



Quarterly webinar

Baltic Horizon Fund

Confidential

20 May 2024



Baltic Horizon Fund strategic ambitions

Strategic targets aim to ensure the future value creation for our investors

Our 6 strategic targets



Occupancy

>90%+

Portfolio occupancy
by the end of 2024



Operating results

EUR 18m

Clear ESG and refurbishment
strategy with an aim to reach
portfolio NOI potential by 2027



Loan-To-Value

<50%

LTV target and repayment
of the bonds maturing
in 2024



Asset certification

100%

BREEAM or LEED
certified portfolio



Portfolio composition

Consider disposing of
non-strategic assets over
the next 18 months



GRESB assessment

=>4 stars

GRESB real estate
assessment rating

Financial results for 2024 Q1

Profit and loss

EUR '000	01.01.2024 - 31.03.2024	01.01.2023 - 31.03.2023	Change (%)
Rental income	3,846	5,274	(27.1%)
Service charge income	1,048	1,442	(27.3%)
Cost of rental activities	(2,100)	(2,514)	(16.5%)
Net rental income	2,794	4,202	(33.5%)
Administrative expenses	(585)	(736)	(20.5%)
Losses on disposal of investment properties	(367)	(1,533)	(76.1%)
Other operating income	10	10	-
Valuation losses on investment properties	(4)	(4)	-
Operating profit	1,848	1,939	(4.7%)
Financial income	4	-	-
Financial expenses	(2,501)	(2,037)	22.8%
Net financial expenses	(2,497)	(2,037)	22.6%
Loss before tax	(649)	(98)	562.2%
Income tax charge	25	120	(79.2%)
Profit (loss) for the period	(624)	22	(2936.4%)

Key Comments:

- The Group earned net rental income of EUR 2.8 million in Q1 2024 (Q1 2023: 4.2 million).
- On an EPRA like-for-like basis, the portfolio net rental income was 13% lower than in the same quarter of the previous year, mainly due to vacancies in office properties in Latvia due to the expiry of the agreement with the main tenant in Upmalas Biroji BC and EMERGN's decision to reduce their rented area in S27, as well as lower rental income in Europa due to new anchor tenant IKI equipping the premises and opening in March.
- The Group recorded a net loss of EUR 624 thousand against a net profit of EUR 22 thousand for Q1 2023.

EPRA like-for-like net rental income by segment

EUR '000	Fair value 31.03.2024	Net rental income Q1 2024	Net rental income Q1 2023	Change
Like-for-like assets				
Retail	136,092	1,339	1,218	9.9%
Office	101,997	1,307	1,796	(27.2%)
Leisure	13,242	148	198	(25.3%)
Total like-for-like assets	251,331	2,794	3,212	(13.0%)
Disposed assets	-	-	990	(100.0%)
Total portfolio assets	251,331	2,794	4,202	(33.5%)

Financial results for 2024 Q1

Financial position

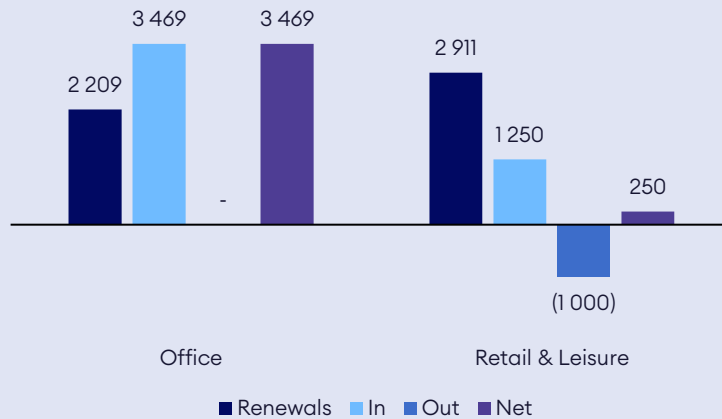
EUR '000	31.03.2024	31.12.2023
Non-current assets		
Investment properties	251,331	250,385
Intangible assets	11	11
Property, plant and equipment	6	4
Derivative financial instruments	253	295
Other non-current assets	534	647
Total non-current assets	252,135	251,342
Current assets		
Trade and other receivables	2,716	2,591
Prepayments	588	402
Derivative financial instruments	375	621
Cash and cash equivalents	12,459	6,182
Total current assets	16,138	9,796
Total assets	268,273	261,138
Equity		
Paid in capital	145,200	145,200
Cash flow hedge reserve	339	531
Retained earnings	-36,823	-36,199
Total equity	108,716	109,532
Non-current liabilities		
Interest-bearing loans and borrowings	89,936	64,158
Deferred tax liabilities	2,712	2,774
Other non-current liabilities	1,135	1,079
Total non-current liabilities	93,783	68,011
Current liabilities		
Interest-bearing loans and borrowings	61,932	79,584
Trade and other payables	3,413	3,343
Income tax payable	-	6
Other current liabilities	429	662
Total current liabilities	65,774	83,595
Total liabilities	159,557	151,606
Total equity and liabilities	268,273	261,138

Key Comments:

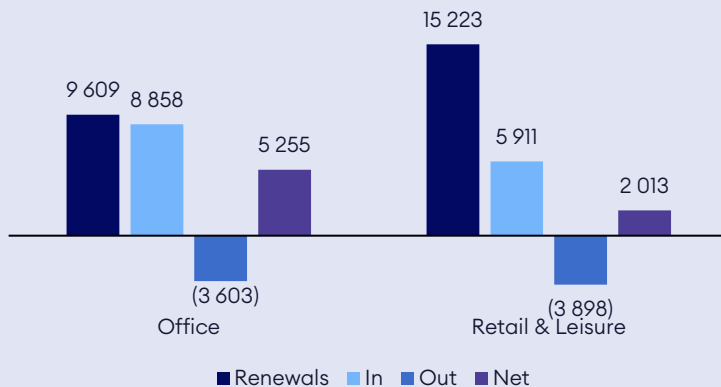
- At the end of Q1 2024, the Fund's GAV was EUR 268.3 million (31 December 2023: EUR 261.1 million), 3.1% higher than at the end of the previous period. The increase is mainly related to the new loans taken by Europa and North Star from Šiaulių bankas, which were mainly used for partial early repayment of short-term bonds.
- As of 31 March 2024 interest-bearing loans and bonds (excluding lease liabilities) were EUR 151.6 million (31 December 2023: EUR 143.5 million). Outstanding bank loans increased due to the additional loans taken by Europa and North Star, which were mainly used for partial early redemption of short-term bonds in the amount of EUR 4.5 million on 8 April 2024. Annual loan amortisation accounted for 1.5% of total debt outstanding. In February 2024, the Fund successfully refinanced Europa and Northstar loans with Šiaulių bankas. Additionally, in April 2024, the Fund prolonged the bank loan of S27. As of 31 March 2024, the Fund's consolidated cash and cash equivalents amounted to EUR 12.5 million (31 December 2023: EUR 6.2 million).
- As of 31 March 2024, the Fund's NAV was EUR 108.7 million (31 December 2023: EUR 109.5 million).

Baltic Horizon Fund leasing and tenant update

Leasing activity in Q1 2024
sq. m.



Leasing activity during Oct 2023 - Apr 2024
sq. m.



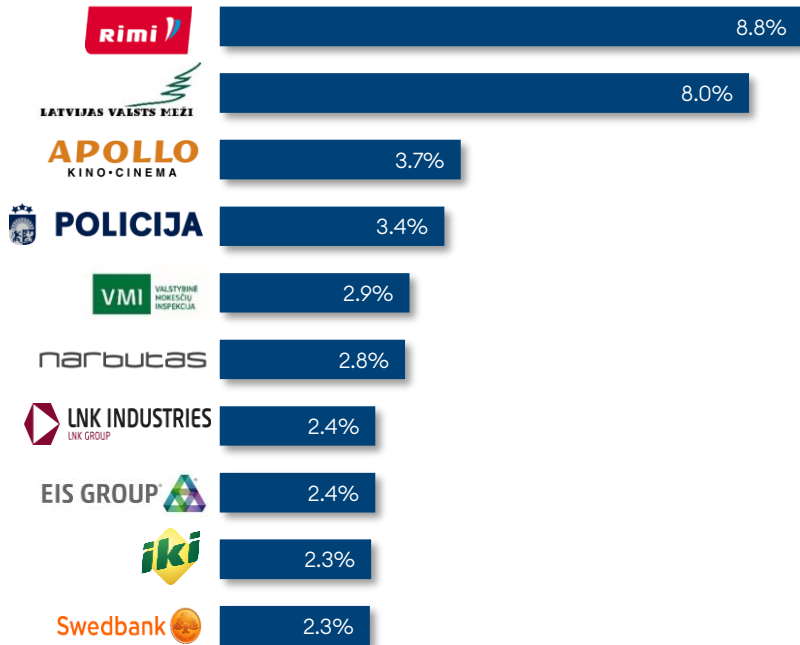
Key Comments:

- During **Q1 2024**, the Fund signed new leases for **4,719 sq. m.**, securing an annual rental income of **EUR 857 thousand** for future periods. Furthermore, we are pleased to report that 9 new tenants have been attracted to our buildings, while 15 existing tenants have decided to continue their cooperation with us.
- From a lowest occupancy point in **September 2023 at 77,1%**, we have signed approx. **40,000 sq. m.** in lease prolongations and in new leases over the past six months, contributing to an increase of occupancy by **7,200 sq. m.** to **83,5%**. In Q2 the occupancy is expected to increase further but the rental payments are kicking in later as tenants make their fitouts before moving in and are expected to **fully start paying by Q2 2025.**
- In April, the Fund finalized a significant new cooperation agreement with **Apollo Group**, the Baltics' largest entertainment company, for approx. **2,200 sq. m** on the 1st floor of Coca-Cola Plaza.
- Furthermore in April two leases have been signed with Baltic leading fitness group **Myfitness**. Unbreakable prolongation until **2032 in Pirita** and new lease in **Galerija Centrs until 2038**. The lease in GC is of great importance and allows us to focus on 3rd and 4th floor concept realization.
- In addition, there is a new lead in **S27**. Early discussions with a new anchor tenant who is interested to rent 5/8 floors.
- Main focus remains with **S27** vacant property, **Galerija Centrs** and **Europa** as the signup of tenants is taking more time than expected.

Baltic Horizon Fund portfolio summary

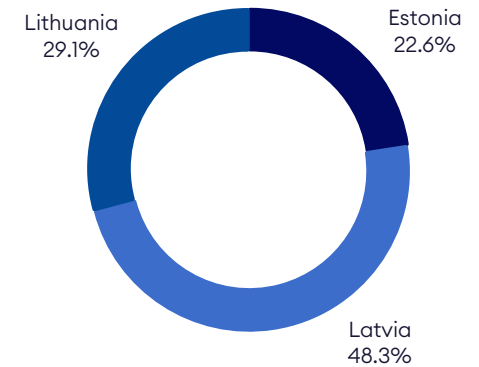
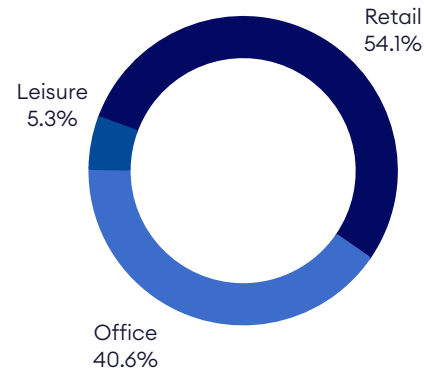
The Fund is minimizing concentration risk by diversifying the client base, segment, and geographical allocation

Rental concentration of the Fund's subsidiaries as of 31 March 2024



Other tenants represent 61.0%.

Fund segment and country distribution as of 31 March 2024



Overview of investment properties

as of 31 March 2024

Property	Acquisition year	NOI development					NOI Potential (full occupancy)
		2021	2022	2023	Q1 2023	Q1 2024	
Europa SC	2015	1,006	1,028	1,508	363	278	2,580
North Star	2019	1,208	1,371	1,495	383	390	1,500
Meraki	2022	-	(101)	63	62	47	1,420
Total Vilnius		2,214	2,298	3,066	808	715	5,500
Upmalas Biroji	2016	1,740	1,763	1,318	438	204	1,700
Vainodes I	2017	1,449	1,383	1,431	343	341	1,450
S27	2018	1,088	1,132	814	295	74	1,000
Sky SC	2013	395	423	420	100	101	450
Galerija Centrs	2019	1,448	2,193	2,139	254	442	4,500
Total Riga		6,120	6,894	6,122	1,430	1,162	9,100
Postimaja & CC Plaza complex	2018	1,805	2,044	2,126	522	461	2,242
Postimaja & CC Plaza complex	2015						
Lincona	2011	1,114	1,102	1,068	275	251	1,250
Pirita SC	2016	484	664	761	177	205	800
Total Tallinn		3,403	3,810	3,955	974	917	4,292
Total active portfolio		11,737	13,002	13,143	3,212	2,794	18,892
Total disposed properties¹⁻³		5,267	4,428	1,474	990	-	
Total portfolio		17,004	17,430	14,617	4,202	2,794	

1. The Fund completed the disposal of the Duetto I and Duetto II properties on 6 June 2023.
2. The Fund completed the disposal of the Domus Pro Retail and Office complex on 6 March 2023.
3. The Fund completed the disposal of G4S Headquarters on 8 November 2021.

Financial debt structure of the Fund

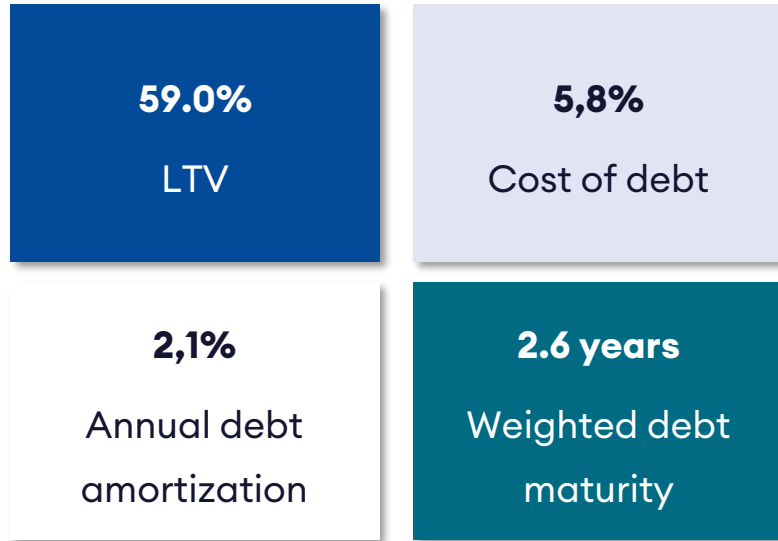
As of 31 March 2024

Property	Maturity	Currency	Carrying amount (EUR '000)	% of total	Hedged portion (%)
Galerija Centrs	26 August 2024	EUR	30,000	19.8%	100.0%
CC Plaza and Postimaja	12 February 2026	EUR	16,598	10.9%	0.0%
Europa SC	31 January 2029	EUR	16,500	10.8%	111.5%
Upmalas Biroji BC	2 August 2028	EUR	10,390	6.9%	101.8%
Vainodes I	13 November 2024	EUR	10,268	6.7%	47.9%
North Star	5 February 2029	EUR	9,500	6.2%	94.7%
S27	13 November 2024	EUR	7,947	5.2%	73.0%
Lincona	31 December 2027	EUR	9,119	6.0%	0.0%
Pirita SC	20 February 2026	EUR	4,588	3.0%	0.0%
Sky SC	31 January 2028	EUR	2,768	1.8%	0.0%
Total bank loans		EUR	117,678	77.3%	76.0%
Less capitalised loan arrangement fees ¹		EUR	(183)		
Total bank loans recognised in the statement of financial position		EUR	117,495		
5-year secured bonds (short-term) 8 July 2024		EUR	12,500	8.2%	0.0%
5-year secured bonds (long-term) 8 May 2028		EUR	22,000	14.5%	0.0%
Total bonds		EUR	34,500	22.7%	0.0%
Less capitalised bond arrangement fees ¹		EUR	(378)		
Total bonds recognised in the statement of financial position		EUR	34,122		
Total debt recognised in the statement of financial position		EUR	151,617	100.0%	76.0%

Financing Summary

as of 31 March 2024 (including MEUR 4.5 repayment of Bonds)

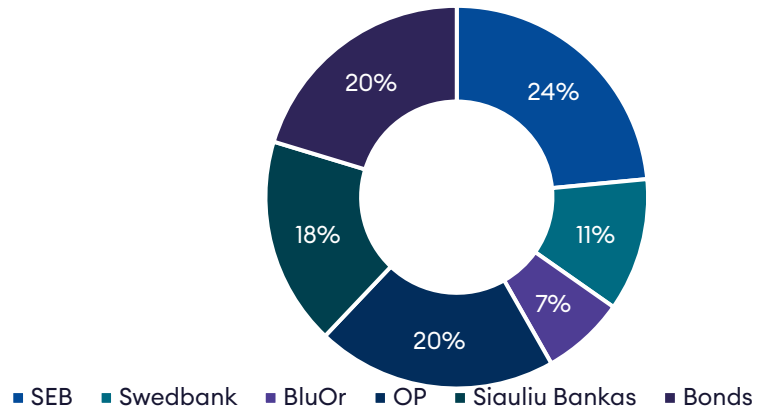
Summary of financing terms



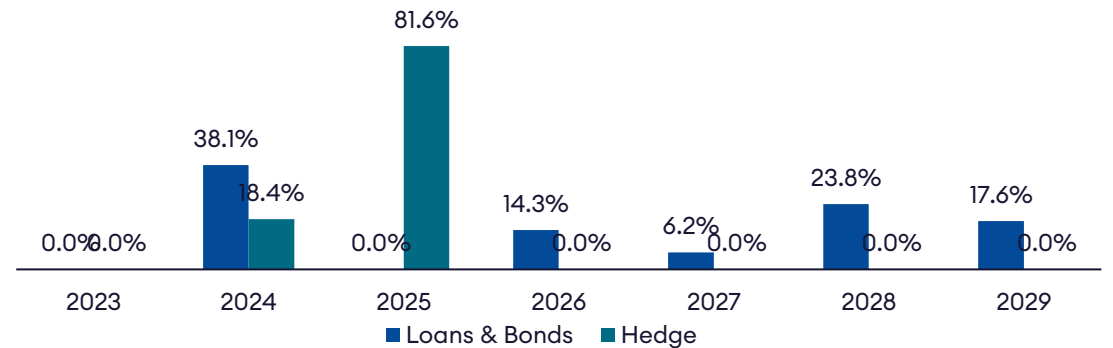
Maturity by separate loan (EUR '000)



Diversification by creditor



Loan and hedge maturity



Outlook for 2024 and beyond

- The Fund is recovering from the **low occupancy period** in Q3 2023.
- Several **new anchor lease agreements** have been signed and some of these new tenants start paying in **Q3 2024 – Q1 2025**, when they have moved in.
- Refinancing of Meraki and repayment of remaining **EUR 8 million** first tranche of the bond.
- Fund's goal is to achieve a **portfolio occupancy of at least 90% by end of 2024;**
- Refinancing of maturing loans is currently underway through strategic collaboration with multiple banking partners. The Fund is targeting to **reduce the leverage to approx. 50%** after the refinancing activities.
- Management team remains fully committed to explore further **refinancing** and **divestment opportunities** in order to reduce the average cost of debt financing and improve liquidity.

