

Notice of written procedure for senior unsecured fixed rate bonds issued by Baltic Horizon Fund

Stockholm, 6 July 2020

To holders of the up to EUR 50,000,000 senior unsecured fixed rate bonds with ISIN EE3300111467 (the "Bonds") issued by Baltic Horizon Fund (the "Issuer").

*Capitalised terms not otherwise defined in this notice shall have the meaning given to them in the terms and conditions relating to the Bonds dated 8 May 2018 (the "**Terms and Conditions**").*

This notice will be sent by Intertrust (Sweden) AB (the "Agent") to direct registered owners and registered authorised nominees of the Bonds recorded as of 3 July 2020 in Estonian Register of Securities kept by Nasdaq CSD SE. This voting request has also been published on the websites of the Issuer and the Agent in accordance with the Terms and Conditions and by way of a stock exchange release by the Issuer. If you are an authorised nominee under or if you otherwise are holding Bonds on behalf of someone else on a Securities Account, please forward this notice to the holder you represent as soon as possible. See "Voting rights" in section B. (Decision procedure) for further information.

At the request of the Issuer, the Agent, acting in its capacity as agent for the Holders under the Terms and Conditions, hereby initiates a written procedure (the "**Written Procedure**") whereby the Holders can approve or reject a proposal from the Issuer to temporarily lower the equity ratio covenant in the Terms and Conditions. The request and the background thereto is described in Section A (*Request*) below.

The Request (as defined in section A (*Request*)) is presented to the Holders without evaluation, advice or recommendations from the Agent. The Agent has not reviewed or assessed this Notice to a Written Procedure or the Request (and their effects, should it be adopted) from a legal or commercial perspective of the Holders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice to a Written Procedure or the Request (and their effects, should it be adopted). The Holders must independently evaluate whether the Request and its effects are acceptable or not.

All Holders are strongly encouraged to review and consider the Request.

Holders participate by completing and sending the voting form, attached hereto as Schedule 1 (the "**Voting Form**"), and, if applicable, the power of attorney/authorisation, attached hereto as Schedule 2 (the "**Power of Attorney**"), if the Bonds are held in custody other than by the CSD, to the Agent. Please contact the securities firm you hold your Bonds through if you do not know how your Bonds are registered or if you need authorisation or other assistance to participate.

The Agent must receive the Voting Form no later than 12.00 (CEST) on 29 July 2020 either by mail, courier or email to the Agent using the contact details set out in below in Section B (*Address for sending replies*). Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure a person must fulfil the formal criteria for being a Holder on 3 July 2020 (the "Record Date"). This

means that the person must be registered on a Securities Account with the CSD as a direct registered owner or authorised nominee with respect to one or several Bonds.

Please contact the securities firm you hold your Bonds through if you do not know how your Bonds are registered or if you need authorisation or other assistance to participate.

Important Dates

Record Date (for voting): 3 July 2020

Last time and day to vote: 12.00 (CEST) on 29 July 2020

A. Request

Background

In the light of the COVID-19 outbreak and the associated effects on Baltic economies and Baltic Horizon Fund tenants the Issuer has decided to request the holders of the Bonds (the Holders) to temporarily lower the equity ratio covenant in the terms and conditions of the Bonds (the Terms and Conditions) from 35% to 25%.

The COVID-19 pandemic has affected the tenants of the properties owned and managed by the Issuer in all Baltic states where the Issuer operates. Most affected is the retail sector and the shopping centres which had to close for weeks or faced heavy restrictions due to the state of emergency introduced by the Baltic governments. In order to alleviate the situation of most vulnerable tenants in Baltic Horizon Fund portfolio the Issuer offered relief measures for some of the tenants, however regardless of the measures it can be foreseen that the circumstances around the pandemic will only have a temporary negative effect on the results of operations of the Issuer.

While the Issuer currently sees that the negative effects are likely to be less severe than initially expected and can confirm to all Holders that these do not affect the Issuer's ability to fulfil the monetary obligations provided in the Terms and Conditions, it is possible that the Issuer's equity ratio may fall below the 35% covenant during the next quarters.

Request for amendments

Based on the foregoing the Issuer hereby has the following request for the Holders:

1. to amend the undertaking set out in Clause 11.3.1(a) of the Terms and Conditions for a period until 31 July 2021 in the following wording:
 - (a) the Equity Ratio of the Group is twenty five (25) per cent. or greater;
2. As of 1 August 2021 the wording of Clause 11.3.1(a) will automatically be reinstated into its initial form and be considered as in the original Terms and Conditions, i.e.:
 - (a) the Equity Ratio of the Group is thirty five (35) per cent. or greater.

(the "**Request**").

Authority for the Agent to implement the Request

For the purpose of carrying out the Request set out in Section A above the Issuer requests that the Holders irrevocably authorise and assign to the Agent, or whoever the Agent appoint in its place, to, on the Holders behalf, do all such acts and things and to execute such other agreements or documents as may be necessary or desirable to give effect to this Request. For the avoidance of doubt, the authorisation includes that the Agent is entitled to approve such necessary amendments to the Terms and Conditions to give effect to the Request.

B. Decision procedure

The Agent will determine whether replies received are eligible to participate in the Written Procedure, continuously calculate the replies provided in respect of the Request and determine the result of the Written Procedure as soon as possible based thereon.

Once a requisite majority of consents of the Adjusted Nominal Amount for which Holders reply in the Written Procedure have been received by the Agent, the relevant decision shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired.

Information about the decision taken in the Written Procedure will be sent by notice to the Holders, published on the websites of the Issuer and the Agent and published by way of stock exchange release by the Issuer.

If the Request is approved by the Written Procedure it will be binding on all Holders whether they participated in the Written Procedure or voted against the Request or not, in accordance with the Terms and Conditions.

Voting rights

Anyone who wishes to participate in the Written Procedure must on 3 July 2020 (the "**Record Date**"):

(i) be registered on the Securities Account as a direct registered owner; or

(ii) be registered on the Securities Account as authorised nominee,

with respect to one or several Bonds.

If you are not registered as a direct registered owner, but your Bonds are held through a registered authorised nominee or another intermediary, you have two different options to vote for the Bonds.

1. You can ask the authorised nominee or other intermediary that holds the Bonds on your behalf to vote on your behalf as instructed by you.
2. You can obtain a power of attorney (Schedule 2) or other authorisation from the authorised nominee or other intermediary and send in your own voting form based on the authorisation. If you hold your Bonds through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the Estonian Register of Securities as Holder of the Securities Account, or from each intermediary in the chain of Holders, starting with the intermediary that is registered in the Estonian Register of Securities as Holder of the Securities Account as authorised nominee or direct registered owner.

Whether either of these options are available to you depends on the agreement between you and the authorised nominee or other intermediary that holds the Bonds on your behalf (and the agreement between the intermediaries, if there are more than one).

The Agent recommends that you contact the securities firm that holds the Bonds on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Bonds are registered or need authorisation or other assistance to participate.

Bonds owned by the Issuer, any other Group Company or an Affiliate do not entitle the holders to any voting rights and are not included in the Adjusted Nominal Amount.

Quorum

Pursuant to Clause 14.7 (*Decisions by Holders*) of the Terms and Conditions, a quorum in respect of the Written Procedure will only exist if Holders representing **at least fifty (50) per cent** of the Adjusted Nominal Amount reply to the Request.

If a quorum does not exist, the Agent shall initiate a second Written Procedure, provided that the relevant proposal has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure. At the option of each Holder, a voting form provided at or before 12.00 (CEST) on 29 July 2020 in respect of the Written Procedure shall also remain valid for any such second Written Procedure.

Majority

Pursuant to Clause 14.5 (*Decisions by Holders*) of the Terms and Conditions, **at least sixty-six and two thirds (66 2/3) per cent.** of the Adjusted Nominal Amount for which Holders reply in a Written Procedure must consent to the Request in order for it to be approved.

Final date to vote in the Written Procedure

The Agent must have received the votes by mail, courier or e-mail to the address indicated below no later than by **12.00 (CEST) on 29 July 2020**. Votes received thereafter will be disregarded.

Address for sending replies

By regular mail:

Intertrust (Sweden) AB
Attn: Beatrice Gustafsson, P.O. Box 16285, 103 25 Stockholm

By courier:

Intertrust (Sweden) AB
Attn: Beatrice Gustafsson, Sveavägen 9, 10th floor 111 57 Stockholm

By e-mail:

trustee@intertrustgroup.com

For further questions please see below:

To the Issuer: Baltic Horizon Fund
Tarmo Karotam, Fund Manager
tarmo.karotam@nh-cap.com, +372 5089044

To the Agent: Intertrust (Sweden) AB, Beatrice Gustafsson
trustee@intertrustgroup.com, +46 70 141 10 82

Stockholm on 6 July 2020

Intertrust (Sweden) AB

as Agent

VOTING FORM

For the Written Procedure initiated on 6 July 2020 for the up to EUR 50,000,000 senior unsecured fixed rate bonds with ISIN EE3300111467 (the "Bonds") issued by Baltic Horizon Fund.

The Issuer requests the Holders to approve the Request set out in the notice for the Written Procedure.

The Agent is hereby empowered to enter into all necessary documentation required to implement the Request, in the event the Request is approved.

Reply

Name of person/entity voting: _____

Nominal Amount voted for: _____

The undersigned hereby (put a cross in the appropriate box) votes for alternative:

A) Approve **B) Reject** **C) Refrain from voting**

with respect to the Request.

The undersigned hereby confirms (put a cross in the appropriate box) that this voting form shall constitute a vote also for a second Written Procedure (if any) pursuant to clause 14.8 (*Decisions by the Holders*) of the Terms and Conditions with respect to the Request:

Confirmed **Not confirmed**

Signature

 Name in print:

Contact information

Email:

Tel:

NOTE: Please attach a power of attorney/authorisation if the person/entity voting is not registered on the Securities Account as a direct registered owner or authorised nominee. The voting form shall be signed by an authorised signatory. A certified copy of a registration certificate or a corresponding authorisation document for the legal entity shall be appended to the voting form for any legal entity voting. The registration certificate, where applicable, may not be older than one year.

POWER OF ATTORNEY/AUTHORISATION

Written Procedure initiated on 6 July 2020 for the up to EUR 50,000,000 senior unsecured fixed rate bonds with ISIN EE3300111467 (the "Bonds") issued by Baltic Horizon Fund.

Authorised Person²: _____

Nominal Amount³: _____

Grantor of authority⁴: _____

We hereby confirm that the Authorised Person specified above has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of⁵: _____

We are (put a cross in the appropriate box):

- | | |
|--|--|
| | Registered as authorised nominee on a Securities Account |
| | Registered as direct registered owner on a Securities Account |
| | Other intermediary and hold the Bonds through ⁶ _____ |

Date:

Signature

² Insert the name of the person/entity that should be authorised to vote.

³ Insert the aggregate nominal amount the Authorised Person should be able to vote for.

⁴ Insert the name of entity/person confirming the authority.

⁵ The total Nominal Amount the undersigned represents

⁶ Mark this option if the undersigned is not registered as authorised nominee or direct registered owner in the Securities Account kept by Nasdaq CSD. Please insert the name of the firm the undersigned holds the Bonds through.