

Fund overview

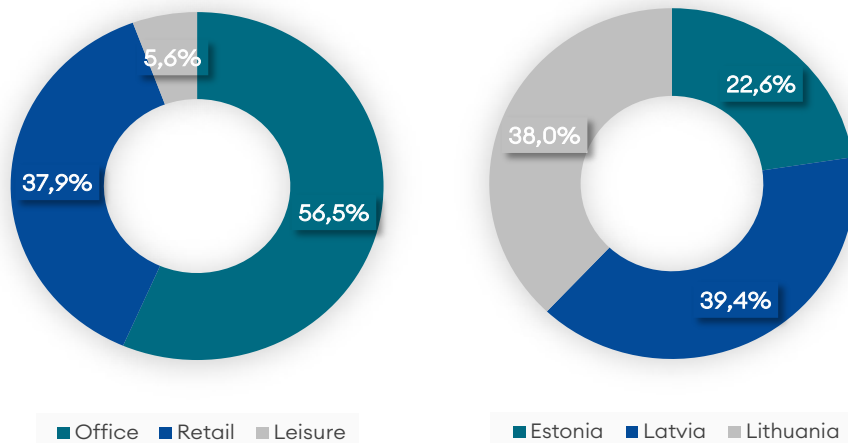
Ticker (TLN/STO)	NHCBHFFT/ NHCBHFFSDB
Fund manager	Northern Horizon Capital AS
Number of units	119 635 429
Type	closed-end contractual evergreen
Unit Net Asset Value, EUR	1.1345
Size	349 181 EUR thousand
Equity	135 724 EUR thousand
LTV	58.6%
Distribution to investors since first listing	approx. 45.3 mEUR

Portfolio

Cost of debt ²	2.80%
NOI for Q1-Q3 2022 ³	12 973 EUR thousand
NOI for Q1-Q3 2021	13 206 EUR thousand
NOI for 2021	17 004 EUR thousand
NOI for 2020	19 934 EUR thousand
Portfolio yield ¹	5.1%
Vacancy ²	10.0%

¹ As of Q3 2022 ² As of September 30, 2022 ³ Excluding G4S NOI

Properties by NOI (Q3 2022)



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.

Financial goals

- 10-12% return on equity p.a.
- 55% leverage target

Main portfolio financial covenants

1 2 3 **4** 5 6 7

Lower risk Potentially lower reward Higher risk 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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Dividend capacity

EUR '000	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Generated net cash ow (GNCF)	2 505	2 007	1 897	2 250	1 858
GNCF per weighted unit	0.021	0.017	0.016	0.019	0.016
12-months rolling GNCF yield ¹	7.0%	6.8%	7.6%	8.0%	9.4%
Dividends declared per weighted unit	0.017	0.019	0.013	0.013	-
12-months rolling dividend yield ¹	5.0%	5.4%	6.3%	6.9%	-

¹ 12-month rolling GNCF and dividend yields are based on the closing market price of the unit as at the end of the quarter (Q3 2022: closing market price of the unit as of 30 September 2022).

Owned properties

Property name	City	NLA (m ²)	% of Total NOI
Lincona BC	Tallinn	10 780	6.43%
CC Plaza	Tallinn	8 664	5.62%
Pirita SC	Tallinn	5 441	3.76%
Postimaja SC	Tallinn	9 232	6.77%
Sky SC	Riga	3 240	2.33%
Upmalas Biroji BC	Riga	10 459	9.88%
Vainodes I BC	Riga	8 052	8.12%
LNK Centre BC	Riga	7 452	6.56%
Galerija Centrs SC	Riga	19 172	12.58%
Domus Pro SC	Vilnius	11 226	7.38%
Europa SC	Vilnius	16 901	5.05%
Duetto I BC	Vilnius	8 587	6.85%
Domus Pro Office	Vilnius	4 831	3.14%
Duetto II BC	Vilnius	8 674	8.05%
North Star BC	Vilnius	10 579	7.75%
Meraki BC	Vilnius	8 113	-0.28% ¹
SC - Shopping centre BC - Business centre	Total NLA	151 401	100%

¹ The Fund completed the development of the first tower of the Meraki building in September 2022. Rental income will be received starting from October 2022. Initial rental costs were recognised in September 2022

Fund facts

As of Q3 2022, Baltic Horizon Fund is one of the biggest real estate Fund listed in the Baltics.

Baltic Horizon Fund is also the first AIF on the alternative investment funds list of Nasdaq Stockholm.

Baltic Horizon Fund operates under the REIF concept where vast majority of Fund's cash earnings are paid out quarterly to investors.

Baltic Horizon Fund has declared approx. 45.3 mEUR dividend distribution to investors since first listing.

The Fund was the first issuer listed on the Nasdaq Baltic Stock Exchange that has been rated by a global rating agency - S&P Global Ratings. On 22 April 2022, the mid-market evaluation rating on Baltic Horizon remained at 'MM3', despite the pandemic. The indicative corresponding rating for "MM3" on the global rating scale is "BB+/ BB".

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Top tenants

Rimi
SEB
Latvian State Forestry
Forum Cinemas / Apollo
Intrum Group
EMERGN
Lithuania Tax Inspectorate
New Yorker Eesti
Swedbank
EIS Group

Top 6 investors

Svenska kyrkans pensionskassa
SEB Baltic Pensions
Skandinaviska Enskilda Banken S.A.
Vienna Insurance Group
VP Bank S.A.
EIKOS AB

Gross & Net Asset Value

At the end of Q3 2022, the Fund's GAV was EUR 349.2 million (31 December 2021: EUR 346.3 million), 0.8% higher than at the end of the previous period. The increase is mainly related to a positive property revaluation of EUR 0.2 million and capital investments (EUR 5.7 million) in the Meraki office building development project during Q1-Q3 2022. An additional EUR 4.5 million was invested in other (re)development projects

At the end of Q3 2022, the Fund's NAV slightly increased to EUR 135.7 million (31 December 2021: EUR 132.6 million). Compared to the year-end 2021 NAV, the Fund's NAV increased by 2.4%. The increase in operational performance, portfolio valuations and positive cash flow hedge reserve movement of EUR 2.4 million over the period was partially offset by a EUR 5.4 million dividend distribution to the unitholders. As of 30 September 2022, IFRS NAV per unit rose to EUR 1.1345 (31 December 2021: EUR 1.1082), while EPRA net tangible assets and EPRA net reinstatement value grew to EUR 1.2071 per unit (31 December 2021: EUR 1.1884). EPRA net disposal value was EUR 1.1299 per unit (31 December 2021: EUR 1.1086).

Net profit and net rental income

The Group recorded a net profit of EUR 6.1 million for Q1-Q3 2022 against a net loss of EUR 6.9 million for Q1-Q3 2021. The net result was mainly driven by strong recovery of the Galerija Centrs operating performance as fewer COVID-19 rent reliefs have been granted to tenants in 2022 and increased rent indexation. The net result for Q1-Q3 2021 was significantly impacted by the one-off negative valuation result of EUR 14.3 million. Meanwhile in Q1-Q3 2022, the valuation resulted in a net fair value gain of EUR 0.2 million (+0.1% of portfolio value). The positive impact of the increase in net rental income was also supplemented by a decrease in administrative expenses and a grant of EUR 0.3 million received from the Latvian government. Earnings per unit for Q1-Q3 2022 were EUR 0.05 (Q1-Q3 2021: EUR -0.06).

The Group earned net rental income of EUR 13.0 million in Q1-Q3 2022 compared to 13.2 million in Q1-Q3 2021. The results for Q1-Q3 2021 still included EUR 0.9 million of net rental income from G4S Headquarters, which was sold in Q4 2021 and did not contribute to Q1-Q3 2022 results. Rent indexations and the recovery of income improved the net rental income of the same portfolio mix (like-for-like portfolio).