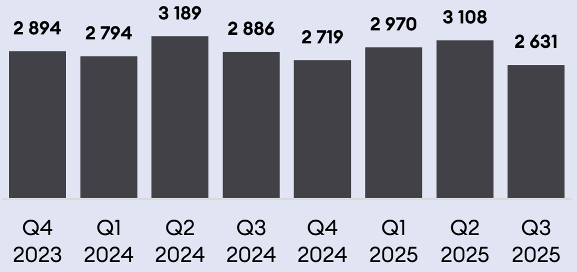
Occupancy (end of quarter)



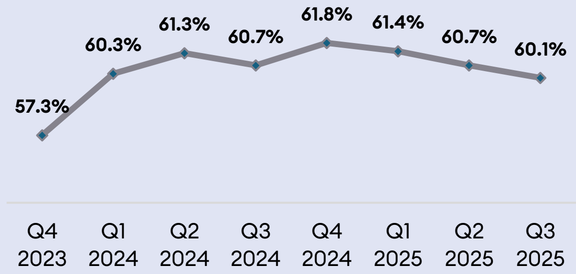
Average rent (EUR/sqm)



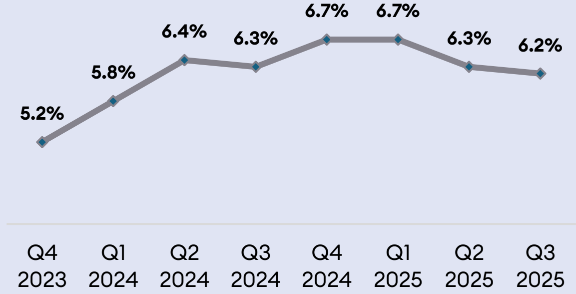
Net Operating Income ('000 EUR)



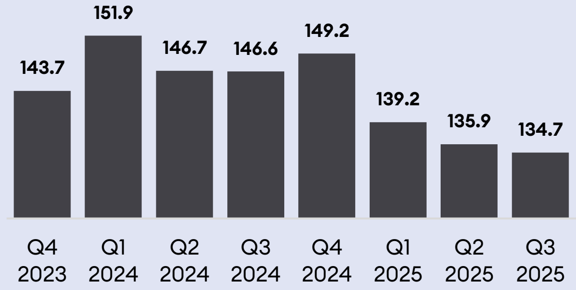
LTV



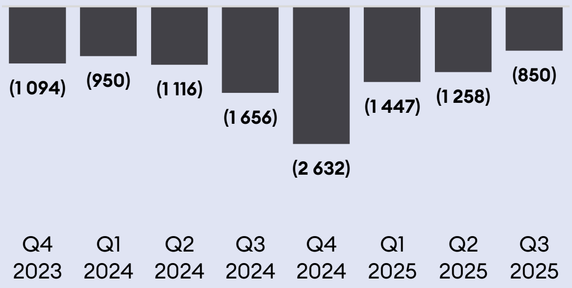
Average cost of debt



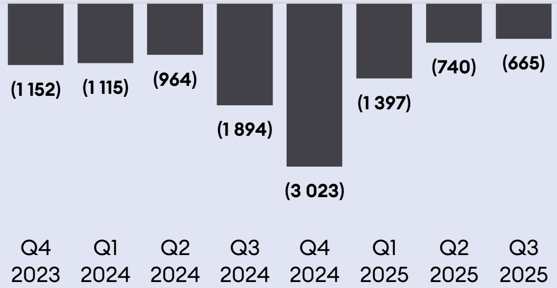
Total debt outstanding (mEUR)



Capital expenditure (including fitouts)



GNCF (Generated Net Cash Flow)



Positive effect of Bond Repayment based on Q3 2025 P&L

EUR '000	Q3 2025	Q3 2025 (Bond repayment – 9.5m)	Q3 2025 (Bond repayment – 19m)
Rental income	3,833	3,833	3,833
Service charge income	1,233	1,233	1,233
Cost of rental activities	(2,435)	(2,435)	(2,435)
Net rental income	2,631	2,631	2,631
Administrative expenses	(450)	(450)	(450)
Other operating income (expenses)	13	13	13
Losses on disposal of investment properties	(254)	(254)	(254)
Valuation losses on investment properties	(4)	(4)	(4)
Operating profit (loss)	1,936	1,936	1,936
Financial income	5	5	5
Financial expenses	(2,058)	(1,817)	(1,577)
Net financial expenses	(2,053)	(1,812)	(1,572)
Profit (loss) before tax	(117)	124	364
Income tax charge	49	49	49
Profit (loss) for the period	(68)	173	413

- Without new capital the fund would have challenges to finance its operations and enhance its assets.
- Due to reduced values of the properties expected by year-end, the Equity ratio of the Fund is at risk of being breached.
- Strengthening of the capital base is further expected by the senior lenders of the property loans.
- Repaying the bond would improve quarterly profitability due to lower interest expenses:
  - Repayment of 9.5 mEUR → 241 kEUR Q3 interest savings and improvement of avg. cost of debt by 0.4%
  - Repayment of 19 mEUR → 481 kEUR Q3 interest savings and improvement of avg. cost of debt by 0.7%
  - In both scenarios, the fund would have had an operating profit in Q3 2025

Baltic Horizon

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