

Unaudited condensed consolidated interim financial statements for the 12-month period ended 31 December 2024

# Interim report Q4 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’** and on governmental and social tenant concepts 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.

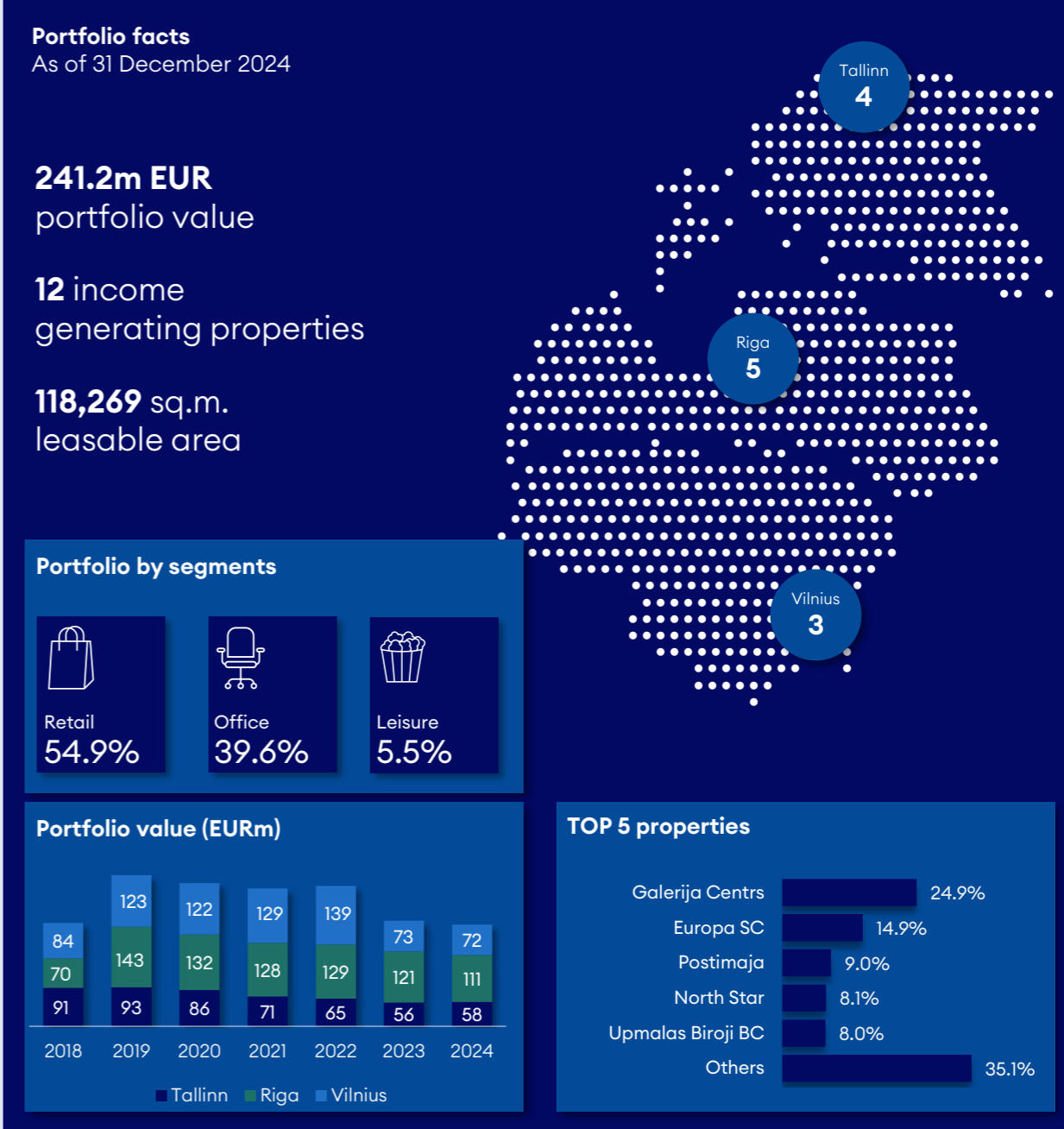
The Fund is a public fund with no particular lifetime (evergreen). Units of the Fund are made available to the public in accordance with the Fund Rules and applicable laws. The Fund is listed on the Fund List of the Nasdaq Tallinn Stock Exchange. The Fund’s Swedish depository receipts (the SDRs) are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





## 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

**Diversification through assets with long-term governmental and social tenants**

# Management report



# Our strategic ambitions

In 2024, the Fund's management team 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 we recap our goals for 2024, we are pleased to report the following achievements:

We have successfully achieved 100% portfolio certification.

Despite receiving a 3-star GRESB rating in 2024, we have thoroughly analysed the assessment results and developed an action plan to secure a 4-star GRESB rating in 2025.

Although we did not reach our target of 90% portfolio occupancy by the end of 2024, we made significant progress, achieving an 86.5% occupancy rate based on lease signing date.

We have recently announced our disposal strategy to reduce LTV levels. Several disposal processes have already commenced as of February 2025, with the closing of transactions planned for later in the year.

Looking ahead to 2025, we will continue with the same solid strategy and goals that will stabilize the Fund's financial position and maximize the potential of its portfolio.

**Our six strategic targets aim to secure long-term value creation for our investors in a changing economic environment and an increasingly competitive real estate market.**

## Our 6 strategic targets



### Occupancy

**>95%+**

Portfolio occupancy  
by the end of June 2025



### 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



“

Amid challenging market conditions, our active management approach enables us to transform our assets to the new cycle by adapting to evolving tenant requirements and responding effectively to shifting visitor behaviors and the needs of surrounding communities.

# Outlook for 2025

**In 2025 the Fund will focus on flexible and sustainable solutions to meet tenant demands and market conditions.**

**Our key goals are increasing the occupancy of the portfolio and decreasing the LTV by way of repaying part of the bonds.**

Meraki Business Home



In 2025, the Baltic commercial real estate market is anticipated to navigate both considerable challenges and emerging opportunities. Persisting economic uncertainty is expected to keep demand for commercial spaces subdued. Key factors influencing this trend include evolving consumer preferences, the continued expansion of e-commerce, and the shift toward remote work, all of which are reshaping the need for office and retail properties.

While economic forecasts cautiously suggest potential market stabilization in the coming year, a rapid recovery remains unlikely due to geopolitical uncertainties and evolving tenant and consumer needs. Recognizing these challenges, the Fund's management has taken proactive measures to enhance financial stability by reducing leverage through partial bond repayment. This strategy aims to alleviate financial pressure, positioning the Fund for more sustainable financial performance.

As part of this initiative, the Fund has announced a strategic plan to divest select assets, with the objective of reducing the LTV ratio to below 50% and fostering a more stable recovery. Up to three assets have been identified for potential disposal based on their life cycle, optimization potential, and alignment with the Fund's long-term strategy. Among these, the Postimaja and CC Plaza complex in Tallinn has been introduced to the market, following the Fund's successful achievement of 100% occupancy and WALT exceeding five years. Given limited opportunities for further value enhancement beyond its development potential—an avenue the Fund does not intend to pursue in the short term—the asset has been prioritized for sale. To facilitate the divestment process, the Fund has engaged Newsec Advisers UAB and Redgate Capital AS as financial advisors. The sales process is set to commence in February, with the aim of closing later in the year.

As of the date of release of this report, the Fund has a Letter of Intent (LOI) with a potential buyer and DD is in progress with Meraki property. According to LOI, the transaction would be finalized in spring 2025. At the end of 2024, the property had an occupancy of 86% and WAULT of 4.3 years. Due to anticipated vacancies in the office sector and an increasing supply, the Fund has decided not to proceed with the development of a second tower, for which the permit remains valid. The current market conditions, characterized by recovering investor activity, present an improved opportunity to sell the property. Potential buyers have also shown preliminary interest in Lincona and Piritä Center.

If the divestment plan proceeds as anticipated, the Fund will be positioned to repay a significant portion of its bonds while continuing to invest in its remaining property portfolio. This will enable the Fund to concentrate on unlocking value in its other assets in alignment with its strategic objectives, providing a solid foundation for future growth.

To achieve our goal of increasing portfolio occupancy, we are adapting to the evolving needs of our tenants and customers. The rise of e-commerce and online shopping has transformed the traditional concept of shopping centres. Visitors now seek not only to try on and purchase goods but also to enjoy entertainment and experiences.

This trend is evident in the success of our food courts, such as Burzma and Dialogai, as well as the interactive exhibition Kosmopark, which has attracted a significant number of visitors in Europa and now operates in Galerija Centrs. Following this success, we have signed a new 3-year lease with an entertainment operator to open a Danger Park on the second floor of Europa shopping centre in May 2025. In addition to opening brand new MyFitness in February 2025, we are also considering various entertainment concepts for Galerija Centrs. Additionally, we will continue to offer the community a variety of events and temporary pop-ups in both shopping centres.

In line with our strategic goal to increase occupancy, we are reviewing the concept in Europa and seeking the best tenant mix. We are currently negotiating a lease with a 700 sq m. anchor fashion leader and have advanced discussions with several coworking operators who find the shopping centre and its location ideal for their concept, one of them has already signed a LOI for 1,300 sq m. We believe that the combination of entertainment and a wide range of catering options, which will expand from the food court to a newly planned restaurant zone on the first floor facing Konstitucijas Avenue, along with strategic changes to the tenant mix on the second and third floors, will maximize visitor flow and fully exploit the potential of the shopping centre.

While the traditional shopping centre concept remains effective for Galerija, as evidenced by increasing foot flow and turnover, we are exploring additional concepts for currently vacant premises to complement our existing tenants and expand the range of services offered to visitors.



Our strategic efforts have already yielded positive results in some properties. As of the end of 2024, the Postimaja and CC Plaza complex is fully leased. Our partnership with Apollo Group as the anchor tenant will transform the complex into a vibrant urban destination, featuring a diverse mix of entertainment, dining, and retail options.

Office tenants are currently looking not just for a place to work during the day, but rather for hybrid working spaces or built-to-suit solutions with increased expectation over ESG, workplace wellbeing features and easily reachable services, which become increasingly important. During the last year, we witnessed a higher demand for mixed-use projects that combine commercial spaces with services, including catering, medical clinics and fitness centres. We believe, that in the upcoming years demand for such concepts will grow further and will add value to the properties.

We continue to adapt to market demands by diversifying our office tenant mix beyond traditional occupiers, integrating catering operators, medical clinics, and even kindergartens into our office buildings. This approach not only enhances tenant diversification but also meets the needs of both our customers and the surrounding communities.

In the office sector, our primary challenge and focus in 2025 will be addressing the remaining vacancies in S27 and Upmalas. A significant milestone in 2024 was securing a lease agreement for approximately 3,680 sq. m. in S27 with the International School of Riga, a leading provider of international education serving students from preschool through high school, set to open at the end of 2025. Even in the current market conditions we are confident that the International School of Riga coming into the building together with the renovation and improvements that are being done will enable us to attract new tenant segments that recognise the value of synergy.

Our commitment to supporting existing and prospective tenants, along with our ability to tailor office spaces to individual requirements, positions us well to lease the remaining areas in North Star and Meraki in the coming quarters.

**Our efforts are designed to create long-term value for investors while ensuring the Fund remains resilient in a dynamic market environment.**

In 2025, we will continue advancing our social and environmental commitments. All our assets have been BREEAM-certified, and by the end of 2024, we achieved 98% green leases across our portfolio, with a target to further increase this share in the coming year.

Our investments in green energy projects remain a key priority, and from Q1 2025, all our properties in Latvia and Lithuania will transition to using energy from remote solar panels. In Estonia, we are actively exploring solutions in our properties to reduce the reliance to gas. Additionally, we are evaluating new technologies and sustainability initiatives that align with our ESG strategy while enhancing energy efficiency, optimizing property performance, and reducing operational costs.

Recently, we announced a 3-star GRESB rating of 80 points, falling 1.5 points short of the 4-star threshold. This decline, compared to previous years, reflects increasing industry-wide commitments, heightened requirements, and evolving best practices. The management team has conducted a thorough analysis of the assessment results and developed an action plan aimed at restoring the Fund's 4-star rating in 2025.

Simultaneously, to reinforce its financial position, the Fund is committed to improving its debt service ratio and reducing loan-to-value levels. By focusing on increasing occupancy rates and optimizing property concepts, we aim to enhance asset performance and maximize net operating income. Adaptive leasing strategies, property repositioning, and targeted investments in high-demand segments will remain key priorities. These initiatives are designed to create long-term value for investors while ensuring the Fund remains resilient in a dynamic market environment.

Upmalas Biroji



# Q4

## key figures

Key earnings figures	Unit	Q1-Q4 2024	Q1-Q4 2023	Q1-Q4 2022
Rental income	EUR '000	15,136	17,743	20,482
Net rental income	EUR '000	11,588	14,617	17,430
Net rental income margin <sup>1</sup>	%	76.6	82.4	85.1
Valuation gains (losses) on investment properties	EUR '000	(15,581)	(21,876)	(2,914)
EBITDA	EUR '000	(6,836)	(13,701)	11,493
EBITDA margin	%	(45.2)	(77.2)	56.1
EBIT	EUR '000	(7,211)	(13,879)	11,238
EBIT margin <sup>2</sup>	%	(47.6)	(78.2)	54.9
Net profit (loss)	EUR '000	(16,781)	(22,973)	3,944
Net profit (loss) margin	%	(110.9)	(129.5)	19.3
Earnings per unit	EUR	(0.12)	(0.19)	0.03
Generated net cash flow <sup>3</sup>	EUR '000	(6,996)	502	2,141
Generated net cash flow per unit <sup>4</sup>	EUR/unit	(0.05)	0.00	0.06

Key financial position figures	Unit	31.12.2024	31.12.2023	31.12.2022
Total assets	EUR '000	256,048	261,138	343,963
Return on assets (TTM)	%	(6.5)	(7.6)	1.1
Total equity	EUR '000	98,095	109,532	133,655
Equity ratio	%	38.3	41.9	38.9
Return on equity (TTM)	%	(16.2)	(18.9)	3.0
Interest-bearing loans and borrowings	EUR '000	149,227	143,742	195,111
Total liabilities	EUR '000	157,953	151,606	210,308
LTV	%	61.8	57.3	58.4
Average cost of debt	%	6.7	5.2	3.0
Weighted average duration of debt	years	2.7	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	0.6833	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.

# Q4

## key figures

Key property portfolio figures	Unit	31.12.2024	31.12.2023	31.12.2022
Fair value of portfolio	EUR '000	241,158	250,385	333,123
Properties <sup>5</sup>	number	12	12	15
Total Net leasable area	sq. m	118,269	119,714	151,870
Occupancy rate <sup>6</sup>	%	82.1	81.1	90.5

Key property portfolio figures	Unit	Q1-Q4 2024	Q1-Q4 2023	Q1-Q4 2022
Direct property yield	%	3.8	4.5	5.1
Net initial yield	%	4.7	5.1	5.4

Key unit figures	Unit	31.12.2024	31.12.2023	31.12.2022
Number of units outstanding	units	143,562,514	119,635,429	119,635,429
Closing unit price	EUR	0.2521	0.3150	0.5750
Closing unit price	SEK	2.76	3.30	5.60
Market capitalisation <sup>7</sup>	EUR	36,192,110	37,685,160	68,790,372

Key EPRA figures	Unit	Q1-Q4 2024	Q1-Q4 2023	Q1-Q4 2022
EPRA Earnings	EUR '000	(1,141)	2,294	8,260
EPRA Earnings per unit	EUR	(0.01)	0.02	0.07

Key EPRA figures	Unit	31.12.2024	31.12.2023	31.12.2022
EPRA NRV (Net Reinstatement Value)	EUR '000	104,333	114,205	141,943
EPRA NRV per unit	EUR	0.7267	0.9546	1.1865
EPRA NTA (Net Tangible Assets)	EUR '000	104,333	114,205	141,943
EPRA NTA per unit	EUR	0.7267	0.9546	1.1865
EPRA NDV (Net Disposal Value)	EUR '000	97,585	109,131	133,313
EPRA NDV per unit	EUR	0.6797	0.9122	1.1143
EPRA LTV	%	58.5	55.5	57.9

5. Properties includes 12 established cash flow properties.
6. Occupancy based on tenants moved in; 86,5% as at 31.12.2024 occupancy rate based on lease signing date.
7. Based on the closing prices units on the Nasdaq Tallinn Stock Exchange.

# Q4

## key events

### **Changes in the Management Board of the management company**

Jūratė Gaspariūnienė was elected as a new member of the Management Board of Northern Horizon Capital AS, the management company of the Baltic Horizon Fund. Starting from 1 December 2024, the management board of Northern Horizon Capital AS will be as follows: Tarmo Karotam (the Chairman of the Board), Aušra Stankevičienė and Jūratė Gaspariūnienė.

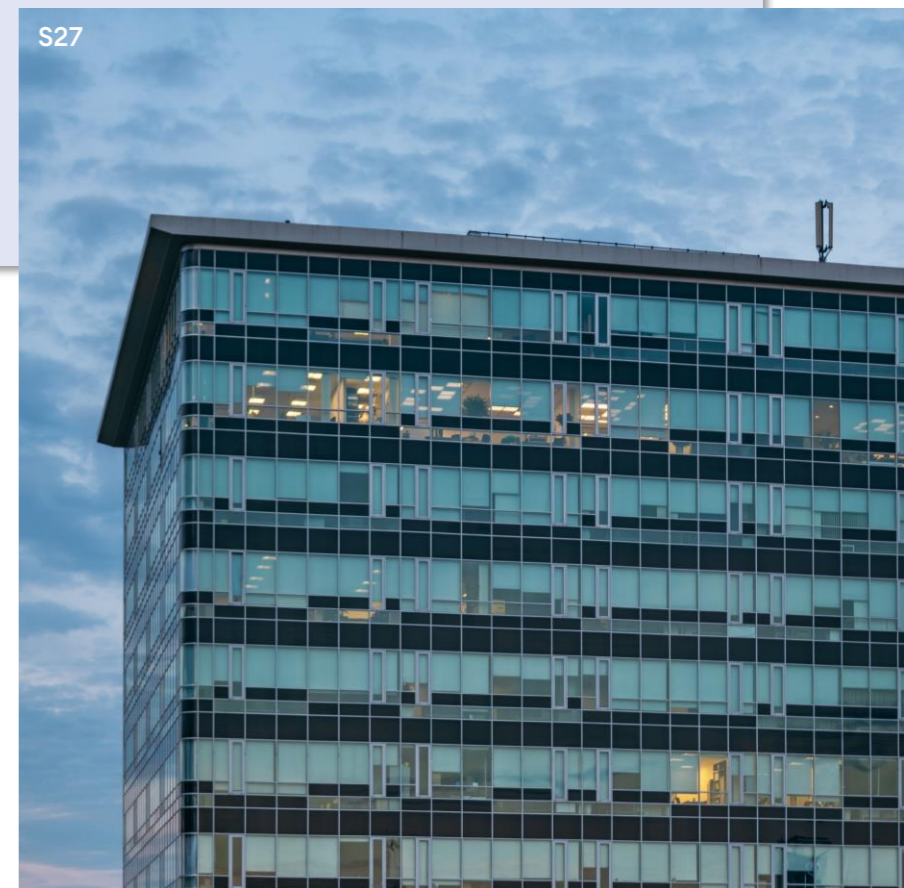
### **EPRA Gold award**

For the fifth time in a row, European Public Real Estate Association (EPRA) has awarded Baltic Horizon Fund a Gold Award in recognition of its financial reporting. The annual EPRA BPR Awards recognises the efforts of listed real estate companies to align with the recommendations. The survey is performed by Deloitte, and this year, 178 companies were assessed.

### **2024 GRESB results**

Baltic Horizon Fund has participated in the annual GRESB assessment since 2020, and in 2022, the Fund crossed the threshold to 4-star level. However, with broader commitment and improved performance in the sector, requirements and expectations are also increasing and new best practice standards are emerging. Against this backdrop, Baltic Horizon Fund announces a 3-stars rating this year with 80 points, 1.5 points below the 4 stars-threshold.

S27



# Property report

## Leasing and tenant update

In a challenging 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 in 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), International School of Riga in S27 (3,680 sq. m) and significant leases in Galerija Centrs signed with My Fitness (1,700 sq. m) and Expo GROUP (2,000 sq. m).

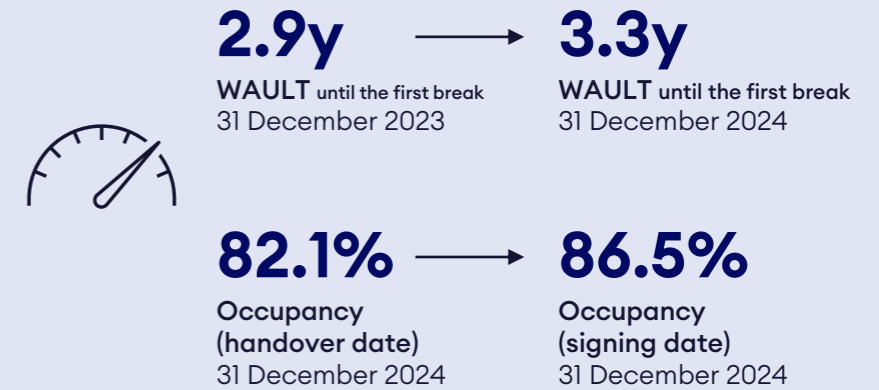
The Fund team has been diligently negotiating with current tenants to extend lease agreements, while also actively engaging with new tenants to fill the vacancies. These efforts have resulted in lease renewals of approximately 23,800 sq. m and a net lease inflow of approximately 4,800 sq. m

During 2024, the Fund signed new leases for 22,743 sq. m, securing an annual rental income of EUR 2,945 thousand for future periods. Furthermore, 61 new tenants have been attracted to our buildings, while 69 existing tenants have decided to continue their cooperation with us.

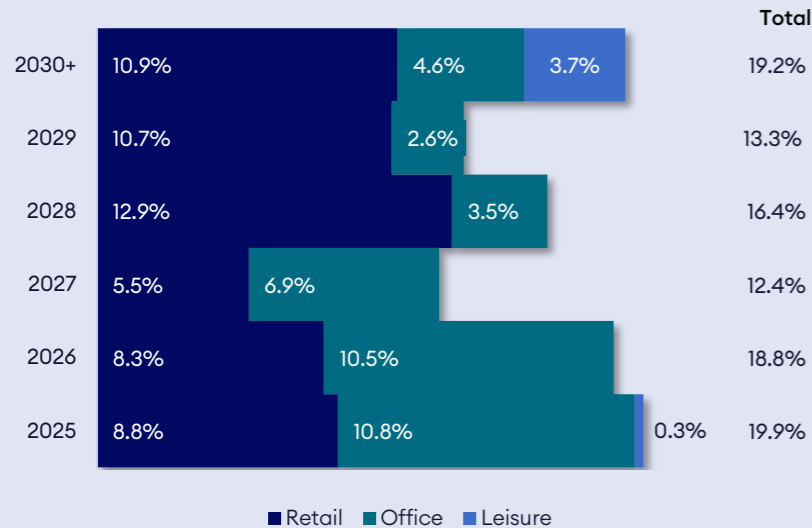
By the end of December 2024, the occupancy of the portfolio increased to 82.1%. Calculating based on the lease signing date, the occupancy already exceeds 86%. Signed premises will be handed over to tenants in 2025.

Notably, less than 20% of the leases are set to expire during 2025, 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 3.3 years as of 31 December 2024 (compared to 2.9 years as of 31 December 2023).

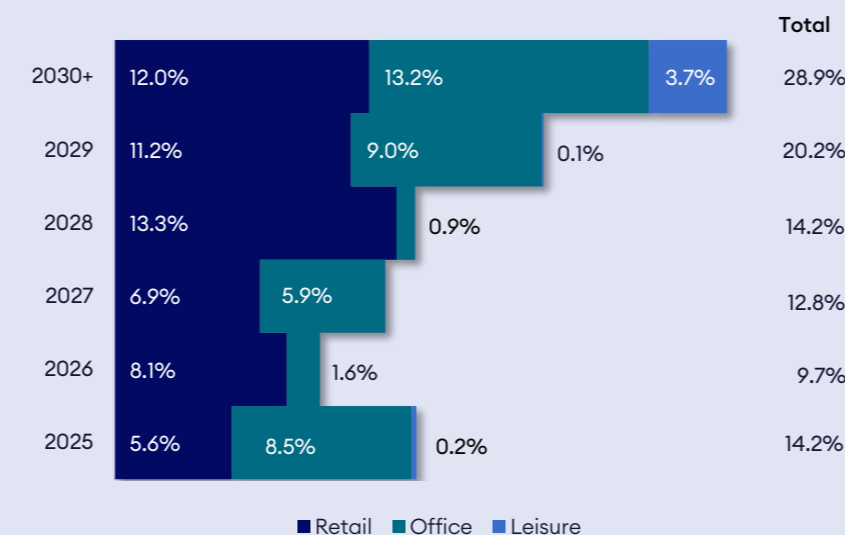
### Confirmation of active leasing efforts and client trust



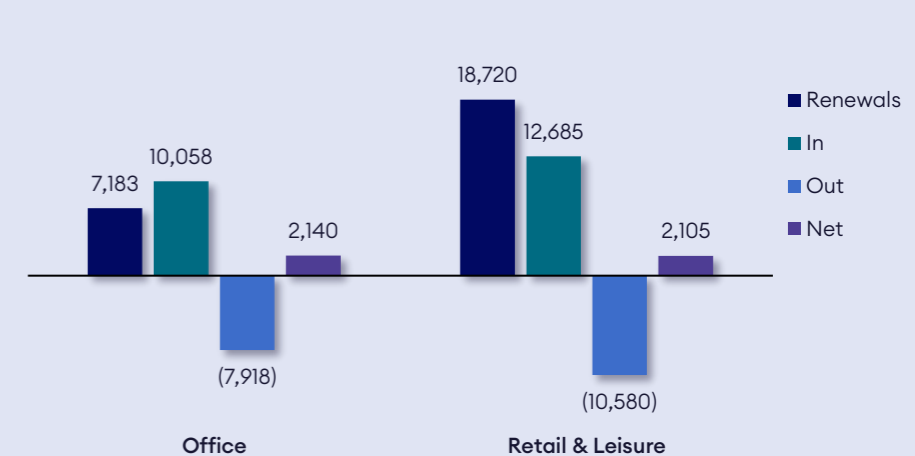
**Lease maturity profile as of 31 December 2024**  
% of contractual rent to first break option



**Lease maturity profile as of 31 December 2024**  
% of contractual rent to end of contract



**Leasing activity in January – December 2024**  
sq. m.



## Portfolio and market overview

**At the end of Q4 2024, the property portfolio of Baltic Horizon Fund consisted of 12 cash flow-generating properties in the Baltic capitals. Baltic Horizon Fund 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.**

In 2024, the Baltic commercial real estate market experienced varied dynamics across its sectors. Investment activity remained subdued, with total volumes below EUR 1 billion, marking the lowest level since 2015. Elevated interest rates contributed to reduced transaction numbers and exerted upward pressure on yields. With decreasing EURIBOR rates and improving financing conditions investment volume is likely to increase in 2025.

During the year competition in the office segment increased due to new projects completed in all Baltic capitals that increased the supply by more than 40,000 sq. m. Rental rates largely stabilized across the region, though landlords became more flexible with fit-out incentives and lease terms to attract tenants.

In the retail sector, while foot traffic in shopping centres rebounded, spending patterns remained cautious, influenced by inflation and economic uncertainty. From the supply perspective, some major retail projects progressed, but overall expansion was modest and cautious due to changing shopping habits of the customers.

While challenges persist, the Baltic commercial real estate market shows signs of cautious optimism for 2025. Despite improving forecasts, the Baltic Horizon Fund maintains a prudent approach and will continue striving to enhance portfolio occupancy by offering multiuse spaces and aligning with the evolving needs of tenants and local communities.

### Retail portfolio development and future focus

In recent years, shopping centres have evolved from purely retail-focused spaces into multifunctional lifestyle destinations. Visitors now seek more than just shopping—they expect experiences, entertainment, and social engagement. Adapting to this shift, the Fund has been introducing not only new retail names including IKI, ARKET, H&M Home, but also dining areas, wellness facilities and even cultural events in its retail properties.

Introduction of the new stores, dining and entertainment options at Galerija Centrs, including the 2,000 sq. m interactive entertainment centre Kosmopark, operated by Expo GROUP, opened at the end of September, has triggered a 3% increase in the number of visitors and turnovers. We expect footfall to increase even further after the opening of MytFitness, that signed a 2,000 sq. m 12-year lease agreement in Galerija Centrs. New tenants contribute not only to higher occupancy but 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. Next openings include new entertainment concept Danger park opening in H1 2025 and the replanned restaurant zone on the first floor. Our current focus is on finding the best tenant mix to accommodate the needs of the visitors and consequently lease out the vacant areas. The Fund is engaged in advanced negotiations with well-known fashion leaders and co-working operators. These efforts evidence exceptional performance of the leasing team as well as the Fund's commitment to accommodate the needs of the surrounding communities.

The Postimaja and CC Plaza complex is now fully leased. By partnering with Apollo Group as the anchor tenant, we will revitalize the complex into a dynamic urban hub, offering a rich blend of entertainment, dining, and retail experiences.



**Office portfolio development and future focus**

In recent years the work landscape has notably shifted towards hybrid models, blending remote and on-site work. As a result, more and more tenants are looking for smaller office spaces and flexible leases. To address the evolving office reality, Baltic Horizon has been revitalizing larger vacant office areas, transforming them into flexible working spaces to adapt to tenant needs as well as looking for ways to adapt the office space for other use.

We have successfully extended all major lease agreements in our office portfolio that we expected to extend during 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, longer leases and lower tenant turnover.

Accomplishments in our leasing strategy include recent agreements with the International School of Riga in S27 for 3,680 sq. m. 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 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 occupancy in the building to over 86%.

North Star in Vilnius has seen increased interest from tenants during the year, 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.

To adapt to changing market conditions, the Fund is proactively working to lease out existing office vacancies.

In Q4 2024 the Fund signed a significant agreement with the International School of Riga, a leading provider of international education serving students from preschool through high school, set to open in an area of approx. 3,689 sq. m of S27 at the end of 2025. This marks a significant milestone for the Fund, recognising its efforts to stand out in the market by adapting to tenant needs and thinking beyond the traditional use of the office space. With the school occupying approximately half of the building, we have been working on the several concepts for the remaining vacancy.

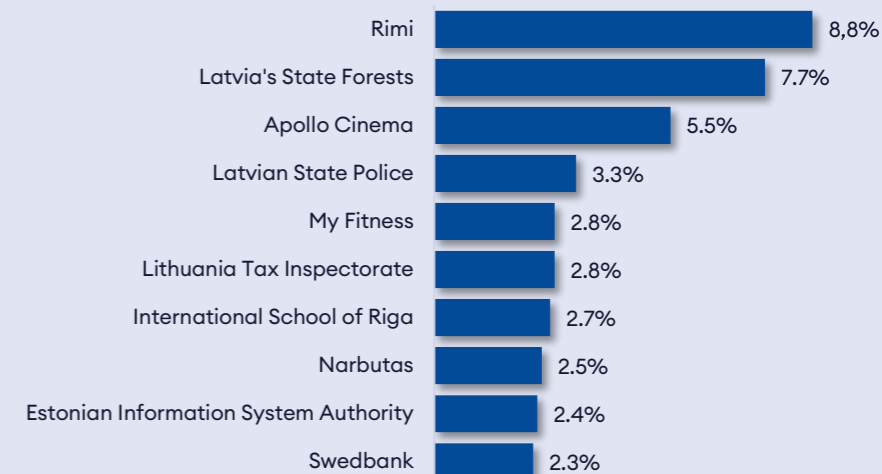
Furthermore, we are currently in intensive negotiations to optimize occupancy in the Lincona building. Recent expansion of space by the existing tenant, the Estonian Information System Authority, increased the occupancy of the building close to 90% at the end of December and with new leases signed after the year-end occupancy exceeded 92% at the end of January 2025.

Upmalas has attracted a lot of interest from 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 remaining 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 during 2025.

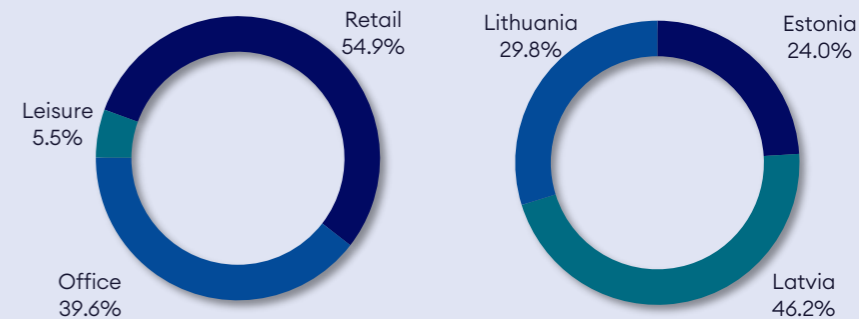
In 2025, the Fund will continue trying different concepts and reshaping its properties in order to meet the evolving needs of the tenants, customers and the surrounding communities.

**Rental concentration of the Fund as of 31 December 2024**



Other tenants represent 59.3%.

**Fund segment and country distribution as of 31 December 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 Q4 2024, the average actual occupancy of the portfolio was 81.0% (Q3 2024: 80.1%). The occupancy rate increased to 82.1% as of 31 December 2024 (30 September 2024: 80.5%).

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, expectations to them have been fulfilled, as evidenced by the recently acquired strong leads and signed significant agreements including with the International School of Riga in S27 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 2024, the Fund signed new leases for approximately 22,700 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 2024 figures and will start generating income and positively impact yields in 2025.

### Overview of investment properties as of 31 December 2024

Property	Sector	Acqui- sition year	Fair value <sup>1</sup> (EUR '000)	NLA (sq. m)	Direct property yield Q1-Q4 2024 <sup>2</sup>	Net initial yield Q1-Q4 2024 <sup>3</sup>	Occu- pancy rate	NOI development			
								2024	2023	2022	2021
Europa SC	Retail	2015	35,946	17,092	2.3%	2.8%	80.6%	1,010	1,508	1,028	1,006
North Star	Office	2019	19,548	10,734	6.5%	7.0%	91.8%	1,374	1,495	1,371	1,208
Meraki	Office	2022	16,380 <sup>7</sup>	7,833	1.2%	1.5%	86.3%	249	63	(101)	-
<b>Total Vilnius</b>			<b>71,874</b>	<b>35,659</b>	<b>3.0%</b>	<b>3.6%</b>	<b>85.2%</b>	<b>2,633</b>	<b>3,066</b>	<b>2,298</b>	<b>2,214</b>
Upmalas Biroji	Office	2016	19,224	11,203	3.7%	4.2%	64.1%	823	1,318	1,763	1,740
Vainodes I	Office	2017	15,900	8,128	8.8%	8.8%	100.0%	1,432	1,431	1,383	1,449
S27	Office	2018	11,360	7,303	(0.6%)	(0.9%)	-	(85)	814	1,132	1,088
Sky SC	Retail	2013	4,900	3,260	8.6%	8.5%	100.0%	446	420	423	395
Galerija Centrs	Retail	2019	60,020	19,423	3.2%	4.1%	84.7%	2,536	2,139	2,193	1,448
<b>Total Riga</b>			<b>111,404</b>	<b>49,317</b>	<b>3.7%</b>	<b>4.5%</b>	<b>71.0%</b>	<b>5,152</b>	<b>6,122</b>	<b>6,894</b>	<b>6,120</b>
Postimaja & CC Plaza complex	Retail	2018	21,800	9,232	3.7%	6.7%	100.0%	1,926	2,126	2,044	1,805
Postimaja & CC Plaza complex	Leisure	2015	13,190	7,869	4.8%	4.3%	97.7%				
Lincona	Office	2011	13,100	10,767	6.4%	7.4%	88.5%	1,038	1,068	1,102	1,114
Pirita SC	Retail	2016	9,790	5,425	6.7%	9.2%	97.1%	839	761	664	484
<b>Total Tallinn</b>			<b>57,880</b>	<b>33,293</b>	<b>4.9%</b>	<b>6.7%</b>	<b>95.3%</b>	<b>3,803</b>	<b>3,955</b>	<b>3,810</b>	<b>3,403</b>
<b>Total active portfolio</b>			<b>241,158</b>	<b>118,269</b>	<b>3.8%</b>	<b>4.7%</b>	<b>82.1%</b>	<b>11,588</b>	<b>13,143</b>	<b>13,002</b>	<b>11,737</b>
<b>Total disposed properties<sup>4-6</sup></b>									<b>1,478</b>	<b>4,428</b>	<b>5,267</b>
<b>Total portfolio</b>			<b>241,158</b>	<b>118,269</b>	<b>3.8%</b>	<b>4.7%</b>	<b>82.1%</b>	<b>11,588</b>	<b>14,621</b>	<b>17,430</b>	<b>17,004</b>

1. Based on the latest valuation as of 31 December 2024 and recognised right-of-use assets.

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 value measured at disposal price. Market value according to independent property valutors Newsec is EUR 17,490,000.



The Fund's portfolio produced EUR 11.6 million of net operating income (NOI) during 2024 (2023: EUR 14.6 million). Like-for-like net rental change income 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 twelve 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. A significant part of the vacancies are already addressed by signing the agreements with Latvian State Police in Upmalas and the International School of Riga in S27. Active negotiations regarding remaining vacant areas in these buildings are currently held with possible tenants.

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 at the end of 2023, 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. m. 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 22.0% 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, with the most recent move in to the premises in December being Narbutas.

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 5 new tenants including Maisto Bankas, Edrana Baltic and FSQUARE were signed during the last quarters.

### EPRA like-for-like net rental income by segment

EUR '000	Fair value 31.12. 2024	Net rental income 2024	Net rental income 2023	Change (EUR '000)	Change
<b>Like-for-like assets</b>					
Retail	132,456	6,178	6,147	32	0.5%
Office	95,512	4,831	6,189	(1,359)	(22.0%)
Leisure	13,190	579	807	(228)	(28.3%)
<b>Total like-for-like assets</b>	<b>241,158</b>	<b>11,588</b>	<b>13,143</b>	<b>(1,555)</b>	<b>(11.8%)</b>
Disposed assets	-	-	1,474	(1,474)	(100.0%)
<b>Total portfolio assets</b>	<b>241,158</b>	<b>11,588</b>	<b>14,617</b>	<b>(3,029)</b>	<b>(20.7%)</b>

### EPRA like-for-like net rental income by country

EUR '000	Fair value 31.12. 2024	Net rental income 2024	Net rental income 2023	Change (EUR '000)	Change
<b>Like-for-like assets</b>					
Estonia	57,880	3,803	3,955	(152)	(3.8%)
Latvia	111,404	5,149	6,122	(973)	(15.9%)
Lithuania	71,874	2,636	3,066	(430)	(14.0%)
<b>Total like-for-like assets</b>	<b>241,158</b>	<b>11,588</b>	<b>13,143</b>	<b>(1,555)</b>	<b>(11.8%)</b>
Disposed assets	-	-	1,474	(1,474)	(100.0%)
<b>Total portfolio assets</b>	<b>241,158</b>	<b>11,588</b>	<b>14,617</b>	<b>(3,029)</b>	<b>(20.7%)</b>

# Property valuation

All real estate properties belonging to the Fund must be appraised at least once a year at the end of the financial year to determine the market value of the real estate portfolio. The Fund's property portfolio was appraised twice in 2023 and in 2024 by an independent real estate appraiser. External property appraisals in 2023 and 2024 were carried out as of 30 June and 31 December.

The Management Company ensures that 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 evaluates real estate belonging to the Fund. As of 31 December 2023, external valuations were performed by the independent property valuers Colliers International and Newsec. In 2024 a tender process was organized, and a new external appraiser, Newsec, was approved to value the Fund's properties for the next 3 years with the first valuation after the approval carried out as at the end of June 2024.

Independent appraisals are performed in accordance with the Practice Statements and Relevant Guidance Notes of the RICS Appraisal and Valuation approved by both the International Valuation Standards Committee (IVSC) and the European Group of Valuers' Associations (TEGoVA). The appraisal methodology employed by the external appraiser is explained in more detail in note 10 to the financial statements.

The like-for-like fair value of the portfolio as of 31 December 2024 decreased to EUR 241.1 million compared to EUR 250.4 million as of 31 December 2023. During 2024, the Fund recognised valuation losses on investment properties of EUR 9.2 million (2023: a loss of EUR 18.6 million).

The switch to a new property appraiser often results in minor fluctuations in property values due to differences in interpretation of data, as seen in the results of the valuation conducted as of 31 December 2024 and 31 December 2023.

The largest decrease in value was recorded for Galerija Centrs (EUR -6.8 million) and S27 (EUR -3.9 million). The downward value adjustment was driven by higher vacancy, lower rental income assumptions and estimated fit-out costs. The change in portfolio value was also driven by the changes in exit yields and upward adjustments of the weighted average cost of capital (WACC) in 2024.

The table on the right shows movements in the fair value of the Baltic Horizon Fund investment portfolio during 2024. The values of the properties, which are based on the valuation of investment properties performed by Newsec, have been increased by the value of right-of-use assets (IFRS 16). The table on the right does not reflect any capital investments during the year.

For a summary of property valuations, please visit the Fund's website.

## Portfolio fair value movements by segment

EUR '000	Fair value 31.12. 2024	Fair value 31.12. 2023	Change (EUR '000)	Change (%)	Proportion of portfolio (%) 31.12.2024
<b>Like-for-like assets</b>					
Retail	132,456	135,259	(2,803)	(2.1%)	54.9%
Office	95,512	101,886	(6,374)	(6.3%)	39.6%
Leisure	13,190	13,240	(50)	(0.4%)	5.5%
<b>Total like-for-like assets</b>	<b>241,158</b>	<b>250,385</b>	<b>(9,227)</b>	<b>(3.7%)</b>	
<b>Total portfolio assets</b>	<b>241,158</b>	<b>250,385</b>	<b>(9,227)</b>	<b>(3.7%)</b>	

## Portfolio fair value movements by country

EUR '000	Fair value 31.12. 2024	Fair value 31.12. 2023	Change (EUR '000)	Change (%)	Proportion of portfolio (%) 31.12.2024
<b>Like-for-like assets</b>					
Estonia	57,880	56,180	1,700	3.0%	24.0%
Latvia	111,404	121,400	(9,996)	(8.2%)	46.2%
Lithuania	71,874	72,805	(931)	(1.3%)	29.8%
<b>Total like-for-like assets</b>	<b>241,158</b>	<b>250,385</b>	<b>(9,227)</b>	<b>(3.7%)</b>	
<b>Total portfolio assets</b>	<b>241,158</b>	<b>250,385</b>	<b>(9,227)</b>	<b>(3.7%)</b>	

# Sustainability

## Certification

In October Meraki received its final BREEAM new construction certificate with the grade Excellent. In addition, the BREEAM in-use certificate for North Star was successfully renewed with the grade very good. Our portfolio is 100% BREEAM certified.

## GRESB benchmarking

GRESB evaluation has become an integral self-evaluation tool and a guide for improvement, which also contributes to the achievement of the sustainability goals for the Fund. The 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. North Star and Meraki PPAs became effective in Q2 2024 and the properties receive most of their electricity from solar and wind farms. Further PPAs will become effective in the beginning of 2025. The Fund is constantly seeking new methods to increase the use of renewable energy.

## Green leases

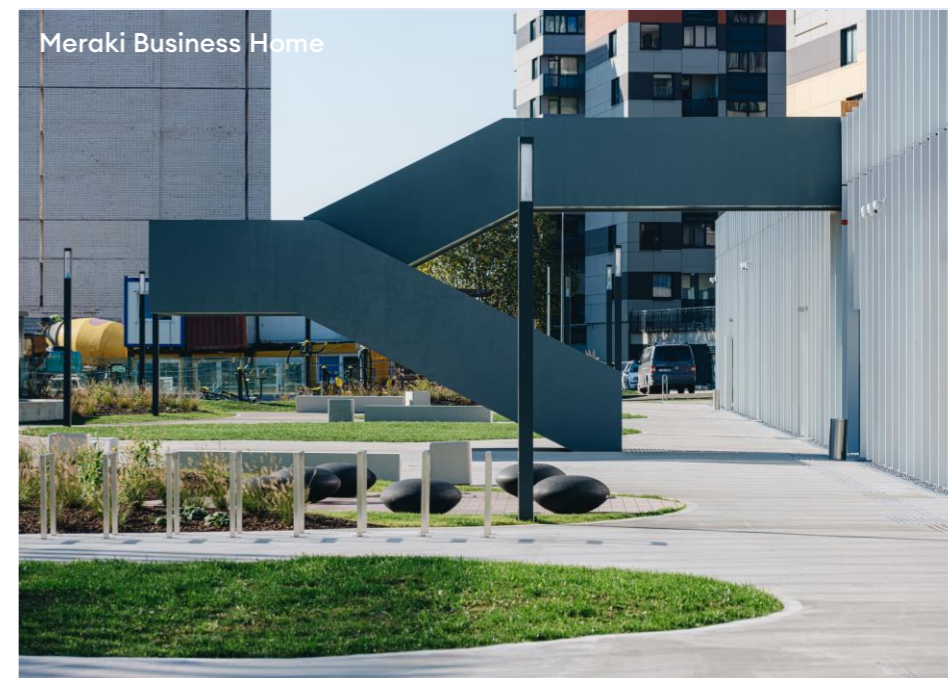
Achieving our sustainability targets would be impossible without cooperation with our tenants. To ensure that our sustainability efforts will lead to a successful futureproofing of our real estate assets, we have started including green lease clauses in our standard lease agreements. Green lease clauses, 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 Q4 2024 our retail portfolio reached 97% coverage with green lease agreements. The office portfolio green lease coverage was 99%, making the total green lease coverage 98%.

## 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 Q4 2024, the Fund's team implemented and supported various projects to forge partnerships and build community connections.

In October, Galerija Centrs hosted the event “Beneficial Journeys”, an initiative by the Society Integration Foundation. The event aimed to raise awareness about discrimination based on age, disability, and ethnicity, promoting inclusivity, especially among young people. Participants took part in a unique journey, listening to the stories of peers and discovering different perspectives to better understand the challenges faced by marginalized groups.

Based on the partnership between Baltic Horizon and the Lithuanian Red Cross, Europa shopping centre has hosted several events of the Red Cross aimed at raising awareness of health and safety. On 11-15 November, Europa shopping mall volunteers and the employees of the Lithuanian Red Cross invited visitors to learn more about civil safety, the Family Crisis plan, a Go Bag and let them practise packing a Go Bag in order to learn more about acting during major disasters and crises.



## 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 2024, the Group recorded a net loss of EUR 16.8 million compared with a net loss of EUR 23.0 million for 2023. The result was mainly driven by the property valuation loss. Earnings per unit for 2024 were negative at EUR 0.13 (2023: negative at EUR 0.19).

The Group earned consolidated net rental income of EUR 11.6 million in 2024 (2023: 14.6 million). The results for 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 2024 was 11.8% lower than in 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 53.3% (like-for-like 2023: 43.6%) of net rental income in 2024, followed by the office segment with 41.7% (like-for-like 2023: 50.9%) and the leisure segment with 5.0% (2023: 5.5%).

Retail assets located in the central business districts (Postimaja, Europa and Galerija Centrs) accounted for 42.2% of total portfolio net rental income in 2024. Total net rental income attributable to neighbourhood shopping centres was 11.1% in 2024.

In 2024, investment properties in Latvia and Lithuania contributed 44.4% (like-for-like 2023: 41.8%) and 22.8% (like-for-like 2023: 31.1%) of net rental income, respectively, while investment properties in Estonia contributed 32.8% (like-for-like 2023: 27.1%).

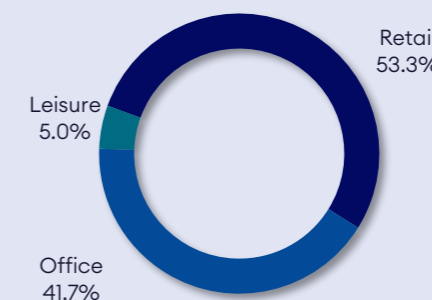
### Gross Asset Value (GAV)

As of 31 December 2024, the Fund's GAV was EUR 256.0 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 9.5 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.

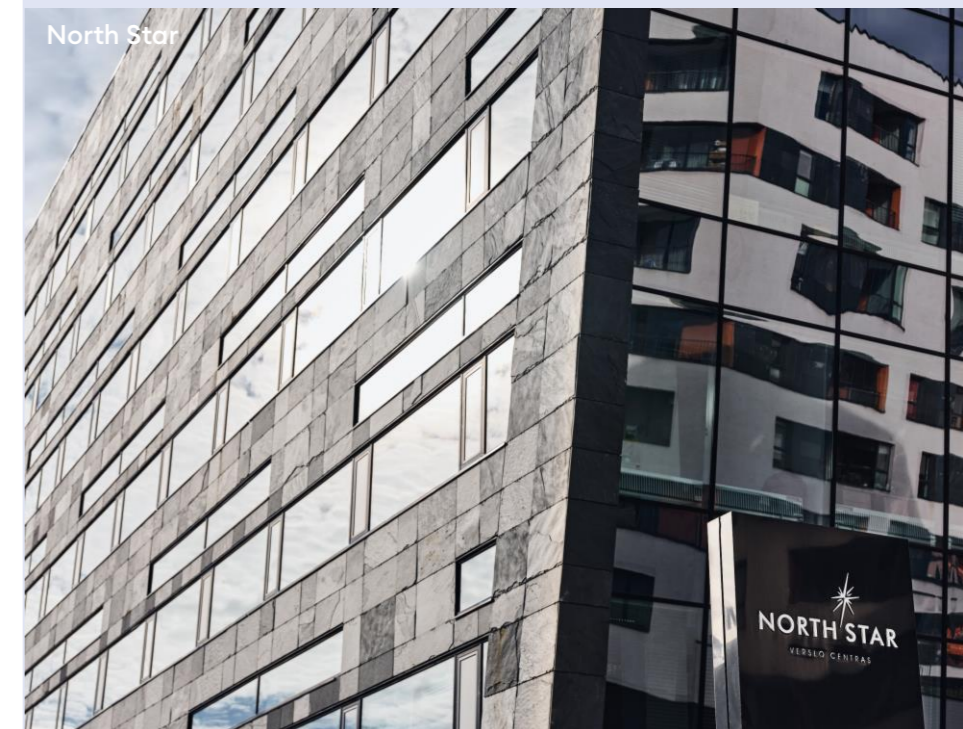
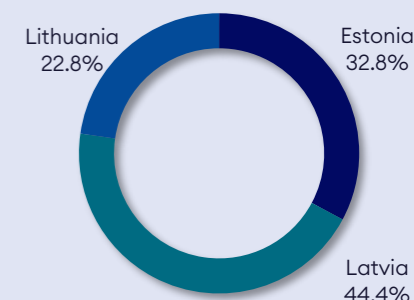
### Investment properties

At the end of Q4 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 241.2 million at the end of December 2024 (31 December 2023: EUR 250.4 million) and incorporated a total net leasable area of 118.3 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 2024 the Group invested approximately EUR 6.0 million in tenant fit-outs.

Net rental income by segment Q1-Q4 2024



Net rental income by country Q1-Q4 2024



## Interest-bearing loans and bonds

As of 31 December 2024, interest-bearing loans and bonds (excluding lease liabilities) were EUR 149.0 million (31 December 2023: EUR 143.5 million). Annual loan amortisation accounted for 1.5% 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 31 December 2024, the Fund's consolidated cash and cash equivalents amounted to EUR 10.1 million (31 December 2023: EUR 6.2 million).

## Cash flow

Cash inflow from core operating activities in 2024 amounted to EUR 9.9 million (2023: cash inflow of EUR 11.4 million). Cash inflow from core operating activities decreased mainly due to the 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 7.0 million (2023: cash inflow of EUR 19.9 million) due to investments in existing properties and transaction costs. Cash inflow from financing activities was EUR 1.0 million (2023: cash outflow of EUR 30.5 million). In Q4 2024, the Fund prepaid loans in the amount of EUR 2.7 million and paid regular amortisation and interest on bank loans and bonds.

## Net Asset Value (NAV)

As of 31 December 2024, the Fund's NAV was EUR 98.1 million (31 December 2023: EUR 109.5 million). The NAV decrease was mainly due to the revaluation of investment properties. At the end of September 2024 new units were issued resulting in approx. EUR 6.29 million of new equity. As of 31 December 2024, IFRS NAV per unit amounted to EUR 0.6833 (31 December 2023: EUR 0.9156), while EPRA net tangible assets and EPRA net reinstatement value were EUR 0.7267 per unit (31 December 2023: EUR 0.9546). EPRA net disposal value was EUR 0.6797 per unit (31 December 2023: EUR 0.9122).

## Key earnings figures

EUR '000	Q1-Q4 2024	Q1-Q4 2023	Change (%)
<b>Net rental income</b>	<b>11,588</b>	<b>14,617</b>	<b>(20.7%)</b>
Administrative expenses	(2,373)	(2,617)	(9.3%)
Net other operating income (expenses)	18	44	(59.1%)
Losses on disposal of investment properties	(863)	(4,047)	(78.7%)
Valuation losses on investment properties	(15,581)	(21,876)	(28.8%)
<b>Operating loss</b>	<b>(7,211)</b>	<b>(13,879)</b>	<b>(48.0%)</b>
Net financial expenses	(10,344)	(9,750)	6.1%
<b>Loss before tax</b>	<b>(17,555)</b>	<b>(23,629)</b>	<b>(25.7%)</b>
Income tax	774	656	18.0%
<b>Loss for the period</b>	<b>(16,781)</b>	<b>(22,973)</b>	<b>(27.0%)</b>
Number of units outstanding (units)	143,562,514	119,635,429	20.0%
<b>Earnings per unit (EUR)</b>	<b>(0.12)</b>	<b>(0.19)</b>	<b>(39.1%)</b>



## Key financial position figures

EUR '000	31.12.2024	31.12.2023	Change (%)
Investment properties	241,158	250,385	(3.7%)
<b>Gross asset value (GAV)</b>	<b>256,048</b>	<b>261,138</b>	<b>(1.9%)</b>
Interest-bearing loans and bonds	148,989	143,487	3.8%
<b>Total liabilities</b>	<b>157,953</b>	<b>151,606</b>	<b>4.2%</b>
<b>IFRS NAV</b>	<b>98,095</b>	<b>109,532</b>	<b>(10.4%)</b>
<b>EPRA NRV</b>	<b>104,333</b>	<b>114,205</b>	<b>(8.6%)</b>
Number of units outstanding (units)	143,562,514	119,635,429	20.0%
<b>IFRS NAV per unit (EUR)</b>	<b>0.6833</b>	<b>0.9156</b>	<b>(25.4%)</b>
<b>EPRA NRV per unit (EUR)</b>	<b>0.7267</b>	<b>0.9546</b>	<b>(23.9%)</b>
Loan-to-Value ratio (%)	61.8%	57.3%	-
Average effective interest rate (%)	6.7%	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 2024, regular bank loan amortisation was 1.5% p.a. (EUR 2.2 million p.a.). As of the end of Q4 2024, the LTV ratio temporarily increased to 61.8%, compared to 57.3% as of 31 December 2023. The average interest rate as of 31 December 2024 increased to 6.7% (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 December 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-Q4 2024, and the remaining amount of EUR 0.5 million will be paid out January 2025 to finance the Meraki fit-out. On 24 July 2024, the Galerija Centrs bank loan was extended until August 2025. S27 and Vainodes loans were extended until March 2025.

On December 12, 2024, CC Plaza successfully refinanced its loan previously held with Swedbank, entering into a new agreement with Bigbank. As part of the refinancing, the carrying amount of the loan was increased by EUR 4.4 million.

The table on the right provides a detailed breakdown of the structure of the Fund's consolidated financial debt as of 31 December 2024. Interest-bearing debt was comprised of bank loans with a total carrying value of EUR 127.6 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 31 December 2024, the unamortised balance of loan arrangement costs for all loans and bonds was EUR 641 thousand.

The weighted average debt term to maturity was 2.8 years and the weighted average hedge term to maturity was 1.3 years as of 31 December 2024.

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

**Maturity terms of loans, bonds and hedges as of 31 December 2024**  
EUR'000



## Financial debt structure of the Fund as of 31 December 2024

Property	Maturity	Currency	Carrying amount (EUR '000)	% of total	Hedged portion (%)
Galerija Centrs	26 August 2025	EUR	29,000	19.4%	103%
CC Plaza and Postimaja	15 November 2029	EUR	21,000	14.0%	0%
Europa SC	31 January 2029	EUR	15,610	10.4%	115%
Upmalas Biroji BC	2 August 2028	EUR	10,000	6.7%	0%
Vainodes I	31 March 2025	EUR	9,915	6.6%	50%
North Star	5 February 2029	EUR	8,951	6.0%	101%
S27	31 March 2025	EUR	7,665	5.1%	0%
Lincona	31 December 2027	EUR	8,697	5.8%	92%
Pirita SC	20 February 2026	EUR	4,369	2.9%	92%
Sky SC	31 January 2028	EUR	2,613	1.8%	90%
Meraki	15 June 2029	EUR	9,810	6.6%	112%
<b>Total bank loans</b>		<b>EUR</b>	<b>127,630</b>	<b>85.3%</b>	
Less capitalised loan arrangement fees <sup>1</sup>		EUR	(131)		
<b>Total bank loans recognised in the statement of financial position</b>		<b>EUR</b>	<b>127,499</b>		
5-year secured bonds (short-term) 7 November 2025		EUR	3,000	2.0%	
5-year secured bonds (long-term) 8 May 2028		EUR	19,000	12.7%	
<b>Total bonds</b>		<b>EUR</b>	<b>22,000</b>	<b>14.7%</b>	
Less capitalised bond arrangement fees <sup>1</sup>		EUR	(510)		
<b>Total bonds recognised in the statement of financial position</b>		<b>EUR</b>	<b>21,490</b>		
<b>Total debt recognised in the statement of financial position</b>		<b>EUR</b>	<b>148,989</b>	<b>100.0%</b>	

**Hedging policy and new hedges**

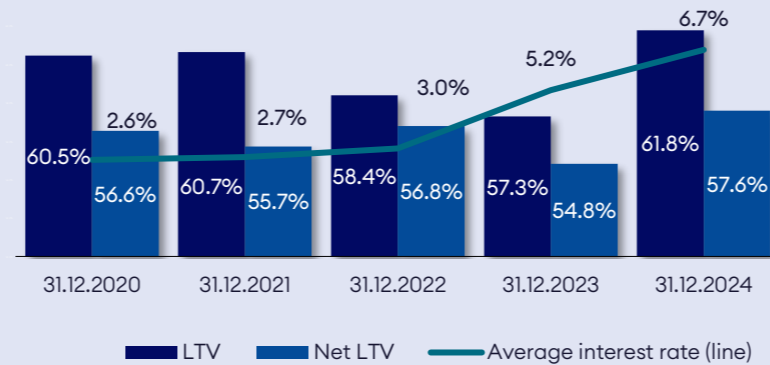
As of 31 December 2024, 75.9% of total debt was hedged against interest rate risk while the remaining 24.1% had floating interest rates. The Fund hedges interest rates on a portion of its debt by acquiring IRS-type hedging instruments or limits the impact of rising interest rates with interest rate cap instruments (CAP).

**Covenant reporting**

As of 31 December 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 30 September 2024.

As of 31 December 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, Sky and S27 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 31 December 2024**



**Financial covenants of secured bonds issued at the Fund level as of 31 December 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 31.12.2024
Equity Ratio	> 37.5%*	38.3%
Debt Service Coverage Ratio	> 0.75**	0.78

\* 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.



## EPRA Net asset value 31.12.2024

EUR '000	EPRA NRV	EPRA NTA	EPRA NDV
<b>IFRS NAV</b>	<b>98,095</b>	<b>98,095</b>	<b>98,095</b>
<i>Exclude:</i>			
V. Deferred tax liability on investment properties <sup>1</sup>	5,818	5,818	
V. Deferred tax on fair value of financial instruments	(18)	(18)	
VI. Fair value of financial instruments	438	438	
<i>Include:</i>			
IX. Revaluation at fair value of fixed-rate loans	-	-	(510)
<b>NAV</b>	<b>104,333</b>	<b>104,333</b>	<b>97,585</b>
Fully diluted number of units	143,562,514	143,562,514	143,562,514
<b>NAV per unit (EUR)</b>	<b>0.7267</b>	<b>0.7267</b>	<b>0.6797</b>

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
<b>IFRS NAV</b>	<b>109,532</b>	<b>109,532</b>	<b>109,532</b>
<i>Exclude:</i>			
V. Deferred tax liability on investment properties <sup>1</sup>	5,204	5,204	-
V. Deferred tax on fair value of financial instruments	40	40	-
VI. Fair value of financial instruments	(571)	(571)	-
<i>Include:</i>			
IX. Revaluation at fair value of fixed-rate loans	-	-	(401)
<b>NAV</b>	<b>114,205</b>	<b>114,205</b>	<b>109,131</b>
Fully diluted number of units	119,635,429	119,635,429	119,635,429
<b>NAV per unit (EUR)</b>	<b>0.9546</b>	<b>0.9546</b>	<b>0.9122</b>

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 Earnings Q4 2024

EUR '000	Q4 2024	Q4 2023	Q1-Q4 2024	Q1-Q4 2023
<b>Net result IFRS</b>	<b>(3,382)</b>	<b>(7,757)</b>	<b>(16,781)</b>	<b>(22,973)</b>
<i>Exclude:</i>				
I. Changes in fair value of investment properties	3,052	7,250	15,581	21,876
II. Profits or losses on disposal of investment properties	245	237	863	4,047
VIII. Deferred tax in respect of EPRA adjustments	(487)	53	(804)	(656)
<b>EPRA Earnings</b>	<b>(572)</b>	<b>(217)</b>	<b>(1,141)</b>	<b>2,294</b>
Weighted number of units during the period	143,562,514	119,635,429	126,303,633	119,635,429
<b>EPRA Earnings per unit</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>0.02</b>

### EPRA LTV as of 31 December 2024

EUR '000	31.12.2024	31.12.2023
<b>Net debt</b>		
<i>Include:</i>		
Borrowings from financial institutions	127,630	109,509
Bond loans	22,000	34,500
Net payables	1,463	1,018
<i>Exclude:</i>		
Cash and cash equivalents	(10,053)	(6,182)
<b>Net debt (A)</b>	<b>141,040</b>	<b>138,845</b>
<b>Property value</b>		
<i>Include:</i>		
Investment properties at fair value	241,158	250,385
<b>Total property value (B)</b>	<b>241,158</b>	<b>250,385</b>
<b>EPRA LTV (A/B)</b>	<b>58.5%</b>	<b>55.5%</b>

# 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 (SDRs) on the Nasdaq Stockholm Stock Exchange started on 31 October 2022.

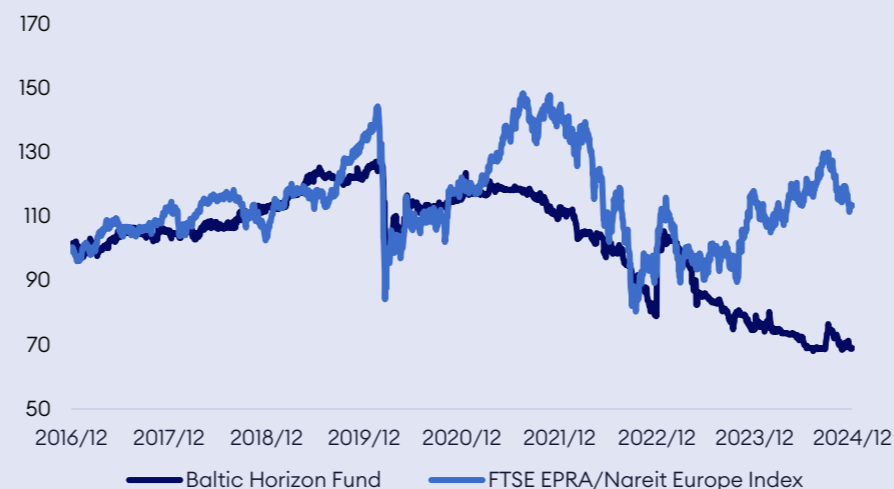
## Trading information

As of 31 December 2024, the market capitalisation for Baltic Horizon Fund was approx. EUR 36.2 million (31 December 2023: EUR 37.7 million) based on the closing unit market prices on the Nasdaq Tallinn Stock Exchange. During 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 December 2024, the closing unit price on the Nasdaq Tallinn Stock Exchange was EUR 0.2521.

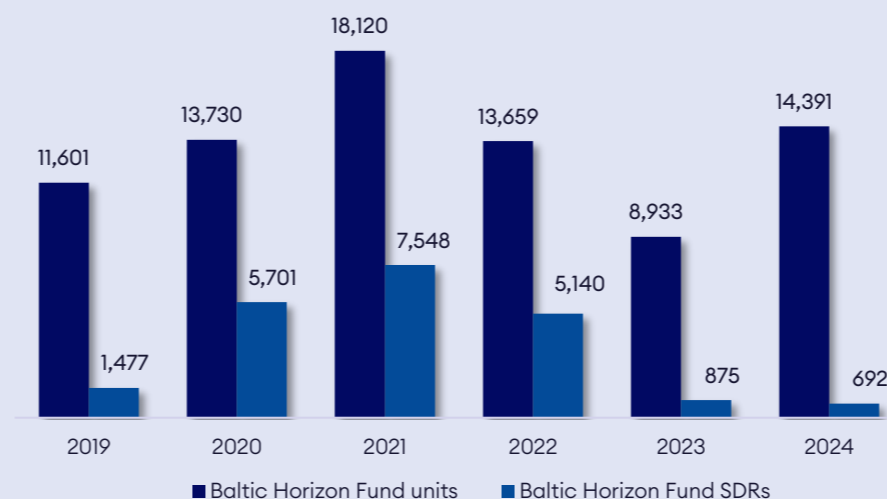
Baltic Horizon Fund's total shareholder return on the unit during Q4 2024 amounted to a negative 18.1%. Total shareholder return for a given period is equivalent to the movement in the unit price on the Nasdaq Tallinn Stock Exchange over the period plus dividends paid, divided by the opening unit price.

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 Q4 2024. The total Q1-Q4 2024 trading volume reached approx. 15.1 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	31.12.2024	31.12.2023
Number of units issued (units)	143,562,514	119,635,429
Market capitalisation <sup>1</sup> (EUR)	36,192,110	37,685,160
IFRS NAV per unit (EUR)	0.6833	0.9156
Unit price discount from IFRS NAV per unit <sup>2</sup> (%)	(63.1%)	(65.6%)
EPRA NRV per unit (EUR)	0.7267	0.9546
Unit price discount from EPRA NRV per unit <sup>3</sup> (%)	(65.3%)	(67.0%)
<b>Nasdaq Tallinn:</b>		
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)	0.2521	0.3150
<b>Nasdaq Stockholm:</b>		
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)	2.76	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 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 December 2024, units were traded at a 63.1% discount compared to the IFRS NAV per unit and 65.3% 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.

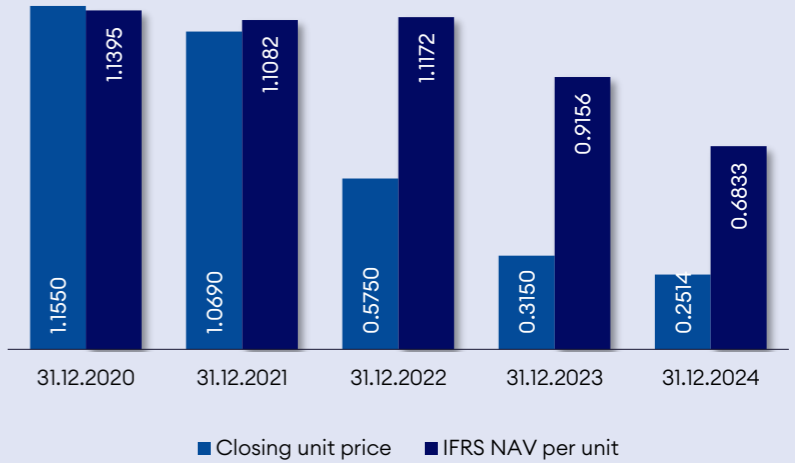
The Management Company of Baltic Horizon Fund has approved changes to cash distribution frequency. Starting from July 2022, Baltic Horizon Fund's quarterly cash distribution frequency was changed. At the Annual General Meeting the decision was announced to withhold the dividend payments in 2024 to strengthen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

Jūratē Gaspariūnienē

Aušra Stankevičienē

### Members of the Supervisory Board of the Management Company

Lars Ohnemus (Chairman)

Nerijus Žebrauskas

Daiva Liubomirskienē

### 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
<b>Market risk</b>	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.
<b>Liquidity risk</b>	<p>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.</p> <p>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.</p> <p>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.</p>





Risk	Risk description
<b>Interest rate risk</b>	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.
<b>General property related risks</b>	<p>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.</p> <p>Investments may also be needed for buildings to meet changing tenants' needs and regulatory or environmental requirements.</p>

# Financial calendar 2025



6 February	■ Interest rate applicable to the bonds for the next interest period
17 February	■ Interim Financial Statements for 12 months of 2024
17 February	■ NAV January
17 March	■ NAV February
31 March	■ Audited annual report for 2024
15 April	■ NAV March
24 April	■ Audited annual report for 2024 of the management company Northern Horizon Capital AS
6 May	■ Interest rate applicable to the bonds for the next interest period
18 May	■ Interim Financial Statements for 3 months of 2025
15 May	■ NAV April
2 June	■ Annual General Meeting of investors
16 June	■ NAV May
15 July	■ NAV June
6 August	■ Interest rate applicable to the bonds for the next interest period
7 August	■ Interim Financial Statements for 6 months of 2025
15 August	■ NAV July

15 September	■ NAV August
15 October	■ NAV September
6 November	■ Interest rate applicable to the bonds for the next interest period
7 November	■ Interim Financial Statements for 9 months of 2025
17 November	■ NAV October
15 December	■ NAV November

**Stay up to date with Baltic Horizon**  
 Register on [www.baltichorizon.com](http://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](https://www.linkedin.com/company/baltichorizon) and on [LinkedIn](https://www.linkedin.com/company/baltichorizon), [Facebook](https://www.facebook.com/baltichorizon), [X](https://twitter.com/baltichorizon), and [YouTube](https://www.youtube.com/baltichorizon).

# Management Board's confirmation

Members of the Management Board of the Management Company Tarmo Karotam, Aušra Stankevičienė, and Jūratė Gaspariūnienė confirm that according to their best knowledge, the condensed consolidated interim financial statements for twelve 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 twelve 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	01.10.2024	01.10.2023	01.01.2024	01.01.2023
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
Rental income		3,779	3,755	15,136	17,743
Service charge income	5	1,145	1,487	4,744	6,008
Cost of rental activities	5	(2,205)	(2,348)	(8,292)	(9,134)
<b>Net rental income</b>	<b>4</b>	<b>2,719</b>	<b>2,894</b>	<b>11,588</b>	<b>14,617</b>
Administrative expenses	6	(644)	(631)	(2,373)	(2,617)
Other operating income (expenses)		3	29	18	44
Losses on disposal of investment properties		(245)	(237)	(863)	(4,047)
Valuation losses on investment properties	10	(3,052)	(7,250)	(15,581)	(21,876)
<b>Operating loss</b>		<b>(1,219)</b>	<b>(5,195)</b>	<b>(7,211)</b>	<b>(13,879)</b>
Financial income		169	29	196	104
Financial expenses	7	(2,789)	(2,538)	(10,540)	(9,854)
<b>Net financial expenses</b>		<b>(2,620)</b>	<b>(2,509)</b>	<b>(10,344)</b>	<b>(9,750)</b>
<b>Loss before tax</b>		<b>(3,839)</b>	<b>(7,704)</b>	<b>(17,555)</b>	<b>(23,629)</b>
Income tax charge	4, 9	457	(53)	774	656
<b>Loss for the period</b>	<b>4</b>	<b>(3,382)</b>	<b>(7,757)</b>	<b>(16,781)</b>	<b>(22,973)</b>

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

EUR '000	Notes	01.10.2024	01.10.2023	01.01.2024	01.01.2023
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
<b>Other comprehensive income that is or may be reclassified to profit or loss in subsequent periods</b>					
Net loss on cash flow hedges	13b	(446)	(759)	(1,003)	(1,273)
Income tax relating to net loss on cash flow hedges	13b, 9	1	64	52	123
<b>Other comprehensive loss, net of tax, that is or may be reclassified to profit or loss in subsequent periods</b>		<b>(445)</b>	<b>(695)</b>	<b>(951)</b>	<b>(1,150)</b>
<b>Total comprehensive loss for the period, net of tax</b>		<b>(3,827)</b>	<b>(8,452)</b>	<b>(17,732)</b>	<b>(24,123)</b>
<b>Basic earnings per unit (EUR)</b>	<b>8</b>	<b>(0.02)</b>	<b>(0.06)</b>	<b>(0.13)</b>	<b>(0.19)</b>
<b>Diluted earnings per unit (EUR)</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>(0.12)</b>	<b>-</b>

# Consolidated statement of financial position

EUR '000	Notes	31.12.2024	31.12.2023
<b>Non-current assets</b>			
Investment properties	4, 10	241,158	250,385
Intangible assets		4	11
Property, plant and equipment		5	4
Derivative financial instruments	19	1	295
Other non-current assets		1,225	647
<b>Total non-current assets</b>		<b>242,393</b>	<b>251,342</b>
<b>Current assets</b>			
Trade and other receivables	11	2,800	2,591
Prepayments		802	402
Derivative financial instruments	19	-	621
Cash and cash equivalents	12	10,053	6,182
<b>Total current assets</b>		<b>13,655</b>	<b>9,796</b>
<b>Total assets</b>	4	<b>256,048</b>	<b>261,138</b>
<b>Equity</b>			
Paid in capital	13a	151,495	145,200
Cash flow hedge reserve	13b	(420)	531
Retained earnings		(52,980)	(36,199)
<b>Total equity</b>		<b>98,095</b>	<b>109,532</b>

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

EUR '000	Notes	31.12.2024	31.12.2023
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	14	98,491	64,158
Deferred tax liabilities	9	1,898	2,774
Other non-current liabilities		1,446	1,079
<b>Total non-current liabilities</b>		<b>101,835</b>	<b>68,011</b>
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	14	50,736	79,584
Trade and other payables	15	4,473	3,343
Income tax payable		14	6
Other current liabilities		895	662
<b>Total current liabilities</b>		<b>56,118</b>	<b>83,595</b>
<b>Total liabilities</b>	4	<b>157,953</b>	<b>151,606</b>
<b>Total equity and liabilities</b>		<b>256,048</b>	<b>261,138</b>

# Consolidated statement of changes in equity

EUR '000	Notes	Paid in capital	Cash flow hedge reserve	Retained earnings	Total equity
<b>As of 1 January 2023</b>		<b>145,200</b>	<b>1,681</b>	<b>(13,226)</b>	<b>133,655</b>
<b>Comprehensive income (loss)</b>					
Net loss for the period		-	-	(22,973)	(22,973)
Other comprehensive loss		-	(1,150)	-	(1,150)
<b>Total comprehensive loss</b>		<b>-</b>	<b>(1,150)</b>	<b>(22,973)</b>	<b>(24,123)</b>
<b>As of 31 December 2023</b>		<b>145,200</b>	<b>531</b>	<b>(36,199)</b>	<b>109,532</b>
<b>As of 1 January 2024</b>		<b>145,200</b>	<b>531</b>	<b>(36,199)</b>	<b>109,532</b>
<b>Comprehensive income (loss)</b>					
Net loss for the period		-	-	(16,781)	(16,781)
Other comprehensive loss	13b	-	(951)	-	(951)
<b>Total comprehensive loss</b>		<b>-</b>	<b>(951)</b>	<b>(16,781)</b>	<b>(17,732)</b>
Capital increase		6,295	-	-	6,295
<b>As of 31 December 2024</b>		<b>151,495</b>	<b>(420)</b>	<b>(52,980)</b>	<b>98,095</b>

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

# Consolidated statement of cash flows

EUR '000	Notes	01.01.2024 -31.12.2024	01.01.2023 -31.12.2023
<b>Cash flows from core activities</b>			
Loss before tax		(17,555)	(23,629)
<b>Adjustments for non-cash items:</b>			
Value adjustment of investment properties	10	15,581	21,876
Losses on disposal of investment properties		863	4,047
Value adjustment of derivative finance instruments		317	-
Depreciation of property, plant and equipment		6	5
Change in impairment losses for trade receivables	11	202	248
Financial income		(196)	(104)
Financial expenses	7	10,540	9,853
<b>Working capital adjustments:</b>			
Change in trade and other accounts receivable		(411)	(623)
Change in other current assets		(177)	(136)
Change in other non-current liabilities		368	281
Change in trade and other accounts payable		481	(295)
Change in other current liabilities		(84)	(684)
Income tax paid		(43)	-
<b>Total cash flows from core activities</b>		<b>9,892</b>	<b>10,839</b>

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

EUR '000	Notes	01.01.2024 -31.12.2024	01.01.2023 -31.12.2023
<b>Cash flows from investing activities</b>			
Interest received		196	104
Proceeds from disposal of investment property		(863)	25,962
Acquisition of property, plant and equipment and intangible assets		-	(13)
Investment property development expenditure		-	(1,588)
Capital expenditure on investment properties		(6,354)	(4,100)
<b>Total cash flows from investing activities</b>		<b>(7,021)</b>	<b>20,365</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of bonds		-	23,973
Proceeds from bank loans		23,156	14,500
Repayment of bank loans		(5,040)	(19,746)
Repayment of bonds		(12,500)	(39,473)
Transaction costs related to loans and borrowings		(311)	(955)
Proceeds from issue of units		6,295	-
Repayment of lease liabilities		(17)	(15)
Interest paid		(10,583)	(8,653)
<b>Total cash flows from financing activities</b>		<b>1,000</b>	<b>(30,369)</b>
<b>Net change in cash and cash equivalents</b>		<b>3,871</b>	<b>835</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>6,182</b>	<b>5,347</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>10,053</b>	<b>6,182</b>

# 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 Depository 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 Roseni 7, 10111 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	31.12.2024	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 – 31 December 2024**

EUR '000	Retail	Office	Leisure	Total
<b>01.10.2024-31.12.2024:</b>				
External revenue <sup>1</sup>	2,890	1,726	308	4,924
<b>Segment net rental income</b>	<b>1,462</b>	<b>1,119</b>	<b>138</b>	<b>2,719</b>
Net profit (loss) from fair value adjustment	(153)	(3,022)	123	(3,052)
Interest expenses <sup>2</sup>	(962)	(801)	(80)	(1,843)
Income tax income	199	258	-	457
<b>Segment net profit (loss)</b>	<b>325</b>	<b>(2,475)</b>	<b>119</b>	<b>(2,031)</b>
<b>01.01.2024-31.12.2024:</b>				
External revenue <sup>1</sup>	11,756	7,005	1,119	19,880
<b>Segment net rental income</b>	<b>6,178</b>	<b>4,831</b>	<b>579</b>	<b>11,588</b>
Net loss from fair value adjustment	(5,748)	(9,769)	(64)	(15,581)
Interest expenses <sup>2</sup>	(3,509)	(2,785)	(323)	(6,617)
Income tax income (expenses)	394	380	-	774
<b>Segment net loss</b>	<b>(3,160)</b>	<b>(8,019)</b>	<b>115</b>	<b>(11,064)</b>
<b>As of 31.12.2024:</b>				
<b>Segment assets</b>	<b>137,098</b>	<b>98,627</b>	<b>13,431</b>	<b>249,156</b>
Investment properties	132,456	95,512	13,190	241,158
<b>Segment liabilities</b>	<b>70,441</b>	<b>56,633</b>	<b>8,012</b>	<b>135,086</b>

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.

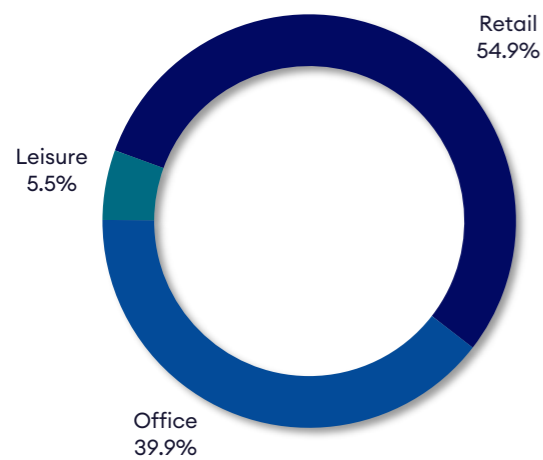
**Operating segments – 31 December 2023**

EUR '000	Retail	Office	Leisure	Total
<b>01.10.2023-31.12.2023:</b>				
External revenue <sup>1</sup>	3,210	1,800	232	5,242
<b>Segment net rental income</b>	<b>1,406</b>	<b>1,279</b>	<b>209</b>	<b>2,894</b>
Net profit (loss) from fair value adjustment	(6,380)	(1,677)	807	(7,250)
Interest expenses <sup>2</sup>	(718)	(455)	(127)	(1,300)
Income tax income (expenses)	(100)	47	-	(53)
<b>Segment net profit (loss)</b>	<b>(5,878)</b>	<b>(1,007)</b>	<b>879</b>	<b>(6,006)</b>
<b>01.01.2023-31.12.2023:</b>				
External revenue <sup>1</sup>	12,924	9,830	997	23,751
<b>Segment net rental income</b>	<b>6,375</b>	<b>7,435</b>	<b>807</b>	<b>14,617</b>
Net loss from fair value adjustment	(11,836)	(8,881)	(1,159)	(21,876)
Interest expenses <sup>2</sup>	(2,862)	(2,127)	(331)	(5,320)
Income tax income	47	609	-	656
<b>Segment net loss</b>	<b>(10,150)</b>	<b>(5,515)</b>	<b>(702)</b>	<b>(16,367)</b>
<b>As of 31.12.2023:</b>				
<b>Segment assets</b>	<b>140,308</b>	<b>104,702</b>	<b>13,545</b>	<b>258,555</b>
Investment properties	135,259	101,886	13,240	250,385
<b>Segment liabilities</b>	<b>61,219</b>	<b>47,681</b>	<b>6,813</b>	<b>115,713</b>

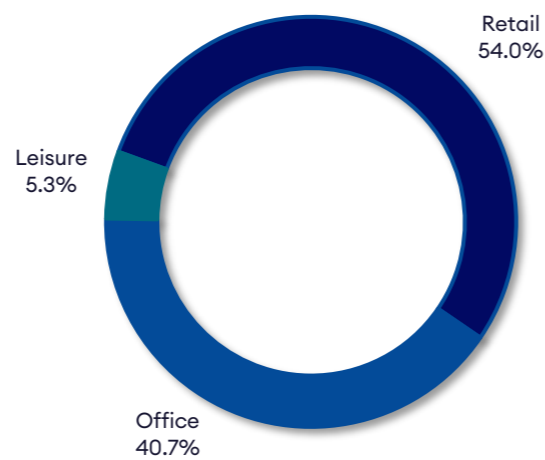
1. External revenue includes rental income and service charge income. The segments do not have inter-segment revenue.
2. Interest expenses include only external bank loan interest expenses and interest expenses on lease liabilities.



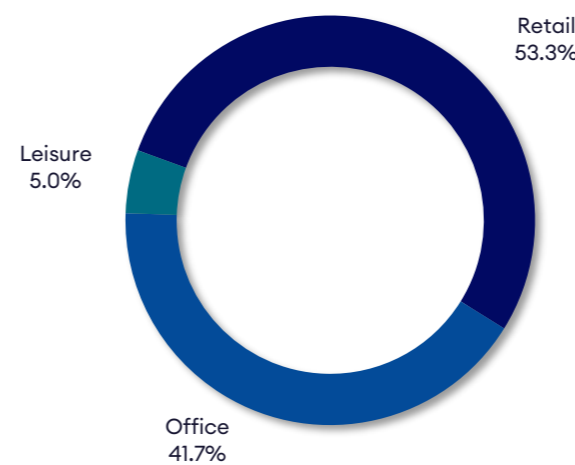
**Investment properties as of 31 December 2024\***



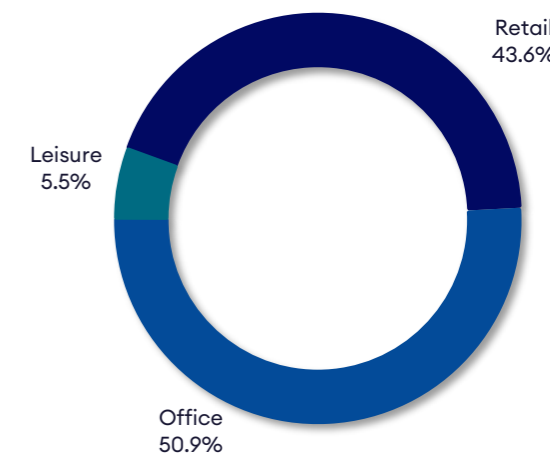
**Investment properties as of 31 December 2023\***



**Segment net rental income for Q1–Q4 2024\***



**Segment net rental income for Q1–Q4 2023\***



\*As a percentage of the total for all reportable segments

## Reconciliation of information on reportable segments to IFRS measures

## Operating segments – 31 December 2024

EUR '000	Total reportable segments	Adjustments	Consolidated
<b>01.10.2024-31.12.2024:</b>			
Net loss	(2,031)	(1,351) <sup>1</sup>	(3,382)
<b>01.01.2024-31.12.2024:</b>			
Net loss	(11,064)	(5,717) <sup>2</sup>	(16,781)
<b>As of 31.12.2024:</b>			
Segment assets	249,156	6,892 <sup>3</sup>	256,048
Segment liabilities	135,086	22,867 <sup>4</sup>	157,953

1. Segment net loss for Q4 2024 does not include Fund management fee (EUR 327 thousand), bond interest expenses (EUR 624 thousand), bond arrangement fee amortisation (EUR 38 thousand), Fund custodian fees (EUR 12 thousand), losses on disposal (EUR 245 thousand) and other Fund-level administrative expenses (EUR 105 thousand).
2. Segment net loss for 2024 does not include Fund management fee (EUR 1,278 thousand), bond interest expenses (EUR 3,240 thousand), bond arrangement fee amortisation (EUR 116 thousand), Fund custodian fees (EUR 49 thousand), losses on disposal (EUR 548 thousand) and other Fund-level administrative expenses (EUR 486 thousand).
3. Segment assets do not include cash, which is held at the Fund level (EUR 6,593 thousand) and prepayment and other receivables at the Fund level (EUR 299 thousand).
4. Segment liabilities do not include liabilities related to a bond issue at the Fund level (EUR 21,490 thousand), accrued bond coupon expenses (EUR 134 thousand), management fee payable (EUR 890 thousand), and other short-term payables at the Fund level (EUR 353 thousand).

## Operating segments – 31 December 2023

EUR '000	Total reportable segments	Adjustments	Consolidated
<b>01.10.2023-31.12.2023:</b>			
Net loss	(6,006)	(1,751) <sup>1</sup>	(7,757)
<b>01.01.2023-31.12.2023:</b>			
Net loss	(16,367)	(6,606) <sup>2</sup>	(22,973)
<b>As of 31.12.2023:</b>			
Segment assets	258,555	2,583 <sup>3</sup>	261,138
Segment liabilities	115,713	35,893 <sup>4</sup>	151,606

1. Segment net loss for Q4 2023 does not include Fund management fee (EUR 363 thousand), bond interest (EUR 1,020 thousand), bond arrangement fee amortisation (EUR 23 thousand), Fund custodian fees (EUR 13 thousand), loss on disposal (EUR 217 thousand), interest income (EUR 27 thousand) and other Fund-level administrative expenses (EUR 142 thousand).
2. Segment net loss for 2023 does not include Fund management fee (EUR 1,493 thousand), bond interest and related expenses (EUR 3,532 thousand), bond arrangement fee amortisation (EUR 458 thousand), Fund custodian fees (EUR 61 thousand), and other Fund-level administrative expenses (EUR 1,062 thousand).
3. Segment assets do not include cash, which is held at the Fund level (EUR 2,284 thousand), and other receivables at Fund level (EUR 299 thousand).
4. Segment liabilities do not include liabilities related to a bond issue at the Fund level (EUR 34,099 thousand), accrued bond coupon expenses (EUR 577 thousand), management fee payable (EUR 859 thousand), and other short-term payables at the Fund level (EUR 358 thousand).

**Geographic information**

EUR '000	External revenue				Investment property value	
	01.10.2024 - 31.12.2024	01.10.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023	31.12.2024	31.12.2023
Lithuania	1,467	1,440	5,670	7,608	71,874	72,805
Latvia	2,165	2,433	9,069	10,489	111,404	121,400
Estonia	1,292	1,369	5,141	5,654	57,880	56,180
<b>Total</b>	<b>4,924</b>	<b>5,242</b>	<b>19,880</b>	<b>23,751</b>	<b>241,158</b>	<b>250,385</b>

**Major tenant**

No single lease accounted for more than 10% of the Group's total revenue.

**5. Cost of rental activities**

EUR '000	01.10.2024 - 31.12.2024	01.10.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Repair and maintenance	773	847	3,273	3,348
Utilities	337	487	1,290	1,257
Property management expenses	319	303	1,260	1,053
Real estate taxes	243	235	978	717
Sales and marketing expenses	168	189	674	1,958
Property insurance	37	36	152	151
Allowance (reversal of allowance) for bad debts	193	210	202	248
Other	135	41	463	402
<b>Total cost of rental activities</b>	<b>2,205</b>	<b>2,348</b>	<b>8,292</b>	<b>9,134</b>

Part of the total cost of rental activities (mainly utilities and repair and maintenance expenses) was recharged to tenants: EUR 4,744 thousand during the twelve-month period ended 31 December 2024 (EUR 6,008 thousand during the twelve-month period ended 31 December 2023) and EUR 1,145 thousand during Q4 2024 (EUR 1,487 thousand during Q4 2023).

**6. Administrative expenses**

EUR '000	01.10.2024 - 31.12.2024	01.10.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Management fee	327	363	1,278	1,493
Legal fees	74	30	189	186
Consultancy fees	29	46	131	172
Audit fees	67	51	199	163
Fund marketing expenses	8	16	61	83
Custodian fees	12	13	49	61
Supervisory board fees	12	12	53	51
Other administrative expenses	115	100	413	408
<b>Total administrative expenses</b>	<b>644</b>	<b>631</b>	<b>2,373</b>	<b>2,617</b>

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	01.10.2024 - 31.12.2024	01.10.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Interest on external loans and borrowings	2,566	1,944	9,847	8,842
Loan arrangement fee amortisation	(41)	41	197	170
Exchange losses external	-	-	1	-
Interest on lease liabilities	3	2	10	10
Other financial expenses	261	551	485	832
<b>Total financial expenses</b>	<b>2,789</b>	<b>2,538</b>	<b>10,540</b>	<b>9,854</b>

## 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	01.10.2024 - 31.12.2024	01.10.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Loss for the period, attributed to the unitholders of the Fund	(3,382)	(7,757)	(16,781)	(22,973)
<b>Loss for the period, attributed to the unitholders of the Fund</b>	<b>(3,382)</b>	<b>(7,757)</b>	<b>(16,781)</b>	<b>(22,973)</b>

Weighted-average number of units:

EUR '000	01.10.2024 - 31.12.2024	01.10.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Issued units at the end of period	143,562,514	119,635,429	143,562,514	119,635,429
<b>Weighted-average number of units</b>	<b>143,562,514</b>	<b>119,635,429</b>	<b>126,303,633</b>	<b>119,635,429</b>

Basic and diluted earnings per unit:

EUR '000	01.10.2024 - 31.12.2024	01.10.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Basic earnings per unit	(0.02)	(0.06)	(0.13)	(0.19)
Diluted earnings per unit*	-	-	(0.12)	-

\*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 twelve-month period ended 31 December 2024 was minus 4.4% (Twelve-month period ended 31 December 2023: minus 2.8%).

As of 31 December 2024, the Group had tax losses of EUR 3,935 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 31 December 2024 (31 December 2023: liability of EUR 39 thousand). As of 31 December 2024, deferred tax liabilities on the difference between investment property fair and tax value and other deferred tax liabilities amounted to EUR 5,851 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 31 December 2024 and 2023 were as follows:

EUR '000	01.10.2024 - 31.12.2024	01.10.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
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### Consolidated statement of profit or loss

Current income tax for the period	(30)	-	(30)	-
Deferred tax for the period	487	(53)	804	656
<b>Income tax income reported in profit or loss</b>	<b>457</b>	<b>(53)</b>	<b>774</b>	<b>656</b>

### Consolidated statement of other comprehensive income

Deferred income tax related to items charged or credited to equity:				
Revaluation of derivative instruments to fair value	1	64	52	123
<b>Income tax reported in other comprehensive income</b>	<b>1</b>	<b>64</b>	<b>52</b>	<b>123</b>

**10. Investment property**

EUR '000	31.12.2024	31.12.2023
<b>Balance at 1 January</b>	<b>250,385</b>	<b>333,123</b>
Development and refurbishment expenditure	-	1,050
Capital expenditure	6,354	2,278
Disposals	-	(63,920)
Net revaluation loss on investment property	(15,564)	(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	(17)	(17)
<b>Closing balance</b>	<b>241,158</b>	<b>250,385</b>
<b>Closing balance excluding right-of-use assets</b>	<b>240,920</b>	<b>250,130</b>

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 31 December 2024, increased by right-of-use assets .

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

- 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 31 December 2024:**

Segment		Valuation technique	Key unobservable inputs	Range			
<b>Retail</b>	Vilnius Lithuania	DCF	Discount rate	8.45% - 9.64%			
	Tallinn, Estonia						
	Riga, Latvia						
	<b>Net leasable area (NLA)</b>				54,432 sq. m.	<b>Rental growth p.a.</b>	1.4% - 5.14%
	<b>Year of construction/renovation</b>				1939-2016/2006-2010	<b>Long-term vacancy rate</b>	2.0% - 5.0%
		<b>Exit yield</b>	7.0% - 8.25%				
		<b>Average rent (EUR/sq. m)</b>	11.85 - 17.98				
<b>Office</b>	Vilnius Lithuania	DCF	Discount rate	8.45% - 9.7%			
	Tallinn, Estonia						
	Riga, Latvia						
	<b>Net leasable area (NLA)</b>				55,967 sq. m.	<b>Rental growth p.a.</b>	0.0% - 4.65%
	<b>Year of construction/renovation</b>				2002-2021/2008-2014	<b>Long-term vacancy rate</b>	2.0% - 30.0%
		<b>Exit yield</b>	7.0% - 8.5%				
		<b>Average rent (EUR/sq. m)</b>	10.4 - 13.19				
<b>Leisure</b>	Tallinn, Estonia	DCF	Discount rate	9%			
	<b>Net leasable area (NLA)</b>				7,869 sq. m.	<b>Rental growth p.a.</b>	2.0% - 4.3%
	<b>Year of construction/renovation</b>				1999	<b>Long-term vacancy rate</b>	2.0% - 5.0%
						<b>Exit yield</b>	7%
						<b>Average rent (EUR/sq. m)</b>	11.29

The next table sets out information about significant unobservable inputs used as of 31 December 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% - 8.5%	An increase in exit yield in isolation would result in a lower value of Investment property.
		Discount rate	2024: 8.45% - 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% - 5.14%	An increase in rental growth in isolation would result in a higher value of Investment property.
		Long-term vacancy rate	2024: 2.0% - 30.0%	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 31 December 2024 were as follows:

EUR '000	Total fair value Level 3
Latvia - Galerija Centrs (retail)	60,020
Lithuania - Europa (retail)	35,946
Estonia - Postimaja (retail)	21,800
Lithuania - North Star (office)	19,548
Latvia - Upmalas Biroji (office)	19,224
Lithuania - Meraki (office)*	16,380
Latvia - Vainodes I (office)	15,900
Estonia - Coca-Cola Plaza (leisure)	13,190
Estonia - Lincona (office)	13,100
Latvia - S27 (office)	11,360
Estonia - Pirita (retail)	9,790
Latvia - SKY (retail)	4,900
<b>Total</b>	<b>241,158</b>

\*Meraki value accounted as disposal price. Valuation price according to independent property valutors Newsec is 17 490 000 EUR.

**11. Trade and other receivables**

EUR '000	31.12.2024	31.12.2023
Trade receivables, gross	2,346	2,325
Less impairment allowance for doubtful receivables	(649)	(625)
Accrued income	537	433
Other accounts receivable	566	458
<b>Total</b>	<b>2,800</b>	<b>2,591</b>

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

As of 31 December 2024, trade receivables at a nominal value of EUR 649 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	31.12.2024	31.12.2023
Balance as of 1 January	(625)	(513)
Charge for the period	(202)	(248)
Amounts written off	178	136
Reversal of allowances recognised in previous periods	-	-
<b>Balance at end of period</b>	<b>(649)</b>	<b>(625)</b>

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
<b>31.12.2024</b>	<b>1,697</b>	712	385	221	151	85	143
<b>31.12.2023</b>	<b>1,700</b>	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	10,053	6,182
<b>Total cash</b>	<b>10,053</b>	<b>6,182</b>

As of 31 December 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 31 December 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
<b>As of 1 January 2024</b>	<b>119,635,429</b>	<b>145,200</b>
Increase in the number of units and capital	23,927,085	6,295
<b>As of 31 December 2024</b>	<b>143,562,514</b>	<b>151,495</b>

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 31 December 2024 and 31 December 2023.

The Fund did not hold its own units as of 31 December 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 31 December 2024 and 31 December 2023. Please refer to note 18 for more information.

EUR '000	31.12.2024	31.12.2023
<b>Balance at the beginning of the year</b>	<b>531</b>	<b>1,681</b>
Movement in fair value of existing hedges	(1,003)	(1,273)
Movement in deferred income tax (note 9)	52	123
<b>Net variation during the period</b>	<b>(951)</b>	<b>(1,150)</b>
<b>Balance at the end of the period</b>	<b>(420)</b>	<b>531</b>

### 14. Interest-bearing loans and borrowings

EUR '000	Maturity	Effective interest rate	31.12.2024	31.12.2023
<b>Non-current borrowings</b>				
Secured bonds	May 2028	3M EURIBOR + 8.00%	21,490	34,099
Bank 1	Jan 2028	3M EURIBOR + 2.25%	2,609	2,792
Bank 1	Feb 2026	6M EURIBOR + 1.90%	4,367	4,626
Bank 1	Dec 2027	6M EURIBOR + 2.25%	8,696	9,198
Bank 3 <sup>1</sup>	Jan 2029	6M EURIBOR + 2.80%	15,610	-
Bank 3 <sup>1</sup>	Feb 2029	6M EURIBOR + 3.00%	8,951	-
Bank 4	Feb 2026	6M EURIBOR + 3.00%	20,948	16,720
Bank 5	Aug 2028	6M EURIBOR + 2.50%	9,928	10,363
Bank 6	Jun 2029	6M EURIBOR + 4.10%	9,810	-
Lease liabilities			238	255
Less current portion of bank loans and bonds			(4,138)	(13,878)
Less current portion of lease liabilities			(18)	(17)
<b>Total non-current debt</b>			<b>98,491</b>	<b>64,158</b>



EUR '000	Maturity	Effective interest rate	31.12.2024	31.12.2023
<b>Current borrowings</b>				
Secured bonds	Nov 2025	3M EURIBOR + 8.00%	3,200	-
Bank 1 <sup>1</sup>	Mar 2024	6M EURIBOR + 2.65%	-	8,998
Bank 1 <sup>1</sup>	Mar 2024	3M EURIBOR + 3.90%	-	8,397
Bank 2	Aug 2025	6M EURIBOR + 3.80%	29,000	29,999
Bank 1	Mar 2025	3M EURIBOR + 1.75%	7,665	7,946
Bank 1	Mar 2025	3M EURIBOR + 1.60%	9,915	10,349
Current portion of non-current bank loans and bonds			938	13,878
Current portion of lease liabilities			18	17
<b>Total current debt</b>			<b>50,736</b>	<b>79,584</b>
<b>Total</b>			<b>149,227</b>	<b>143,742</b>

1. The loans were refinanced in February 2024 with another bank.

## Loan and bond securities

Borrowings received were secured with the following pledges and securities as of 31 December 2024:

	Mortgages of the property*	Cross-mortgage	Commercial pledge of the entire assets
<b>Bank 1</b>	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
<b>Bank 2</b>	Galerija Centrs		Galerija Centrs
<b>Bank 3</b>	Europa and North Star		
<b>Bank 4</b>	Coca-Cola Plaza and Postimaja		
<b>Bank 5</b>	Upmalas Biroji		Upmalas Biroji
<b>Bank 6</b>	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
<b>Bank 1</b>	Vainodes I and SKY for S27 bank loan; S27 and SKY for Vainodes I bank loan; Vainodes I and S27 for SKY bank loan			SKY, S27 and Vainodes I	Vainodes I, S27, SKY
<b>Bank 2</b>	Baltic Horizon Fund for Galerija Centrs up to EUR 1,500,000				Galerija Centrs
<b>Bank 3</b>				Europa, North Star	
<b>Bank 5</b>	Baltic Horizon Fund for Upmalas Biroji				Upmalas Biroji

**15. Trade and other payables**

EUR '000	31.12.2024	31.12.2023
Trade payables	1,963	974
Management fee payable	890	859
Accrued financial expenses	633	813
Accrued expenses	556	166
Tax payables	231	162
Other payables	200	369
<b>Total trade and other payables</b>	<b>4,473</b>	<b>3,343</b>

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 31 December 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 31 December 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 31 December 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 2024 and 2023 were the following:

EUR '000	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
<b>Northern Horizon Capital AS group</b>		
<b>Management fees</b>	<b>1,278</b>	<b>1,493</b>

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

EUR '000	31.12.2024	31.12.2023
<b>Northern Horizon Capital AS group</b>		
<b>Management fees payable</b>	<b>890</b>	<b>859</b>

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 31 December 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 48 thousand during 2024 and EUR 12 thousand during Q4 2024 (EUR 48 thousand during 2023 and EUR 12 thousand during Q4 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 31 December 2024 and 31 December 2023 are presented in the tables below:

As of 31 December 2024	Number of units	Percentage
Skandinaviska Enskilda Banken AB clients	19,918,261	13.9%
Gene Investments OÜ	19,059,220	13.3%
Swedbank AB, Lithuania clients	16,495,001	11.5%
Skandinaviska Enskilda Banken AB	15,686,825	10.9%
Raiffeisen Bank International AG clients	9,622,389	6.7%
Swedbank AB / Nordic Issuing AB clients	7,954,736	5.5%

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	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
<b>Financial assets</b>				
Trade and other receivables	2,800	2,591	2,800	2,591
Cash and cash equivalents	10,053	6,182	10,053	6,182
Derivative financial instruments	1	916	1	916
<b>Financial liabilities</b>				
Interest-bearing loans and borrowings				
Bank loans	(127,499)	(109,388)	(127,499)	(109,388)
Bonds	(21,490)	(34,099)	(22,000)	(34,500)
Trade and other payables	(4,473)	(3,343)	(4,473)	(3,343)
Derivative financial instruments	(317)	-	(317)	-

### Fair value hierarchy

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

### As of 31 December 2024

EUR '000	Level 1	Level 2	Level 3	Total fair value
<b>Financial assets</b>				
Trade and other receivables	-	-	2,800	2,800
Cash and cash equivalents	-	10,053	-	10,053
Derivative financial instruments	-	1	-	1
<b>Financial liabilities</b>				
Interest-bearing loans and borrowings				
Bank loans	-	-	(127,499)	(127,499)
Bonds	-	-	(22,000)	(22,000)
Trade and other payables	-	-	(4,473)	(4,473)
Derivative financial instruments	-	(317)	-	(317)

### As of 31 December 2023

EUR '000	Level 1	Level 2	Level 3	Total fair value
<b>Financial assets</b>				
Trade and other receivables	-	-	2,591	2,591
Cash and cash equivalents	-	6,182	-	6,182
Derivative financial instruments	-	916	-	916
<b>Financial liabilities</b>				
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 31 December 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)	31.12.2024	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
IRS	Dec 2024	Nov 2027	13,150	6M EURIBOR	2.45%	(103)	-
IRS	Dec 2024	Nov 2027	13,150	6M EURIBOR	2.39%	(82)	-
IRS	Dec 2024	Oct 2027	2,361	3M EURIBOR	2.33%	(15)	-
IRS	Dec 2024	Oct 2027	8,012	6M EURIBOR	2.5%	(78)	-
IRS	Dec 2024	Oct 2027	4,012	6M EURIBOR	2.5%	(39)	-
CAP	Aug 2024	Aug 2025	17,900	3M EURIBOR	3.0%	1	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%	-	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%	-	34
CAP	Oct 2022	May 2025	30,000	6M EURIBOR	3.0%	-	194
CAP	Sep 2022	Mar 2024	9,000	6M EURIBOR	1.0%	-	67
CAP	Mar 2024	Mar 2025	9,000	6M EURIBOR	3.0%	-	26
<b>Derivative financial instruments, assets</b>						<b>1</b>	<b>916</b>
<b>Derivative financial instruments, liabilities</b>						<b>(317)</b>	<b>-</b>
<b>Net value of financial derivatives</b>						<b>(316)</b>	<b>916</b>

Derivative financial instruments were accounted for at fair value as of 31 December 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	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Non-current	(317)	-	-	295
Current	-	-	1	621
<b>Total</b>	<b>(317)</b>	<b>-</b>	<b>1</b>	<b>916</b>

#### 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	Eitminių 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

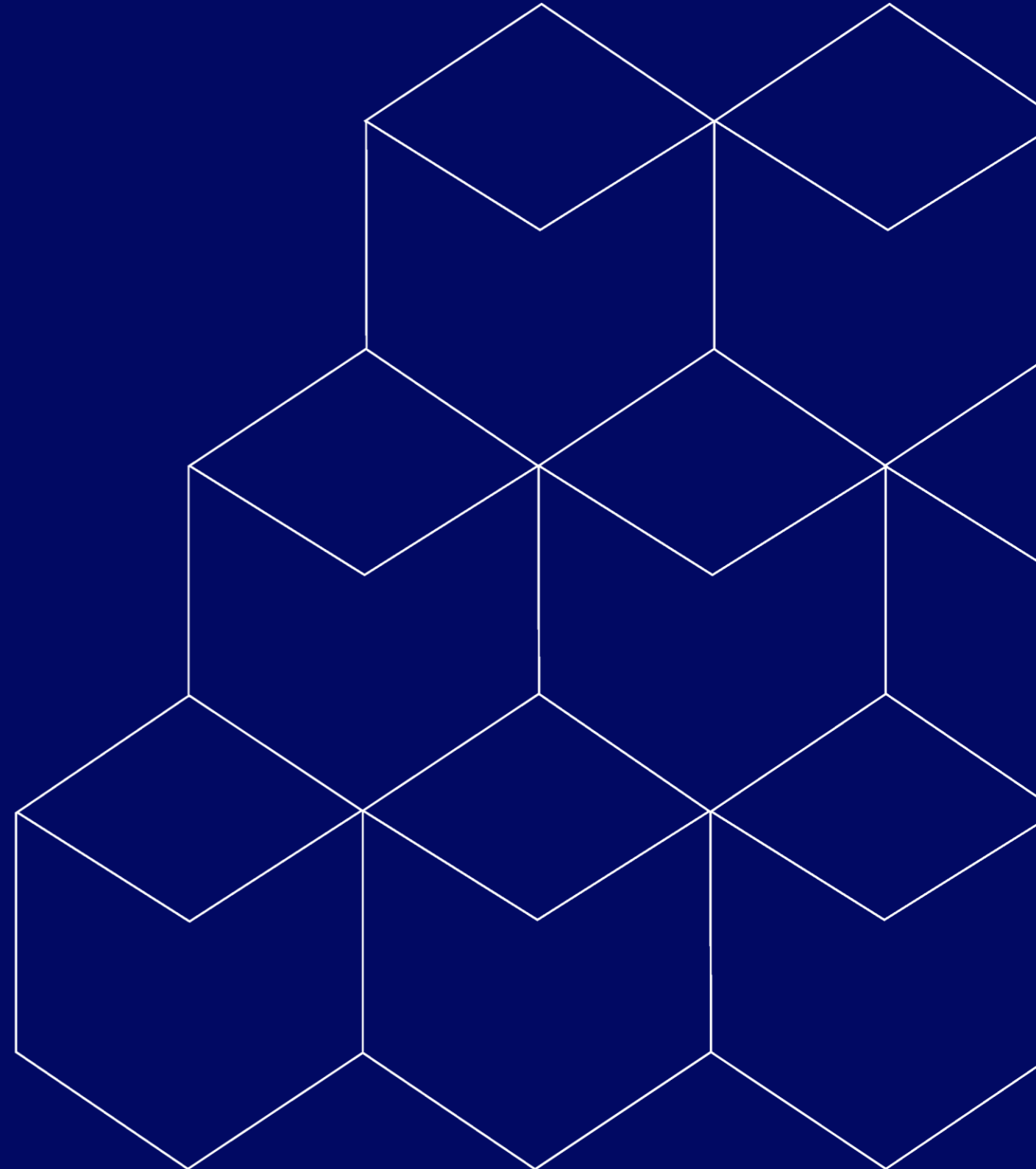
The interim condensed consolidated financial statements of Baltic Horizon Fund were approved for issue by the Management Board of the Management Company on 17 February 2025.

**Tarmo Karotam**  
Chairman of the Management Board

**Aušra Stankevičienė**  
Member of the Management Board

**Jūratė Gaspariūnienė**  
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
<b>EPRA Earnings</b>	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.
<b>EPRA NRV</b>	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.
<b>EPRA NTA</b>	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	
<b>EPRA NDV</b>	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.	
<b>EPRA LTV</b>	Debt divided by market value of the property	Determines the percentage of debt compared to the appraised value of the properties.
<b>EPRA Net initial yield (NIY)</b>	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.
<b>EPRA Topped-up NIY</b>	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).	
<b>EPRA Vacancy rate</b>	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.
<b>EPRA Cost ratio</b>	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-Q4 2024	Q1-Q4 2023	Q1-Q4 2022	Q1-Q4 2021	Q1-Q4 2020
Rental income	EUR '000	15,136	17,743	20,482	19,495	21,697
Net rental income	EUR '000	11,588	14,617	17,430	17,004	19,934
Net rental income margin	%	76.6	82.4	85.1	87.2	91.9
Valuation gains (losses) on investment properties	EUR '000	(15,581)	(21,876)	(2,914)	(7,161)	(25,245)
EBITDA	EUR '000	(6,836)	(13,701)	11,493	7,575	(7,849)
EBITDA margin	%	(45.2)	(77.2)	56.1	38.9	(36.2)
EBIT	EUR '000	(7,211)	(13,879)	11,238	7,347	(8,025)
EBIT margin	%	(47.6)	(78.2)	54.9	37.7	(37.0)
Net profit (loss)	EUR '000	(16,781)	(22,973)	3,944	1,413	(13,541)
Net profit (loss) margin	%	(110.9)	(129.5)	19.3	7.2	(62.4)
Earnings per unit	EUR	(0.12)	(0.19)	0.03	0.01	(0.12)
Generated net cash flow	EUR '000	(6,996)	502	2,141	8,749	11,409
Generated net cash flow per unit	EUR/unit	(0.05)	0	0.06	0.07	0.10
Key financial position figures	Unit	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Total assets	EUR '000	256,048	261,138	343,963	346,338	355,602
Return on assets (TTM)	%	(6.5)	(7.6)	1.1	0.4	(3.7)
Total equity	EUR '000	98,095	109,532	133,655	132,584	136,321
Equity ratio	%	38.3	41.9	38.9	38.3	38.3
Return on equity (TTM)	%	(16.2)	(18.9)	3.0	1.1	(9.4)
Interest-bearing loans and borrowings	EUR '000	149,227	143,742	195,111	199,147	205,892
Total liabilities	EUR '000	157,953	151,606	210,308	213,754	219,281
LTV	%	61.8	57.3	58.4	60.7	60.5
Average cost of debt	%	6.7	5.2	3.0	2.7	2.6
Weighted average duration of debt	years	2.7	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	0.6833	0.9156	1.1172	1.1082	1.1395
Key property portfolio figures	Unit	Q1-Q4 2024	Q1-Q4 2023	Q1-Q4 2022	Q1-Q4 2021	Q1-Q4 2020
Fair value of portfolio	EUR '000	241,158	250,385	333,123	327,359	339,992
Properties	number	12	12	15	15	16
Net leasable area	sq. m	118,269	119,714	151,870	144,081	153,345
Occupancy rate	%	82.1	81.1	90.5	92.1	94.3



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.



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