

 Baltic Horizon

Annual General Meeting

1 June 2026

AGM Agenda

1

Presentation of the FY2025 audited annual report of Baltic Horizon Fund

Together with the interim report for Q1 2026

2

Overview of the plans for 2026 Q2 and Q3

3

Election of Mr. Priit Perens as a new member of the Supervisory Board

As of 1 June 2026, for a period of two years

VOTING
ITEM

4

Remuneration of the newly elected board member

EUR 11,000 per calendar year to Mr. Priit Perens

VOTING
ITEM

5

Extension of the mandates of all current Supervisory Board members

Until 1 June 2028

VOTING
ITEM

2025: Reckoning

Over-indebtedness and negative cashflow

- The Fund entered 2025 with the balance of EUR 22m bonds, and most of the property loans being in effective or imminent breach of covenants and/or expiry
- Having faced continuously negative cash flow since 2020¹, the Fund was also set to continue burning cash into 2025

Great uncertainty over operating performance and property values

- Operating performance across most of the portfolio continued to deteriorate: on NOI, reletting rents and occupancy
- Property disposal attempts by the former management grew increasingly desperate and drew no serious interest at pricing near book value

Lack of trust and support from largest unitholders

- None of the legacy register's larger unitholders was prepared to anchor or fund a turnaround
- Mounting criticism from retail unitholders

1. Excluding new capital attracted through private placement and property disposals



Situation at the end of 2024

61.8% LTV

On the former property values of EUR 242m

0.78x

Consolidated debt service coverage ratio (DSCR)



2025: Rescue Steps

01

Governance & guidance

New Supervisory Board (SB) of the Fund composition from **May 2025**

Seven SB meetings

between May and October 2025 to address the imminent crisis

02

Urgent operational adjustments

Cut all non-essential overheads; adjusted scope and cost levels

Suspended non-essential property expenses, incl. CAPEX

Tackled the largest, most complex leasing items

03

Risk of insolvency

Without new capital, the SB concluded the Fund would likely breach material Fund-level covenants — triggering cross-default clauses — and lack liquidity to operate through 2026.

04

Conditions for new capital

EUR 7.5m minimum (creditor requirement) to **EUR 25m** maximum (fully sufficient to restore long-term sustainable capital structure of the Fund)

Equal treatment: pro-rata rights issue, priced to secure the minimum required while limiting dilution of non-participants

New ownership of the Management Company and new Management Team

2025 Audited Financial Result

EUR'000	FY 2025	FY 2024
REVENUE		
Rental income	15,098	15,136
Service charge income	4,947	4,744
Total revenue	20,045	19,880
PROPERTY COSTS		
Utilities	(1,237)	(1,290)
Repair and maintenance	(3,149)	(3,273)
Property management	(1,358)	(1,260)
Real estate taxes	(958)	(978)
Allowance for bad debts	(540)	(202)
Other	(1,140)	(1,289)
Total property costs	(8,382)	(8,292)
Net Rental Income (NOI)	11,663	11,588
OVERHEADS		
Management fee	(1,093)	(1,278)
Other administrative expenses	(830)	(1,095)
Total overheads	(1,923)	(2,373)
EBITDA	9,740	9,215
Property valuation loss	(20,602)	(15,581)
Disposal loss and other expenses	(1,349)	(845)
Operating profit (EBIT)	(12,211)	(7,211)
FINANCING AND TAX		
Interest income on deposits	69	196
Interest expenses on bonds	(2,040)	(3,240)
Interest expenses on bank loans	(6,419)	(6,708)
Other interest expenses (prepayment, arrangement fees)	(734)	(592)
Income tax	1,256	774
Net profit / (loss)	(20,079)	(16,781)

	FY 2025	FY 2024
PROFIT FOR THE PERIOD		
Net profit / (loss)	(20,079)	(16,781)
OTHER COMPREHENSIVE INCOME		
Net gains / (losses) on cash flow hedges	252	(1,003)
Income tax on hedges	(18)	52
Other comprehensive income, net of tax	234	(951)
Total comprehensive income / (loss)	(19,845)	(17,732)
METRICS		
Earnings per unit (EUR)	(0.14)	(0.13)
DSCR (12 months rolling)	1.09	0.78
Debt/EBITDA	14	16
Average cost of debt	6.1%	6.7%

2025 Audited Financial Standing at year end (before strengthening of capital)

EUR'000	31.12.2025	31.12.2024
NON-CURRENT ASSETS		
Investment properties (valuation and capital expenditures)	208,940	241,158
Property, plant and equipment	7	5
Derivative financial instruments	-	1
Other non-current assets	242	1,229
Total non-current assets	209,189	242,393
CURRENT ASSETS		
Cash on accounts	5,377	10,053
Restricted	3,977	1,000
Unrestricted	1,400	9,053
Trade and other receivables	1,760	2,800
Prepayments and other	294	802
Total current assets	7,431	13,655
TOTAL ASSETS	216,620	256,048
KEY METRICS		
LTV	64.0%	61.8%
Equity ratio (min. 37.5%)	36.1%	38.3%
NAV / unit	0.5451	0.6833

	31.12.2025	31.12.2024
EQUITY		
Paid-in capital	151,495	151,495
Retained earnings	(73,059)	(52,980)
Cash flow hedge reserve	(186)	(420)
TOTAL EQUITY (NAV)	78,250	98,095
NON-CURRENT LIABILITIES		
Bank loans	77,443	80,201
Bonds (reclassified in 2026)	-	18,290
Deferred tax liabilities	644	1,898
Derivative financial instruments	186	-
Other non-current liabilities	1,110	1,446
Total non-current liabilities	79,383	101,835
CURRENT LIABILITIES		
Bank loans	16,393	46,598
Bank loans (current portion of long-term bank loans)	2,320	938
Bank loans (long-term bank loans reclassified due to covenant breaches)	17,940	-
Bonds	18,643	3,200
Trade payables	1,112	1,963
Management fee payable	686	890
Accrued financial expenses	496	633
Derivative financial instruments	-	317
Other current liabilities (accrued expense, tax payables, etc)	1,397	1,579
Total current liabilities	58,987	56,118
TOTAL LIABILITIES	138,370	157,953

2026 Q1 Financial Result

EUR'000	Q1 2026	Q1 2025
REVENUE		
Rental income	3,646	3,794
Service charge income	1,259	1,332
Total revenue	4,905	5,126
PROPERTY COSTS		
Utilities	(638)	(441)
Repair and maintenance	(469)	(817)
Property management	(303)	(341)
Real estate taxes	(301)	(254)
Other	(185)	(303)
Total property costs	(1,896)	(2,156)
Net Rental Income (NOI)	3,009	2,970
OVERHEADS		
Management fee	(260)	(302)
One time write-off	(78)	-
Other administrative expenses	(170)	(246)
Total overheads	(508)	(548)
EBITDA	2,501	2,422
Property valuation loss	(5)	(5)
Disposal loss and other expenses	-	(887)
Operating profit (EBIT)	2,496	1,530
FINANCING AND TAX		
Interest income on deposits	10	42
Interest expenses on bonds	(468)	(584)
Interest expenses on bank loans	(1,418)	(1,786)
Other interest expenses (prepayment, arrangement fees)	(342)	(345)
Income tax	(41)	175
Net profit / (loss)	237	(968)

	Q1 2026	Q1 2025
PROFIT FOR THE PERIOD		
Net profit / (loss)	237	(968)
OTHER COMPREHENSIVE INCOME		
Net gains / (losses) on cash flow hedges	365	51
Income tax on hedges	0	(5)
Other comprehensive income, net of tax	365	46
Total comprehensive income / (loss)	602	(922)
METRICS		
Earnings per unit (EUR)	0.00	(0.01)
DSCR (12 months rolling)	1.1	0.84
Average cost of debt	5.6%	6.5%

2026 March Financial Standing

EUR'000	31.03.2026	31.12.2025
NON-CURRENT ASSETS		
Investment properties (Nov 2025 Newsec valuation + capital expenditures)	209,437	208,940
Property, plant and equipment	7	7
Derivative financial instruments	179	-
Other non-current assets	154	242
Total non-current assets	209,777	209,189
CURRENT ASSETS		
Cash on accounts	9,835	5,377
Restricted	3,811	3,977
Unrestricted	6,024	1,400
Trade and other receivables	1,853	1,760
Prepayments and other	569	294
Total current assets	12,257	7,431
TOTAL ASSETS	222,034	216,620
KEY METRICS		
LTV	60.6%	64.0%
Equity ratio (min. 37.5%)	41.0%	36.1%
NAV / unit	0.4022	0.5451

	31.03.2026	31.12.2025
EQUITY		
Paid-in capital (+83m new units in March 2026)	163,765	151,495
Retained earnings	(72,822)	(73,059)
Cash flow hedge reserve	179	(186)
TOTAL EQUITY (NAV)	91,122	78,250
NON-CURRENT LIABILITIES		
Bank loans	106,792	77,443
Bonds (reclassified in 2026)	11,181	-
Deferred tax liabilities	685	644
Derivative financial instruments	-	186
Other non-current liabilities	1,209	1,110
Total non-current liabilities	119,867	79,383
SHORT-TERM LIABILITIES		
Bank loans	4,255	16,393
Bank loans (current portion of long-term bank loans)	4,056	2,320
Bank loans (long-term bank loans reclassified due to covenant breaches)	-	17,940
Bonds - current	-	18,643
Trade payables	1,154	1,112
Management fee payable	260	686
Accrued financial expenses	380	496
Other current liabilities (accrued expense, tax payables)	940	1,397
Total short-term liabilities	11,045	58,987
TOTAL LIABILITIES	130,912	138,370

Turnaround Objectives

1 Profitable, cash-flow-positive operations

- Improve property operations across the portfolio
 - In-house sales & property management
 - Stringent control of all fund overheads and property costs
 - Lower cost of borrowing as debt volume and risk profile fall
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2 Competitive properties

- Positive net leasing in each submarket
 - Attractive rental conditions
 - Efficient operations and proactive capex to enhance assets
-

3 Sustainable capital structure

- Target LTV \leq 50% and a sustainable cost of debt
 - Repay remaining bonds via disposals or further capital
 - Restore top-tier lenders' willingness to finance long-term
-

Plans for Q2–Q3 2026

Leasing, leasing, leasing

- New anchor lease with Abrands Cash & Carry in Hipokrata SC
- Long-term solution with LVM in Vainodes
- Civinity partnership
- MyFitness expansion in Postimaja

Operating costs and infrastructure for the fund operations

- Fund overhead run-rate to reach the targeted EUR 100k per quarter during 2026
- Key service providers onboarded for subsidiary accounting and property operations
- Increased use of AI tools across administrative routines

Disposal targets and status

- Pirita Keskus, Tallinn
- Hipokrata SC (ex-Sky), Riga
- North Star, Vilnius

=> Any free proceeds to be used for further prepayment of bonds



No decisions on further capital increases until the end of Q3

No decisions on future strategic options until the fundamental objectives are achieved

No distributions to unitholders until the turnaround objectives are achieved



Proposed Supervisory Board Member

Mr. Priit Perens

PROPOSED SUPERVISORY BOARD MEMBER

Priit Perens is a senior banking and corporate executive with over 30 years of leadership experience across the Baltic financial, energy, and healthcare sectors. He currently serves as CEO of Tartu University Hospital and as Chairman of the Supervisory Board of Tallinna Sadam.

Mr. Perens previously held multiple senior roles within Swedbank, including Head of Baltic Banking and CEO of Swedbank Estonia, and was a member of Swedbank's Group Executive Management. His earlier career includes senior finance and treasury positions at Eesti Energia and at leading banking institutions in Estonia.

He has also contributed extensively in public and supervisory roles, including with the Estonian Health Insurance Fund and the Estonian Employers Confederation. He holds a Master's degree in Economics from the University of Tartu and has completed executive education at INSEAD and the Helsinki School of Economics.

NATIONALITY

Estonian

GENDER

Male

RESIGNATION

Ms. Milda Dargužaitė has announced her resignation from the Supervisory Board, effective 1 June 2026.

Unitholder resolutions

3 Elect Mr. Priit Perens to the Supervisory Board for two years from 1 June 2026 **FOR THE VOTE**

4 Approve remuneration of EUR 11,000 per year for the new board member **FOR THE VOTE**

5 Extend the mandates of all current Supervisory Board members until 1 June 2028 **FOR THE VOTE**

Thank you.

Q&A



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