

Company Baltic Horizon Fund / Northern Horizon Capital AS

Type Company Release

Category Other corporate action

Disclosure time 15 Jan 2021 23:00:00 +0200

Currency

Title Baltic Horizon Fund publishes its NAV for December 2020

Net asset value (NAV) of Baltic Horizon Fund (the Fund) unit at end of December 2020 amounted to EUR 1.1395 per unit. Compared to the previous month, NAV per unit decreased by -5.73%. The NAV was negatively affected by a decrease in the values of investment properties. The negative impact on the NAV was partially offset by a positive result from the operating performance of investment properties. EPRA NAV, EPRA NRV and EPRA NTA as at the end of December 2020 decreased to EUR 1.2219 per unit, corresponding to a decrease of -5.55% over the last month.

As of 31 December 2020, the fair value of the Baltic Horizon Fund portfolio decreased to EUR 340.0 million (31 December 2019: 358.9 million). In December 2020, the portfolio revaluation resulted in a fair value loss of EUR 9.4 million (-2.69% of portfolio value) primarily due to retail market disruption caused by COVID-19 pandemic. The portfolio valuation is based on the valuations conducted by an independent real estate appraiser Newsec Baltics as of 31 December 2020. Fair values of investment properties in the portfolio decreased mainly due to downward adjustments to discount rate assumptions and cash flow projections compared to the previous valuations. Exit yield assumptions remained similar to 2019 valuation assumptions. More information will be provided in the annual report.

Unaudited consolidated net rental income for the 12 months of 2020 amounted to EUR 19.8 million, exceeding the previous year's net rental income for the same period by EUR 0.6 million or +3.2% (EUR 19.2 million during the 12 months ended 31 December 2019). The strong growth was driven by the acquisitions of Galerija Centrs and North Star, which had a positive effect on the Group's net rental income growth in 2020 as compared to 2019, albeit rental income growth in 2020 slowed down due to relief measures granted to tenants during the COVID-19 pandemic. The Fund earned an unaudited consolidated net loss of EUR 8.4 million in December 2020.

At the end of December 2020, the Fund's consolidated cash and cash equivalents amounted to EUR 13.3 million (31 December 2019: EUR 9.8 million) which



demonstrates sufficient liquidity and financial flexibility. The Fund continues to generate stable positive cash flow from operations despite rent reliefs granted to tenants during the second COVID-19 wave in the Baltics. Cash holdings rose by 0.9 million during December 2020. The Fund's management team is actively monitoring the collection of trade receivables from tenants. Trade receivables remained at a regular level of EUR 1.4 million at the end of December.

As of 31 December 2020, the total consolidated assets of the Fund stood at EUR 355.6 million (31 December 2019: EUR 371.7 million). The Fund has invested an additional EUR 0.5 million into ongoing constructions of Meraki office buildings during December 2020.

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The Fund is a registered contractual public closed-end real estate fund that is managed by Alternative Investment Fund Manager license holder Northern Horizon Capital AS. Both the Fund and the Management Company are supervised by the Estonian Financial Supervision Authority.

Distribution: GlobeNewswire, Nasdaq Tallinn, Nasdaq Stockholm,
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