



NORTHERN HORIZON CAPITAL

BALTIC HORIZON AGM PRESENTATION

15 May 2018



NORTHERN HORIZON
CAPITAL



AGENDA

1. Fund overview – FY2017 and Q1 2018
2. Presentation of the interpretation of Section 15.4.1(r) of the Fund Rules
3. Resolution on establishment of Fund units buy-back program



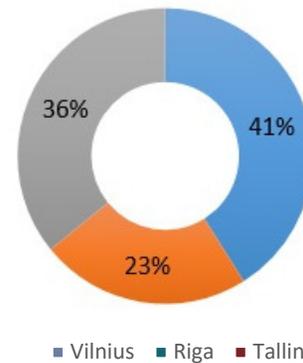
1. BALTIC HORIZON'S 11 PROPERTY PORTFOLIO BREAKDOWN

Geographical and Segmental diversification

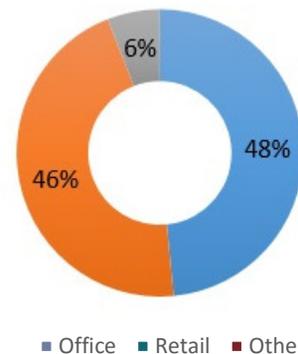
Latvian State Forestry as largest tenant in portfolio

5 properties with expansion potential

Geographical allocation post Postimaja



Segment allocation post Postimaja





NORTHERN HORIZON
CAPITAL

STRONG PORTFOLIO WITH A VALUE OF EUR 224 MILLION

Retail assets in highly populated neighborhoods and in CBD's with immediate catchment areas

Office buildings benefiting from trend of Nordic companies' near-shoring activities and back office expansions



STRONG PORTFOLIO WITH A VALUE OF EUR 224 MILLION



Details of existing property portfolio

Property	Europa SC	Upmalas Biroji	Domus Pro	G4S HQ	Lincona	Duetto I	Coca-Cola Plaza	Piirita	Sky Supermarket	Vainodes 1	Postimaja SC (new)	TOTAL
City	Vilnius CBD ¹	Riga	Vilnius	Tallinn	Tallinn	Vilnius	Tallinn CBD ¹	Tallinn	Riga	Riga	Tallinn	
Type	Retail	Office	Retail/Office	Office	Office	Office	Cinema	Retail	Retail	Office	Retail	
Rentable area, sqm	16,856	10,419	16,006 ³	8,363	10,859	8,327	8,664	5,436	3,263	8,052	9,141	105,556
Vacancy	4.5%	0.2%	4.5%	0%	5.9%	3.5% (0% ²)	0%	5.4% (0% ²)	0.7%	0%	4.4	2.8%
Rent, EUR/sqm/month	13.6	12.2	9.4	11.2	10.0	11.5	9.6	13.3	11.0	13.3	17	11.9
NOI, EURm	2.4	1.7	1.3	1.2	1.2	1.1	1.0	0.9	0.4	1.4	1.8	15
Fair value, EURm	39.6	24.3	24.5 ³	16.6	16.1	16.2	13.2	11.6	5.5	21.9	34.4	223.9
No. of leases	75	12	38	1	14	7	1	21	20	3	14	206
WAULT	4.3	3.8	5.0	4.9	5.5	4.3	5.2	7.0	4.0	7.1	4.0	4.8
Major tenants	  	  	  	  	  		 	 		 		

Source: Northern Horizon Capital

¹ Central Business District ² Effective vacancy rate was zero because sellers of properties provided 2-year (starting from the acquisition date) guarantees of full-occupancy net rental income. ³Retail: 11,247 sqm, MV: €17.3m; Office: 7,150 sqm, MV: €7.1m



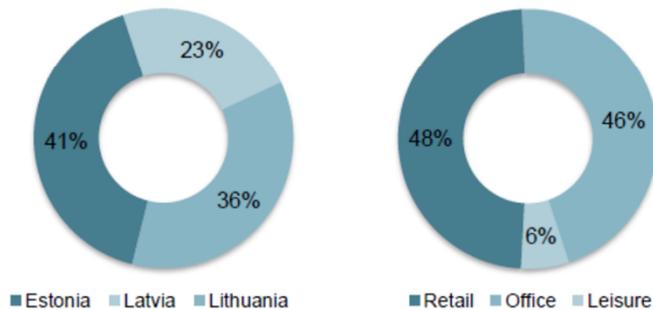
WELL-BALANCED TENANT MIX WITH MAJOR NORDIC AND MULTINATIONAL TENANTS

Strong tenants and long lease agreements

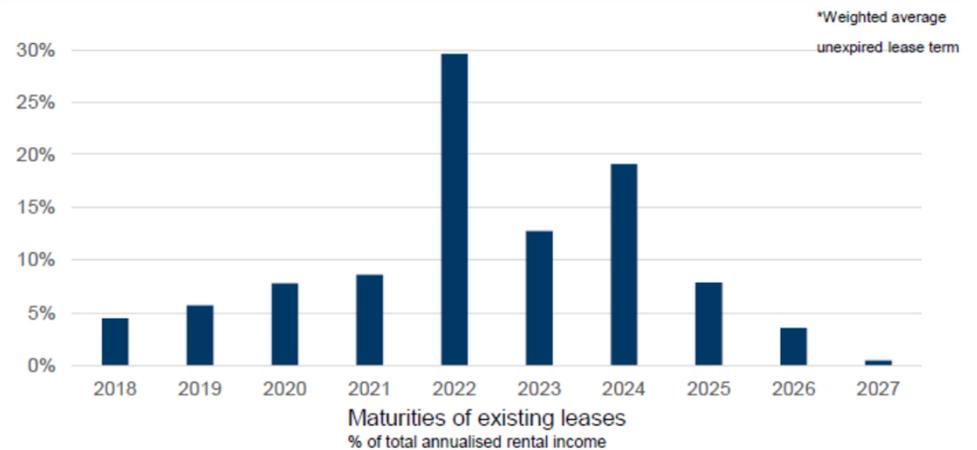
- Baltic Horizon has 206 tenants, mainly large Nordic and multinational firms.
- The 10 largest leases comprise 48% of total annualised rental income.
- Latvijas Valsts Meži is the largest tenant and accounts for 8.1% of total annualised rental income, closely followed by Rimi (7.6%).
- Successful property management is an important value driver for the Fund and the Management Company closely oversees property managers and signs off all new leases covering space of at least 100 sqm.
- The maturities of existing leases are fairly evenly distributed over the next 10 years with the exception of 2022 when lease contracts of 4 out of the 10 largest tenants are set to mature.

No	Tenant	Industry	Property	% of total annualized rental income	WAULT*, years
1		Forestry management	Vainodes 1	8.1%	6.9
2		Grocery	Domus Pro, Piiirita, Postimaja	7.6%	6.6
3		Security	G4S Headquarters	7.6%	4.8
4		(same owner as SF Bio) Cinema	Coca-Cola Plaza	6.7%	5.2
5		Banking	Upmalas Biroji	4.9%	5.0
6		Credit management	Duetto I	4.7%	4.2
7		Clothing	Postimaja	3.0%	3.1
8		Banking	Lincona	2.0%	6.7
9		Utilities	Duetto I	1.7%	4.7
10		Grocery	Sky Supermarket	1.6%	5.0
Total of 10 largest tenants				48.1%	5.2

Fund Segment and Country Distribution



22





NORTHERN HORIZON
CAPITAL

POSTIMAJA AND CC PLAZA EXPANSION



FINANCIAL RESULTS FOR Q1 2018

FINANCIAL PERFORMANCE

- In Q1 2018, NOI amounted to EUR 3.4 million and was higher than in Q1 2017 (EUR 2.5 million).
- During Q1 2018, the Fund's performance was negatively affected by a EUR 467 thousand one-off tax charge in Latvia in relation to the structuring of the Vainodes I investment property transaction.

<i>Euro '000</i>	Q1 2018	Q1 2017 (restated)*	Change (%)
Rental income	3,606	2,727	32.2%
Service charge income	585	358	63.4%
Cost of rental activities	(782)	(559)	39.9%
Net rental income	3,409	2,526	35.0%
Expenses related to public offerings	-	(202)	(100.0)%
Administrative expenses	(640)	(528)	21.2%
Other operating income / (expenses)	6	13	(53.8)%
Operating profit	2,775	1,809	53.4%
Financial income	2	41	(95.1)%
Financial expenses	(489)	(332)	47.3%
Net financing costs	(487)	(291)	67.4%
Profit before tax	2,288	1,518	50.7%
Income tax charge	(604)	(568)	6.3%
Profit for the period	1,684	950	77.3%

*In 2018, the Group adopted IFRS 15 Revenue from Contracts with Customers, effective from 1 January 2018. As a result, the comparative figures for "service charge income" and "cost of rental activities" were adjusted. The adjustment did not have an impact on the Group's equity. The impact is related to presentation changes in accordance with IFRS 15.



NORTHERN HORIZON
CAPITAL

FINANCIAL RESULTS FOR Q1 2018

ASSETS AS OF 31/03/2018

- Total investment value increased from EUR 189 million to EUR 224 million after Postimaja SC acquisition in February

<i>Euro '000</i>	31.03.2018	31.12.2017
Non-current assets		
Investment properties	223,961	189,317
Derivative financial instruments	94	89
Other non-current assets	140	146
Total non-current assets	224,195	189,552
Current assets		
Trade and other receivables	1,720	1,568
Prepayments	281	108
Cash and cash equivalents	8,290	24,557
Total current assets	10,291	26,233
Total assets	234,486	215,785



FINANCIAL RESULTS FOR Q1 2018

EQUITY & LIABILITIES AS OF 31/03/2018

- In Q1 2018, the Fund NAV increased from EUR 107 million to EUR 109 million. The increase is related to new equity raised in February and the Group's operational performance over the quarter. The Fund also made a EUR 1.8 million cash distribution to its unitholders (EUR 0.023 per unit).

<i>Euro '000</i>	31.03.2018	31.12.2017
Equity		
Paid in capital	94,198	91,848
Cash flow hedge reserve	(326)	(56)
Retained earnings	15,087	15,184
Total equity	108,959	106,976
Non-current liabilities		
Interest bearing loans and borrowings	114,225	96,497
Deferred tax liabilities	5,295	5,206
Derivative financial instruments	423	88
Other non-current liabilities	874	859
Total non-current liabilities	120,817	102,650
Current liabilities		
Interest bearing loans and borrowings	1,973	1,590
Trade and other payables	1,944	4,202
Income tax payable	467	14
Derivative financial instruments	-	15
Other current liabilities	326	338
Total current liabilities	4,710	6,159
Total liabilities	125,527	108,809
Total equity and liabilities	234,486	215,785



NORTHERN HORIZON
CAPITAL

FINANCIAL RESULTS FOR Q1 2018 SUMMARY

- IFRS NAV per unit
EUR 1.3765 (EUR
1.3814 as at
31/12/2017).
- EPRA NAV per unit
EUR 1.4683 (EUR
1.4689 as at
31/12/2017).

<i>Euro '000</i>	31.03.2018	31.12.2017	Change (%)
Investment property in use	223,961	189,317	18.3%
Gross asset value (GAV)	234,486	215,785	8.7%
Interest bearing loans	116,198	98,087	18.5%
Total liabilities	125,531	108,809	15.4%
Net asset value (NAV)	108,959	106,976	1.9%

Euro '000	31.03.2018
IFRS NAV as of 31 March 2018	108,958
Exclude deferred tax liability on investment properties	6,942
Exclude fair value of financial instruments	330
Exclude deferred tax on fair value of financial instruments	(3)
EPRA NAV*	116,227
Amount of units	79,157,094
EPRA NAV per unit	1.4683



BOND PROGRAM

Diversification of Capital structure of Baltic horizon

Cash management: removal of bank loan amortization

- Bond issue EUR 30 million
 - Diversification of Capital structure
 - MM3 rating obtained from S&P
 - 8 Baltic institutional investors on board

- Partial repayment of the bank loans due to repayment
 - Removal of amortization
 - Optimizing sources of Capital
 - Minimizing bank loan agreement risks

- Timeline May-June
 - To be listed on Tallinn OMX stock exchange



NORTHERN HORIZON
CAPITAL

EXPANSION PROJECTS 2018-2023

5 expansion projects

1. Upmalas Salas
2. Vainodes 1
3. G4S
4. Postimaja
5. Domus PRO - Stage 4



Development cost:
~70 mEUR

Value: ~100 mEUR



2. INTERPRETATION OF SECTION 15.4.1(R) OF THE FUND RULES

Full clarification of
15.4.1 clause

Extract from the Fund Rules:

„15. Other Expenses

15.4.1 The following other expenses are payable on account of the Fund for the functioning of the Fund:

(r) all other operational and financial expenses attributable to investments of the Fund, including but not limited to capital expenditures.“

For avoidance of doubt, the Management Company hereby informs and clarifies for all stakeholders that the accounting costs of the Fund are considered operational expenses attributable to investments of the Fund and are to be borne on account of the Fund.



3. FUND UNITS BUY-BACK PROGRAM

Proposed terms of the program

The re-purchases of units are executed either on Nasdaq Tallinn and/or Nasdaq Stockholm in accordance with the rules of Nasdaq Tallinn and/or Nasdaq Stockholm applicable and strictly in line with applicable legislation

- The purpose of the re-purchase program is to strengthen the capital structure of the Fund by purchasing units at the price lower than the NAV of the Fund unit at the time.
- The purpose of the re-purchase program is to strengthen the capital structure of the Fund by purchasing units at the price lower than the NAV of the Fund unit at the time.

Re-purchases are made at the price level lower than NAV of the Fund unit at the time.

- Maximum of 5,000,000 units may be repurchased during the period of 12 months starting from 15th May 2018 for the maximum amount of EUR 5,000,000.
- The aggregate number of units purchased and held by the Fund shall not exceed 10% of the total number of Fund units at any time.
- Payment for the units shall be made in cash.

The units held by the Fund shall not grant any unitholder rights to the Fund or to the Management Company.

- The Management Company shall cancel the Units within 3 months after the re-purchase.

The Management Company has received confirmation from the Estonian Financial Supervision Authority and the Swedish Financial Supervisory Authority that the buy-back program of the Fund on the above terms falls under the safe harbours of the Market Abuse Regulation No 596/2014/EU.



DISCLAIMER

This material is provided to you for information purposes only. Before investing in any product managed by Northern Horizon Capital (NHC) or associated companies, you should inform yourself about legal and tax consequences, foreign exchange restrictions or exchange control requirements that you may encounter under the laws of your country. NHC has taken all reasonable care to ensure that the information contained in this document is reliable but no guarantees, warranties or representations are made as to the accuracy or completeness of the information contained in this information document. Past performance is no guide to future performance. Investors in funds or other products of NHC should be aware that such investments carry risk, that the value of such investments can vary over time, and that you as investor may not get back the full amount invested. NHC urges all investors to seek professional advice on the above-mentioned issues as well as other relevant issues before investing in our products.