Baltic Horizon

Unaudited condensed consolidated interim financial statements for the 9-month period ended 30 September 2024

Interim report Q3 2024

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About Baltic Horizon

We aim to create value through actively managing commercial real estate. Our strategic focus is on catering to the **‘Modern City Life’** concept in Vilnius, Riga, and Tallinn.

Baltic Horizon Fund (the “Fund” or the “Group”) is a regulated closed-end contractual investment fund registered in Estonia on 23 May 2016. Northern Horizon Capital AS is the Management Company (AIFM) of the Fund. Both the Fund and the Management Company are supervised by the Estonian Financial Supervision and Resolution Authority.

The Fund is a public fund with no particular lifetime (evergreen). Units of the Fund are made available to the public in accordance with the Fund Rules and applicable laws. The Fund is listed on the Fund List of the Nasdaq Tallinn Stock Exchange. The Fund’s Swedish depository receipts (the SDRs) are listed on the Nasdaq Stockholm Stock Exchange.

The Fund’s primary focus is to invest directly in commercial real estate located in Estonia, Latvia and Lithuania, particularly in the capitals - Tallinn, Riga and Vilnius.

The Fund’s focus is on established cash flow generating properties with potential to add value through active management within the retail, office, leisure and public assets segments in strategic locations and strong tenants or a quality tenant mix and long leases.

The Fund aims to use a 50% long-term leverage strategy. At no point in time may the Fund’s leverage exceed 65%.

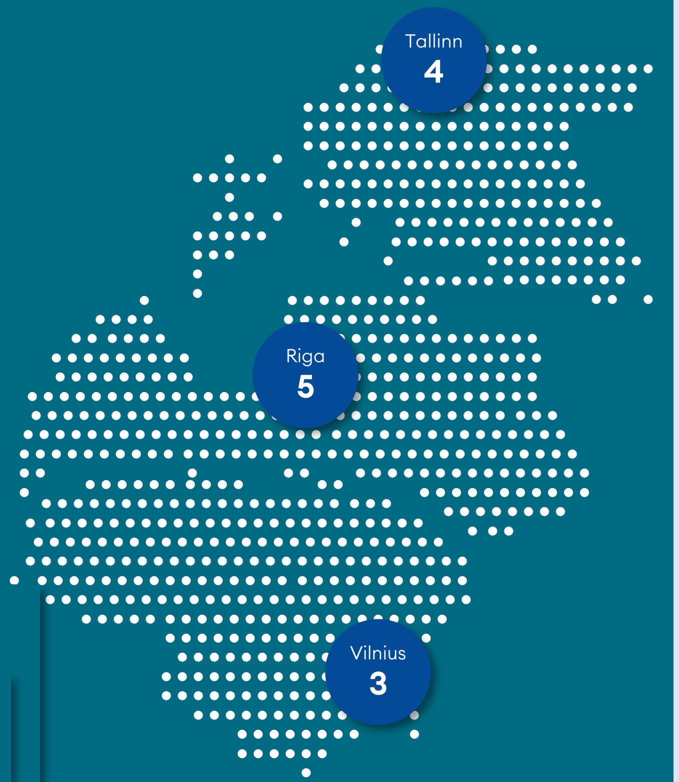
The Fund aims to grow through making attractive investments for its investors while diversifying its risks geographically, across real estate segments, tenants and debt providers.

Portfolio facts
As of 30 September 2024

241.6m EUR
portfolio value

12 income
generating properties

118,624 sq.m.
leasable area



Portfolio by segments

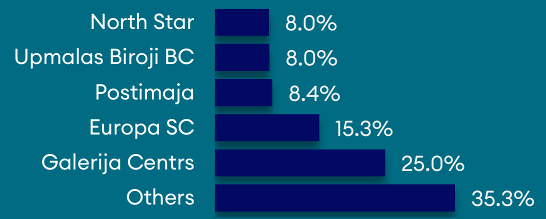
Retail
54.7%

Office
39.9%

Leisure
5.4%

Portfolio value (EURm)

TOP 5 properties



The **Modern City Life concept** at a glance

Location and accessibility

- Central locations
- Good transportation infrastructure
- Walkability and bikeability

Mixed-use communities

- Multi-purpose spaces
- Live/work integration
- Food and entertainment

Sustainability and wellness

- Green lease and design elements
- Health and wellness facilities

Management report

Our strategic ambitions

Over the past year, our focus has been on reshaping our strategy to foster sustainable value in a very demanding environment, concentrating efforts on avenues that promise reliable and consistent growth for our investors. In light of prevailing market conditions, we firmly believe that the execution of the 'Modern City Life' strategy, introduced to investors in 2023, is paramount to their best interests.

In the coming years, we expect two thirds of the Fund's NOI to come from centrally located multi-functional assets aligned with our 'Modern City Life' strategy. These spaces are designed to ignite, elevate and enrich the lives of modern citizens and communities. The remaining results are expected to be derived primarily from government-rented premises and select suburban supermarkets and other segments. Our value proposition hinges on quality, flexibility, sustainability, and remarkable service, underpinned by strategic locations tailored to meet the evolving needs of our clientele.

The Fund's management team has made the strategic decision to implement key performance indicators (KPIs) as a means to effectively measure and track performance. This decision stems from the recognition that clear and measurable benchmarks are essential for evaluating progress towards the Fund's objectives. By defining specific KPIs, the team aims to enhance transparency, accountability, and facilitate decision-making processes.

As of today, we have successfully repaid the short-term part of the bonds that matured in July 2024. While it was refinanced by a cheaper loan and LTV remained at a similar level; our objective is to fully repay the outstanding bonds as soon as possible and to reduce the LTV. Moreover, we reached 100% of portfolio certification and are moving towards our occupancy goal and NOI potential. We have thoroughly analysed GRESB assessment results and made an action plan enabling us to receive a 4-star GRESB rating next year.

In response to a changing economic environment and an increasingly competitive real estate market, the six strategic targets aim to secure long-term value creation for our investors.

Our 6 strategic targets

Occupancy
>90%+
Portfolio occupancy by the end of 2024

Net operating income (per year)
EUR 18m
Clear ESG and refurbishment strategy with an aim to reach portfolio NOI potential by 2027

Loan-To-Value
<50%
LTV target

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

> “
>
> We aim to manage vibrant urban real estate that sustainably integrates work and life, provides exceptional service, is adaptable and fosters inclusive, thriving communities.

Outlook for 2024

The outlook for Q4 2024 reflects Baltic Horizon's commitment to navigating the challenging real estate market in the Baltic capitals. Our current focus is on increasing the occupancy of the portfolio and repaying the bonds thereby lowering the LTV of the Fund.

North Star

Recent history with its notable challenges has forced investors to deal with uncertainty in the surrounding environment. It almost seems like uncertainty is a new certainty. Real estate markets in the Nordic and Baltic regions have witnessed several external shocks over the past years, which have changed the investment environment for good and there are a number of outstanding challenges including increased material and renovation costs, more expensive financing, weaker economies and lower consumer confidence.

Given the influence of recent economic and geopolitical events on the operational performance of certain assets and financing costs, Baltic Horizon units are now traded at a price that is more than 55% below NAV. This deviation is not aligned with our goals and is unacceptable to both our valued investors and to Northern Horizon as the Management Company.

To address this challenge, the Fund is strategically focused on enhancing the strength of our centrally-located retail portfolio throughout 2024. This involves the introduction of new anchor tenants and the implementation of further concept changes aimed at revitalizing and maximizing the potential of our retail assets. Concurrently, the Fund is proactively working on lease extensions and addressing vacancy concerns within office buildings by pursuing new collaborative agreements with government tenants, implementing flexible workspace solutions and being in close dialogue with conventional office tenants. The Fund and its partners are working intensively to fill the vacancies and have signed LOIs for over 3,700 sq. m of office space.

Our investment focus in recent years has been on renewing the concepts of our city centre properties, embracing the growing trend for hybrid retail and work environments. Beyond traditional stores, our attractive hybrid centres offer cinemas, sports clubs, beauty salons, clinics, coworking spaces, and authentic high-quality food areas. The successful launch of the Dialogai and BURZMA food areas in Europa and Galerija Centrs are testimony to our strategic approach.

We are actively negotiating with tenants to bring innovative concepts to the upper floors of Europa SC and Galerija Centrs. The letting of these premises, together with the recent excellent leasing results at Postimaja and CC Plaza, will unlock untapped potential in our portfolio.

Despite the introduction of a number of new tenants to Europa, including IKI (under a 10-year lease), Tops, and Holland & Barrett and the opening of the renewed stores of long-term tenants like Suitsupply, the shopping centre is still facing high vacancy levels. The Baltic Horizon team is actively working on a strategy for Europa which would allow to increase its occupancy and to realise its NOI potential. Further steps towards our vision of creating a multipurpose centre serving the surrounding communities include Perfectus clinic, which opened its doors at the beginning of November, a new dining area planned for the first floor, which will house several different restaurants and have an open facade facing Konstitucijos avenue, and a new concept entertainment centre opening in H1 2025 on more than 1,200 sq. m, which will further enhance the attractiveness and commercial viability of the shopping centre.

Recent major leases at Galerija Centrs, including Arket, which selected our shopping centre for its first shop in Latvia, and the new anchor tenant MyFitness , which signed a 14-year lease for approx. 2,000 sq. m in April 2024, confirm that central locations are attractive to both tenants and shoppers. In Q3, the Fund successfully signed an agreement with another anchor tenant ,Expo GROUP, which has already opened interactive entertainment centre Cosmopark on approximately 2,000 sq. m in Galerija Centrs, which is expected to have a positive impact not only on NOI but also on visitor numbers.

In April, the Fund finalized a significant new cooperation agreement with Apollo Group, largest entertainment company in the Baltics, for approx. 2,200 sq. m on the 1st floor of Coca-Cola Plaza. With Apollo Group serving as the anchor tenant, this collaboration will create a dynamic urban lifestyle hub in the heart of Tallinn, offering a diverse range of entertainment, dining, and retail experiences. This 10-year lease, complemented by extended cooperation agreements in the adjacent Postimaja SC, strategically positions the property to optimize its NOI potential and foster seamless integration with the Rotermann area. The cinema facilities, located on the upper floors, will continue to operate on a long-term basis.

Baltic Horizon's team has taken proactive measures to address high energy prices. By fixing electricity prices for our assets, we aim to maintain stable and resilient cost management for our tenants. Furthermore, we recognize the importance of environmental responsibility and actively invest in green energy projects. Several remote solar power plants will be fully operational by the end of 2024, supplying electricity to all of our assets in Lithuania and Latvia starting from Q1 2025. This strategic investment not only aligns with our sustainability goals but also contributes to reducing our carbon footprint and promoting renewable energy sources.

Successfully achieving BREEAM certification for all assets in our portfolio by the end of 2023 underlines our dedication to sustainability, and the introduction of green lease clauses in our agreements highlights our ongoing commitment to environmental responsibility.

Recently we announced a 3-star GRESB rating of 80 points, 1.5 points below the 4-star threshold. The decline compared to the previous years was mostly due to broader commitment and improved performance in the sector, higher requirements and expectations and new best practice standards. The management team has thoroughly analysed the assessment results and prepared an action plan, which is expected to bring the Fund back to a 4-star level next year.

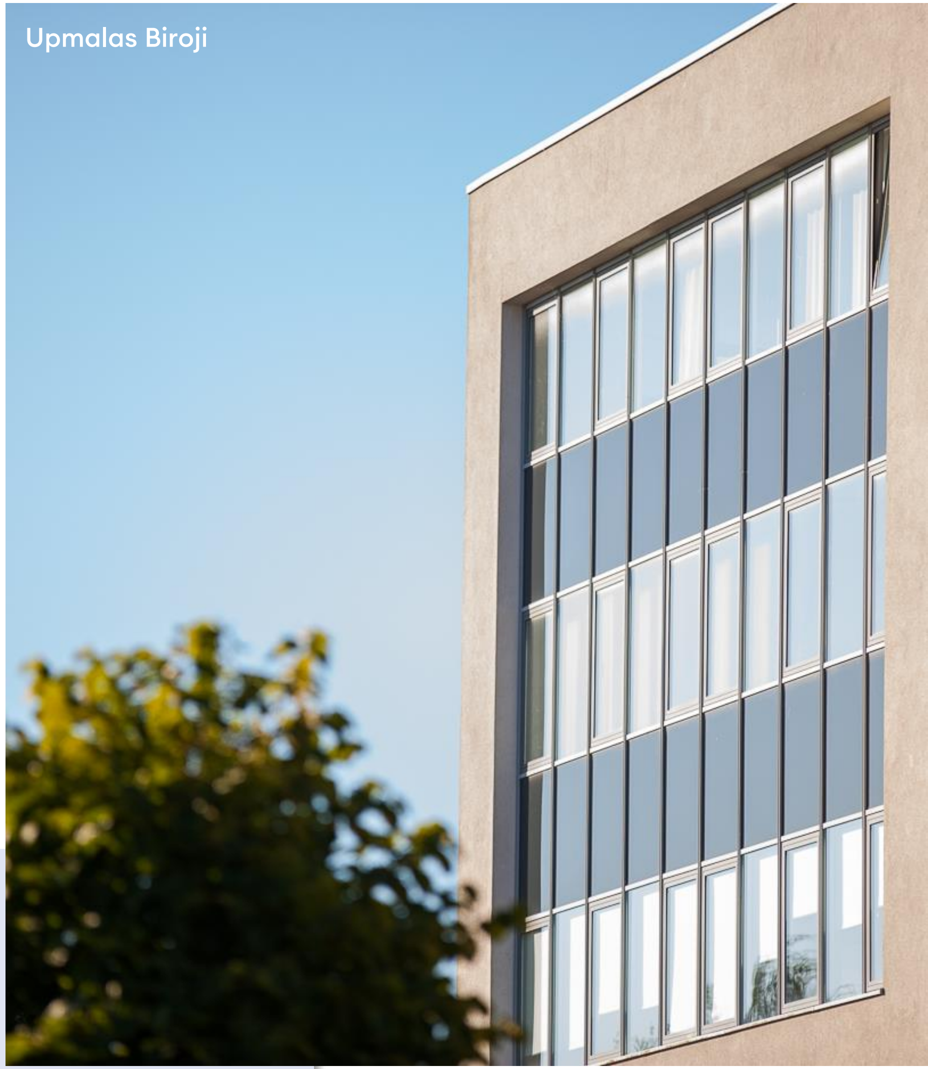
Baltic Horizon’s management team recognises the challenges posed by high interest rates and inflation. Our strategy is to partially offset rising costs through rent indexations, conclusion of new lease agreements and additional hedging instruments. The Fund is currently in line with its projected leasing activities for 2024, demonstrating our vigorous efforts to increase occupancy levels to over 90% by year-end. We are actively implementing multiple cost-saving strategies to maintain operational profitability and mitigate market uncertainty.

Simultaneously, the Fund remains committed to improving debt service and lowering leverage levels. These efforts are essential to fortifying our financial position and enhancing overall portfolio resilience in the face of ongoing market volatility and uncertainty. By executing these strategic initiatives, Baltic Horizon aims to mitigate the current unit price deviation from the NAV. In line with its strategic goals, the Fund successfully redeemed the short-term part of the bonds on 8 July 2024. The bonds in the amount of EUR 8 million were refinanced with a more cost-effective bank loan, raised by leveraging the Meraki asset.

Although the Fund aims for an LTV of no more than 50%, reducing the debt level will take time, particularly in the current market. The Fund intends to extend existing leases and negotiate new ones on the most favourable terms, but sometimes additional capital expenditure to fit out the premises is unavoidable. To address both goals, the Fund carried out a private placement of new units, which was successfully completed in September and during which new equity of EUR 6.29 million was raised.

As the market evolves, our strategic decisions will remain agile to ensure adaptability to changes in the operating environment. The Fund's management team remains determined in its commitment to implement revitalized strategies that enhance the concepts of our city centre assets, with the aim of restoring them beyond historic income levels. At the same time, we remain committed to maintaining stable cash flows from our other assets, ensuring a secure foundation for stable future returns for our valued investors.

Maintaining a stable financial position is a key part of our long-term strategy. Through careful financial management and a proactive approach to leasing, we strive to deliver sustainable performance and achieve success for our investors.



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Q3 key figures

Key earnings figures	Unit	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2022
Rental income	EUR '000	11,357	13,988	15,422
Net rental income	EUR '000	8,869	11,723	12,973
Net rental income margin[1]	%	78.1	83.8	84.1
Valuation gains (losses) on investment properties	EUR '000	(12,529)	(14,626)	158
EBITDA	EUR '000	(6,238)	(8,817)	11,472
EBITDA margin	%	(54.9)	(63.0)	74.4
EBIT	EUR '000	(5,992)	(8,684)	11,272
EBIT margin[2]	%	(52.8)	(62.1)	73.1
Net profit (loss)	EUR '000	(13,399)	(15,216)	6,137
Net profit (loss) margin	%	(118.0)	(108.8)	39.8
Earnings per unit	EUR	(0.09)	(0.13)	0.05
Generated net cash flow[3]	EUR '000	(3,870)	1,654	6,005
Generated net cash flow per unit[4]	EUR/unit	(0.03)	0.01	0.05

Key financial position figures	Unit	30.09.2024	31.12.2023	31.12.2022
Total assets	EUR '000	256,826	261,138	343,963
Return on assets (TTM)	%	(8.2)	(7.6)	1.1
Total equity	EUR '000	101,922	109,532	133,655
Equity ratio	%	41.3	41.9	38.9
Return on equity (TTM)	%	(20.0)	(18.9)	3.0
Interest-bearing loans and borrowings	EUR '000	146,583	143,742	195,111
Total liabilities	EUR '000	154,904	151,606	210,308
LTV	%	60.9	57.3	58.4
Average cost of debt	%	6.3	5.2	3.0
Weighted average duration of debt	years	2.5	2.3	1.8
Current ratio	times	0.2	0.1	0.1
Quick ratio	times	0.2	0.1	0.1
Cash ratio	times	0.2	0.1	0.1
IFRS NAV per unit	EUR	0.7099	0.9156	1.1172

1. Net rental income as a % of rental income.
2. EBIT (earnings before interest and taxes) as a % of rental income.
3. Generated net cash flow is calculated based on net rental income less administrative expenses, less external interest expenses, less CAPEX expenditure. Listing related expenses and acquisition related expenses are added back in GNCF calculation.
4. Generated net cash flow per numbers of units at the end of the period.

Q3 key figures

Key property portfolio figures	Unit	30.09.2024	31.12.2023	31.12.2022
Fair value of portfolio	EUR '000	241,579	250,385	333,123
Properties[5]	number	12	12	15
Total Net leasable area	sq. m	118,624	119,714	151,870
Occupancy rate	%	80.5	81.1	90.5

Key property portfolio figures	Unit	Q1-Q3 024	Q1-Q3 2023	Q1-Q3 2022
Direct property yield	%	3.9	4.7	5.1
Net initial yield	%	4.8	5.3	5.4

Key unit figures	Unit	30.09.2024	31.12.2023	31.12.2022
Number of units outstanding	units	143,562,514	119,635,429	119,635,429
Closing unit price	EUR	0.3080	0.3150	0.5750
Closing unit price	SEK	2.90	3.30	5.60
Market capitalisation[6]	EUR	44,217,254	37,685,160	68,790,372

Key EPRA figures	Unit	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2022
EPRA Earnings	EUR '000	(570)	2,551	6,651
EPRA Earnings per unit	EUR	0.00	0.02	0.06

Key EPRA figures	Unit	30.09.2024	31.12.2023	31.12.2022
EPRA NRV (Net Reinstatement Value)	EUR '000	107,809	114,205	141,943
EPRA NRV per unit	EUR	0.7510	0.9546	1.1865
EPRA NTA (Net Tangible Assets)	EUR '000	107,809	114,205	141,943
EPRA NTA per unit	EUR	0.7510	0.9546	1.1865
EPRA NDV (Net Disposal Value)	EUR '000	101,469	109,131	133,313
EPRA NDV per unit	EUR	0.7068	0.9122	1.1143
EPRA LTV	%	57.0	55.5	57.9

5. Properties includes 12 established cash flow properties.
6. Based on the closing prices units on the Nasdaq Tallinn Stock Exchange.

Q3 key events

Mandatory early redemption of the short-term part of the bonds

On 14 June 2024 the Baltic Horizon Fund announced its plan to mandatorily redeem the short-term part of the bonds in the amount of EUR 8.0 million. The redemption was carried out on 8 July 2024 and it entailed decreasing the nominal value of the bonds. The total nominal amount of the bonds before the redemption was EUR 30 million and after the redemption is 22 million. The new nominal value of the bonds is EUR 52,380.95 per bond. Our objective is to fully repay the remaining outstanding bonds when possible.

Release of the mortgage securing the bonds

The mandatory partial early redemption of the bonds was completed on 8 July 2024. The Fund requested Triniti Collateral Agent IX OÜ, a company that acts as the agent in relation to 5-year floating rate bonds maturing in 2028 to release the collateral encumbering the property held by BH Meraki UAB with the first ranking mortgage to secure the obligations of the issuer deriving from the bonds. On 15 August 2024 the collateral was released.

Private placement of new units

Northern Horizon Capital AS, the management company of Baltic Horizon Fund, raised EUR 6.29 million in the private placement, mainly targeting institutional investors in select European countries, which took place under the resolution taken by the general meeting of investors announced on 6 August 2024 and was closed on 12 September 2024. 23,927,085 new units were issued at EUR 0.2631 with the first trading day on Nasdaq Tallinn Stock Exchange being 20 September 2024.

Amendments to the bond terms and conditions

On 26 September 2024 the bondholders approved by written procedure the amendments to the terms and conditions of the Baltic Horizon Fund 5-year bonds maturing in 2028. The bondholders decided to add an obligation for mandatory early redemption of the bonds with a total nominal value of EUR 3,000,000 by 7 November 2025 and to change the Fund's Debt Service Coverage Ratio requirement above 0.75 for the period from 30 September 2024 to 30 June 2025, above 1.00 for the period from 1 July 2025 to 30 September 2026 and above 1.20 thereafter.

Changes in the property management team in Estonia

Newsec has been appointed as property manager for Baltic Horizon Fund's properties in Estonia starting from 1 September 2024. Newsec already manages Baltic Horizon Fund's Lithuanian portfolio and retail properties in Latvia. This strategic partnership is expected to accelerate the leasing process.

Meraki Business Home

Property report

Leasing and tenant update

In a challenging market environment characterized by increasing real estate market vacancies across all Baltic states in recent periods, the Fund also faced outflows of some tenants, however it has demonstrated its adaptability and the attractiveness of its properties by renewing a significant amount of existing leases and signing a substantial number of new leases during the first nine months of 2024. This success was primarily attributable to significant deals with prominent anchor tenants such as Narbutas in Meraki (3,200 sq. m) and Apollo Group in Coca-Cola Plaza (2,200 sq. m) and significant leases in Galerija Centrs signed with My Fitness (1,700 sq. m) and Expo GROUP (2,000 sq. m), which opened an interactive entertainment exhibition in the shopping centre.

The Fund team has been diligently negotiating with current tenants to extend lease agreements, while also actively engaging with new tenants to fill the vacancies. These efforts have resulted in lease renewals of approximately 20,000 sq. m and a net lease inflow of approximately 3,200 sq. m.

During the 9 months of 2024, the Fund signed new leases for 17,985 sq. m, securing an annual rental income of EUR 2,229 thousand for future periods. Furthermore, we are pleased to report that 41 new tenants have been attracted to our buildings, while 48 existing tenants have decided to continue their cooperation with us.

By the end of September 2024, we have already secured 80% of the targeted leases, significantly advancing towards achieving the goal of reaching 90% occupancy. Moreover, the Fund has signed letters of intent for approx. 3,700 sq. m, which will increase the occupancy rate by more than 3% when the leases are signed.

Notably, less than 25% of leases are set to expire during the next 15 months, while the vast majority expire in 2026 and later. We aim to spread our lease terms evenly so that no more than 20% of our leases expire each year. Recent successful leasing activity is reflected in the increase in the weighted average unexpired lease term until the first break option, which was 3.4 years as of 30 September 2024 (compared to 2.9 years as of 31 December 2023).

Confirmation of active leasing efforts and client trust

2.9y → **3.4y**

WAULT until the first break
31 December 2023

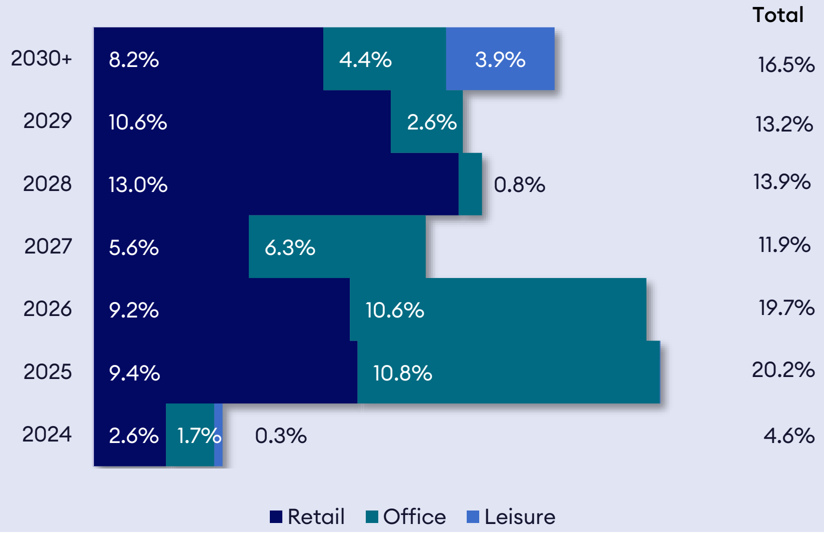
WAULT until the first break
30 September 2024

80% → **90%+**

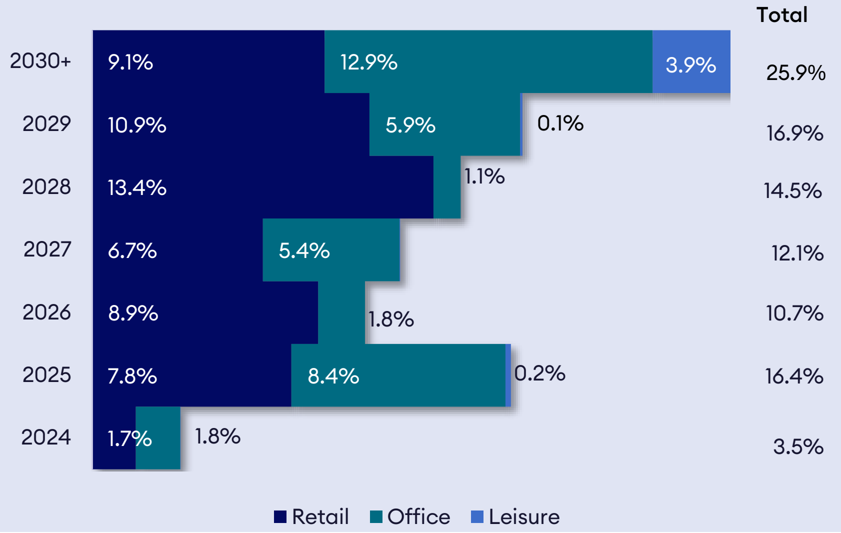
of leases necessary to reach 2024 ambition
Already signed by September

Strategic occupancy ambition
By 31 December 2024

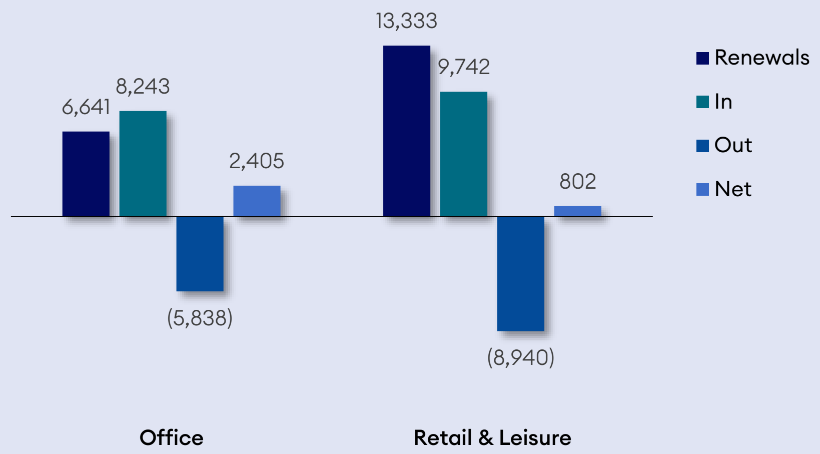
Lease maturity profile as of 30 September 2024
% of contractual rent to first break option



Lease maturity profile as of 30 September 2024
% of contractual rent to end of contract



Leasing activity in January – September 2024
sq. m.



Portfolio and market overview

At the end of Q3 2024, the property portfolio of Baltic Horizon Fund consisted of 12 cash flow-generating properties in the Baltic capitals. Baltic Horizon believes it has established a well-diversified portfolio of centrally-located retail and office assets with well-known and long-term tenants including local commercial leaders, government agencies, nearshoring shared service centres and the Baltic headquarters of leading international companies.

The real estate market across the Nordic and Baltic regions is undergoing a slow and gradual recovery amidst the aftermath of recent economic and geopolitical upheavals. Despite recent turbulence in capital markets, a more stable outlook is forecast for 2024 and 2025, providing a sense of reassurance to the real estate sector. Our Fund has proactively responded to evolving market sentiments by prioritizing investments in ESG strategies. Significantly, we have allocated resources towards enhancing the energy efficiency of our assets and embracing green energy sources, in alignment with the growing tenant demand for sustainable and environmentally friendly spaces.

As we navigate the evolving Baltic real estate landscape, we acknowledge the critical role of ESG considerations in driving tenant satisfaction and fostering long-term value creation. Despite persistent challenges such as rising vacancies and geopolitical uncertainties, our flexible leasing solutions position us well to capitalize on emerging opportunities and meet evolving tenant needs. Additionally, we are committed to adding value to surrounding communities by implementing multi-use principles across our portfolio. This includes incorporating spaces for communal gatherings, green recreational areas, and diverse amenities for entertainment and social interaction, as well as amenities such as restaurants, clinics, gyms, and service centres.

Retail portfolio development and future focus

Throughout 2023 and 2024, we have observed a growing interest from tenants in our retail segment. We attribute this to the Fund's ownership of retail assets in appealing locations and our ongoing commitment to enhancing these assets to meet contemporary shopping standards. This is supported by our investments in developing multi-use concepts within these properties. Consequently, these centrally located assets are becoming increasingly attractive not only to traditional retail tenants but also to other tenants associated with lifestyle, health, entertainment or working communities.

Since the end of 2023 new major tenants, such as ARKET, H&M Home, IKI and Expo GROUP, have been introduced to the visitors of our shopping centres. These well-known and new names have brought fresh vitality and new trendy concepts to our retail assets.

Introduction of the new stores and dining options at Galerija Centrs has triggered a 4% year-over-year increase in tenant turnovers, significantly bolstering its overall recovery. We expect footfall to increase even further starting from Q4 2024, as a 2,000 sq. m interactive entertainment centre Kosmopark, operated by Expo GROUP, opened at the end of September. Moreover, the Fund has signed a 2,000 sq. m 12-year lease agreement with My Fitness, which is due to open in December. These new tenants will not only contribute to higher occupancy but will also expand the range of services offered to visitors.

Europa SC recently celebrated the opening of the renewed Suitsupply, Tops, Holland & Barrett, which chose Europa for its first store in Lithuania (opened in partnership with Eurokos), and Perfectus clinic. Together with the recently signed new entertainment centre opening in H1 2025 and the replanned restaurant zone on the first floor that will offer some new dining options, this not only reflects the outstanding performance of our leasing team, but also affirms the Fund‘s commitment to accommodate the needs of the surrounding communities.

Postimaja is now fully occupied, with the remaining premises leased out to Kilomax. Additionally, strategic efforts were made to enhance the H&M store at Postimaja, incorporating the H&M Home concept to strengthen the long-term partnership between the Fund and this key tenant.

Europa Shopping Center

Office portfolio development and future focus

The office segment witnessed a shift in working practices during the pandemic, with many tenants adopting remote working arrangements where possible. However, employees have returned to offices for social interaction and productive collaboration in physical settings. To address the evolving office reality, Baltic Horizon has been revitalizing larger vacant office areas, transforming them into flexible working spaces to cater to smaller tenants' needs.

For our office assets, we are pleased to confirm that we have successfully extended all major lease agreements in the portfolio that we expected to extend during Q1-Q3 2024. The long-term focus in the office segment is on modern buildings and long-term cooperation with both public (e.g. government or municipal) and private organizations. While the rental levels may not always be at the top end of the market, there are other benefits that contribute positively, such as stable rental income and lower tenant turnover.

Accomplishments in our leasing strategy include recent agreements with the Latvian State Police in Riga for over 4,000 sq. m for a period of 12 years and the Estonian Information System Authority in Tallinn for over 3,000 sq. m for a period of 5 years, as well as strong leasing of vacant premises in Meraki. During the nine months of 2024 new leases were signed with leading local and global names such as Narbutas and Hertz, and existing tenants in Meraki expanded their space, which increased the area leased out by over 4,500 sq. m.

North Star in Vilnius has recently seen increased interest from the tenants, resulting in the signing of significant leases with tenants such as Edrana and Maisto Bankas. The business centre is another example of the Fund's efforts to better meet the needs of the surrounding neighbourhoods and communities, as evidenced by the signing of new leases with Antėja and Inmedica clinic, which are expected to open their doors in Q2 2025.

In response to evolving market dynamics, the Fund is actively engaged in reletting current office vacancies.

Several strategies and concepts are being explored for the S27 business centre, which faces a 100% vacancy rate at the end of Q3 following the expiry and termination of leases with former tenants EMERGN and LNK Industries. Negotiations with several potential major tenants are advanced, as evidenced by signed letters of intent, and have reached the final stage of lease negotiations.

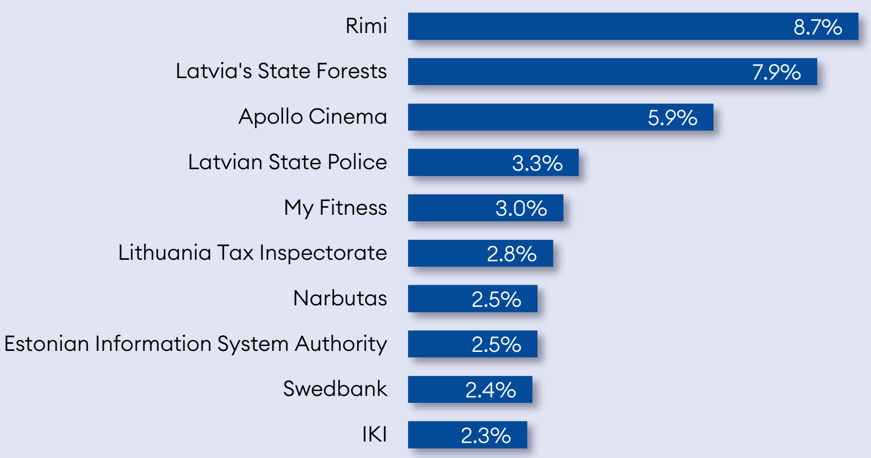
Furthermore, we are currently in intensive negotiations to optimize occupancy in the Lincona building. Recent expansion of space by the existing tenant, the Estonian Information System Authority, has increased the occupancy of the building close to 90%.

Upmalas has attracted a lot of interest from the potential tenants in recent months, reflecting the hard work and market expertise of our new partner Colliers and resulting in a new 10-year lease being signed with BebeLV. A kindergarten not only improves the tenant mix but also meets the needs of the surrounding communities.

Despite the progress in letting, the vacancies in S27 and Upmalas Biroji are likely to affect the office portfolio results for another couple of quarters. However, we expect this impact to be partially mitigated by the stability provided by the fixed-price lease agreements in the remaining portfolio, as well as newly signed leases kicking in H2 2024 and the beginning of 2025.

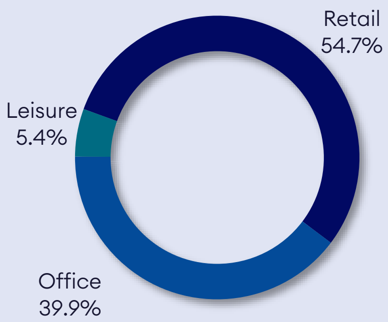
In conclusion, Baltic Horizon's offices are either showing stable performance or being transformed to fit today's market needs, while centrally located retail and leisure assets continue their steady recovery.

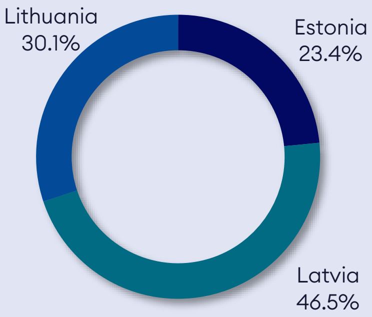
Rental concentration of the Fund's subsidiaries as of 30 September 2024



Other tenants represent 58.8%.

Fund segment and country distribution as of 30 September 2024





The management of the Fund provides two different yield calculations in this management review section. Direct property yield (DPY) is calculated by dividing NOI by the acquisition value and subsequent capital expenditure of the property. The net initial yield (NIY) is calculated by dividing NOI by the market value of the property.

During Q3 2024, the average actual occupancy of the portfolio was 80.1% (Q2 2024: 82.3%). The occupancy rate increased to 80.5% as of 30 September 2024 (30 June 2024: 79.1%).

Starting from February 2024, the Fund has engaged new partners to manage its office and retail properties in Latvia in order to accelerate the leasing process. So far, this expectation has been fulfilled, as evidenced by the recently acquired strong leads, including Expo GROUP in Galerija Centrs, BebeLV in Upmalas Biroji and others, with which negotiations are currently underway.

Newsec was appointed as property manager for the Estonian portfolio from September 2024. This change is also expected to accelerate the letting of current and upcoming vacancies.

During the nine months of 2024, the Fund signed new leases for approximately 17,900 sq. m. While some of these leases have already kicked in, the economic benefits of most of the new leases are not yet fully reflected in the Q1-Q3 2024 figures and will start generating income and positively impact yields in Q4 2024 and H1 2025.

Overview of investment properties as of 30 September 2024

Property	Sector	Acquisition year	Fair value[1] (EUR '000)	NLA (sq. m)	Direct property yield Q1-Q3 2024[2]	Net initial yield Q1-Q3 2024[3]	Occupancy rate	NOI development				
								Q1-Q3 2024	Q1-Q3 2023	2023	2022	2021
Europa SC	Retail	2015	37,026	17,118	2.4%	2.9%	73.4%	812	1,109	1,508	1,028	1,006
North Star	Office	2019	19,210	10,721	6.7%	7.3%	96.2%	1,066	1,124	1,495	1,371	1,208
Meraki[7]	Office	2022	16,508	7,870	1.1%	1.4%	85.0%	172	66	63	(101)	-
Total Vilnius			**72,744**	**35,709**	**3.2%**	**3.8%**	**82.8%**	**2,050**	**2,299**	**3,066**	**2,298**	**2,214**
Upmalas Biroji	Office	2016	19,351	11,203	3.7%	4.2%	62.4%	625	1,102	1,318	1,763	1,740
Vainodes I	Office	2017	15,881	8,128	8.8%	8.7%	100.0%	1,065	1,078	1,431	1,383	1,449
S27	Office	2018	11,576	7,450	0.0%	(0.1%)	-	7	712	814	1,132	1,088
Sky SC	Retail	2013	5,020	3,259	8.6%	8.3%	100.0%	332	316	420	423	395
Galerija Centrs	Retail	2019	60,428	19,330	3.3%	4.2%	87.2%	1,942	1,750	2,139	2,193	1,448
Total Riga			**112,256**	**49,370**	**3.8%**	**4.5%**	**71.4%**	**3,971**	**4,958**	**6,122**	**6,894**	**6,120**
Postimaja & CC Plaza complex	Retail	2018	20,370	9,232	3.7%	6.7%	100.0%	1,441	1,591	2,126	2,044	1,805
Postimaja & CC Plaza complex	Leisure	2015	13,067	8,121	4.9%	4.4%	82.3%					
Lincona	Office	2011	13,871	10,767	6.4%	7.3%	88.5%	775	824	1,068	1,102	1,114
Pirita SC	Retail	2016	9,271	5,425	6.7%	9.4%	95.5%	632	573	761	664	484
Total Tallinn			**56,579**	**33,545**	**4.9%**	**6.7%**	**91.3%**	**2,848**	**2,988**	**3,955**	**3,810**	**3,403**
Total active portfolio			**241,579**	**118,624**	**3.9%**	**4.8%**	**80.5%**	**8,869**	**10,245**	**13,143**	**13,002**	**11,737**
Total disposed properties[4-6]									**1,478**	**1,478**	**4,428**	**5,267**
Total portfolio			**241,579**	**118,624**	**3.9%**	**4.8%**	**80.5%**	**8,869**	**11,723**	**14,621**	**17,430**	**17,004**

1. Based on the latest valuation as of 30 June 2024, recognized right-of-use assets and subsequent capital expenditure.
2. Direct property yield (DPY) is calculated by dividing annualized NOI by the acquisition value and subsequent capital expenditure of the property.
3. The net initial yield (NIY) is calculated by dividing annualized NOI by the market value of the property.
4. The Fund completed the disposal of the Duetto I and Duetto II properties on 6 June 2023.
5. The Fund completed the disposal of the Domus Pro Retail and Office complex on 6 March 2023.
6. The Fund completed the disposal of G4S Headquarters on 8 November 2021.
7. Meraki occupancy level is calculated based on the lease signing date.

The Fund's portfolio produced EUR 8.9 million of net operating income (NOI) during Q1-Q3 2024 (Q1-Q3 2023: EUR 11.7 million). Like-for-like net rental change provides a more comparable view on the performance of the underlying assets, as these calculations exclude the impact of net rental growth or decline due to acquisitions, developments, or disposals.

Assets disposed of in 2023, including Duetto and Domus PRO, are excluded from the calculations.

During the nine months of 2024, the net rental income of the portfolio on a like-for-like basis decreased, primarily due to a notable reduction in NOI at S27 and Upmalas Biroji BC. This decrease resulted from the departure of the tenants EMERGN, LNK Industries and SEB. Active negotiations regarding vacant areas in these buildings are currently held with possible tenants. However, a boost in NOI related to these premises is not expected before the end of 2024.

Properties in the retail segment demonstrated different results, with overall retail portfolio performance remaining at a level similar to the prior year. Galerija Centrs, SKY SC, and Pirita SC, demonstrated an uplift in net rental income both from rent indexation and the commencement of rents from the reconstructed areas and new tenants in Galerija Centrs. Europa's NOI was lower than last year due to the decision to change the anchor grocery store in December, which resulted in a temporarily shrinkage in NOI as IKI did not open until the beginning of March, as well as planned relocations and changes in the tenant mix. The planned restaurant zone on the first floor and the opening of new high-profile tenants such as Perfectus clinic should meet visitor demand and increase footfall. Our team is actively involved in refining the strategy for Europa and in leasing the vacant areas to unlock the potential of the property.

The results of Postimaja were in line with last year, while the NOI of Coca-Cola Plaza was lower than in the same period in 2023. However, the decline is only temporary, as the Fund signed a long-term lease agreement with Apollo for 2,200 sq. meters in Q2. The Fund and its investors will benefit from the additional rental income related to these premises starting from the beginning of 2025.

The office segment experienced a negative change, with a 24.4% decrease in like-for-like net rental income. This decline is mainly due to two office assets - Upmalas Biroji BC and S27. The NOI of Meraki is consistently increasing as newly signed leases kick in. The premises of the most recently signed tenants will be handed over in autumn and December, so that higher NOI will be reflected in the Fund's results starting from the year end and in 2025.

Vainodes delivered stable performance, while North Star and Lincona experienced a slight decrease in NOI compared to the same period last year due to temporary higher vacancies, which are proactively being addressed. Our efforts are supported by the leasing spur in North Star, where agreements with 4 new tenants including Maisto Bankas and Edrana Baltic were signed during Q2 and Q3.

EPRA like-for-like net rental income by segment

EUR '000	Fair value 30.09.2024	Net rental income Q1-Q3 2024	Net rental income Q1-Q3 2023	Change (EUR '000)	Change
Like-for-like assets					
Retail	132,115	4,718	4,742	(24)	(0.5%)
Office	96,397	3,710	4,906	(1,196)	(24.4%)
Leisure	13,067	441	597	(156)	(26.1%)
Total like-for-like assets	**241,579**	**8,869**	**10,245**	**(1,376)**	**(13.4%)**
Disposed assets	-	-	1,478	(1,478)	(100.0%)
Total portfolio assets	**241,579**	**8,869**	**11,723**	**(2,854)**	**(24.3%)**

EPRA like-for-like net rental income by country

EUR '000	Fair value 30.09.2024	Net rental income Q1-Q3 2024	Net rental income Q1-Q3 2023	Change (EUR '000)	Change
Like-for-like assets					
Estonia	56,579	2,848	2,988	(140)	(4.7%)
Latvia	112,256	3,971	4,958	(987)	(19.9%)
Lithuania	72,744	2,050	2,299	(249)	(10.8%)
Total like-for-like assets	**241,579**	**8,869**	**10,245**	**(1,376)**	**(13.4%)**
Disposed assets	-	-	1,478	(1,478)	(100.0%)
Total portfolio assets	**241,579**	**8,869**	**11,723**	**(2,854)**	**(24.3%)**

Sustainability

Certification

In October Meraki received its final BREEAM new construction certificate with the grade Excellent. Our portfolio is 100% BREEAM certified.

GRESB benchmarking

GRESB evaluation has become an integral self-evaluation tool and a guide for improvement and even contributes to the achievement of the sustainability goals for the Fund. GRESB Real Estate Assessment consists of two separate assessment modules: Management and Performance.

In 2024 the Fund received a 3-star GRESB rating. The Fund increased its scoring in the management section from 27 points to 29 points (out of 30) but the score in the performance section decreased from 55 points to 50 points (out of 70) due to lack of data from the properties that were sold during the reporting period and the review of data by an external party.

Renewable energy

One of the Fund's long-term targets is achieving the operational carbon neutrality target. A key aspect in achieving our target by 2030 is ensuring that our portfolio assets are powered by clean and renewable energy sources. In order to secure renewable electricity for our buildings, the Fund has entered into power purchase agreements (PPA) to acquire wind and solar energy. During Q2 2024 the North Star and Meraki PPAs became effective and the properties receive most of their electricity from solar and wind farms. The Fund is constantly seeking new methods to increase the use of renewable energy.

Green leases

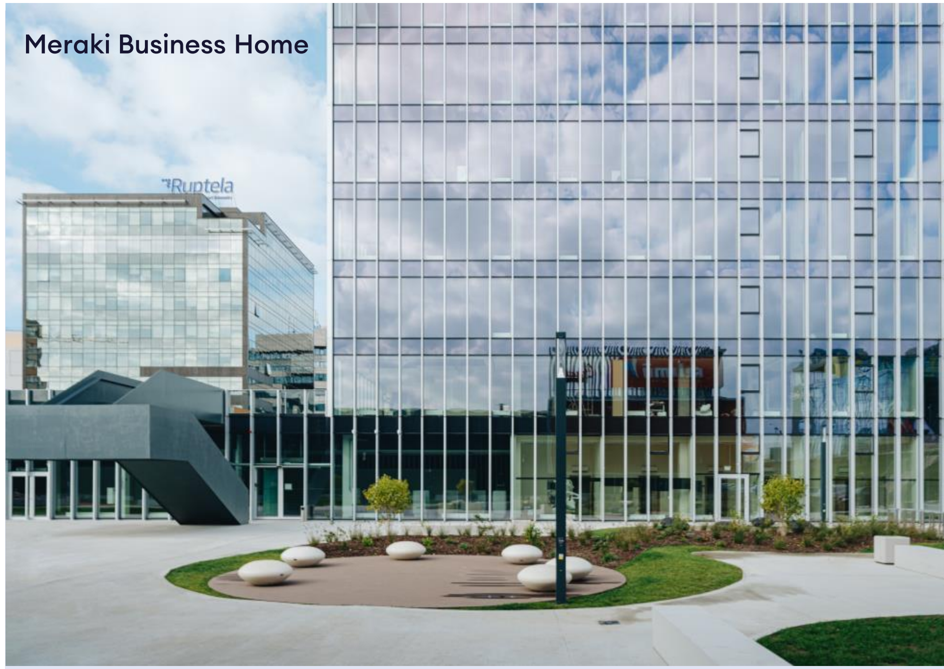
Achieving our sustainability targets would be impossible without cooperation with our tenants. To ensure that our sustainability efforts will lead to a successful futureproofing of our real estate assets, we have started including green lease clauses in our standard lease agreements. Green lease clauses, which cover topics such as sustainable operations, information sharing, use of renewable energy sources, and other relevant topics, are important tools that enable long-term ESG oriented changes in our portfolio and facilitate collaboration with tenants on ESG matters. In Q3 2024 our retail portfolio reached 89% coverage with green lease agreements. The office portfolio green lease coverage was 78%, making the total green lease coverage 85%.

Community health and wellbeing

Retail and office assets are integral to everyday life – that is why the Baltic Horizon Fund is actively engaged in promoting healthier lifestyles and empowering communities. In Q3 2024, the Fund's team implemented and supported various projects to forge partnerships and build community connections.

"Welcome to the Common Table" was a social installation project in Galerija Centrs that lasted from July to October. Its main aim was to invite people to spend time together. A table of unprecedented size was erected to serve as a meeting place and event platform for the general public on the first floor of the shopping centre. The Common Table facilitated masterclasses, talks, work, learning, and other social activities in the urban environment.

"Washing Machine Made of Beetroot" was a satellite project of an exhibition of the same name, which was part of the main programme of Tartu 2024 – European Capital of Culture and a joint initiative of three museums: the Estonian Road Museum, the Estonian Agricultural Museum and the Tartu City Museum. The exhibition focused on invention, ingenuity, recycling, and a do-it-yourself mindset. It was open to visitors on the fourth floor of Galerija Centrs in Riga free of charge from 13 September to October 20.



GRESB rating 2024

BREEAM certifications

BREEAM Excellent
Meraki Business Home

BREEAM Very good
S27, North Star, Vainodes, Upmalas Biroji, Galerija Centrs, Europa

BREEAM Good
Pirita, Coca-Cola Plaza, Postimaja, SKY, Lincona

Financial report

Financial position and performance of the Fund

Net result and net rental income

In Q1-Q3 2024, the Group recorded a net loss of EUR 13.4 million compared with a net loss of EUR 15.2 million for Q1-Q3 2023. The result was mainly driven by the property valuation loss. Earnings per unit for Q1-Q3 2024 were negative at EUR 0.09 (Q1-Q3 2023: negative at EUR 0.13).

The Group earned consolidated net rental income of EUR 8.9 million in Q1-Q3 2024 (Q1-Q3 2023: 11.7 million). The results for Q1-Q3 2023 include two months' net rental income of the Domus Pro Retail and Office property (EUR 0.3 million) and five months' net rental income of the Duetto properties (EUR 1.2 million), which were sold in February and May 2023, respectively.

On an EPRA like-for-like basis, the portfolio net rental income in Q1-Q3 2024 was 13.5% lower than in Q1-Q3 2023, 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 100% vacancy of S27, as well as lower rental income in Europa due to the new anchor tenant IKI equipping the premises and opening in March.

Portfolio properties in the retail segment contributed 53.2% (like-for-like Q1-Q3 2023: 43.6%) of net rental income in Q1-Q3 2024, followed by the office segment with 41.8% (like-for-like Q1-Q3 2023: 50.9%) and the leisure segment with 5.0% (Q1-Q3 2023: 5.5%).

Retail assets located in the central business districts (Postimaja, Europa and Galerija Centrs) accounted for 42.3% of total portfolio net rental income in Q1-Q3 2024. Total net rental income attributable to neighbourhood shopping centres was 10.9% in Q1-Q3 2024.

In Q1-Q3 2024, investment properties in Latvia and Lithuania contributed 44.8% (like-for-like Q1-Q3 2023: 48.4%) and 23.1% (like-for-like Q1-Q3 2023: 22.4%) of net rental income, respectively, while investment properties in Estonia contributed 32.1% (like-for-like Q1-Q3 2023: 29.2%).

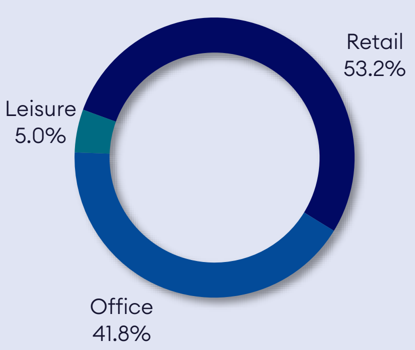
Gross Asset Value (GAV)

As of 30 September 2024, the Fund's GAV was EUR 256.8 million (31 December 2023: EUR 261.1 million). The decrease compared to the prior year was mainly related to the negative revaluation of the Fund's investment properties of approx. EUR 12.5 million and was partly offset by the private placement of new units which took place in September and resulted in a cash increase of approx. EUR 6.29 million.

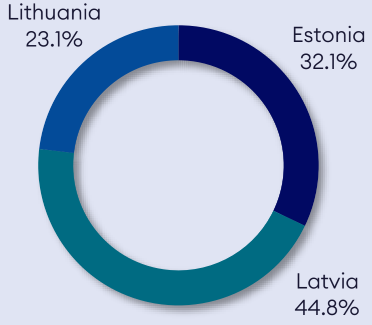
Investment properties

At the end of Q3 2024, the Baltic Horizon Fund portfolio consisted of 12 cash flow generating investment properties in the Baltic capitals. The fair value of the Fund's portfolio was EUR 241.6 million at the end of September 2024 (31 December 2023: EUR 250.4 million) and incorporated a total net leasable area of 118.6 thousand sq. m. The change in portfolio value was mainly driven by the changes in exit yields and upward adjustments of the weighted average cost of capital (WACC). During Q1-Q3 2024 the Group invested approximately EUR 3.5 million in tenant fit-outs.

Net rental income by segment Q1-Q3 2024



Net rental income by country Q1-Q3 2024



Interest-bearing loans and bonds

As of 30 September 2024, interest-bearing loans and bonds (excluding lease liabilities) were EUR 146.3 million (31 December 2023: EUR 143.5 million). Annual loan amortisation accounted for 2.1% of total debt outstanding. In July 2024, the Fund successfully signed the Meraki loan with Bigbank for a total amount of EUR 10.3 million. A major part of the loan was used to repay short term bonds in the amount of EUR 8.0 million maturing in July 2024.

As of 30 September 2024, the Fund's consolidated cash and cash equivalents amounted to EUR 10.0 million (31 December 2023: EUR 6.2 million).

Cash flow

Cash inflow from core operating activities in Q1-Q3 2024 amounted to EUR 6.6 million (Q1-Q3 2023: cash inflow of EUR 8.6 million). Cash inflow from core operating activities decreased mainly due to sale of Duetto and Domus Pro properties in H1 2023 and higher vacancies, mostly in S27 and Upmalas Biroji. Cash outflow from investing activities was EUR 4.3 million (Q1-Q3 2023: cash inflow of EUR 21.4 million) due to investments in existing properties and transaction costs. Cash inflow from financing activities was EUR 1.5 million (Q1-Q3 2023: cash outflow of EUR 27.5 million). In Q3 2024, the Fund received a loan for Meraki in the amount of EUR 8.7 million and paid regular amortisation and interest on bank loans and bonds. Also, the Fund redeemed a short-term part of the bonds for a total amount of EUR 8.0 million in Q3 2024.

Net Asset Value (NAV)

As of 30 September 2024, the Fund's NAV was EUR 101.9 million (31 December 2023: EUR 109.5 million). The NAV decrease was mainly due to the revaluation of investment properties. However, the Fund's NAV increased at the end of September 2024, due to the issuance of new units resulting in approx. EUR 6.29 million of new equity. As of 30 September 2024, IFRS NAV per unit amounted to EUR 0.7099 (31 December 2023: EUR 0.9156), while EPRA net tangible assets and EPRA net reinstatement value were EUR 0.7510 per unit (31 December 2023: EUR 0.9546). EPRA net disposal value was EUR 0.7068 per unit (31 December 2023: EUR 0.8057).

Coca Cola Plaza

Key earnings figures

EUR '000	Q1-Q3 2024	Q1-Q3 2023	Change (%)
Net rental income	**8,869**	**11,723**	**(24.3%)**
Administrative expenses	(1,729)	(1,986)	(12.9%)
Net other operating income (expenses)	15	15	0.0%
Losses on disposal of investment properties	(618)	(3,810)	(83.8%)
Valuation losses on investment properties	(12,529)	(14,626)	(14.3%)
Operating profit (loss)	**(5,992)**	**(8,684)**	**(31.0%)**
Net financial expenses	(7,724)	(7,241)	6.7%
Loss before tax	**(13,716)**	**(15,925)**	**(13.9%)**
Income tax	317	709	(55.3%)
Profit (loss) for the period	**(13,399)**	**(15,216)**	**(11.9%)**
Number of units outstanding (units)	**143,562,514**	**119,635,429**	**20.0%**
Earnings per unit (EUR)	(0.09)	(0.13)	(26.6%)

Key financial position figures

EUR '000	30.09. 2024	31.12. 2023	Change (%)
Investment properties	241,579	250,385	(3.5%)
Gross asset value (GAV)	**256,826**	**261,138**	**(1.7%)**
Interest-bearing loans and bonds	146,341	143,487	2.0%
Total liabilities	**154,904**	**151,606**	**2.2%**
IFRS NAV	**101,922**	**109,532**	**(6.9%)**
EPRA NRV	**107,809**	**114,205**	**(5.6%)**
Number of units outstanding (units)	**143,562,514**	**119,635,429**	**20.0%**
IFRS NAV per unit (EUR)	**0.7099**	**0.9156**	**(22.5%)**
EPRA NRV per unit (EUR)	**0.7510**	**0.9546**	**(21.3%)**
Loan-to-Value ratio (%)	60.9%	57.3%	-
Average effective interest rate (%)	6.3%	5.2%	-

Financing

The Fund currently aims to use a 50% long-term leverage strategy. At no point in time may the Fund's leverage exceed 65%. The ability to borrow on attractive terms plays a major role in the investment strategy and cash distributions to unitholders.

Bank loans and bonds

During Q1-Q3 2024, regular bank loan amortisation was 2.1% p.a. (EUR 3.1 million p.a.). As of the end of Q3 2024, the LTV ratio temporarily increased to 60.9%, compared to 57.3% as of 31 December 2023. The average interest rate as of 30 September 2024 increased to 6.3% (31 December 2023: 5.2%). The management team is actively engaged in initiatives aimed at reducing the LTV ratio to approx. 55% in the short-term and 50% in the long-term.

On 8 July 2024, the Fund redeemed the remaining short-term part of the bonds in the amount of EUR 8.0 million. The total nominal amount of the bonds as of September 2024, is EUR 22 million. On 30 September 2024 Bond Terms and Conditions were amended.

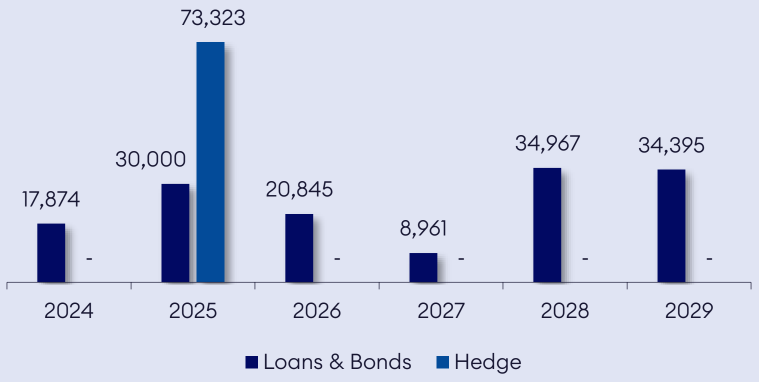
On 2 July 2024, a new loan agreement was signed between BH Meraki UAB and Bigbank for EUR 10.3 million. A part of the 5-year loan was received in Q3 2024, and the remaining amount of EUR 2.3 million will be paid out in parts to finance the Meraki fit-out. On 24 July 2024, the Galerija Centrs bank loan was extended until August 2025.

The table on the right provides a detailed breakdown of the structure of the Fund's consolidated financial debt as of 30 September 2024. Interest-bearing debt was comprised of bank loans with a total carrying value of EUR 125.0 million and bonds with a carrying value of EUR 22.0 million. 100% of the debt instruments were denominated in euros. Bank loans have been obtained by subsidiaries that hold the Fund's properties and the properties have been pledged as loan collateral. The parent entity holds the 5-year secured bonds. Loan arrangement costs are capitalised and amortised over the terms of the respective loans. As of 30 September 2024, the unamortised balance of loan arrangement costs for all loans and bonds was EUR 701 thousand.

The weighted average debt term to maturity was 2.5 years and the weighted average hedge term to maturity was 0.7 years as of 30 September 2024.

1. Amortised each month over the term of a loan/bond.

Maturity terms of loans, bonds and hedges as of 30 September 2024
EUR'000



Financial debt structure of the Fund as of 30 September 2024

Property	Maturity	Currency	Carrying amount (EUR '000)	% of total	Hedged portion (%)
Galerija Centrs	26 August 2024	EUR	30,000	20.4%	100%
CC Plaza and Postimaja	12 February 2026	EUR	16,340	11.1%	0%
Europa SC	31 January 2029	EUR	16,222	11.0%	113%
Upmalas Biroji BC	2 August 2028	EUR	10,257	7.0%	0%
Vainodes I	13 November 2024	EUR	10,091	6.9%	49%
North Star	5 February 2029	EUR	9,340	6.4%	96%
S27	13 November 2024	EUR	7,783	5.3%	0%
Lincona	31 December 2027	EUR	8,961	6.1%	0%
Pirita SC	20 February 2026	EUR	4,505	3.0%	0%
Sky SC	31 January 2028	EUR	2,710	1.8%	0%
Meraki	15 June 2029	EUR	8,833	6.0%	125%
Total bank loans		**EUR**	**125,042**	**85.0%**	
Less capitalised loan arrangement fees[1]		EUR	(248)		
Total bank loans recognised in the statement of financial position		**EUR**	**124,794**		
5-year secured bonds (short-term) 8 July 2024		EUR	-		
5-year secured bonds (long-term) 8 May 2028		EUR	22,000	15.0%	
Total bonds		**EUR**	**22,000**	**15.0%**	
Less capitalised bond arrangement fees[1]		EUR	(453)		
Total bonds recognised in the statement of financial position		**EUR**	**21,547**		
Total debt recognised in the statement of financial position		**EUR**	**146,341**	**100.0%**	

Hedging policy and new hedges

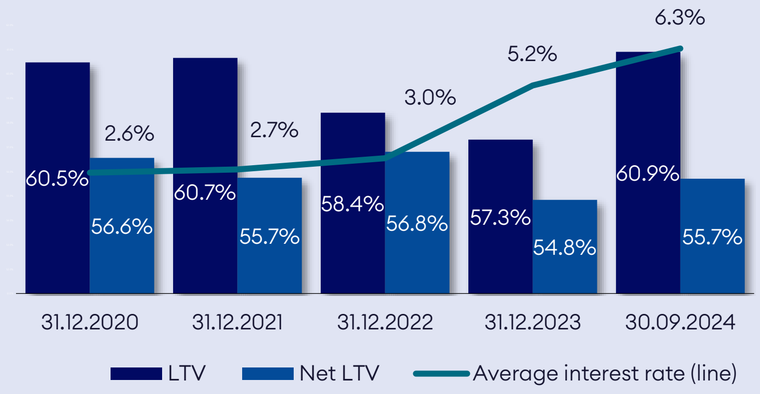
As of 30 September 2024, 49.9% of total debt was hedged against interest rate risk while the remaining 50.1% had floating interest rates. The Fund hedges interest rates on a portion of its debt by acquiring IRS-type hedging instruments or limits the impact of rising interest rates with interest rate cap instruments (CAP).

Covenant reporting

As of 30 September 2024, the Fund was in compliance with all the covenants set under the bond issue terms and conditions dated 8 May 2023 and amended on 26 September 2024.

As of 30 September 2024, the Fund was in compliance with all special conditions and covenants set under the bank loan agreements except for the Galerija Centrs, Europa, Vainodes, S27 and SKY properties, but this did not result in any consequences because the Fund received formal waivers from the lender for the covenant breach.

LTV and average interest rate as of 30 September 2024



Financial covenants of secured bonds issued at the Fund level as of 30 September 2024

Equity Ratio
Equity divided by total assets.

Debt Service Coverage Ratio
EBITDA divided by the principal payments and interest expenses of interest-bearing debt obligations, on a rolling 12-month basis.

Covenant	Requirement	Ratio 30.09.2024
Equity Ratio	> 37.5%*	41.3%
Debt Service Coverage Ratio	> 0.75**	0.80

* Equity ratio must be above 35.0% until the collateral has been released and thereafter above 37.5 %.

** As stated in Bond Terms and Conditions amended on 26 September 2024, the DSCR of the Group must be above 0.75 for the period from 30 September 2024 to 30 June 2025, above 1.00 for the period from 1 July 2025 to 30 September 2026 and above 1.20 afterwards.

EPRA performance measures

EPRA performance metrics

The European Public Real Estate Association (EPRA) publishes recommendations for disclosing and defining the main financial performance indicators applicable to listed real estate companies. Baltic Horizon supports the standardisation of reporting designed to improve the quality and comparability of information to investors.

The Group reports EPRA Earnings, EPRA NRV, NTA, NDV and EPRA LTV measures on a quarterly basis, while other EPRA measures are reported semi-annually.

Galerija Centrs

EPRA Net asset value 30.09.2024

EUR '000	EPRA NRV	EPRA NTA	EPRA NDV
IFRS NAV	**101,922**	**101,922**	**101,922**
Exclude:			
V. Deferred tax liability on investment properties[1]	5,912	5,912	-
V. Deferred tax on fair value of financial instruments	(18)	(18)	-
VI. Fair value of financial instruments	(7)	(7)	-
Include:			
IX. Revaluation at fair value of fixed-rate loans	-	-	(453)
NAV	**107,809**	**107,809**	**101,469**
Fully diluted number of units	143,562,514	143,562,514	143,562,514
NAV per unit (EUR)	**0.7510**	**0.7510**	**0.7068**

1. All deferred taxes attributable to investment properties have been excluded from EPRA NTA calculations as the Fund intends to hold and does not intend to sell its investment properties in Lithuania.

EPRA Net asset value 31.12.2023

EUR '000	EPRA NRV	EPRA NTA	EPRA NDV
IFRS NAV	**109,532**	**109,532**	**109,532**
Exclude:			
V. Deferred tax liability on investment properties[1]	5,204	5,204	-
V. Deferred tax on fair value of financial instruments	40	40	-
VI. Fair value of financial instruments	(571)	(571)	-
Include:			
IX. Revaluation at fair value of fixed-rate loans	-	-	(401)
NAV	**114,205**	**114,205**	**109,131**
Fully diluted number of units	119,635,429	119,635,429	119,635,429
NAV per unit (EUR)	**0.9546**	**0.9546**	**0.9122**

1. All deferred taxes attributable to investment properties have been excluded from EPRA NTA calculations as the Fund intends to hold and does not intend to sell its investment properties in Lithuania.

For EPRA indicators and definitions, please refer to the EPRA indicators and definitions overview in the Definitions and abbreviations section.

Baltic Horizon wins EPRA Gold award

Baltic Horizon Fund received a prestigious award at the European Public Real Estate Association (EPRA) annual conference 2024 for the fifth year in a row. The Fund scored a Gold Award for the adoption of EPRA Best Practices Recommendations (BPR) – widely accepted industry standards for the highest level of transparency, comparability and compliance in financial reporting. EPRA assessed the financial statements of 178 European listed real estate entities as part of its annual award process.

EPRA Gold award 2024

EPRA Earnings Q3 2024

EUR '000	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Net result IFRS	(550)	(211)	(13,399)	(15,216)
Exclude:				
I. Changes in fair value of investment properties	5	3	12,529	14,626
II. Profits or losses on disposal of investment properties	171	59	618	3,810
VIII. Deferred tax in respect of EPRA adjustments	87	(12)	(317)	(709)
EPRA Earnings	**(287)**	**(161)**	**(569)**	**2,511**
Weighted number of units during the period	122,236,199	119,635,429	120,508,680	119,635,429
EPRA Earnings per unit	**0.00**	**0.00**	**0.00**	**0.02**

EPRA LTV as of 30 September 2024

EUR '000	30.09.2024	31.12.2023
Net debt		
Include:		
Borrowings from financial institutions	125,042	109,509
Bond loans	22,000	34,500
Net payables	548	1,018
Exclude:		
Cash and cash equivalents	(10,007)	(6,182)
Net debt (A)	**137,583**	**138,845**
Property value		
Include:		
Investment properties at fair value	241,579	250,385
Total property value (B)	**241,579**	**250,385**
EPRA LTV (A/B)	**57.0%**	**55.5%**

Investor relations

Baltic Horizon Fund units are currently listed on the Fund List of the Nasdaq Tallinn Stock Exchange. Trading with Baltic Horizon units on the Nasdaq Tallinn Stock Exchange began on 6 July 2016. From 23 December 2016 until 31 October 2022 Baltic Horizon Fund units were also listed on the Nasdaq Stockholm Alternative Investment Funds market. Trading with the Swedish depository receipts (the "SDRs") on the Nasdaq Stockholm Stock Exchange started on 31 October 2022.

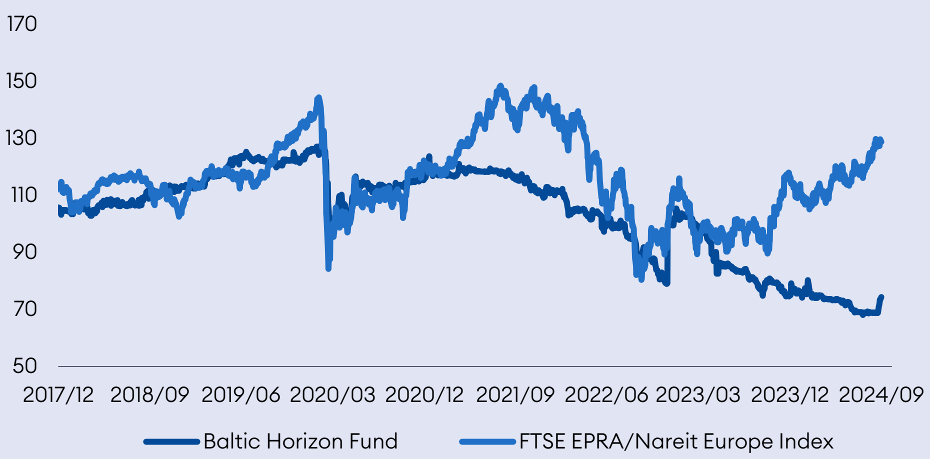
Trading information

As of 30 September 2024, the market capitalisation for Baltic Horizon Fund was approx. EUR 44.2 million (31 December 2023: EUR 37.7 million) based on the closing unit market prices on the Nasdaq Tallinn Stock Exchange. During Q1-Q3 2024, Baltic Horizon Fund units on the Nasdaq Tallinn Stock Exchange were trading at a discount compared to the net asset value per unit. At the end of September 2024, the closing unit price on the Nasdaq Tallinn Stock Exchange was EUR 0.3080.

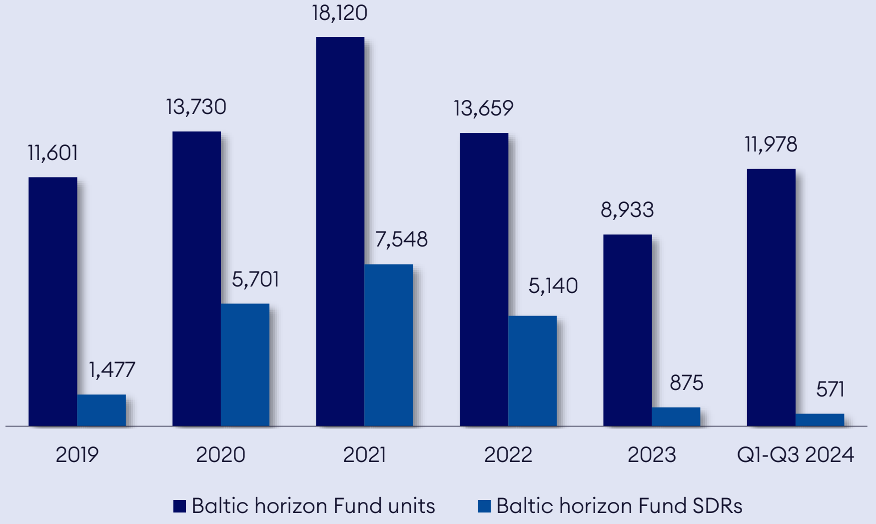
Baltic Horizon Fund's total shareholder return on the unit during Q3 2024 amounted to 10.1%. Total shareholder return for a given period is equivalent to the movement in the unit price on the Nasdaq Tallinn Stock Exchange over the period plus dividends paid, divided by the opening unit price.

In mid-September 2024, the Fund issued 23,927,085 new units in a private placement, bringing the total number of units traded on Nasdaq Tallinn and Nasdaq Stockholm to 143,562,514 at the end of Q3 2024. The total Q1-Q3 2024 trading volume reached approx. 12.5 million units. The second graph shows the Baltic Horizon Fund units' annual trading volume on the Nasdaq Tallinn and the Nasdaq Stockholm Stock Exchanges.

Development of the Baltic Horizon Fund total return on the Nasdaq Tallinn Stock Exchange (%)



Annual trading volume on Nasdaq Tallinn and Stockholm Stock Exchanges ('000 Units)



Key figures

EUR '000	30.09.2024	31.12.2023
Number of units issued (units)	143,562,514	119,635,429
Market capitalisation[1] (EUR)	44,217,254	37,685,160
IFRS NAV per unit (EUR)	0.7099	0.9156
Unit price discount from IFRS NAV per unit[2] (%)	(56.6%)	(65.6%)
EPRA NRV per unit (EUR)	0.7510	0.9546
Unit price discount from EPRA NRV per unit[3] (%)	(59.0%)	(67.0%)
Nasdaq Tallinn:		
Highest unit price during the period (EUR)	0.3730	0.6547
Lowest unit price during the period (EUR)	0.2410	0.3000
Closing unit price (EUR)	0.3080	0.3150
Nasdaq Stockholm:		
Highest unit price during the period (SEK)	3.58	6.40
Lowest unit price during the period (SEK)	2.48	3.26
Closing unit price (SEK)	2.90	3.30

1. Based on the closing prices and split between units on the Nasdaq Tallinn Stock Exchange.
2. Based on the closing price on the Nasdaq Tallinn Stock Exchange and the IFRS NAV per unit at the end of period.
3. Based on the closing price on the Nasdaq Tallinn Stock Exchange and the EPRA NRV per unit at the end of period.

During Q1-Q3 2024, Baltic Horizon Fund units on the Nasdaq Tallinn Stock Exchange were trading at a discount compared to the net asset value per unit. At the end of September 2024, units were traded at a 56.6% discount compared to the IFRS NAV per unit and 59.0% discount compared to the EPRA NRV per unit. This presents a distinctive opportunity for investors, who may anticipate the share price to converge towards NAV levels, a pattern observed in the Fund's trading history from 2016 to 2021. The first graph shows the Baltic Horizon Fund unit price in relation to its IFRS net asset value since 2020.

Dividend capacity

According to the Fund Rules issued as of 23 May 2016, a distribution to investors will be made if all of the following conditions are met:

- The Fund has retained such reserves as required for the proper running of the Fund;
- The distribution does not endanger the liquidity of the Fund;
- The Fund has made the necessary follow-on investments in existing properties, i.e. investments in the development of the existing properties of the Fund, and new investments. The total of the Fund's annual net income that may be retained for making such investments is 20% of the Fund's annual net income of the previous year.

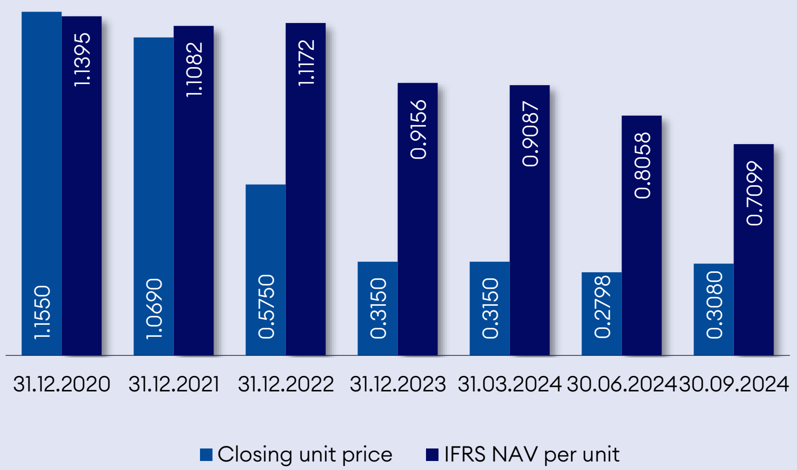
The Fund sets a target of dividend distributions to its unitholders in the range between 80% of generated net cash flow (GNCF) and net profit after unrealized P&L items are adjusted. The distribution is based on the Fund's short-term and long-term performance projections. Management has discretion to distribute lower dividends than 80% of generated net cash flow (GNCF) if the liquidity of the Fund is endangered.

The Management Company of Baltic Horizon Fund has approved changes to cash distribution frequency. Starting from July 2022, Baltic Horizon Fund's quarterly cash distribution frequency was changed. At the Annual General Meeting the decision was announced to withhold the dividend payments in 2024 to strengthen the Fund and its asset performance.

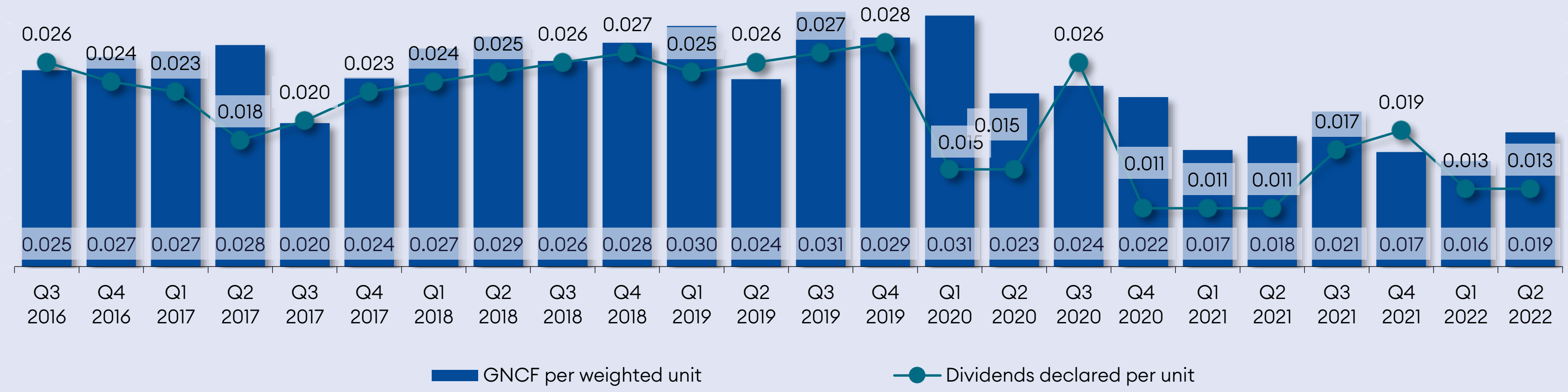
Generated net cash flow (GNCF) calculation formula

Item	Comments
(+) Net rental income	
(-) Fund administrative expenses	
(-) External interest expenses	Interest expenses incurred for bank loan financing
(-) CAPEX expenditure	The expenditure incurred in order to improve investment properties; the calculation will include capital expenditure based on annual capital investment plans
(+) Extraordinary income related to investment properties	
(+) Added back listing related expenses	
(+) Added back acquisition related expenses	Include the expenses for acquisitions that did not occur
Generated net cash flow (GNCF)	

Nasdaq Tallinn unit price compared with NAV (EUR)



Dividend per unit (EUR)



Structure and governance

Baltic Horizon Fund is a closed-end contractual investment fund registered in Estonia on 23 May 2016. The Fund is defined as a real estate fund under the Estonian Investment Funds Act. The Fund cannot enter into agreements on its own. The unitholders own all the Fund's assets. The Fund has no employees except for the general directors of Lithuanian subsidiaries (3 at the reporting date) as required by Lithuanian law.

The Fund is a tax transparent and cost-efficient vehicle. The management fee is linked to the market capitalisation of the tradable units. It is also embedded in the Fund Rules that the management fee will decrease from 1.5% to as low as 0.5% of the market capitalisation as the Fund's assets grow.

The Fund operates under the REIT concept whereby the vast majority of the Fund's cash earnings are paid out and only 20% can be reinvested.

The Fund is managed by the Management Company, which is Northern Horizon Capital AS. The immediate team comprises of the Management Board, which is headed by the Fund Manager, and the Supervisory Board of the Management Company. The Fund also has its own Supervisory Board, which comprises of 4 independent board members.

Northern Horizon Capital AS is an experienced real estate asset manager. Northern Horizon Capital Group has proven itself as one of the leading real estate investors in the Baltic countries and elsewhere with an in-depth knowledge of the markets of operation.

Over the course of the organization's life, Northern Horizon Capital Group has been able to build a strong and cohesive team from diverse backgrounds with a focus on being conservative and thorough, yet dynamic in real estate acquisitions and management.

Commitment to corporate governance is rooted in the Management Company's focus on long-term business relations with investors, partners, and tenants. In all relations, the Management Company encourages a professional and open dialogue based on mutual trust and strives to earn the respect of its business partners through strong commitment, transparency and fair dealings. The investor's best interest is always considered by the Management Company to make sure that the investor is treated fairly. The Management Board ensures that conflicts of interests between related parties are avoided or are as small as possible.

The Management Company is obliged to establish, maintain and document procedures to identify, prevent and manage conflicts of interest and, when necessary, issue supplementing instructions to the policies, instructions and guidelines.

Governance chart

Management Board and Supervisory Board of the Management Company

The Management Board bears overall responsibility for the daily business of Baltic Horizon Fund. The Management Company's Management Board is composed of three members. The Management Board is supervised and advised by the Supervisory Board of the Management Company.

Supervisory Board of the Fund

The Fund has a Supervisory Board which consists of qualified members with recognised experience in the real estate markets in Estonia, Latvia, and Lithuania, impeccable reputation and appropriate education. In accordance with the Fund Rules, members of the Supervisory Board are appointed by the General Meeting for a period of at least two years. The Supervisory Board consists of three to five members. The current Supervisory Board members have been elected for an indefinite period.

The Supervisory Board acts solely in an advisory capacity and the Management Company remains responsible for making the decisions in connection with the Fund's management. The Supervisory Board members fulfil their consultation responsibilities collectively.

Supervisory Board members are entitled to remuneration for their service in the amount determined by the General Meeting. The chairman of the Supervisory Board is entitled to an annual remuneration of EUR 15,000 and a regular member is entitled to an annual remuneration of EUR 11,000. On the basis of the agreements concluded with each Supervisory Board member, Supervisory Board members are not entitled to any benefits from the Fund or the Management Company upon termination of their term of office.

The Fund administration services are provided by the Management Company. Accounting and depository services have been outsourced to Swedbank AS.

Valuations

The real estate property valuation policies of the Fund are determined in the Fund Rules based on common market practice. Only a licensed independent real estate appraiser of high repute and sufficient experience in appraising similar property and operating in the country where the relevant real estate property is located may evaluate real estate belonging to the Fund.

Each potential acquisition opportunity is subject to extensive commercial, legal, technical and financial/tax due diligence performed by the Management Company in cooperation with reputable local and international advisers.

Audit

The auditor of the Fund is KPMG Baltics OÜ, which is a member of the Estonian Association of Auditors. In addition to statutory audit services, KPMG Baltics OÜ has provided the Fund with translation services and other assurance services.

The Fund's activities are monitored on a regular basis by the Estonian Financial Supervision and Resolution Authority and the Supervisory Board of the Fund.

Board members

Members of the Management Board of the Management Company
Tarmo Karotam (Chairman)
Aušra Stankevičienė

Members of the Supervisory Board of the Management Company
Lars Ohnemus (Chairman)
Nerijus Žebrauskas
Daiva Liubomirskienė

Members of the Supervisory Board of the Fund
Reimo Hammerberg (Chairman)
Monica Hammer
Per V. Jenster
David Bergendahl

Risk management

The risk management function of the Fund is responsible for identifying, measuring, managing, and monitoring the risks which the Fund is or might be exposed to.

The risk management function is overseen by a dedicated member of the Management Board (who is not performing Portfolio Management or Investor Relations functions) and partly delegated to a sister company of the Management Company: Northern Horizon Capital AIFM Oy, which is a licensed AIFM in Finland. The risk management function maintains a list of all risk management related instructions, monitors these compared to internationally recommended best practice, and initiates changes and improvements when needed. The risk management function reports to the Fund's boards on a regular basis.

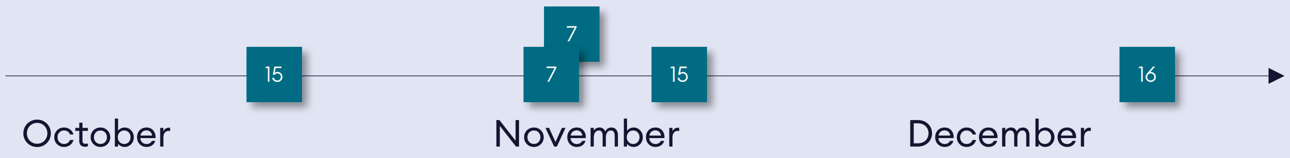
The risk management function assessed at the end of the reporting period that the Fund is currently in compliance with the intended risk management framework.

Principal risks faced by the Fund

Risk	Risk description
Market risk	The Fund is exposed to the office and retail markets in Riga, Tallinn, and Vilnius through its indirect investments in investment property (through subsidiaries). Although the Fund's portfolio is well-diversified across specified geographies and market segments, there remains a possibility of encountering risks that could impact multiple geographies or markets. This could have a negative impact on the properties' occupancy rates, lease rates and the Fund's rental income.
Liquidity risk	The Fund is exposed to liquidity risk related to the renewal of its financing as it reaches maturity. Failure to renew the financing at acceptable terms or breaches of debt covenants could cause the need to dispose of the assets owned by the Fund. Please refer to note 14 for more information regarding the maturity dates of the loans and borrowings. Most financing agreements require additional loan amortisation when debt covenants deteriorate. Thus, a decrease in the performance or value of the Fund's properties due to changes in real estate yields could cause the need for additional liquidity. Real estate investments have low liquidity and there can be no assurance that the Fund will be able to exit the investments in a timely manner. By their nature, real estate investments or interests in other non-public entities are subject to industry cyclicality, downturns in demand, market disruptions and the lack of available capital for potential purchasers and therefore often difficult or time consuming to liquidate.

Risk	Risk description
Interest rate risk	The Fund is exposed to interest rate risk because of leverage (bank loans or bonds) used to finance its real estate investments. The Fund hedges against interest rate risk either by taking fixed rate loans or by using interest rate swaps or interest rate caps for the loans with variable interest rates. As 1) the Fund seeks to obtain financing on the best terms and conditions and 2) in the current market, fixed rate loans are often more expensive, the Fund hedges interest rate exposure by mainly using derivative instruments such as interest rate swaps, forwards and options. The Fund and its subsidiaries acquire swaps only for cash flow hedging purposes and not for trading. Given that a large part of external financing and related interest rate hedging mature in 2024 and given the rising market interest rates and hedging costs, there is a risk that new financing will be arranged at a higher cost.
General property related risks	Real estate as an asset class has some typical risks, for example those caused by construction or property maintenance errors. An unforeseen event such as a technical system failure may arise despite comprehensive control and careful maintenance. A number of assets owned by the Fund are older than 10 years and, therefore, may require unplanned repairs or maintenance CAPEX. Investments may also be needed for buildings to meet changing tenants' needs and regulatory or environmental requirements.

Financial calendar 2024



15 October	NAV September
7 November	Interest rate applicable to the bonds for the next interest period
7 November	Interim Financial Statements for 9 months of 2024
15 November	NAV October
16 December	NAV November

Stay up to date with Baltic Horizon
Register on www.baltichorizon.com to receive Nasdaq announcements and other news from Baltic Horizon Fund about projects, plans and more. You can also follow us on www.baltichorizon.com and on LinkedIn, Facebook, X, and YouTube.

Management Board's confirmation

Members of the Management Board of the Management Company Tarmo Karotam and Aušra Stankevičienė confirm that according to their best knowledge, the condensed consolidated interim financial statements for nine months of 2024, prepared in accordance with IFRS as adopted by the European Union, present a correct and fair view of the assets, liabilities, equity, financial position, financial performance and cash flows of the Fund and its subsidiaries, taken as a whole, and the management report gives a true and fair view of the development, the results of the business activities and the financial position of the Fund and its subsidiaries, taken as a whole, as well as of the significant events which took place during the nine months of 2024 and their effect on the condensed consolidated interim accounts.

Consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income

EUR '000	Notes	01.07.2024 - 30.09.2024	01.07.2023 - 30.09.2023	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Rental income		3,690	3,893	11,357	13,988
Service charge income	5	1,236	1,334	3,599	4,521
Cost of rental activities	5	(2,040)	(1,999)	(6,087)	(6,786)
Net rental income	**4**	**2,886**	**3,228**	**8,869**	**11,723**
Administrative expenses	6	(615)	(572)	(1,729)	(1,986)
Other operating income (expenses)		31	-	15	15
Losses on disposal of investment properties		(171)	(59)	(618)	(3,810)
Valuation losses on investment properties	10	(5)	(3)	(12,529)	(14,626)
Operating profit (loss)		**2,126**	**2,594**	**(5,992)**	**(8,684)**
Financial income		8	74	27	75
Financial expenses	7	(2,597)	(2,891)	(7,751)	(7,316)
Net financial expenses		**(2,589)**	**(2,817)**	**(7,724)**	**(7,241)**
Loss before tax		**(463)**	**(223)**	**(13,716)**	**(15,925)**
Income tax charge	4, 9	(87)	12	317	709
Loss for the period	**4**	**(550)**	**(211)**	**(13,399)**	**(15,216)**

The accompanying notes are an integral part of these consolidated financial statements.

EUR '000	Notes	01.07.2024 - 30.09.2024	01.07.2023 - 30.09.2023	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Other comprehensive income that is or may be reclassified to profit or loss in subsequent periods					
Net loss on cash flow hedges	13b	(238)	(341)	(557)	(514)
Income tax relating to net loss on cash flow hedges	13b, 9	17	32	51	59
Other comprehensive loss, net of tax, that is or may be reclassified to profit or loss in subsequent periods		**(221)**	**(309)**	**(506)**	**(455)**
Total comprehensive loss for the period, net of tax		**(771)**	**(520)**	**(13,905)**	**(15,671)**
Basic earnings per unit (EUR)	**8**	**(0.00)**	**(0.00)**	**(0.11)**	**(0.13)**
Diluted earnings per unit (EUR)	**8**	**(0.00)**	**-**	**(0.09)**	**-**

Consolidated statement of financial position

EUR '000	Notes	30.09.2024	31.12.2023
Non-current assets			
Investment properties	4, 10	241,579	250,385
Intangible assets		10	11
Property, plant and equipment		6	4
Derivative financial instruments	19	-	295
Other non-current assets		1,105	647
Total non-current assets		**242,700**	**251,342**
Current assets			
Trade and other receivables	11	3,146	2,591
Prepayments		881	402
Derivative financial instruments	19	92	621
Cash and cash equivalents	12	10,007	6,182
Total current assets		**14,126**	**9,796**
Total assets	4	**256,826**	**261,138**
Equity			
Paid in capital	13a	151,495	145,200
Cash flow hedge reserve	13b	25	531
Retained earnings		(49,598)	(36,199)
Total equity		**101,922**	**109,532**

EUR '000	Notes	30.09.2024	31.12.2023
Non-current liabilities			
Interest-bearing loans and borrowings	14	85,098	64,158
Deferred tax liabilities	9	2,385	2,774
Other non-current liabilities		1,361	1,079
Total non-current liabilities		**88,844**	**68,011**
Current liabilities			
Interest-bearing loans and borrowings	14	61,485	79,584
Trade and other payables	15	4,153	3,343
Income tax payable		-	6
Other current liabilities		422	662
Total current liabilities		**66,060**	**83,595**
Total liabilities	4	**154,904**	**151,606**
Total equity and liabilities		**256,826**	**261,138**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

EUR '000	Notes	Paid in capital	Cash flow hedge reserve	Retained earnings	Total equity
As of 1 January 2023		**145,200**	**1,681**	**(13,226)**	**133,655**
Comprehensive income (loss)					
Net loss for the period		-	-	(15,216)	(15,216)
Other comprehensive loss		-	(455)	-	(455)
Total comprehensive loss		-	(455)	(15,216)	(15,671)
As of 30 September 2023		**145,200**	**1,226**	**(28,442)**	**117,984**
As of 1 January 2024		**145,200**	**531**	**(36,199)**	**109,532**
Comprehensive income (loss)					
Net loss for the period		-	-	(13,399)	(13,399)
Other comprehensive loss	13b	-	(506)	-	(506)
Total comprehensive loss		**-**	**(506)**	**(13,399)**	**(13,905)**
Capital increase		**6,295**	**-**	**-**	**6,295**
As of 30 September 2024		**151,495**	**25**	**(49,598)**	**101,922**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

EUR ‘000	Notes	01.01.2024 -30.09.2024	01.01.2023 -30.09.2023
Cash flows from core activities			
Profit (loss) before tax		**(13,716)**	**(15,925)**
Adjustments for non-cash items:			
Value adjustment of investment properties	10	12,529	14,626
Losses on disposal of investment properties		618	3,810
Depreciation of property, plant and equipment		-	-
Change in impairment losses for trade receivables	11	9	38
Financial income		(27)	(75)
Financial expenses	7	7,751	7,316
Working capital adjustments:			
Change in trade and other accounts receivable		(563)	(380)
Change in other current assets		(258)	(47)
Change in other non-current liabilities		282	108
Change in trade and other accounts payable		265	(651)
Change in other current liabilities		(267)	(154)
Total cash flows from core activities		**6,623**	**8,666**

The accompanying notes are an integral part of these consolidated financial statements.

EUR ‘000	Notes	01.01.2024 -30.09.2024	01.01.2023 -30.09.2023
Cash flows from investing activities			
Interest received		28	75
Proceeds from disposal of investment property		(618)	25,803
Acquisition of property, plant and equipment and intangible assets		-	(4)
Investment property development expenditure		(199)	(1,588)
Capital expenditure on investment properties		(3,524)	(2,904)
Total cash flows from investing activities		**(4,313)**	**21,382**
Cash flows from financing activities			
Proceeds from the issue of bonds		-	23,973
Proceeds from bank loans		17,177	25,063
Repayment of bank loans		(1,904)	(29,874)
Repayment of bonds		(12,500)	(39,473)
Transaction costs related to loans and borrowings		(158)	(946)
Proceeds from issue of units		6,295	-
Repayment of lease liabilities		(14)	(4)
Interest paid		(7,381)	(6,245)
Total cash flows from financing activities		**1,515**	**(27,506)**
Net change in cash and cash equivalents		**3,825**	**2,542**
Cash and cash equivalents at the beginning of the year		**6,182**	**5,347**
Cash and cash equivalents at the end of the period		**10,007**	**7,889**

Notes to the consolidated financial statements

1. Corporate information

Baltic Horizon Fund is a regulated closed-end contractual investment fund registered in Estonia on 23 May 2016. The Fund is managed by Northern Horizon Capital AS. Both the Fund and the Management Company are supervised by the Estonian Financial Supervision and Resolution Authority. The Depositary of the Fund is Swedbank AS. The Fund is the ultimate parent and controlling entity of the group comprising the Fund and its subsidiaries (the “Group” or the “Fund”).

The Fund is a public fund with no particular lifetime (evergreen). Units of the Fund are made available to the public in accordance with the Fund Rules and applicable laws. The Fund is listed on the Fund List of the Nasdaq Tallinn Stock Exchange. The Fund‘s Swedish depository receipts (the SDRs) are listed on the Nasdaq Stockholm Stock Exchange.

The Fund’s registered office is at Hobujaama 5, 10151 Tallinn, Estonia.

The objective of the Fund is to combine attractive income yields with medium to long-term value appreciation by investing primarily in commercial real estate, portfolios of real estate, and/or real estate companies and making exits from these investments. The objective of the Fund is to provide its investors with consistent and above average risk-adjusted returns by acquiring and managing a portfolio of high-quality cash flow-generating commercial properties, thereby creating a stable stream of high yielding current income combined with capital gains at exit. Although the objective of the Fund is to generate positive returns to investors, the profitability of the Fund is not guaranteed to investors.

At the reporting date, the Fund held the following 100% interests in subsidiaries:

Name	30.09.2024	31.12.2023
BH Lincona OÜ	100%	100%
BOF SKY SIA	100%	100%
BH CC Plaza OÜ	100%	100%
BH Europa UAB	100%	100%
Kontor SIA	100%	100%
Pirita Center OÜ	100%	100%
Vainodes Krasti SIA	100%	100%
BH S27 SIA	100%	100%
BH Meraki UAB	100%	100%
BH Galerija Centrs SIA	100%	100%
BH Northstar UAB	100%	100%

2. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group’s latest consolidated annual financial statements as of and for the year ended 31 December 2023. These interim condensed consolidated financial statements do not include all of the information required in the complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are relevant to understanding the changes in the Group’s financial position and performance since the last annual financial statements.

Going concern assessment

The management of the Fund has performed an assessment of the Fund’s future consolidated financial position, consolidated financial performance and cash flows and has concluded that the continued application of the going concern assumption is appropriate.

New standards, amendments and interpretations

A number of new standards and amendments to standards are not effective for annual periods beginning on 1 January 2024 but their earlier application is permitted. However, the Group has not early adopted any of the new or amended standards in preparing these interim condensed consolidated financial statements.

3. Summary of significant account policies

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the reported item in the future. The assumptions and judgements applied in these interim condensed consolidated financial statements were the same as those applied in the Group’s consolidated financial statements for the year ended 31 December 2023.

Material accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group’s consolidated financial statements for the year ended 31 December 2023.

Fair value measurements

The Group measures certain financial instruments such as derivatives, and non-financial assets such as investment property, at fair value at the end of each reporting period. Also, the fair values of financial instruments measured at amortised cost are disclosed in the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Group must be able to access the principal or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4. Operating segments

The Group’s reportable segments are as follows:

Retail segment includes Europa Shopping Centre (Lithuania), SKY Shopping Centre (Latvia), Pirita Shopping Centre (Estonia), Postimaja Shopping centre (Estonia), and Galerija Centrs Shopping Centre (Latvia) investment properties.

Office segment includes Lincona Office Complex (Estonia), Upmalas Biroji (Latvia), Vainodes I (Latvia), S27 (Latvia), Meraki (Lithuania) and North Star (Lithuania) investment properties.

Leisure segment includes Coca-Cola Plaza (Estonia) investment property.

For management purposes, the Group is organized into three business segments based on the type of investment property. Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and assessing performance. Segment performance is evaluated based on net rental income and net profit/loss.

Information related to each reportable segment is set out on the next page. Segment net rental income is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

Operating segments – 30 september 2024

EUR '000	Retail	Office	Leisure	Total
01.07.2024-30.09.2024:				
External revenue[1]	2,969	1,685	272	4,926
Segment net rental income	**1,622**	**1,143**	**121**	**2,886**
Net loss from fair value adjustment	(2)	(3)	-	(5)
Interest expenses[2]	(975)	(758)	(89)	(1,822)
Income tax income (expenses)	46	(133)	-	(87)
Segment net profit	**584**	**113**	**28**	**725**
01.01.2024-30.09.2024:				
External revenue[1]	8,866	5,279	811	14,956
Segment net rental income	**4,718**	**3,710**	**441**	**8,869**
Net loss from fair value adjustment	(5,595)	(6,747)	(187)	(12,529)
Interest expenses[2]	(2,547)	(1,984)	(243)	(4,774)
Income tax income (expenses)	195	122	-	317
Segment net loss	**(3,485)**	**(5,544)**	**(4)**	**(9,033)**
As of 30.09.2024:				
Segment assets	**137,042**	**100,128**	**13,431**	**250,601**
Investment properties	132,115	96,397	13,067	241,579
Segment liabilities	**69,323**	**56,180**	**6,496**	**131,999**

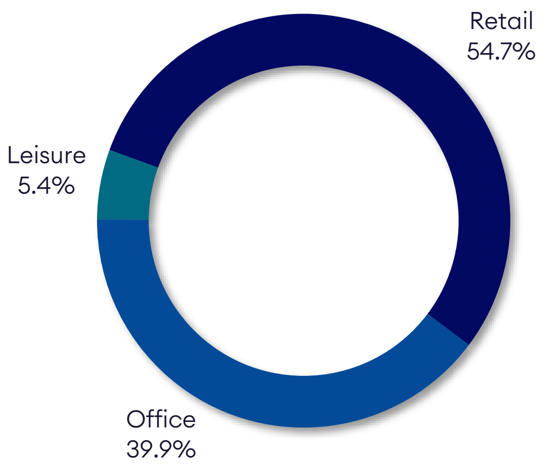
1. External revenue includes rental income and service charge income. The segments do not have inter-segment revenue.
2. Interest expenses include only external bank loan interest expenses and interest expenses on lease liabilities.

Operating segments – 30 September 2023

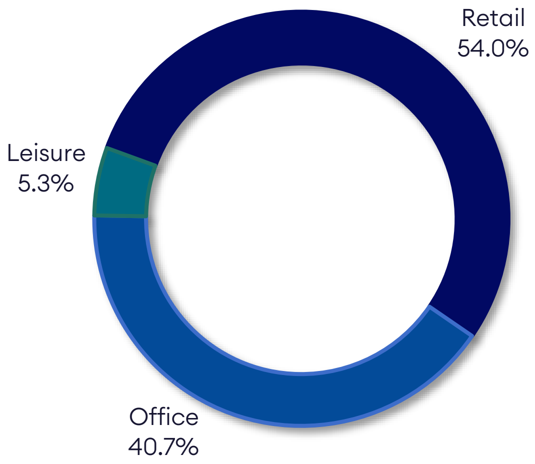
EUR '000	Retail	Office	Leisure	Total
01.07.2023-30.09.2023:				
External revenue[1]	3,134	1,868	225	5,227
Segment net rental income	**1,699**	**1,343**	**186**	**3,228**
Net loss from fair value adjustment	-	(3)	-	(3)
Interest expenses[2]	(751)	(521)	(78)	(1,350)
Income tax income (expenses)	(15)	27	-	12
Segment net profit	**835**	**1,013**	**101**	**1,949**
01.01.2023-30.09.2023:				
External revenue[1]	9,714	8,030	765	18,509
Segment net rental income	**4,969**	**6,156**	**598**	**11,723**
Net loss from fair value adjustment	(5,456)	(7,204)	(1,966)	(14,626)
Interest expenses[2]	(2,144)	(1,672)	(204)	(4,020)
Income tax income (expenses)	147	562	-	709
Segment net loss	**(4,272)**	**(4,508)**	**(1,581)**	**(10,361)**
As of 30.09.2023:				
Segment assets	**146,279**	**106,489**	**12,729**	**265,497**
Investment properties	140,736	103,494	12,432	256,662
Segment liabilities	**62,304**	**47,716**	**5,986**	**116,006**

1. External revenue includes rental income and service charge income. The segments do not have inter-segment revenue.
2. Interest expenses include\` only external bank loan interest expenses and interest expenses on lease liabilities.

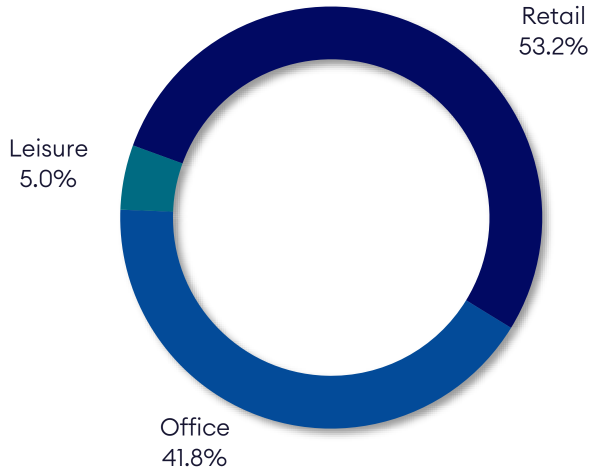
Investment properties as of 30 September 2024*



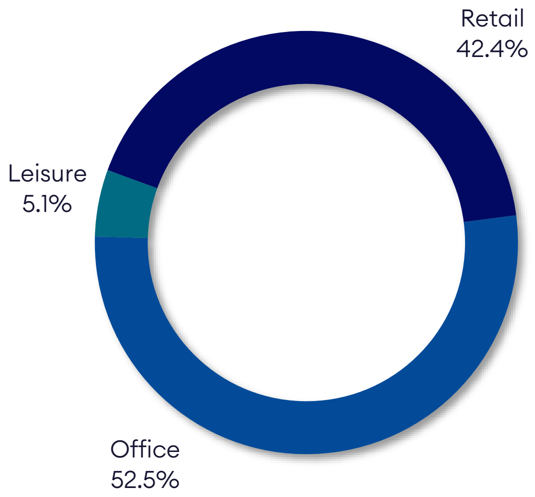
Investment properties as of 31 December 2023*



Segment net rental income for Q1–Q3 2024*



Segment net rental income for Q1–Q3 2023*



*As a percentage of the total for all reportable segments

Reconciliation of information on reportable segments to IFRS measures

Operating segments – 30 September 2024

EUR '000	Total reportable segments	Adjustments	Consolidated
01.07.2024-30.09.2024:			
Net profit (loss)	725	(1,275)[1]	(550)
01.01.2024-30.09.2024:			
Net loss	(9,033)	(4,366)[2]	(13,399)
As of 30.09.2024:			
Segment assets	250,601	6,225[3]	256,826
Segment liabilities	131,999	22,905[4]	154,904

Operating segments – 30 September 2023

EUR '000	Total reportable segments	Adjustments	Consolidated
01.07.2023-30.09.2023:			
Net profit (loss)	1,949	(2,160)[1]	(211)
01.01.2023-30.09.2023:			
Net loss	(10,361)	(4,855)[2]	(15,216)
As of 30.09.2023:			
Segment assets	265,497	3,965[3]	269,462
Segment liabilities	116,006	35,472[4]	151,478

1. Segment net profit for Q3 2024 does not include Fund management fee (EUR 311 thousand), bond interest expenses (EUR 686 thousand), bond arrangement fee amortisation (EUR 9 thousand), Fund custodian fees (EUR 11 thousand), losses on disposal (EUR 123 thousand) and other Fund-level administrative expenses (EUR 135 thousand).
2. Segment net loss for Q1-Q3 2024 does not include Fund management fee (EUR 951 thousand), bond interest expenses (EUR 2,514 thousand), bond arrangement fee amortisation (EUR 181 thousand), Fund custodian fees (EUR 37 thousand), losses on disposal (EUR 303 thousand) and other Fund-level administrative expenses (EUR 380 thousand).
3. Segment assets do not include cash, which is held at the Fund level (EUR 5,925 thousand) and prepayment and other receivables at the Fund level (EUR 300 thousand).
4. Segment liabilities do not include liabilities related to a bond issue at the Fund level (EUR 21,547 thousand), accrued bond coupon expenses (EUR 368 thousand), management fee payable (EUR 681 thousand), and other short-term payables at the Fund level (EUR 309 thousand).

1. Segment net profit for Q3 2023 does not include Fund management fee (EUR 352 thousand), bond interest and related expenses (EUR 1,444 thousand), bond arrangement fee amortisation (EUR 23 thousand), Fund custodian fees (EUR 15 thousand), loss on disposal (EUR 252 thousand), interest income (EUR 46 thousand) and other Fund-level administrative expenses (EUR 120 thousand).
2. Segment net loss for Q1-Q3 2023 does not include Fund management fee (EUR 1,130 thousand), bond interest and related expenses (EUR 2,887 thousand), bond arrangement fee amortisation (EUR 60 thousand), Fund custodian fees (EUR 48 thousand), loss on disposal (EUR 252 thousand), interest income (EUR 44 thousand) and other Fund-level administrative expenses (EUR 522 thousand).
3. Segment assets do not include cash, which is held at the Fund level (EUR 3,665 thousand), and other receivables at the Fund level (EUR 300 thousand).
4. Segment liabilities do not include liabilities related to a bond issue at the Fund level (EUR 34,081 thousand), accrued bond coupon expenses (EUR 577 thousand), management fee payable (EUR 675 thousand), and other short-term payables at the Fund level (EUR 139 thousand).

Geographic information

EUR '000	External revenue				Investment property value	
	01.07.2024 - 30.09.2024	01.07.2023 - 30.09.2023	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023	30.09.2024	31.12.2023
Lithuania	1,391	1,419	4,203	6,168	72,744	72,805
Latvia	2,242	2,402	6,904	8,056	112,256	121,400
Estonia	1,293	1,406	3,849	4,285	56,579	56,180
Total	**4,926**	**5,227**	**14,956**	**18,509**	**241,579**	**250,385**

Major tenant

No single lease accounted for more than 10% of the Group's total revenue. Rental income from one lease concluded with a tenant in the office segment represented EUR 956 thousand for Q1-Q3 2024 and EUR 319 thousand for Q3 2024 (EUR 956 thousand for Q1-Q3 2023 and EUR 319 thousand for Q3 2023).

5. Cost of rental activities

EUR '000	01.07.2024 - 30.09.2024	01.07.2023 - 30.09.2023	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Repair and maintenance	822	733	2,500	2,501
Utilities	291	388	953	1,471
Property management expenses	303	300	941	954
Real estate taxes	255	250	735	818
Sales and marketing expenses	167	102	506	528
Property insurance	41	39	115	115
Allowance (reversal of allowance) for bad debts	31	42	9	38
Other	130	145	328	361
Total cost of rental activities	**2,040**	**1,999**	**6,087**	**6,786**

Part of the total cost of rental activities (mainly utilities and repair and maintenance expenses) was recharged to tenants: EUR 3,599 thousand during the nine-month period ended 30 September 2024 (EUR 4,521 thousand during the nine-month period ended 30 September 2023) and EUR 1,983 thousand during Q3 2024 (EUR 1,334 thousand during Q3 2023).

6. Administrative expenses

EUR '000	01.07.2024 - 30.09.2024	01.07.2023 - 30.09.2023	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Management fee	311	352	951	1,130
Legal fees	54	22	115	156
Consultancy fees	49	46	102	126
Audit fees	53	37	132	112
Fund marketing expenses	20	14	53	67
Custodian fees	11	15	37	48
Supervisory board fees	14	13	41	39
Other administrative expenses	103	73	298	308
Total administrative expenses	**615**	**572**	**1,729**	**1,986**

The Management Company is entitled to receive an annual management fee which is calculated quarterly, based on the 3-month average market capitalisation of the Fund.

The Management Company is entitled to calculate the performance fee based on the annual adjusted funds from operations (AFFO) of the Fund. If AFFO divided by paid in capital during the year exceeds 8% per annum, the Management Company is entitled to a performance fee in the amount of 20% of the amount exceeding 8%. The performance fee based on this formula has been calculated starting from 1 January 2017. The performance fee first became payable in the fifth year of the Fund (i.e. 2020). Transactions with related parties are disclosed in note 17.

7. Financial expenses

EUR '000	01.07.2024 - 30.09.2024	01.07.2023 - 30.09.2023	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Interest on external loans and borrowings	2,404	2,793	7,281	6,898
Loan arrangement fee amortisation	162	41	238	129
Exchange losses external	-	-	1	-
Interest on lease liabilities	2	1	7	8
Other financial expenses	29	56	224	281
Total financial expenses	**2,597**	**2,891**	**7,751**	**7,316**

8. Earnings per unit

The calculation of earnings per unit is based on the following profit attributable to unitholders and weighted-average number of units outstanding.

Profit (loss) attributable to the unitholders of the Fund:

EUR '000	01.07.2024 - 30.09.2024	01.07.2023 - 30.09.2023	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Profit (loss) for the period, attributed to the unitholders of the Fund	(550)	(211)	(13,399)	(15,216)
Profit (loss) for the period, attributed to the unitholders of the Fund	**(550)**	**(211)**	**(13,399)**	**(15,216)**

Weighted-average number of units:

EUR '000	01.07.2024 - 30.09.2024	01.07.2023 - 30.09.2023	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Issued units at the end of period	143,562,514	119,635,429	143,562,514	119,635,429
Weighted-average number of units	**122,236,199**	**119,635,429**	**120,508,680**	**119,635,429**

Basic and diluted earnings per unit:

EUR '000	01.07.2024 - 30.09.2024	01.07.2023 - 30.09.2023	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Basic earnings per unit	(0.00)	(0.00)	(0.11)	(0.13)
Diluted earnings per unit*	(0.00)	-	(0.09)	-

*In September 2024, the Fund diluted its earnings per unit by issuing 23,927,085 new units to raise capital through a private placement.

9. Income tax

Real estate revenues, or capital gains derived from real estate are subject to taxes by assessment in the countries where the real estate is situated. The Fund's subsidiaries in Lithuania depreciate their historical property cost in accordance with applicable tax regulations. Depreciation is deducted from taxable profits in determining current taxable income.

The Group's consolidated effective tax rate in respect of continuing operations for the nine-month period ended 30 September 2024 was minus 2.4% (Nine-month period ended 30 September 2023: minus 4.5%).

As of 30 September 2024, the Group had tax losses of EUR 3,525 thousand (31 December 2023: EUR 2,469 thousand) that are available indefinitely for offset against future taxable profits of the Lithuanian companies in which the losses arose. The deferred tax liability arising from the revaluation of derivative instruments to fair value amounted to EUR 18 thousand as of 30 September 2024 (31 December 2023: liability of EUR 39 thousand). As of 30 September 2024, deferred tax liabilities on the difference between investment property fair and tax value and other deferred tax liabilities amounted to EUR 5,928 thousand (31 December 2023: EUR 5,204 thousand. Deferred tax is only applicable to the Fund's subsidiaries in Lithuania.

The major components of income tax for the periods ended 30 September 2024 and 2023 were as follows:

EUR '000	01.07.2024 - 30.09.2024	01.07.2023 - 30.09.2023	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Consolidated statement of profit or loss				
Current income tax for the period	-	-	-	-
Deferred tax for the period	(87)	12	317	709
Income tax income reported in profit or loss	**(87)**	**12**	**317**	**709**
Consolidated statement of other comprehensive income				
Deferred income tax related to items charged or credited to equity:				
Revaluation of derivative instruments to fair value	17	32	51	59
Income tax reported in other comprehensive income	**17**	**32**	**51**	**59**

10. Investment property

EUR '000	30.09.2024	31.12.2023
Balance at 1 January	**250,385**	**333,123**
Development and refurbishment expenditure	-	1,050
Capital expenditure	3,723	2,278
Disposals	-	(63,920)
Net revaluation loss on investment property	(12,516)	(21,859)
Additions to right-of-use assets (new leases)	-	15
Derecognition of right-of-use assets	-	(285)
Net revaluation loss on right-of-use assets	(13)	(17)
Closing balance	**241,579**	**250,385**
Closing balance excluding right-of-use assets	**241,337**	**250,130**

The fair value of the investment properties is approved by the Management Board of the Management Company, based on independent appraisals. Independent appraisals are performed in accordance with the Practice Statements and Relevant Guidance Notes of the RICS Valuation – Professional Standards approved by both the International Valuation Standards Committee (IVSC) and by the European Group of Valuers' Associations (TEGoVA). In accordance with that basis, the market value is an estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The appraisers derive the fair value by applying the methodology and valuation guidelines as set out by the Royal Institution of Chartered Surveyors in the United Kingdom and in accordance with IAS 40.

Fair value does not necessarily represent the liquidation value of the properties which would be dependent upon the price negotiated at the time net of selling costs. Fair value is largely based on estimates which are inherently subjective.

Valuation techniques used to derive Level 3 fair values

The values of the properties are based on the valuation of investment properties performed by Newsec as of 30 June 2024, increased by right-of-use assets and subsequent capital expenditure.

The table on the next pages presents the following for each investment property:

- A description of the valuation techniques applied;
- The inputs used in the fair value measurement;
- Quantitative information about the significant unobservable inputs used in the fair value measurement.

As of 30 September 2024:

Property		Valuation technique	Key unobservable inputs	Range
Europa Shopping Centre	Vilnius Lithuania	DCF	Discount rate	9.15%
Net leasable area (NLA)	17,081 sq. m.		Rental growth p.a.	1.1% - 2.4%
Segment	Retail		Long-term vacancy rate	5.0% - 9.0%
Year of construction/renovation	2004		Exit yield	7.0%
			Average rent (EUR/sq. m)	14.7
Lincona Office Complex	Tallinn, Estonia	DCF	Discount rate	9.45%
Net leasable area (NLA)	10,760 sq. m.		Rental growth p.a.	2.0% - 3.8%
Segment	Office		Long-term vacancy rate	9.2%
Year of construction/renovation	2002/2008		Exit yield	7.5%
			Average rent (EUR/sq. m)	10.3
Coca-Cola Plaza	Tallinn, Estonia	DCF	Discount rate	9.15%
Net leasable area (NLA)	7,982 sq. m.		Rental growth p.a.	0.0% - 3.8%
Segment	Leisure		Long-term vacancy rate	3.5%
Year of construction/renovation	1999		Exit yield	7.0%
			Average rent (EUR/sq. m)	10.7
SKY Shopping Centre	Riga, Latvia	DCF	Discount rate	9.6%
Net leasable area (NLA)	3,259 sq. m.		Rental growth p.a.	1.5% - 2.2%
Segment	Retail		Long-term vacancy rate	2.6%
Year of construction/renovation	2000/2010		Exit yield	8.25%
			Average rent (EUR/sq. m)	11.8

Property		Valuation technique	Key unobservable inputs	Range
Upmalas Biroji	Riga, Latvia	DCF	Discount rate	9.15%
Net leasable area (NLA)	11,212 sq. m.		Rental growth p.a.	1.5% - 2.4%
Segment	Office		Long-term vacancy rate	3.9%
Year of construction/renovation	2008		Exit yield	7.75%
			Average rent (EUR/sq. m)	11.8
Pirita Shopping Centre	Tallinn, Estonia	DCF	Discount rate	9.7%
Net leasable area (NLA)	5,425 sq. m.		Rental growth p.a.	2.0% - 3.8%
Segment	Retail		Long-term vacancy rate	6.9%
Year of construction/renovation	2016		Exit yield	8.0%
			Average rent (EUR/sq. m)	14.4
Vainodes I	Riga, Latvia	DCF	Discount rate	9.15%
Net leasable area (NLA)	8,128 sq. m.		Rental growth p.a.	0.0% - 2.1%
Segment	Office		Long-term vacancy rate	5.0%
Year of construction/renovation	2014		Exit yield	7.5%
			Average rent (EUR/sq. m)	13.2
Postimaja	Tallinn, Estonia	DCF	Discount rate	9.15%
Net leasable area (NLA)	9,232 sq. m.		Rental growth p.a.	0.0% - 3.4%
Segment	Retail		Long-term vacancy rate	3.5%
Year of construction/renovation	1980		Exit yield	7.0%
			Average rent (EUR/sq. m)	14.3

Property		Valuation technique	Key unobservable inputs	Range
S27	Riga, Latvia	DCF	**Discount rate**	8.6%
Net leasable area (NLA)	7,788 sq. m.		**Rental growth p.a.**	1.1% - 2.1%
Segment	Office		**Long-term vacancy rate**	5.0%
Year of construction/renovation	2006/2014		**Exit yield**	7.0%
			Average rent (EUR/sq. m)	12.3
Galerija Centrs	Riga, Latvia	DCF	**Discount rate**	8.6%
Net leasable area (NLA)	19,147 sq. m.		**Rental growth p.a.**	0.0% - 5.0%
Segment	Retail		**Long-term vacancy rate**	4.4% - 4.7%
Year of construction/renovation	1939/2006		**Exit yield**	7.0%
			Average rent (EUR/sq. m)	19.2
North Star	Vilnius, Lithuania	DCF	**Discount rate**	8.6%
Net leasable area (NLA)	10,631 sq. m.		**Rental growth p.a.**	1.1% - 2.2%
Segment	Office		**Long-term vacancy rate**	5.0% - 7.0%
Year of construction/renovation	2009		**Exit yield**	7.0%
			Average rent (EUR/sq. m)	11.9
Meraki	Vilnius, Lithuania	DCF	**Discount rate**	9.15%
Net leasable area (NLA)	15,859 sq. m.		**Rental growth p.a.**	1.1% - 2.9%
Segment	Office		**Long-term vacancy rate**	4.0%
Year of construction/renovation	2021		**Exit yield**	7.5%
			Average rent (EUR/sq. m)	11.9

The table in the next column sets out information about significant unobservable inputs used at 30 September 2024 in measuring investment properties categorised to Level 3 in the fair value hierarchy.

Type of asset class	Valuation technique	Significant unobservable input	Range of estimates	Fair value measurement sensitivity to unobservable inputs
Investment property	Discounted cash flow	Exit yield	2024: 7.0% - 8.25%	An increase in exit yield in isolation would result in a lower value of Investment property.
		Discount rate	2024: 8.6% - 9.7%	An increase in discount rate in isolation would result in a lower value of Investment property.
		Rental growth p.a.	2024: 0.0% - 5.0%	An increase in rental growth in isolation would result in a higher value of Investment property.
		Long-term vacancy rate	2024: 2.6% - 9.2%	An increase in long-term vacancy rate in isolation would result in a lower value of Investment property.

The book values of investment properties as of 30 September 2024 were as follows:

EUR ‘000	Total fair value Level 3
Latvia - Galerija Centrs (retail)	60,428
Lithuania – Europa (retail)	37,026
Latvia – Upmalas Biroji (office)	19,351
Estonia – Postimaja (retail)	20,370
Lithuania – North Star (office)	19,210
Latvia – Vainodes I (office)	15,881
Lithuania – Meraki (office)	16,508
Estonia – Lincona (office)	13,871
Latvia – S27 (office)	11,576
Estonia – Coca-Cola Plaza (leisure)	13,067
Estonia – Pirita (retail)	9,271
Latvia – SKY (retail)	5,020
Total	**241,579**

11. Trade and other receivables

EUR '000	30.09.2024	31.12.2023
Trade receivables, gross	2,574	2,325
Less impairment allowance for doubtful receivables	(626)	(625)
Accrued income	601	433
Other accounts receivable	597	458
Total	**3,146**	**2,591**

Trade receivables are non-interest-bearing and are generally on 30-day terms.

As of 30 September 2024, trade receivables at a nominal value of EUR 626 thousand were fully impaired (EUR 625 thousand as of 31 December 2023).

Movements in the impairment allowance for doubtful receivables were as follows:

EUR '000	30.09.2024	31.12.2023
Balance as of 1 January	(625)	(513)
Charge for the period	(9)	(248)
Amounts written off	8	136
Reversal of allowances recognised in previous periods	-	-
Balance at end of period	**(626)**	**(625)**

The ageing analysis of trade receivables not impaired is as follows (at the end of the period):

EUR '000	Total	Neither past due nor impaired	Past due but not impaired				
			<30 days	30-60 days	60-90 days	90-120 days	>120 days
30.09.2024	**1,948**	768	396	231	193	40	320
31.12.2023	**1,700**	919	283	169	100	93	136

12. Cash and cash equivalents

EUR '000	30.09.2024	31.12.2023
Cash at banks and on hand	10,007	6,182
Total cash	**10,007**	**6,182**

As of 30 September 2024, the Group had to keep at least EUR 1,000 thousand (31 December 2023: EUR 1,150 thousand) of cash in its bank accounts due to certain restrictions in bank loan agreements.

13. Equity

13a. Paid in capital

The units are currently listed on the Fund List of the Nasdaq Tallinn Stock Exchange. The Fund's Swedish depository receipts (the SDRs) are listed on the Nasdaq Stockholm Stock Exchange. As of 30 September 2024, the total number of the Fund's units was 143,562,429 (31 December 2023: 119,635,429). Units issued are presented in the table below:

EUR '000	Number of units	Amount
As of 1 January 2024	**119,635,429**	**145,200**
Increase in the number of units and capital	23,927,085	6,295
As of 30 September 2024	**143,562,514**	**151,495**

In September 2024, Baltic Horizon Fund successfully completed a private placement and issued 23,927,085 new units with a gross value of EUR 6.29 million.

A unit represents the investor's share in the assets of the Fund. The Fund has one class of units. The investors have the following rights deriving from their ownership of units:

- to own a share of the Fund's assets corresponding to the number of units owned by the investor;
- to receive, when payments are made a share of the net income of the Fund in proportion to the number of units owned by the investor (pursuant to the Fund Rules);
- to call a general meeting in the cases prescribed in the Fund Rules and the law;

- to participate and vote in a general meeting pursuant to the number of votes arising from units belonging to the investor and the number of votes arising from units which have been issued and not redeemed as of ten days before the general meeting is held.

Subsidiaries did not hold any units of the Fund as of 30 September 2024 and 31 December 2023.

The Fund did not hold its own units as of 30 September 2024 and 31 December 2023.

13b. Cash flow hedge reserve

This reserve represents the fair value of the effective part of the derivative financial instruments (interest rate swaps), used by the Fund to hedge the cash flows from interest rate risk in the periods ended on 30 September 2024 and 31 December 2023. Please refer to note 18 for more information.

EUR '000	30.09.2024	31.12.2023
Balance at the beginning of the year	**531**	**1,681**
Movement in fair value of existing hedges	(557)	(1,273)
Movement in deferred income tax (note 9)	51	123
Net variation during the period	**(506)**	**(1,150)**
Balance at the end of the period	**25**	**531**

14. Interest-bearing loans and borrowings

EUR '000	Maturity	Effective interest rate	30.09.2024	31.12.2023
Non-current borrowings				
Secured bonds	May 2028	3M EURIBOR + 8.00%	21,547	34,099
Bank 1	Jan 2028	3M EURIBOR + 2.25%	2,706	2,792
Bank 3[1]	Jan 2029	6M EURIBOR + 2.80%	16,222	-
Bank 3[1]	Feb 2029	6M EURIBOR + 3.00%	9,340	-
Bank 1	Feb 2026	6M EURIBOR + 1.90%	4,504	4,626
Bank 4	Feb 2026	6M EURIBOR + 1.75%	16,336	16,720
Bank 1	Dec 2027	6M EURIBOR + 2.25%	8,961	9,198
Bank 5	Aug 2028	6M EURIBOR + 2.50%	10,180	10,363
Bank 6	Jun 2026	6M EURIBOR + 4.10%	8,674	-
Lease liabilities			242	255
Less current portion of bank loans and bonds			(13,596)	(13,878)
Less current portion of lease liabilities			(18)	(17)
Total non-current debt			**85,098**	**64,158**

EUR '000	Maturity	Effective interest rate	30.09.2024	31.12.2023
Current borrowings				
Bank 1[1]	Mar 2024	6M EURIBOR + 2.65%	-	8,998
Bank 1[1]	Mar 2024	3M EURIBOR + 3.90%	-	8,397
Bank 2	Aug 2025	6M EURIBOR + 3.10%	30,000	29,999
Bank 1[2]	Nov 2024	3M EURIBOR + 1.75%	7,781	7,946
Bank 1	Nov 2024	3M EURIBOR + 1.60%	10,090	10,349
Current portion of non-current bank loans and bonds			13,596	13,878
Current portion of lease liabilities			18	17
Total current debt			**61,485**	**79,584**
Total			**146,583**	**143,742**

1. The loan was refinanced in February 2024 with another bank.
2. The agreement to prolong the loan was signed on 15 April 2024 with the same bank.

Loan and bond securities

Borrowings received were secured with the following pledges and securities as of 30 September 2024:

	Mortgages of the property*	Cross-mortgage	Commercial pledge of the entire assets
Bank 1	Lincona, SKY, S27, Vainodes I, and Pirita	Pirita and Lincona for Pirita and Lincona bank loans, Vainodes I, SKY and S27 for Vainodes I, SKY and S27 bank loan	Vainodes I, S27
Bank 2	Galerija Centrs		Galerija Centrs
Bank 3	Europa and North Star		
Bank 4	Coca-Cola Plaza and Postimaja		
Bank 5	Upmalas Biroji		Upmalas Biroji
Bank 6	Meraki		
Secured bonds	Meraki		

*Please refer to note 10 for the carrying amounts of assets pledged at period end.

	Guarantee	Pledges of receivables	Pledge of land lease rights of the land plots	Pledges of bank accounts	Share pledge
Bank 1	Vainodes I and SKY for S27 bank loan; S27 and SKY for Vainodes I bank loan; Vainodes I and S27 for SKY bank loan	Lincona, SKY		SKY, S27 and Vainodes I	Vainodes I, S27, SKY
Bank 2	Baltic Horizon Fund for Galerija Centrs up to EUR 1,500,000				Galerija Centrs
Bank 3				Europa, North Star	
Bank 5	Baltic Horizon Fund for Upmalas Biroji				Upmalas Biroji

15. Trade and other payables

EUR '000	30.09.2024	31.12.2023
Trade payables	1,730	974
Management fee payable	681	859
Accrued financial expenses	650	813
Accrued expenses	620	166
Tax payables	128	162
Other payables	344	369
Total trade and other payables	**4,153**	**3,343**

Terms and conditions of trade and other payables:

- Trade payables are non-interest-bearing and are normally settled on 30-day terms.
- Other payables are non-interest-bearing and have an average term of 3 months.

16. Commitments and contingencies

16a. Litigation

As of 30 September 2024, there was no ongoing litigation, which could materially affect the consolidated financial position of the Group.

16b. Contingent assets

The Group did not have any contingent assets as of 30 September 2024.

16c. Contingent liabilities

According to BH Duetto UAB Share Sale and Purchase agreement, the Group has issued the NOI and defects guarantee. The NOI guarantee is valid until 31 December 2025 and covers the shortfall between the rent calculated on the basis of the conditions stated in the sale and purchase agreement and the actual NOI. The maximum potential liability under the defects guarantee is limited to EUR 600 thousand.

The Group did not have any other contingent liabilities as of 30 September 2024.

17. Related parties

During the reporting period, the Group entered into transactions with related parties. Those transactions and related balances are presented below. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. All transactions between related parties are priced on an arm's length basis.

Northern Horizon Capital AS

As set out in Baltic Horizon Fund Rules, Northern Horizon Capital AS (the Management Company) carries out asset manager functions on behalf of the Fund and the Fund pays management fees for it (note 6).

The Group's transactions with related parties during Q1-Q3 2024 and 2023 were the following:

EUR '000	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Northern Horizon Capital AS group		
Management fees	**951**	**1,130**

The Group's balances with related parties as of 30 September 2024 and 31 December 2023 were the following:

EUR '000	30.09.2024	31.12.2023
Northern Horizon Capital AS group		
Management fees payable	**681**	**859**

The Management Company is entitled to receive an annual management fee which is calculated quarterly, based on the 3-month average market capitalisation of the Fund. In case the market capitalisation is lower than 90% of the NAV of the Fund, the amount equal to 90% of the NAV of the Fund shall be used for the management fee calculation instead of the market capitalisation.

The fee is based on the following rates and in the following tranches:

- 1.50% of the market capitalisation below EUR 50 million;
- 1.25% of the part of the market capitalisation that is equal to or exceeds EUR 50 million and is below EUR 100 million;
- 1.00% of the part of the market capitalisation that is equal to or exceeds EUR 100 million and is below EUR 200 million;
- 0.75% of the part of the market capitalisation that is equal to or exceeds EUR 200 and is below EUR 300 million;
- 0.50% of the part of the market capitalisation that is equal to or exceeds EUR 300 million.

The Management Company is entitled to calculate the performance fee based on the annual adjusted funds from operations (AFFO) of the Fund. If AFFO divided by paid in capital during the year exceeds 8% per annum, the Management Company is entitled to a performance fee in the amount of 20% of the amount exceeding 8%. The performance fee based on this formula has been calculated starting from 1 January 2017. The performance fee first became payable in the fifth year of the Fund (i.e. 2020).

Northern Horizon Capital AS Group did not own any units of the Fund as of 30 September 2024.

Supervisory Board of the Fund

As set out in Baltic Horizon Fund Rules, Supervisory Board members are entitled to remuneration for their service in the amount determined by the General Meeting. The remuneration of the Supervisory Board of the Fund amounted to EUR 36 thousand during Q1-Q3 2024 and EUR 12 thousand during Q3 2024 (EUR 39 thousand during Q1-Q3 2023 and EUR 13 thousand during Q3 2023). Please refer to note 6 for more information regarding the total expenses related to the Supervisory Board of the Fund.

Entities having control or significant influence over the Fund

The holders of units owning more than 5% of the units in total as of 30 September 2024 and 31 December 2023 are presented in the tables below:

As of 30 September 2024	Number of units	Percentage
Swedbank AB / Nordic Issuing AB clients	24,003,674	16.72%
Skandinaviska Enskilda Banken AB	20,365,950	14.19%
Gene Investments OÜ	19,160,438	13.35%
Swedbank AB clients	16,295,576	11.35%
Raiffeisen Bank International AG clients	9,555,562	6.66%

As of 31 December 2023	Number of units	Percentage
Swedbank AB / Nordic Issuing AB clients	24,077,945	20.1%
SEB Bank AB clients	15,689,287	13.1%
Swedbank AB clients	15,406,998	12.9%
Raiffeisen Bank International AG clients	9,410,507	7.9%

18. Financial instruments

Fair values

Set out below is a comparison by category of the carrying amounts and fair values of all the Group's financial instruments carried in the consolidated financial statements:

EUR '000	Carrying amount		Fair value	
	30.09.2024	31.12.2023	30.09.2024	31.12.2023
Financial assets				
Trade and other receivables	3,146	2,591	3,146	2,591
Cash and cash equivalents	10,007	6,182	10,007	6,182
Derivative financial instruments	92	916	92	916
Financial liabilities				
Interest-bearing loans and borrowings				
Bank loans	(124,794)	(109,388)	(124,794)	(109,388)
Bonds	(21,547)	(34,099)	(22,000)	(34,500)
Trade and other payables	(4,153)	(3,343)	(4,153)	(3,343)

Fair value hierarchy

Quantitative disclosures of the Group's financial instruments in the fair value measurement hierarchy as of 30 September 2024 and 31 December 2023:

As of 30 September 2024

EUR '000	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Trade and other receivables	-	-	3,146	3,146
Cash and cash equivalents	-	10,007	-	10,007
Derivative financial instruments	-	92	-	92
Financial liabilities				
Interest-bearing loans and borrowings				
Bank loans	-	-	(124,794)	(124,794)
Bonds	-	-	(22,000)	(22,000)
Trade and other payables	-	-	(4,153)	(4,153)

As of 31 December 2023

EUR '000	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Trade and other receivables	-	-	2,591	2,591
Cash and cash equivalents	-	6,182	-	6,182
Derivative financial instruments	-	916	-	916
Financial liabilities				
Interest-bearing loans and borrowings				
Bank loans	-	-	(109,388)	(109,388)
Bonds	-	-	(34,500)	(34,500)
Trade and other payables	-	-	(3,343)	(3,343)

Management assessed that the carrying amounts of cash and short-term deposits, rent and other receivables, trade payables and other current liabilities approximate their fair values largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions are used to estimate the fair values:

- Trade and other receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer, and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses on these receivables. As of 30 September 2024, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The fair value of derivatives has been calculated by discounting the expected future cash flows at prevailing interest rates.
- The fair values of the Group's interest-bearing loans and borrowings are determined by discounting the expected future cash flows at prevailing interest rates. The estimated fair values of the Group's interest-bearing loans and borrowings were determined using effective agreements' interest rates which represent current market rate.
- Cash and cash equivalents are attributed to Level 2 in the fair value hierarchy.

19. Derivative financial instruments

The Group has entered into interest rate swaps (IRS) with SEB and interest rate cap (CAP) agreements with Swedbank, OP and SEB.

The purpose of derivative instruments is to hedge the interest rate risk arising from the interest rate fluctuations of the Group's non-current loans and some of the Group's current loans because the Group's policy is to have fixed interest expenses. According to the IRS agreements, the Group makes fixed interest payments to the bank and receives variable interest rate payments from the bank. An interest rate cap allows to limit the interest rate fluctuation to a certain level. IFRS 9 allows hedge accounting provided that the hedge is effective. In such cases, any gain or loss recorded on the fair value changes of the financial instrument is recognised in an equity reserve rather than the income statement. The ineffective part of the change in the fair value of the hedging instrument (if any) is recognised in the income statement. Specific documentation on each financial instrument is required to be maintained to ensure compliance with hedge accounting principles. Please refer to note 13b for more information.

EUR '000						Fair value	
Derivative type	Starting date	Maturity date	Notional amount	Variable rate (received)	Fixed rate (paid)	30.09.2024	31.12.2023
IRS	May 2018	Apr 2024	4,920	3M EURIBOR	0.63%	-	50
IRS	Mar 2018	Aug 2024	18,402	3M EURIBOR	0.73%	-	314
CAP	Aug 2024	Aug 2025	17,900	3M EURIBOR	3.0%	19	28
CAP	Aug 2023	Aug 2024	10,575	1M EURIBOR	3.0%	-	42
CAP	Feb 2023	Feb 2024	17,200	6M EURIBOR	3.0%	-	81
CAP	Apr 2024	Apr 2025	4,921	3M EURIBOR	3.0%	10	13
CAP	Sep 2023	Sep 2024	5,800	3M EURIBOR	3.0%	-	27
CAP	Aug 2022	Mar 2024	3,500	3M EURIBOR	2.0%	-	13
CAP	Aug 2022	Mar 2024	7,000	3M EURIBOR	2.0%	-	27
CAP	Mar 2024	Mar 2025	11,000	6M EURIBOR	3.0%	13	34
CAP	Oct 2022	May 2025	30,000	6M EURIBOR	3.0%	41	194
CAP	Sep 2022	Mar 2024	9,000	6M EURIBOR	1.0%	-	67
CAP	Mar 2024	Mar 2025	9,000	6M EURIBOR	3.0%	9	26
Derivative financial instruments, assets						**92**	**916**
Net value of financial derivatives						**92**	**916**

Derivative financial instruments were accounted for at fair value as of 30 September 2024 and 31 December 2023. The maturity of the derivative financial instruments of the Group is as follows:

Classification according to maturity

EUR '000	Liabilities		Assets	
	30.09.2024	31.12.2023	30.09.2024	31.12.2023
Non-current	-	-	-	295
Current	-	-	92	621
Total	**-**	**-**	**92**	**916**

20. Subsequent events

There have been no significant events after the reporting date.

21. List of consolidated companies

Name	Registered office	Registration Number	Date of incorporation / acquisition	Activity	Interest in capital
BH Lincona OÜ	Hobujaama str. 5, Tallinn, Estonia	12127485	20 June 2011	Asset holding company	100%
BOF SKY SIA	Audēju iela 16 – 1, Riga, Latvia	40103538571	27 March 2012	Asset holding company	100%
BH CC Plaza OÜ (merged with BH P80 OÜ on 5 July 2023)	Hobujaama str. 5, Tallinn, Estonia	12399823	11 December 2012	Asset holding company	100%
BH Europa UAB	Konstitucijos ave. 7A-1, Vilnius, Lithuania	300059140	2 March 2015	Asset holding company	100%
Kontor SIA	Mūkusalas str. 101, Rīga, Latvia	40003771618	30 August 2016	Asset holding company	100%
Pirita Center OÜ	Merivälja str. 24, Tallinn, Estonia	12992834	16 December 2016	Asset holding company	100%
Vainodes Krasti SIA	Audeju str. 16, Riga, Latvia	50103684291	12 December 2017	Asset holding company	100%
BH S27 SIA	Skanstes iela 27, Riga, Latvia	40103810023	15 August 2018	Asset holding company	100%
BH Meraki UAB	Eitminų Str. 3-102, Vilnius, Lithuania	304875582	18 July 2018	Asset holding company	100%
BH Galerija Centrs SIA	Audeju str. 16, Riga, Latvia	40003311422	13 June 2019	Asset holding company	100%
BH Northstar UAB	Ulonų str. 2, Vilnius, Lithuania	305175896	29 May 2019	Asset holding company	100%

Management approval of consolidated financial statements

The interim condensed consolidated financial statements of Baltic Horizon Fund were approved for issue by the Management Board of the Management Company on 7 November 2024.

Tarmo Karotam

Chairman of the Management Board

Aušra Stankevičienė

Member of the Management Board

Appendices

Definitions and abbreviations

AIFM

Alternative Investment Fund Manager.

AFFO

Adjusted Funds From Operations means the net operating income of properties less fund administration expenses, less external interest expenses and less all capital expenditures including tenant fit-out expenses invested into existing properties by the Fund. New investments and acquisitions and follow-on investments into properties are not considered to be capital expenditures.

Cash ratio

The ratio is calculated as cash and cash equivalents divided by current liabilities.

Current ratio

The ratio is calculated as current assets divided by current liabilities.

Direct Property Yield

NOI divided by acquisition value and subsequent capital expenditure of the property.

Dividend

Cash distributions paid out of the cash flows of the Fund in accordance with the Fund Rules.

Equity ratio

The ratio is calculated as total equity divided by total assets.

Fund

Baltic Horizon Fund.

GAV

Gross Asset Value of the Fund.

IFRS

International Financial Reporting Standards.

LTV

Loan-to-value ratio. The ratio is calculated as the amount of the external bank loan debt less lease liabilities (IFRS 16) divided by the carrying amount of investment property (including investment property under construction).

Management Company

Northern Horizon Capital AS, register code 11025345.

NAV

Net asset value for the Fund.

NAV per unit

NAV divided by the amount of units in the Fund at the moment of determination.

Net Initial Yield

NOI divided by market value of the property.

Net LTV

Net Loan-to-value ratio. The ratio is calculated as the amount of the external bank loan debt less lease liabilities (IFRS 16) and cash and cash equivalents divided by the carrying amount of investment property (including investment property under construction).

NOI

Net operating income.

Occupancy rate

The ratio is calculated as rented area divided by net leasable area.

Quick ratio

The ratio is calculated as current assets less inventory and prepaid expenses divided by current liabilities.

Return on assets

The ratio is calculated as profit/loss for the period divided by average assets.

Return on equity

The ratio is calculated as profit/loss for the period divided by average equity.

Triple Net Lease

A triple net lease is a lease agreement that designates the lessee, i.e. the tenant, as being solely responsible for all the costs relating to the asset being leased, in addition to the rent fee applied under the lease.

TTM

Trailing 12 months.

EPRA indicators and definitions

EPRA Indicators	EPRA definition	EPRA purpose
EPRA Earnings	Earnings from operational activities	A key measure of a company's underlying results and an indication of the extent to which current dividend payments are supported by earnings.
EPRA NRV	Assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities of a real estate investment company, under different scenarios.
EPRA NTA	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	
EPRA NDV	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.	
EPRA LTV	Debt divided by market value of the property	Determines the percentage of debt compared to the appraised value of the properties.
EPRA Net initial yield (NIY)	Annualised rental income based on the cash rents passing at the reporting date, less non-recoverable property operating expenses, divided by the market value of the property, increased by (estimated) purchasers' costs.	A comparable measure for portfolio valuations. This measure should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.
EPRA Topped-up NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	
EPRA Vacancy rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	A 'pure' (%) measure of investment property space that is vacant, based on ERV.
EPRA Cost ratio	Administrative & operating costs (including & excluding the costs of direct vacancy) divided by gross rental income.	A key measure to enable meaningful measurement of the changes in a company's operating costs.

5-year overview of key figures

Key earnings figures	Unit	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2022	Q1-Q3 2021	Q1-Q3 2020
Rental income	EUR '000	11,357	13,988	15,422	14,844	16,549
Net rental income	EUR '000	8,869	11,723	12,973	13,206	15,189
Net rental income margin	%	78.1	83.8	84.1	89.0	91.8
Valuation gains (losses) on investment properties	EUR '000	(12,529)	(14,626)	158	(14,264)	(15,757)
EBITDA	EUR '000	(6,238)	(8,817)	11,472	(3,446)	(2,720)
EBITDA margin	%	(54.9)	(63.0)	74.4	(23.2)	(16.4)
EBIT	EUR '000	(5,992)	(8,684)	11,272	(3,290)	(2,587)
EBIT margin	%	(52.8)	(62.1)	73.1	(22.2)	(15.6)
Net profit (loss)	EUR '000	(13,399)	(15,216)	6,137	(6,879)	(6,863)
Net profit (loss) margin	%	(118.0)	(108.8)	39.8	(46.3)	(41.5)
Earnings per unit	EUR	(0.09)	(0.13)	0.05	(0.06)	(0.06)
Generated net cash flow	EUR '000	(3,870)	1,654	6,005	6,742	8,759
Generated net cash flow per unit	EUR/unit	(0.03)	0.01	0.05	0.05	0.08
Key financial position figures	**Unit**	**30.09.2024**	**31.12.2023**	**31.12.2022**	**31.12.2021**	**31.12.2020**
Total assets	EUR '000	256,826	261,138	343,963	346,338	355,602
Return on assets (TTM)	%	(8.2)	(7.6)	1.1	0.4	(3.7)
Total equity	EUR '000	101,922	109,532	133,655	132,584	136,321
Equity ratio	%	41.3	41.9	38.9	38.3	38.3
Return on equity (TTM)	%	(20.0)	(18.9)	3.0	1.1	(9.4)
Interest-bearing loans and borrowings	EUR '000	146,583	143,742	195,111	199,147	205,892
Total liabilities	EUR '000	154,904	151,606	210,308	213,754	219,281
LTV	%	60.9	57.3	58.4	60.7	60.5
Average cost of debt	%	6.3	5.2	3.0	2.7	2.6
Weighted average duration of debt	years	2.5	2.3	1.8	1.5	2.1
Current ratio	times	0.2	0.1	0.1	0.4	1.1
Quick ratio	times	0.2	0.1	0.1	0.4	1.0
Cash ratio	times	0.2	0.1	0.1	0.3	0.9
IFRS NAV per unit	EUR	0.7099	0.9156	1.1172	1.1082	1.1395
Key property portfolio figures	**Unit**	**Q1-Q3 2024**	**Q1-Q3 2023**	**Q1-Q3 2022**	**Q1-Q3 2021**	**Q1-Q3 2020**
Fair value of portfolio	EUR '000	241,579	256,662	338,638	330,860	342,775
Properties	number	12	12	15	16	16
Net leasable area	sq. m	118,624	119,201	151,401	153,351	153,351
Occupancy rate	%	80.5	77.1	90.0	92.9	96.2

Baltic Horizon Fund is managed by Alternative Investment Fund Manager license holder Northern Horizon Capital AS.

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Baltic Horizon Fund is committed to contribute to a greener future for generations to come.