

NAV Calculation Procedure

Baltic Horizon Capital AS

Operating principle	NAV Calculation Procedure
Information security classification	Internal Use
Approved by	Management Board on 09Jan2026
Responsible owner	Risk Control Function
Procedure affects	All Employees of the BHC, BHF, SPV's
Valid	09Jan2026
Version	1.0.
Distribution	Google Drive
Frequency of the training	Onboarding during 30 days of employment and then annually
Next review date	Jan2027

Baltic Horizon Capital AS

Internal Rules for Determination of the Net Asset Value of Fund

(hereinafter the NAV Calculation Procedure)

The NAV Calculation Procedure sets the internal rules for determining the Net Asset Value (NAV) of funds managed by Baltic Horizon Capital AS. It ensures compliance with the Investment Fund Act (IFA), Minister of Finance Regulation No 11, and the Fund's own rules.

The Procedure applies to both public and non-public funds, and allows for deviations in exceptional circumstances when strict application wouldn't ensure Fair Value.

1. DEFINITIONS

The definitions set forth herein (written with capital first letters) shall have following meaning in the NAV Calculation Procedure.

Banking Day means any calendar day that is not Saturday, Sunday, a national or public holiday in Estonia.

Depository means depository of the Fund specified in the Fund rules.

Fair Value means probable sales price which has been determined reasonably, in good faith and proceeding from the best interests of Investors and for which independent and competent parties would agree to conclude the transaction. The best indicator of the Fair Value is the market value.

FSA means the Estonian Financial Supervision Authority (in Estonian: *Finantsinspeksioon*).

Fund or Vehicle means a fund managed by the Management Company.

IFA means the Investment Funds Act (in Estonian: *Investeerimisfondide seadus*).

Internal Valuation Controller means internal valuation controller as defined in the Valuation Policy.

Investor means the unit-holder of the Fund.

Management Company means Baltic Horizon Capital AS, register code 11025345.

Management Fee means the fee payable to the Management Company for managing the Fund as further described in the Fund rules.

Manual means the Manual of Internal Rules of the Management Company to which the present NAV Calculation Procedure is attached to as an Appendix.

NAV means net asset value (for the Fund in total or per Unit).

Regulated Market means regulated securities market or multilateral-trading facility within the meaning of § 3 of the Securities Market Act (in Estonian: *Väärtpaberituru seadus*).

SPV means special purpose vehicle for the purpose of the Fund's investments in real estate and other assets.

Unit means unit of the Fund.

Valuation Day means the last calendar day of each calendar month, being a day by reference to which NAV of the Fund is determined.

Valuation Policy means Management Company's valuation policy (as amended from time to time) attached to the Manual as Appendix 6.

Should the context so require, words singular in the definitions shall mean plural and vice versa.

2. GENERAL

2.1. NAV of a public Fund shall be determined pursuant to the IFA, the Minister of Finance Regulation No 11 (dated 31 January 2017) "Procedure for Establishment of Net Asset Value of Investment Fund" (in Estonian "*Investeerimisfondi vara puhasväärtuse määramise kord*") (Regulation No 11), Fund rules and this NAV Calculation Procedure. For the avoidance of doubt, in case of discrepancies between this AV Calculation Procedure and Fund rules, rules foreseen in the Fund rules shall prevail.

2.2. NAV of a non-public Fund shall be determined pursuant to the Fund rules. In matters not regulated in the Fund rules of a non-public Fund, IFA and the Regulation No 11 and this NAV Calculation Procedure will apply.

2.3. The NAV of the Fund shall be determined based on the market value of assets of the Fund calculated pursuant to section 3 from which claims against the Fund specified in section 4 are deducted.

2.4. If the Management Company delegates the determination of NAV to a third party, it shall ensure that such service provider possesses adequate competence, experience, and systems to perform the task in accordance with this NAV Calculation Procedure, the Fund Rules, and applicable legislation.

2.5. In exceptional circumstances – such as temporary market illiquidity, disruption of trading on a regulated market, extraordinary economic or political events, or technical failures affecting valuation data – the Management Company may deviate from the procedures set forth in this NAV Calculation Procedure if necessary to ensure a fair and accurate determination of NAV.

Any such deviation shall be duly justified, documented, and approved by the Management Board. The rationale, scope, and duration of the deviation shall be recorded in a deviation report and promptly notified to the FSA and the Depositary.

2.6. The NAV of the Fund and of a Unit shall be calculated in Euros.

2.7. In matters not regulated in this NAV Calculation Procedure, the rules of the Fund and legislation shall be complied with in determining the Fund's assets market value and NAV of the Fund and of a Unit.

2.8. IT Systems and Data Integrity

The Management Company shall ensure that NAV calculations are supported by secure and reliable IT systems with appropriate access management, back-up procedures, and audit trails.

The Management Company shall perform periodic testing and validation of pricing data feeds, valuation models, and system interfaces to ensure data accuracy and operational resilience.

A contingency plan shall be maintained to ensure timely NAV determination in case of system outage, data breach, or cyber incident, in accordance with the Management Company's ICT and Security Risk Management Framework.

All committee minutes, decisions, and supporting documentation shall be recorded and retained in accordance with section 7.3.

3. DETERMINATION OF MARKET VALUE OF FUND'S ASSETS

3.1. The assets of the Fund are securities (including shares of SPV-s), other property and rights belonging to the Fund. The value of assets of the Fund equals to the total of values of assets of the Fund determined pursuant to this section 3.

3.2. The value of the assets of the Fund shall be determined pursuant to methods described in this section 3 taking into account, above all, Fair Value of the assets. If it is possible to determine the market value of the assets, the value of the assets shall be determined on the basis of their market value.

3.3. Determination of the value of money and deposits

3.3.1. The value of money and deposits shall be their nominal value.

3.3.2. The value of interest on deposits that has been calculated on the accrual basis but not yet received shall be determined as accrued income as of the last Banking Day preceding the Valuation Day pursuant to the provisions of section 3.9 of this NAV Calculation Procedure.

3.4. Determination of the value of assets denominated in foreign currencies

3.4.1. The value of all assets not expressed in Euros will be converted into Euro on the basis of the latest bid price (in Estonian: *ostukurss*) as of the last Banking Day preceding the Valuation Day as established by the Central Bank of Estonia.

3.5. Determination of the value of securities traded at the Regulated Market and market selection principles

3.5.1. The basis for determining the value of securities (including shares, debt securities, units and shares of investment funds and derivative instruments) traded at the Regulated Market shall be the closing price of the Regulated Market as of the last Banking Day preceding the Valuation Day. If the closing price is not available, mid price shall be used, if also the mid price is not available, bid price shall be used.

3.5.2. The Management Company may, proceeding from the legitimate interests of Investors, in an exceptional case, if this is necessary for determination of the Fair Value of a traded security, proceed from any known bid price, mid price or closing price within 20 Banking Days preceding the Valuation Day.

3.5.3. If no transactions have been made with the security at the Regulated Market within the last 20 Banking Days, then the value of the security shall be determined according to the rules for determination of the value of securities not traded at the Regulated Market pursuant to the provisions of section 3.6 of this NAV Calculation Procedure.

3.5.4. If a security has been quoted at several Regulated Markets, the Management Company shall select one main Regulated Market the prices of which will be taken as a basis for determination of the value of the traded security. The market from which the security was acquired shall be selected as the main market.

3.6. Determination of the value of securities not traded at the Regulated Market

3.6.1. The value of securities not traded at the Regulated Market shall be determined based on their Fair Value.

3.6.2. The value of shares of SPV-s shall be determined on the basis of the probable net realisation value (excluding any deferred taxation) estimated with prudence and in good faith using the value of real estate as determined pursuant to section 3.8.

3.6.3. The value of an investment fund unit or share not traded at the Regulated Market shall be its last redemption price known to the Management Company or, if the redemption price is not available, the net asset value of unit or share of the investment fund.

3.6.4. The value of debt securities not traded at the Regulated Market shall be determined on the basis of dealer-supplied quotations or by a pricing service approved by the Internal Valuation Controller of the Fund or, to the extent such prices are not deemed to be representative of market values, such debt securities shall be valued at Fair Value according to the Valuation Policy. Money market instruments held by the Fund with a remaining maturity of 90 days or less will be valued by the amortised cost method, which approximates market value.

3.6.5. The value of derivative instruments not traded at the Regulated Market shall be determined considering the value of the underlying asset, the risk of the counterparty (credit risk), price movements and the time left for liquidation of positions.

3.7. Determination of the value of repurchase and reverse repurchase agreements

3.7.1. The value of a repurchase agreement is the value of the securities constituting the underlying assets of such agreement, minus the accrued difference between the repurchase and sale price (in Estonian: *periodiseeritud tagasiostu- ja müügihinna vahe*) of such securities.

3.7.2. The value of a reverse repurchase agreement and a reverse repurchase agreement with the right of resale is one of the following, whichever value is lower:

3.7.2.1. the purchase price of the securities constituting the underlying assets of the agreement, plus the accrued difference between the resale and purchase price of such securities;

3.7.2.2. the value of the securities constituting the underlying assets of the agreement.

3.7.3. The value of a repurchase agreement with the right of repurchase is one of the following, whichever value is lower:

3.7.3.1. the sale price of the securities constituting the underlying assets of the agreement;

3.7.3.2. the value of the securities constituting the underlying assets of the agreement, minus the accrued difference between the repurchase and sale price of such securities.

3.8. Determination of the value of real estate

3.8.1. The value of real estate shall be determined considering their Fair Value, which is the market value of real estate determined according to the Valuation Policy adjusted by the value of right-of-use assets. For the periods where external property valuations are not carried out by the external appraiser, the Fair Value shall constitute the market value as per the preceding external appraisal adjusted by the right-of-use assets and subsequent capital expenditure.

3.8.2. If the fair value of real estate cannot be reliably determined, the acquisition cost method must be used according to the International Financial Reporting Standards (IFRS).

3.8.3. External independent appraisals of real estate shall be conducted at least once every twelve (12) months by a qualified external valuer approved by the Management Board. Between external appraisals, interim valuations shall be performed internally on a quarterly basis using the latest available external valuation as a baseline, adjusted for capital expenditure, changes in tenancy, right-of-use assets, and material market movements.

3.8.4. All valuation assumptions, methodologies, and adjustments shall be documented and reviewed by Investment Analyst and the Management Board.

3.9. Determination of the value of other assets

3.9.1. The value of assets not mentioned in this NAV Calculation Procedure shall be determined based on their Fair Value.

3.9.2. Income calculated on the accrual basis but not received (including interest and claims of interest nature, dividend claims and other accrued income and prepaid expenses) shall be summarised under accrued income and prepaid expenses.

3.9.3. The market value of other receivables shall be determined by assessing such receivables as amounts likely to be received.

3.10. The process of valuation of the assets of the Fund and division of tasks in the valuation process is regulated in more detail in the Valuation Policy.

3.11. When determining Fair Value of assets, the Management Company shall integrate relevant environmental, social, and governance (ESG) factors and sustainability risks that could materially affect the valuation or liquidity of investments.

The Management Company shall document relevant ESG-related valuation adjustments or risks identified during the valuation process, in accordance with the Valuation Policy and relevant sustainability disclosure regulations (e.g., SFDR, EU Taxonomy).

Integration of ESG considerations shall follow the principles and disclosure obligations set out in the Sustainable Finance Disclosure Regulation (SFDR), the EU Taxonomy Regulations, and the AIFMD II sustainability amendments.

4. CALCULATION OF NAV OF THE FUND

- 4.1. To calculate NAV of the Fund, the following liabilities shall be deducted from the market value of the assets (determined pursuant to section 3 above) of the Fund:
- 4.1.1. recorded, but not yet paid, amount of the Management Fee as well as other expenses, calculated on accrual basis, directly related to management of the Fund payable on account of the Fund;
 - 4.1.2. recorded, but not yet paid, depositary fees (unless the depositary fee is paid on account of the Management Fee based on the Fund Rules);
 - 4.1.3. recorded, but not yet paid, distributions to Investors;
 - 4.1.4. payables to Investors for redemption of Units;
 - 4.1.5. recorded, but not yet paid, service and transfer charges directly related to transactions made (or to be made) on account of the Fund;
 - 4.1.6. liabilities related to payment orders and inter-bank settlements;
 - 4.1.7. loans taken from credit institutions and other persons;
 - 4.1.8. recorded, but not yet paid, expenses related to loans;
 - 4.1.9. expenses recorded on accrual basis, but not yet paid, including interests, payables of interest nature (in Estonian: *intressi iseloomuga võlad*) and other accruals (in Estonian: *muud viitvõlad*) as well as deferred income to be charged (in Estonian: *tulevaste perioodide ettemakstud tulud*);
 - 4.1.10. other liabilities of the Fund.
- 4.2. Periodisation of the net profits or losses arising from the realisation of the assets of the Fund is not allowed.

5. IMPACT OF DISTRIBUTIONS MADE ON ACCOUNT OF THE FUND

- 5.1. The distributions to Investors made on account of the Fund shall be taken into account when calculating NAV of the Fund.

6. CORRECTION OF MISCALCULATIONS AND ERRORS MADE IN DETERMINATION OF NAV AND COMPENSATION OF RESULTING DAMAGE

- 6.1. 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.
- 6.2. The permitted error margin for the NAV of a Unit is 3% of the correct NAV of the Unit.

6.3. Any miscalculation or error made in the determination of the NAV smaller than the margin provided in section 6.2 shall be deemed an insignificant error. The Management Company is not under obligation to correct such error and damages caused by such error shall not be compensated.

6.4. The person who detects a significant error shall promptly inform the Internal Valuation Controller, the management board and internal auditor of the Management Company thereof. The Management Company shall promptly inform the Fund's Depositary, the Fund's administrator, the Fund's payment agent, the person keeping the register of Units and the FSA of a significant error in determination of NAV. If Units are admitted to trading to a regulated securities market or multilateral trading facility, a significant error in determination of NAV shall be disclosed according to the rules of relevant market place.

6.5. The Management Company shall prepare an action plan for eliminating the significant error. To eliminate the error the Management Company shall:

6.5.1. identify the effect of the error on Investors and the Fund;

6.5.2. recalculate the NAV of the Fund and of a Unit for the period starting from the day of the commencement of the significant error until the day of its correction. In case several successive errors constitute the significant error, the day when the error margin was exceeded shall be the day of the commencement of the significant error. If during that period no Units have been issued or redeemed, the recalculation of the NAV is not necessary, except for when the error has affected payments made on account of the Fund;

6.5.3. identify the scope of the damages caused to the Fund and to the Investors;

6.5.4. notify the Investors who have been damaged. The information shall be delivered to the contact details of Investors in the register of Units.

6.6. Damage caused to Investors by significant error in the determination of the NAV shall be compensated to Investors on account of the Fund either by issuing new Units or in money from the surplus assets of the Fund. There will be no subscription fee in case of issuing Units to Investors in order to compensate damage. In case surplus assets of the Fund do not cover compensation amount to be paid to Investors, damage exceeding such surplus assets of the Fund shall be compensated in money by the Management Company.

6.7. Damage caused to the Fund by significant error in the determination of the NAV shall be compensated to the Fund as follows:

6.7.1. In case the Fund has suffered damage due to incorrect NAV of Unit, deriving from subscription of Units in case of undervaluation of NAV, the Management Company shall seek from the registrar of the Units deletion of over-issued Units from the Investor's register account. By way of exception, if deletion of over-issued Units would be in conflict with the Fund rules or legislation or if the cost of register

procedures needed to delete the over-issued Units would be unreasonably high as compared to the damage caused to the Fund, the Management Company shall compensate to the Fund, upon the respective decision adopted by the management board of the Management Company, the amount received less upon issue of Units.

6.7.2. In case the Fund has suffered damage due to incorrect NAV of Unit, deriving from redemption of Units in case of overvaluation of NAV, the Management Company shall compensate the amount paid in excess to the Fund.

6.8. Expenses related to processing of compensation of damage shall be paid by the Management Company.

6.9. Valuation Governance and Oversight

The Management Body shall maintain an independent valuation governance framework to ensure segregation between portfolio management and valuation functions.

All decisions, and supporting documentation shall be recorded and retained in accordance with section 7.3.

7. DISCLOSURE

7.1. This NAV Calculation Procedure, including its ESG, IT, control, and valuation governance components shall be disclosed on the website of the Fund. Any material amendments or deviations shall be promptly communicated to investors and relevant authorities in accordance with AIFMD and SFDR transparency requirements.

The Management Board of the Management Company shall be responsible for approving and ensuring the timely communication of this Procedure and any subsequent amendments to investors. The actual publication and distribution may be executed to designated employees under the Management Board supervision.

7.2. This NAV Calculation Procedure shall be reviewed at least annually, or earlier if material changes occur in legislation, market practices, or internal processes.

7.3. All valuation calculations, supporting documentation, and decision records (including any deviations or corrections) shall be retained for a minimum of seven (7) years and be readily available for inspection by the FSA, the Depositary, or the Fund's auditors.

The NAV Calculation Procedure was reviewed and updated by the management board of the Management Company on 09 January 2026