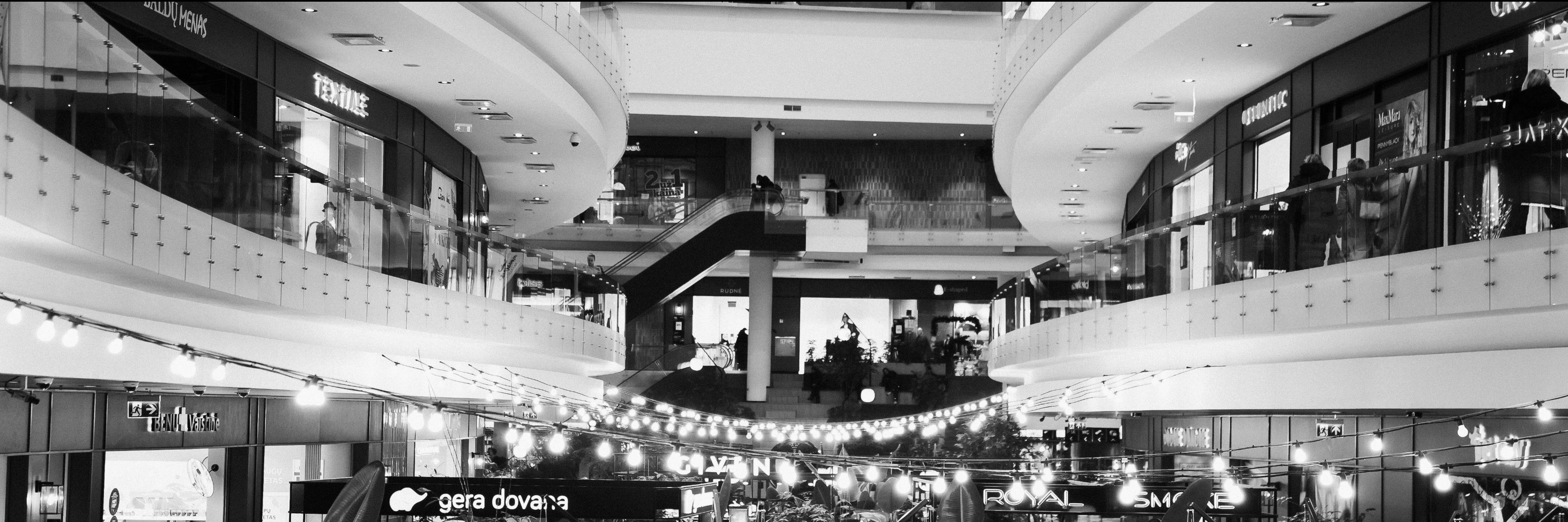
Baltic Horizon

Unaudited condensed consolidated interim financial statements for the 12-month period ended 31 December 2025

Interim report Q4 2025



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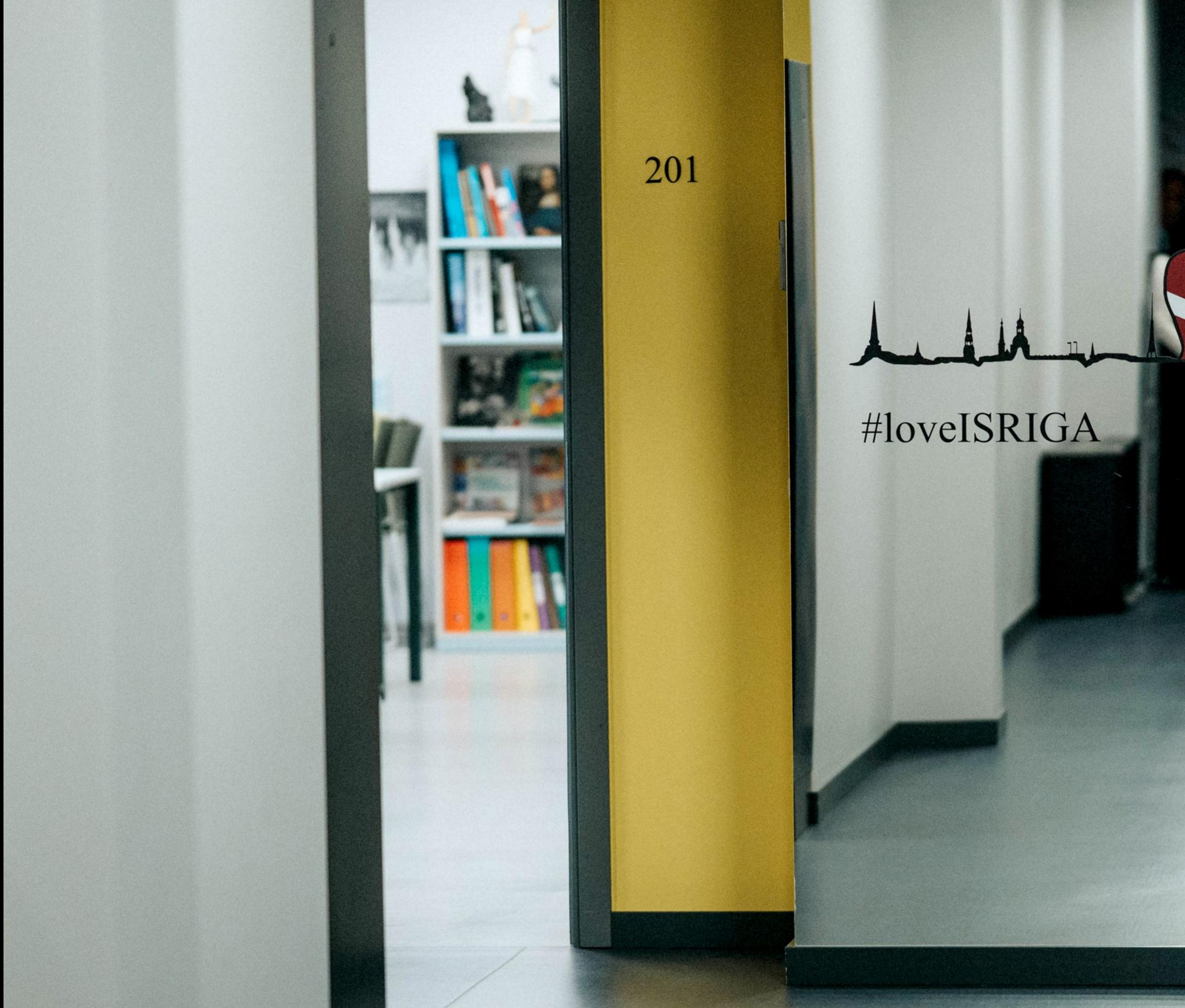
Management report



Management review

The Fund reports Q4 2025 and full year 2025 unaudited results in the spirit of fresh start under new ownership of the Management Company, strengthened organization, and at the same time communicates a decision to proceed with the secondary public offering of new units.

The Fund generated a total of EUR 15,098 thousand of rental income during 2025. Due to significant vacancies across the portfolio (13.8% at the end of 2025), the limitations of rental contracts, and the write-offs of old debts, the total volume of property costs not recovered from the tenants amounted to EUR 3,435 thousand during the year, thus resulting in the Net Operating Income (NOI) of EUR 11,663 thousand. Excluding the effect of properties disposed during 2024 and 2025, the like-for-like NOI comparison would amount to EUR 11,473 thousand for 2025 vs. EUR 11,339 thousand for 2024. NOI during Q4 2025 alone amounted to EUR 2,954 thousand, which also covers significant provisions (EUR 540 thousand) made for those historic tenants' debts.

The portfolio continued undergoing major transformation of its leases also during Q4 2025, with particular attention on the leasing up of our largest assets – Galerija Centrs and Europa SC as well as the office properties in Tallinn and Riga.

The overheads of the Fund amounted to the total of EUR 1,923 thousand for 2025 (EUR 2,373 thousand for 2024). The Management is terminating all non-essential costs both for the Fund and in each subsidiary. Several of the subsidiaries are merged by the end of the year (further mergers underway in 2026) in order to minimize the administration cost involved, discontinued listing of SDRs – all these steps will start bearing noticeable savings from 2026 onwards.

The total cost of financing in the amount of EUR 9,193 thousand (incl. various fees), continued weighing heavily on the financial performance. The Fund remains overleveraged and this creates a dual challenge in the form of both high overall debt volume to be continuously serviced, as well as the perceived risk profile, and therefore – the pricing – of debt from the financiers of the Fund.

In the light of the portfolio characteristics, persistent adverse commercial market conditions, and with latest assumptions on the capex needed to upgrade the properties of the Fund, the revaluation of the property portfolio performed by independent valuators resulted in the total actual portfolio value at year end of EUR 208.9 million (the write-down effect of EUR 20,602 thousand recorded in Q4 2025). Total capital expenditure incurred during the year and expensed through fair value adjustment against year-end values amounted to EUR 4,764 thousand (including accrued brokerage cost on long-term leases, fit-out provisions for incoming tenants, etc.).

With this updated valuation of the property portfolio and the actual volume of financial debt in the amount of EUR 133,285 thousand (as well as other balance sheet items), the Fund equity ratio (equity-to-assets) stands at 36.1%, which is below the minimum level of 37.5% set out in the Terms & Conditions of the Bonds (ISIN: EE3300003235). The bondholders are being notified today of the occurrence of this non-compliance event which must be cured within a period of 20 days.

Furthermore, the three loans maturing in Latvia at the end of Q1 2026 require strengthening of the Funds equity by at least EUR 7.0 million as a condition for prolongations as well as source for partial prepayments.

In this light, the Management has taken a decision to proceed with the Secondary Public Offering of the units of the Fund in the total amount of up to EUR 25.0 million, as mandated by the Unitholders' Meeting on 16 December 2025. Management believes that the minimum amount required to address imminent liquidity needs of the Fund, restore sufficient equity ratio level, and with that - ensure going concern of the Fund - will be met. On this basis the final audited accounts for 2025 will be prepared and published during the last week of March 2026.

The Baltic commercial property markets continue to face elevated uncertainty. Nevertheless, Management believes that the Fund reached an operational inflection point toward the end of 2025, from which a gradual improvement is expected during 2026. This expected improvement is based on concrete measures already underway, including the ongoing transformation of lease structures, active leasing of key vacant assets, the insourcing of property management functions, and the reduction of overhead and financing costs.

These expectations do not constitute specific financial, valuation, or distribution guidance and are contingent upon the timely execution of the planned turnaround actions, successful completion of the secondary public offering and related refinancing processes, as well as the absence of further adverse developments in the Fund's operating markets or within its property portfolio.

Corporate and financial highlights during Q4 2025

- BH Novus UAB was merged into BH Northstar UAB.
- BOF Sky SIA and Vainodes Krasti SIA were merged into BH S27 SIA, which was renamed BH Riga SIA after year-end.
- Pirita Center OÜ loan was prolonged until February 2027.
- As of 31 December 2025, the Fund was in compliance with all special conditions and covenants set under the bank loan agreements except for the BH Galerija Centrs SIA, BH Europa UAB and BH Riga SIA (formerly named BH S27 SIA) companies, but this did not result in any consequences because the necessary waivers have already been secured for all loans.

Key figures Q4 2025

Key earnings figures	Unit	Q1-Q4 2025	Q1-Q4 2024	Q1-Q4 2023
Rental income	EUR '000	15,098	15,136	17,743
Net rental income	EUR '000	11,663	11,588	14,617
Valuation gains (losses) on investment properties	EUR '000	(20,602)	(15,581)	(21,876)
EBITDA	EUR '000	(11,921)	(6,836)	(13,701)
EBIT	EUR '000	(12,211)	(7,211)	(13,879)
Net profit (loss)	EUR '000	(20,079)	(16,781)	(22,973)
Earnings per unit	EUR	(0.14)	(0.12)	(0.19)
Generated net cash flow[1]	EUR '000	(711)	(6,996)	502
Generated net cash flow per unit[2]	EUR/unit	(0.00)	(0.06)	0.00

Key property portfolio figures	Unit	31.12.2025	31.12.2024	31.12.2023
Fair value of portfolio	EUR '000	208,940	241,158	250,385
Properties[3]	number	11	12	12
Total Net leasable area	sq. m	111,224	118,269	119,714
Occupancy rate	%	86.2	82.1	81.1

Key property portfolio figures	Unit	Q1-Q4 2025	Q1-Q4 2024	Q1-Q4 2023
Direct property yield	%	3.9	3.8	4.5
Net initial yield	%	5.2	4.7	5.1

Key financial position figures	Unit	31.12.2025	31.12.2024	31.12.2023
Total assets	EUR '000	216,620	256,048	261,138
Total equity	EUR '000	78,250	98,095	109,532
Equity ratio	%	36.1	38.3	41.9
Interest-bearing loans and borrowings	EUR '000	133,285	149,227	143,742
Total liabilities	EUR '000	138,370	157,953	151,606
LTV	%	64.0	61.8	57.3
Average cost of debt	%	6.1	6.7	5.2
Weighted average duration of debt	years	2.3	2.8	2.3
IFRS NAV per unit	EUR	0.5451	0.6833	0.9156

Key unit figures	Unit	31.12.2025	31.12.2024	31.12.2023
Number of units outstanding	units	143,562,514	143,562,514	119,635,429
Highest unit price during the period	EUR	0.2850	0.3730	0.6547
Lowest unit price during the period	EUR	0.1517	0.2410	0.3000
Closing unit price	EUR	0.1550	0.2521	0.3150
Market capitalisation[4]	EUR	22,252,190	36,192,110	37,685,160

1. 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.
2. Generated net cash flow per numbers of units at the end of the period.
3. Properties includes 11 established cash flow properties.
4. Based on the closing prices units on the Nasdaq Tallinn Stock Exchange.

Property report

Leasing and tenant update

Leasing Update

The Fund has started insourcing property management organization and transferring the critical systems into direct employment/ownership during Q4. This process continues also at the beginning of the 2026. For the property portfolio of such complexity and dynamic lease structures it is critical to maintain committed professional organization throughout the ongoing turnaround, and then throughout the next phase of the Fund's life.

In **Europa SC** the roll-out of active lifestyle and fitness category gained momentum and a further large long-term lease with a multi-sports center for youth operated by Sostines Sporto Centras (Vilnius Municipality) is signed and scheduled for opening during the first half of 2026. Lindex opened its store in October 2025.

North Star continues servicing is long-term tenant base and there have been no material developments in the property over the quarter.

Upmalas Biroji – no new leasing updates and this property with its large vacancy is the primary leasing focus of the Latvian property management team for 2026.

Vainodes I is being prepared for the implementation of a large refurbishment programme committed to its main tenant Latvijas Valsts Mezi under the long-term lease agreement. This project is to be implemented over the course of 2026.

S27 – international School of Riga which now occupies ½ of the building started operations on the campus during Q3 2025 and continued under initially discounted rental rates during Q4 2025. Full income potential of this lease is starting from the beginning of 2026. Accruals of past unsettled debts with the former anchor tenant of the property were fully expensed and will not weigh on the reported performance of the property in the future.

Sky SC – the main tenant of the property (approx. 80% area) Skai Baltija served an unsubstantiated termination of their lease well ahead of the contractual expiry term (in 2029). The matter is resolved as of this report date, however the risk of performance of this lease remains high due to the financial standing of the counterparty.

Galerija Centrs – no new material leasing was achieved over the quarter.

Postimaja – continued successful operations under near full occupancy. Turnovers of the tenants grew over the year and the immediate focus is on the cost management in this property.

Apollo Plaza is fully operated by various entities of Apollo Group which have settled in the property under long-term leases.

Lincona Business Center – saw its formerly second largest tenant Swedbank (approx. 2,600 sq.m.) departing at the end of the quarter, non-performing retail tenants are moved to the smaller premises, and a large part of the property is now being prepared for comprehensive refurbishment and recommercialization during 2026-2027.

Pirita Center – no material events to report for the quarter.

Property Disposals

None of the properties currently are under active disposal process. Three holdings are identified as available for sale for as long as the Fund remains overindebted: North Star (Vilnius), Sky SC (Riga) and Pirita SC (Tallinn). Active disposal process for these will be started once the immediate property management objectives are achieved. In case of early interest potential buyers are welcome to contact the fund manager. Disposals for prices below latest reported fair value will not be considered.

Overview of investment properties as of 31 December 2025

Property	Sector	Acquisition year	Fair value[1] (EUR '000)	NLA (sq. m)	Net initial yield Q1-Q4 2025[2]	Occupancy rate	NOI development			
							2025	2024	2023	2022
Europa SC	Retail	2015	31,836	17,430	2.7%	82.5%	944	1,010	1,508	1,028
North Star	Office	2019	18,778	10,706	6.5%	93.2%	1,262	1,374	1,495	1,371
Total Vilnius			**50,614**	**28,136**	**4.2%**	**86.6%**	**2,206**	**2,384**	**3,003**	**2,399**
Upmalas Biroji	Office	2016	14,610	11,095	4.7%	56.6%	869	823	1,318	1,763
Vainodes I	Office	2017	12,400	8,128	8.1%	100.0%	1,242	1,432	1,431	1,383
S27	Office	2018	12,270	7,348	(1.3%)	58.7%	(148)	(85)	814	1,132
Sky SC	Retail	2013	4,700	3,260	9.0%	100.0%	438	446	420	423
Galerija Centrs	Retail	2019	58,356	19,956	4.6%	87.8%	2,802	2,536	2,139	2,193
Total Riga			**102,336**	**49,787**	**4.7%**	**79.3%**	**5,203**	**5,152**	**6,122**	**6,894**
Postimaja	Retail	2018	21,270	9,232	6.0%	99.8%	1,312	1,347	1,319	1,180
Apollo Plaza complex	Leisure	2015	13,260	7,877	6.8%	100.0%	905	579	807	864
Lincona	Office	2011	11,410	10,767	7.9%	90.7%	1,015	1,038	1,068	1,102
Pirita SC	Retail	2016	10,050	5,425	8.5%	95.1%	832	839	761	664
Total Tallinn			**55,990**	**33,301**	**7.1%**	**96.1%**	**4,064**	**3,803**	**3,955**	**3,810**
Total active portfolio			208,940	111,224	5.2%	86.2%	11,473	11,339	13,080	13,103
Total disposed properties[3-5]							**190**	**249**	**1,537**	**4,327**
Total portfolio			208,940	111,224	5.2%	86.2%	11,663	11,588	14,617	17,430

1. Based on the latest valuation as of 31 December 2025, recognized right-of-use assets and subsequent capital expenditure.
2. The net initial yield (NIY) is calculated by dividing annualized NOI by the market value of the property.
3. The Fund completed the disposal of the Duetto I and Duetto II properties on 6 June 2023.
4. The Fund completed the disposal of the Domus Pro Retail and Office complex on 6 March 2023.
5. The Fund completed the disposal of Meraki property on 13 March 2025.

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 (2 at the reporting date) as required by Lithuanian law.

The Fund is managed by the Management Company, which is Baltic Horizon Capital AS (previously 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 3 independent board members.

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 structure

Unitholders

Define Baltic Horizon's Fund Rules and appoint representatives to the Supervisory Board.

Supervisory Board

Gives advice to Baltic Horizon Capital (BHC), focuses on topics where conflicts of interest may arise.

Supervisory Board of the Fund until 2025-10-29

Andrius Smaliukas (Chairman)
Milda Dargužaitė
Antanas Anskaitis
Per V. Jenster

Supervisory Board of the Fund from 2025-10-30

Andrius Smaliukas (Chairman)
Milda Dargužaitė
Per V. Jenster

Baltic Horizon Capital

Responsible for Fund management including the execution of the investment strategy as stated in the Fund Rules.

Supervisory Board of the Management Company until 2025-10-29

Lars Ohnemus (Chairman)
Nerijus Žebrauskas
Daiva Liubomirskienė

Supervisory Board of the Management Company from 2025-10-30

Antanas Anskaitis (Chairman)
Antanas Danys
Tomas Milašauskas

Baltic Horizon Fund

Management Board of the Management Company until 2025-10-29

Tarmo Karotam (Chairman)
Aušra Stankevičienė
Jūratė Gaspariūnienė

Management Board of the Management Company from 2025-10-30

Tarmo Karotam (Chairman)
Gerda Bliuvienė

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 two 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 a two-year 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 former chairman of the Supervisory Board acting until 30 April 2025 was entitled to an annual remuneration of EUR 15,000 and a regular member was entitled to an annual remuneration of EUR 11,000, whilst the newly appointed chairman of the Supervisory Board acting from 1 May 2025 is entitled to an annual remuneration of EUR 36,000 and a regular member is entitled to an annual remuneration of EUR 11,000.

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

Bios of the members of the Management Board of the Management Company

Tarmo Karotam
Chairman of the Management Board / Fund Manager

Tarmo Karotam is the Fund Manager of Baltic Horizon Fund. He is a long-time member of Baltic Horizon Capital's investment management team and acted as the Fund Manager for BOF, which was the predecessor fund to Baltic Horizon Fund. Tarmo has many years of experience from the Baltic real estate sector. He graduated from EHL Hospitality Business School (B.Sc.) in 2005 and is a member of RICS (MRICS).

Gerda Bliuvienė
Member of the Management Board / Head of Fund finance and administration

Gerda Bliuvienė is the Head of Fund finance and administration of Baltic Horizon Fund. She previously served as the Head of Business Control at Grinvest Group. Prior to this role, she spent ten years with the Northern Horizon Group, where she was a Fund Controller and Senior Analyst. Gerda holds a Master's degree in Economics Policy from the University of Vilnius (2017).

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 other assurance services. KPMG was selected as the auditor for another 3-year term through a rigorous public tendering process held in May 2025, ensuring that their values and expertise align with the commitment to excellence and transparency. Several reputable firms were considered, recognizing that their extensive experience, global reach, and high standards of professionalism make them well-suited to meet the auditing needs.

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.

Bios of the members of the Supervisory Board of the Fund

Andrius Smaliukas
Chairman of the Supervisory Board

Dr. Smaliukas is the Managing Partner at MMSP, a Lithuanian law firm focused on strategic corporate advisory and dispute resolution. He previously partnered at one of the leading Pan-Baltic firm, Valiunas Ellex, and holds nearly 20 years of experience as an arbitrator and international arbitration lead counsel. Dr. Smaliukas earned his Ph.D. and Master of Laws from Vilnius University, conducted postgraduate research at Oxford, and completed executive programs at Cambridge Judge Business School and Harvard Law School. Dr. Smaliukas serves on the boards of Staticus Group, Kesko Senukai, has extensive advisory experience in commercial real estate M&A and investment management across the Baltic countries.

Milda Dargužaitė
Member of the Supervisory Board

Milda Dargužaitė is the former CEO of Northern Horizon Capital A/S. She was responsible for managing the company's operations and strategic direction, including the development of new funds and investment vehicles. Milda has significant experience in both the public and private sectors, locally and internationally. She joined the company in 2018 after roles as the Chancellor at the Lithuanian Prime Minister's Office, Managing Director of Invest Lithuania, and advisor to the Lithuanian Minister of Economy. Milda has a wealth of experience in finance and portfolio management from her time at Goldman Sachs in New York and Barclays in London. Milda Dargužaitė was the supervisory board member of Baltic Horizon Capital AS (previously Northern Horizon Capital AS) from July 2018 until September 2023.

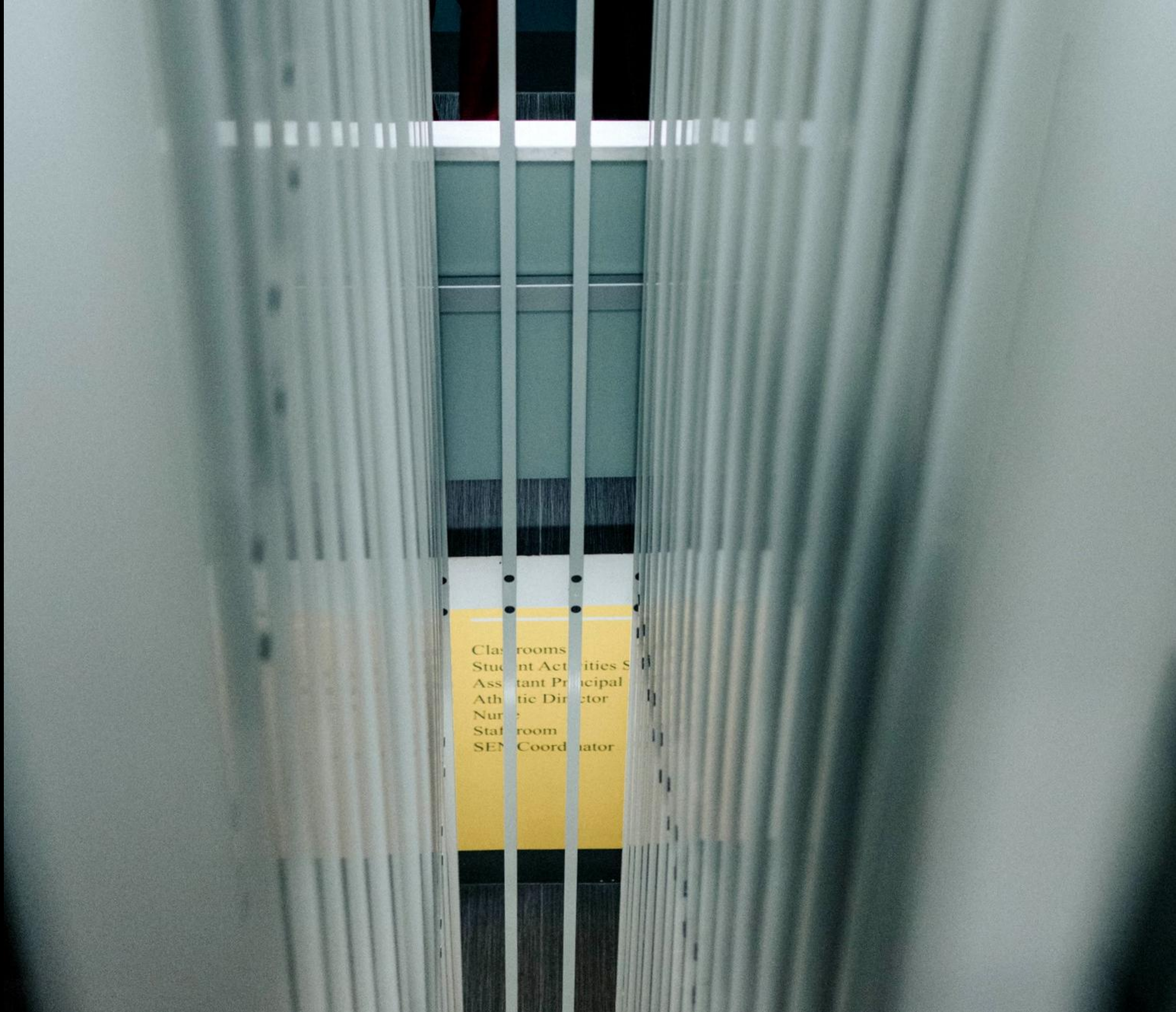
Professor Per V. Jenster
Member of the Supervisory Board

Dr. Per V. Jenster, Danish, received his PH.D from University of Pittsburgh, has a life-long vocation in real estate (20 years in the Baltics), along side a career as business professor i.a. at IMD, Copenhagen Business School and CEIBS in Shanghai. Per V. Jenster is a Professor Emeritus and International Dean of China's first National Interdisciplinary Institute for Aging Research, Southwest Jiaotong University, and is currently Chairman at Center for International Management & Industrial Development, Switzerland. Per V. Jenster has recently retired a Chairman at Niche Masters Fund after serving 10 years as head of the board of the investment company.

Management Board’s confirmation

Members of the Management Board of the Management Company Tarmo Karotam and Gerda Bliuvienė confirm that according to their best knowledge, the condensed consolidated interim financial statements for twelve months of 2025, 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 2025 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	01.10.2025 – 31.12.2025	01.10.2024 – 31.12.2024	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Rental income		3,737	3,779	15,098	15,136
Service charge income	5	1,165	1,145	4,947	4,744
Cost of rental activities	5	(1,948)	(2,205)	(8,382)	(8,292)
Net rental income	4	**2,954**	**2,719**	**11,663**	**11,588**
Administrative expenses	6	(404)	(644)	(1,923)	(2,373)
Other operating income (expenses)		87	3	126	18
Losses on disposal of investment properties		(125)	(245)	(1,475)	(863)
Valuation losses on investment properties	10	(20,589)	(3,052)	(20,602)	(15,581)
Operating profit (loss)		**(18,077)**	**(1,219)**	**(12,211)**	**(7,211)**
Financial income		4	169	69	196
Financial expenses	7	(2,067)	(2,789)	(9,193)	(10,540)
Net financial expenses		**(2,063)**	**(2,620)**	**(9,124)**	**(10,344)**
Profit (loss) before tax		**(20,140)**	**(3,839)**	**(21,335)**	**(17,555)**
Income tax charge	4, 9	1,020	457	1,256	774
Profit (loss) for the period	4	**(19,120)**	**(3,382)**	**(20,079)**	**(16,781)**

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

EUR '000	Notes	01.10.2025 – 31.12.2025	01.10.2024 – 31.12.2024	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Other comprehensive income that is or may be reclassified to profit or loss in subsequent periods					
Net gains (losses) on cash flow hedges	13b	151	(446)	252	(1,003)
Income tax relating to net loss on cash flow hedges	13b, 9	(10)	1	(18)	52
Other comprehensive loss, net of tax, that is or may be reclassified to profit or loss in subsequent periods		**141**	**(445)**	**234**	**(951)**
Total comprehensive loss for the period, net of tax		**(18,979)**	**(3,827)**	**(19,845)**	**(17,732)**
Basic earnings per unit (EUR)	8	**(0.13)**	**(0.02)**	**(0.14)**	**(0.13)**
Diluted earnings per unit (EUR)	8	**–**	**–**	**–**	**(0.12)**

Consolidated statement of financial position

EUR '000	Notes	31.12.2025	31.12.2024
Non-current assets			
Investment properties	4, 10	208,940	241,158
Intangible assets		–	4
Property, plant and equipment		7	5
Derivative financial instruments	19	–	1
Other non-current assets		242	1,225
Total non-current assets		**209,189**	**242,393**
Current assets			
Trade and other receivables	11	1,760	2,800
Prepayments		294	802
Cash and cash equivalents	12	5,377	10,053
Total current assets		**7,431**	**13,655**
Total assets	4	**216,620**	**256,048**
Equity			
Paid in capital	13a	151,495	151,495
Cash flow hedge reserve	13b	(186)	(420)
Retained earnings		(73,059)	(52,980)
Total equity		**78,250**	**98,095**

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

EUR '000	Notes	31.12.2025	31.12.2024
Non-current liabilities			
Interest-bearing loans and borrowings	14	113,252	98,491
Deferred tax liabilities	9	644	1,898
Derivative financial instruments	19	186	–
Other non-current liabilities		1,110	1,446
Total non-current liabilities		**115,192**	**101,835**
Current liabilities			
Interest-bearing loans and borrowings	14	20,033	50,736
Trade and other payables	15	2,729	4,473
Income tax payable		14	14
Derivative financial instruments	19	–	317
Other current liabilities		402	578
Total current liabilities		**23,178**	**56,118**
Total liabilities	4	**138,370**	**157,953**
Total equity and liabilities		**216,620**	**256,048**

Consolidated statement of changes in equity

EUR '000	Notes	Paid in capital	Cash flow hedge reserve	Retained earnings	Total equity
As of 1 January 2024		**145,200**	**531**	**(36,199)**	**109,532**
Comprehensive income (loss)					
Net loss for the period		–	–	(16,781)	(16,781)
Other comprehensive loss		–	(951)	–	(951)
Total comprehensive loss		**–**	**(951)**	**(16,781)**	**(17,732)**
Capital increase		6,295	–	–	6,295
As of 31 December 2024		**151,495**	**(420)**	**(52,980)**	**98,095**
As of 1 January 2025		**151,495**	**(420)**	**(52,980)**	**98,095**
Comprehensive income (loss)					
Net loss for the period		–	–	(20,079)	(20,079)
Other comprehensive loss	13b	–	234	–	234
Total comprehensive loss		**–**	**234**	**(20,079)**	**(19,845)**
As of 31 December 2025		**151,495**	**(186)**	**(73,059)**	**78,250**

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

Consolidated statement of cash flows

EUR '000	Notes	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Cash flows from core activities			
Profit (loss) before tax		**(21,335)**	**(17,555)**
Adjustments for non-cash items:			
Value adjustment of investment properties	10	20,602	15,581
Losses on disposal of investment properties		1,475	863
Value adjustment of derivative finance instruments		(130)	317
Depreciation of property, plant and equipment		2	6
Change in impairment losses for trade receivables	11	540	202
Financial income		(69)	(196)
Financial expenses	7	9,193	10,540
Working capital adjustments:			
Change in trade and other accounts receivable		500	(411)
Change in other current assets		508	(177)
Change in other non-current liabilities		(336)	368
Change in trade and other accounts payable		(938)	481
Change in other current liabilities		(176)	(84)
Income tax paid		(16)	(43)
Total cash flows from core activities		**9,820**	**9,892**

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

EUR '000	Notes	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Cash flows from investing activities			
Interest received		69	196
Proceeds from disposal of investment property		15,178	(863)
Capital expenditure on investment properties		(4,764)	(6,354)
Total cash flows from investing activities		**10,483**	**(7,021)**
Cash flows from financing activities			
Proceeds from bank loans		490	23,156
Repayment of bank loans		(13,593)	(5,040)
Repayment of bonds		(3,000)	(12,500)
Transaction costs related to loans and borrowings		(20)	(311)
Proceeds from issue of units		–	6,295
Repayment of lease liabilities		(11)	(17)
Interest paid		(8,845)	(10,583)
Total cash flows from financing activities		**(24,979)**	**1,000**
Net change in cash and cash equivalents		**(4,676)**	**3,871**
Cash and cash equivalents at the beginning of the year		**10,053**	**6,182**
Cash and cash equivalents at the end of the period		**5,377**	**10,053**

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 Baltic Horizon Capital AS. Both the Fund and the Management Company are supervised by the Estonian Financial Supervision and Resolution Authority. The Depositary of the Fund is Swedbank AS. The Fund is the ultimate parent and controlling entity of the group comprising the Fund and its subsidiaries (the "Group" or the "Fund").

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

The Fund's 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	31.12.2025	31.12.2024
BH Lincona OÜ	100%	100%
BOF SKY SIA (merged into BH Riga SIA)	0%	100%
BH CC Plaza OÜ	100%	100%
BH Europa UAB	100%	100%
Kontor SIA	100%	100%
Pirita Center OÜ	100%	100%
Vainodes Krasti SIA (merged into BH Riga SIA)	0%	100%
BH Riga SIA (previously BH S27 SIA)	100%	100%
BH Novus UAB (previously BH Meraki UAB; merged into BH Northstar UAB)	0%	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 2024. 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 not appropriate unless at least EUR 7.0 million is raised by the end of March 2026 and the loan prolongations of maturing loans in BH Riga SIA are effective.

New standards, amendments and interpretations

A number of new standards and amendments to standards are not effective for annual periods beginning on 1 January 2025 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 2024.

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 2024.

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 (disposed property as of 13 March 2025; Lithuania) and North Star (Lithuania) investment properties.

Leisure segment includes Apollo 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 2025

EUR '000	Retail	Office	Leisure	Total
01.10.2025-31.12.2025:				
External revenue[1]	2,949	1,500	453	4,902
Segment net rental income	**1,772**	**925**	**257**	**2,954**
Net loss from fair value adjustment	(8,507)	(12,065)	(17)	(20,589)
Interest expenses[2]	(979)	(485)	(111)	(1,575)
Income tax income (expenses)	768	252	–	1,020
Segment net profit	**(6,898)**	**(11,425)**	**133**	**(18,190)**
01.01.2025-31.12.2025:				
External revenue[1]	11,943	6,526	1,576	20,045
Segment net rental income	**6,328**	**4,430**	**905**	**11,663**
Net loss from fair value adjustment	(8,510)	(12,075)	(17)	(20,602)
Interest expenses[2]	(3,748)	(2,266)	(435)	(6,449)
Income tax income (expenses)	861	395	–	1,256
Segment net profit (loss)	**(5,116)**	**(10,876)**	**452**	**(15,540)**
As of 31.12.2025:				
Segment assets	**129,934**	**71,792**	**13,587**	**215,313**
Investment properties	126,212	69,468	13,260	208,940
Segment liabilities	**67,588**	**42,947**	**8,113**	**118,648**

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 2024

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

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.

Reconciliation of information on reportable segments to IFRS measures

Operating segments – 31 December 2025

EUR ‘000	Total reportable segments	Adjustments	Consolidated
01.10.2025–31.12.2025:			
Net profit (loss)	(18,190)	(930)[1]	(19,120)
01.01.2025–31.12.2025:			
Net profit (loss)	(15,540)	(4,539)[2]	(20,079)
As of 31.12.2025:			
Segment assets	215,313	1,307[3]	216,620
Segment liabilities	118,648	19,722[4]	138,370

1. Segment net loss for Q4 2025 does not include Fund management fee (EUR 181 thousand), bond interest expenses (EUR 478 thousand), bond arrangement fee amortisation (EUR 38 thousand), Fund custodian fees (EUR 10 thousand), losses on disposal (EUR 125 thousand) and other Fund-level administrative expenses (EUR 98 thousand).
2. Segment net loss for 2025 does not include Fund management fee (EUR 1,093 thousand), bond interest expenses (EUR 2,040 thousand), bond arrangement fee amortisation (EUR 353 thousand), Fund custodian fees (EUR 43 thousand), losses on disposal (EUR 622 thousand) and other Fund-level administrative expenses (EUR 388 thousand).
3. Segment assets do not include cash, which is held at the Fund level (EUR 1,307 thousand).
4. Segment liabilities do not include liabilities related to a bond issue at the Fund level (EUR 18,643 thousand), accrued bond coupon expenses (EUR 265 thousand), management fee payable (EUR 686 thousand), and other short-term payables at the Fund level (EUR 128 thousand).

Operating segments – 31 December 2024

EUR ‘000	Total reportable segments	Adjustments	Consolidated
01.10.2024–31.12.2024:			
Net profit (loss)	(2,031)	(1,351)[1]	(3,382)
01.01.2024–31.12.2024:			
Net profit (loss)	(11,064)	(5,717)[2]	(16,781)
As of 31.12.2024:			
Segment assets	249,156	6,892[3]	256,048
Segment liabilities	135,086	22,867[4]	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).

Geographic information

	External revenue				Investment property value	
EUR '000	01.10.2025 – 31.12.2025	01.10.2024 – 31.12.2024	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024	31.12.2025	31.12.2024
Lithuania	1,281	1,467	5,242	5,670	50,614	71,874
Latvia	2,154	2,165	9,041	9,069	102,336	111,404
Estonia	1,467	1,292	5,762	5,141	55,990	57,880
Total	**4,902**	**4,924**	**20,045**	**19,880**	**208,940**	**241,158**

Major tenant

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

5. Cost of rental activities

EUR '000	01.10.2025 – 31.12.2025	01.10.2024 – 31.12.2024	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Repair and maintenance	752	773	3,149	3,273
Utilities	323	337	1,237	1,290
Property management expenses	361	319	1,358	1,260
Real estate taxes	237	243	958	978
Sales and marketing expenses	110	168	516	674
Property insurance	47	37	161	152
Allowance (reversal of allowance) for bad debts	20	193	540	202
Other	98	135	463	463
Total cost of rental activities	**1,948**	**2,205**	**8,382**	**8,292**

Part of the total cost of rental activities (mainly utilities and repair and maintenance expenses) was recharged to tenants: EUR 4,947 thousand during the twelve-month period ended 31 December 2025 (EUR 4,744 thousand during the twelve-month period ended 31 December 2024) and EUR 1,165 thousand during Q4 2025 (EUR 1,145 thousand during Q4 2024).

6. Administrative expenses

EUR '000	01.10.2025 – 31.12.2025	01.10.2024 – 31.12.2024	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Management fee	181	327	1,093	1,278
Legal fees	37	74	119	189
Consultancy fees	3	29	25	131
Audit fees	33	67	144	199
Fund marketing expenses	10	8	43	61
Custodian fees	10	12	43	49
Accounting fees	9	–	36	–
Supervisory board fees	16	12	61	53
Listing related expenses	27	–	111	–
VAT	8	–	24	–
Other administrative expenses	70	115	224	413
Total administrative expenses	**404**	**644**	**1,923**	**2,373**

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 Management Company is entitled to calculate the performance fee, however, based on the past performance of the Fund there is no prospect of this performance fee becoming payable in the medium term. Transactions with related parties are disclosed in note 17.

7. Financial expenses

EUR '000	01.10.2025 – 31.12.2025	01.10.2024 – 31.12.2024	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Interest on external loans and borrowings	2,050	2,566	8,480	9,847
Loan arrangement fee amortisation	54	(41)	296	197
Interest on lease liabilities	2	3	9	10
Other financial expenses	(39)	261	408	486
Total financial expenses	**2,067**	**2,789**	**9,193**	**10,540**

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	01.10.2025 – 31.12.2025	01.10.2024 – 31.12.2024	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Profit (loss) for the period, attributed to the unitholders of the Fund	(19,120)	(3,382)	(20,079)	(16,781)
Profit (loss) for the period, attributed to the unitholders of the Fund	**(19,120)**	**(3,382)**	**(20,079)**	**(16,781)**

Weighted-average number of units:

EUR '000	01.10.2025 – 31.12.2025	01.10.2024 – 31.12.2024	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Issued units at the end of period	143,562,514	143,562,514	143,562,514	143,562,514
Weighted-average number of units	143,562,514	143,562,514	143,562,514	126,303,633

Basic and diluted earnings per unit:

EUR '000	01.10.2025 – 31.12.2025	01.10.2024 – 31.12.2024	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Basic earnings per unit	(0.13)	(0.02)	(0.14)	(0.13)
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 2025 was minus 5.9% (Twelve-month period ended 31 December 2024: minus 4.4%).

As of 31 December 2025, the Group had tax losses of EUR 6,602 thousand (31 December 2024: EUR 3,935 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 0 as of 31 December 2025 due to the expirations of derivative instruments in Lithuanian companies (31 December 2024: liability of EUR 18 thousand). As of 31 December 2025, deferred tax liabilities on the difference between investment property fair and tax value and other deferred tax liabilities amounted to EUR 7,245 thousand (31 December 2024: EUR 5,851 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 2025 and 2024 were as follows:

EUR '000	01.10.2025 – 31.12.2025	01.10.2024 – 31.12.2024	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
Consolidated statement of profit or loss				
Current income tax for the period	(14)	(30)	(17)	(30)
Deferred tax for the period	1,034	487	1,273	804
Income tax income reported in profit or loss	**1,020**	**457**	**1,256**	**774**
Consolidated statement of other comprehensive income				
Deferred income tax related to items charged or credited to equity:				
Revaluation of derivative instruments to fair value	(10)	1	(18)	52
Income tax reported in other comprehensive income	**(10)**	**1**	**(18)**	**52**

10. Investment property

EUR '000	31.12.2025	31.12.2024
Balance at 1 January	**241,158**	**250,385**
Capital expenditure	4,764	6,354
Disposals	(16,380)	–
Net revaluation loss on investment property	(20,584)	(15,564)
Net revaluation loss on right-of-use assets	(18)	(17)
Closing balance	**208,940**	**241,158**
Closing balance excluding right-of-use assets	**208,720**	**240,920**

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 2025, increased by right-of-use assets and subsequent capital expenditure.

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 2025:

Segment		Valuation technique	Key unobservable inputs	Range
Retail	Vilnius Lithuania Tallinn, Estonia Riga, Latvia	DCF	**Discount rate**	8.6% – 9.78%
Net leasable area (NLA)	55,423 sq. m.		**Rental growth p.a.**	0.0% – 5.3%
Year of construction/renovation	1939–2016/2006–2010		**Exit yield**	7.0% – 8.5%
			Average rent (EUR/sq. m)	11.78 – 16.58
Office	Vilnius Lithuania Tallinn, Estonia Riga, Latvia	DCF	**Discount rate**	8.6% – 9.7%
Net leasable area (NLA)	48,123 sq. m.		**Rental growth p.a.**	0.0% – 5.1%
Year of construction/renovation	2002–2014/2008–2014		**Exit yield**	7.5% – 8.5%
			Average rent (EUR/sq. m)	9.71 – 11.92
Leisure	Tallinn, Estonia	DCF	**Discount rate**	9%
Net leasable area (NLA)	7,723 sq. m.		**Rental growth p.a.**	1.9% – 3.0%
Year of construction/renovation	1999		**Exit yield**	7%
			Average rent (EUR/sq. m)	10.64

The table in the next column sets out information about significant unobservable inputs used at 31 December 2025 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	2025: 7.0% – 8.5%	An increase in exit yield in isolation would result in a lower value of Investment property.
		Discount rate	2025: 8.6% – 9.78%	An increase in discount rate in isolation would result in a lower value of Investment property.
		Rental growth p.a.	2025: 0.0% – 5.3%	An increase in rental growth in isolation would result in a higher value of Investment property.

The book values of investment properties as of 31 December 2025 were as follows:

EUR ‘000	Total fair value Level 3
Latvia – Galerija Centrs (retail)	58,356
Lithuania – Europa (retail)	31,836
Estonia – Postimaja (retail)	21,270
Lithuania – North Star (office)	18,778
Latvia – Upmalas Biroji (office)	14,610
Estonia – Apollo Plaza (leisure)	13,260
Latvia – Vainodes I (office)	12,400
Latvia – S27 (office)	12,270
Estonia – Lincona (office)	11,410
Estonia – Pirita (retail)	10,050
Latvia – SKY (retail)	4,700
Total	**208,940**

11. Trade and other receivables

EUR '000	31.12.2025	31.12.2024
Trade receivables, gross	2,293	2,346
Less impairment allowance for doubtful receivables	(994)	(649)
Accrued income	432	537
Other accounts receivable	29	566
Total	**1,760**	**2,800**

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

As of 31 December 2025, trade receivables at a nominal value of EUR 994 thousand were fully impaired (EUR 649 thousand as of 31 December 2024).

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

EUR '000	31.12.2025	31.12.2024
Balance as of 1 January	(649)	(625)
Charge for the period	(540)	(202)
Amounts written off	194	178
Balance at end of period	**(995)**	**(649)**

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
31.12.2025	**1,299**	725	345	82	61	55	31
31.12.2024	**1,697**	712	385	221	151	85	143

12. Cash and cash equivalents

EUR '000	31.12.2025	31.12.2024
Cash at banks and on hand	5,377	10,053
Total cash	**5,377**	**10,053**

As of 31 December 2025, the Fund's consolidated cash and cash equivalents amounted to EUR 5.4 million of which EUR 3.0 million is restricted for internal use specified under credit agreements and EUR 1.0 million is restricted for use under security account pledge agreement (31 December 2024: EUR 1.0 million).

13. Equity

13a. Paid in capital

The units are currently listed on the Fund List of the Nasdaq Tallinn Stock Exchange. As of 31 December 2025, the total number of the Fund's units was 143,562,429 (31 December 2024: 143,562,429). Units issued are presented in the table below:

EUR '000	Number of units	Amount
As of 1 January 2025, and 31 December 2025	**143,562,514**	**151,495**

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 2025 and 31 December 2024.

The Fund did not hold its own units as of 31 December 2025 and 31 December 2024.

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 2025 and 31 December 2024. Please refer to note 18 for more information.

EUR '000	31.12.2025	31.12.2024
Balance at the beginning of the year	**(420)**	**531**
Movement in fair value of existing hedges	252	(1,003)
Movement in deferred income tax (note 9)	(18)	52
Net variation during the period	**234**	**(951)**
Balance at the end of the period	**(186)**	**(420)**

14. Interest-bearing loans and borrowings

EUR '000	Maturity	Effective interest rate	31.12.2025	31.12.2024
Non-current borrowings				
Unsecured bonds	May 2028	3M EURIBOR + 8.00%	18,643	21,490
Bank 1	Jan 2028	3M EURIBOR + 2.25%	2,552	2,609
Bank 1	Feb 2027	6M EURIBOR + 1.90%	4,281	4,367
Bank 1	Dec 2027	6M EURIBOR + 2.25%	7,760	8,696
Bank 2[1]	Aug 2027	6M EURIBOR + 3.80%	28,120	–
Bank 3	Jan 2029	6M EURIBOR + 2.80%	15,388	15,610
Bank 3	Feb 2029	6M EURIBOR + 3.00%	8,798	8,951
Bank 4	Nov 2029	6M EURIBOR + 3.00%	20,800	20,948
Bank 5	Aug 2028	6M EURIBOR + 2.50%	9,798	9,928
Bank 6	Jun 2029	6M EURIBOR + 4.10%	–	9,810
Lease liabilities			220	238
Less current portion of bank loans and bonds			(3,094)	(4,138)
Less current portion of lease liabilities			(14)	(18)
Total non-current debt			**113,252**	**98,491**

1. The loan was reclassified as long-term since the maturity of the loan was extended to August 2027.

EUR '000	Maturity	Effective interest rate	31.12.2025	31.12.2024
Current borrowings				
Unsecured bonds	Nov 2025	3M EURIBOR + 8.00%	–	3,200
Bank 2[1]	Aug 2027	6M EURIBOR + 3.80%	–	29,000
Bank 1	Mar 2026	3M EURIBOR + 1.90%	7,364	7,665
Bank 1	Mar 2026	3M EURIBOR + 1.60%	9,561	9,915
Current portion of non-current bank loans and bonds			3,094	938
Current portion of lease liabilities			14	18
Total current debt			**20,033**	**50,736**
Total			**133,285**	**149,227**

1. The loan was reclassified as long-term since the maturity of the loan was extended to August 2027.

Covenant reporting

As of 31 December 2025, the Fund was in compliance with the DSCR covenant set under the bond issue terms and conditions dated 8 May 2023 and amended on 26 September 2024. However, the Fund fell short under the requirement to keep the consolidated equity ratio of at least 37.5%. The management expects to remedy the non-compliance within a period of 20 days and prior to the issuance of the audited consolidated financial statements for 2025 through a new unit offering.

As of 31 December 2025, the Fund was in compliance with all special conditions and covenants set under the bank loan agreements except for the BH Galerija Centrs SIA, BH Europa UAB and BH Riga SIA (formerly named BH S27 SIA) companies, but this did not result in any consequences because the necessary waivers have already been secured for all loans.

Bond covenant reporting

Bond covenant	Requirement	Ratio 31.12.2025
Equity Ratio	> 37.5%*	36.1%
Debt Service Coverage Ratio	> 1.00**	1.09

* Equity ratio must be above 37.5%.
** As stated in Bond Terms and Conditions amended on 26 September 2024, the DSCR of the Group must be above 1.00 for the period from 1 July 2025 to 30 September 2026 and above 1.20 afterwards.

Loan and bond securities

Borrowings received were secured with the following pledges and securities as of 31 December 2025:

	Mortgages of the property*	Second rank mortgages for derivatives	Cross-mortgage	Commercial pledge of the entire assets
Bank 1	Lincona, SKY, S27, Vainodes I, and Pirita		Pirita and Lincona for Pirita and Lincona bank loans, Vainodes I, SKY and S27 for Vainodes I, SKY and S27 bank loan	BH S27 SIA
Bank 2	Galerija Centrs	Galerija Centrs		BH Galerija Centrs SIA
Bank 3	Europa and North Star			
Bank 4	Apollo Plaza and Postimaja			
Bank 5	Upmalas Biroji			Kontor SIA

*All properties are pledged as collateral for the bank loans. Please refer to note 10 for the carrying amounts of assets pledged at period end.

	Guarantee	Pledges of receivables	Pledge of land lease rights of the land plots	Pledges of bank accounts	Share pledge
Bank 1	Baltic Horizon Fund for BH S27 SIA up to 1,500,000			BH S27 SIA	BH S27 SIA
Bank 2	Baltic Horizon Fund for BH Galerija Centrs SIA up to EUR 5,000,000				BH Galerija Centrs SIA
Bank 3				BH Europa UAB, BH Northstar UAB	
Bank 5	Baltic Horizon Fund for Kontor SIA				Kontor SIA

15. Trade and other payables

EUR '000	31.12.2025	31.12.2024
Trade payables	1,112	1,963
Management fee payable	686	890
Accrued financial expenses	496	633
Accrued expenses	129	556
Tax payables	156	231
Other payables	150	200
Total trade and other payables	**2,729**	**4,473**

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 2025, 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 2025.

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 capped at EUR 600 thousand. Of this amount, EUR 300 thousand is secured through a withholding from the sales price. Any claims arising under the defects guarantee were satisfied from the withholding amount prior to the use of any other funds. As of the reporting date, the withholding amount had been reduced by EUR 135 thousand and paid to the Fund. As of 31 December 2025, approximately 851 thousand EUR have been paid under the NOI guarantee scheme. Given that the guarantees reached maturity on this date, there are no remaining contingent liabilities outstanding under these conditions.

The Group did not have any other contingent liabilities as of 31 December 2025.

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.

Baltic Horizon Capital AS

As set out in Baltic Horizon Fund Rules, Baltic Horizon Capital AS (previously 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 Management company acquired Gene Investments OÜ which held 3.3% of the Fund units as of 31 December 2025.

The Group's transactions with related parties during 2025 and 2024 were the following:

EUR '000	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Baltic Horizon Capital AS		
Management fees	**1,093**	**1,278**

The Group's balances with related parties as of 31 December 2025 and 31 December 2024 were the following:

EUR '000	31.12.2025	31.12.2024
Baltic Horizon Capital AS		
Management fees payable	**686**	**890**

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).

Baltic Horizon Capital AS did not own any units of the Fund as of 31 December 2025.

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 60 thousand during 2025 (EUR 48 thousand during 2024). 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 Management company acquired Gene Investments OÜ which held 3.3% of the Fund units as of 31 December 2025.

The holders of units owning more than 5% of the units in total as of 31 December 2025 and 31 December 2024 are presented in the tables below:

As of 31 December 2025	Number of units	Percentage
Swedbank AB, Lithuania clients	57,399,802	40.0%
Skandinaviska Enskilda Banken AB clients	13,770,162	9.6%
Raiffeisen Bank International AG clients	8,543,169	6.0%

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%

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	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Financial assets				
Trade and other receivables	1,760	2,800	1,760	2,800
Cash and cash equivalents	5,377	10,053	5,377	10,053
Derivative financial instruments	–	1	–	1
Financial liabilities				
Interest-bearing loans and borrowings				
Bank loans	(114,422)	(127,499)	(114,422)	(127,499)
Bonds	(18,643)	(21,490)	(19,000)	(22,000)
Trade and other payables	(2,729)	(4,473)	(2,729)	(4,473)
Derivative financial instruments	(186)	(317)	(186)	(317)

Fair value hierarchy

Quantitative disclosures of the Group's financial instruments in the fair value measurement hierarchy as of 31 December 2025 and 31 December 2024:

As of 31 December 2025

EUR '000	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Trade and other receivables	–	–	1,760	1,760
Cash and cash equivalents	–	5,377	–	5,377
Financial liabilities				
Interest-bearing loans and borrowings				
Bank loans	–	–	(114,422)	(114,422)
Bonds	–	–	(19,000)	(19,000)
Trade and other payables	–	–	(2,729)	(2,729)
Derivative financial instruments	–	(186)	–	(186)

As of 31 December 2024

EUR '000	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Trade and other receivables	–	–	2,800	2,800
Cash and cash equivalents	–	10,053	–	10,053
Derivative financial instruments	–	1	–	1
Financial liabilities				
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)

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 2025, 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) and interest rate cap (CAP) agreements with 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)	31.12.2025	31.12.2024
IRS	Dec 2024	Nov 2027	13,150	6M EURIBOR	2.45%	(58)	(103)
IRS	Dec 2024	Nov 2027	13,150	6M EURIBOR	2.39%	(45)	(82)
IRS	Dec 2024	Oct 2027	2,361	3M EURIBOR	2.33%	(9)	(15)
IRS	Dec 2024	Oct 2027	8,012	6M EURIBOR	2.5%	(51)	(78)
IRS	Dec 2024	Oct 2027	4,012	6M EURIBOR	2.5%	(23)	(39)
CAP	Aug 2024	Aug 2025	17,900	3M EURIBOR	3.0%	–	1
Derivative financial instruments, assets						**–**	**1**
Derivative financial instruments, liabilities						**(186)**	**(317)**
Net value of financial derivatives						**(186)**	**(316)**

Derivative financial instruments were accounted for at fair value as of 31 December 2025 and 31 December 2024. The maturity of the derivative financial instruments of the Group is as follows:

Classification according to maturity

EUR '000	Liabilities		Assets	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Non-current	(186)	(317)	–	–
Current	–	–	–	1
Total	**(186)**	**(317)**	**–**	**1**

20. Subsequent events

As of 28 January 2026, BH Northstar UAB borrowed an additional EUR 700 thousand from the bank.

There were no other 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%
BH CC Plaza OÜ	Hobujaama str. 5, Tallinn, Estonia	12399823	11 December 2012	Asset holding company	100%
BH Europa UAB	Konstitucijos av. 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%
BH Riga SIA (previously BH S27 SIA)	Skanstes iela 27, Riga, Latvia; Audeju str. 16, Riga, Latvia; Audēju iela 16 – 1, Riga, Latvia	40103810023	15 August 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 2026.

Tarmo Karotam	**Gerda Bliuvienė**
Chairman of the Management Board	Member of the Management Board

Appendices

Definitions and abbreviations

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.

Direct Property Yield

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

Discounted cash flows (DCF)

Under the DCF method, a property's fair value is estimated using explicit assumptions about the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This involves the projection of a series of cash flows and applying to this an appropriate, market-derived discount rate to establish the present value of the income stream. The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related lease up periods, re-letting, redevelopment, or refurbishment.

Discount rate

Rate used to discount the net cash flows generated from rental activities during the period of analysis.

Equity ratio

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

Exit yield

A rate used to estimate the resale value of a property at the end of the holding period. The expected net operating income per year is divided by the terminal cap rate to get the terminal value. The exit yield is calculated according to the growth rate of the stabilized net operating income or based on forecast.

Fund

Baltic Horizon Fund.

GAV

Gross Asset Value of the Fund.

Highest and best use

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

IFRS

International Financial Reporting Standards.

IRR

Internal rate of return.

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

Baltic 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.

NLA

Net leasable area. Leasable space that can be rented to tenants, excluding non-leasable areas such as hallways, utility rooms, and other common spaces.

NOI

Net operating income.

Occupancy rate

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

Rental growth

The estimated average increase in rent based on both market estimations and contractual indexations.

Baltic Horizon

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

Roseni 7
10111 Tallinn
Estonia

Tarmo.karotam@baltichorizon.com