

Offering of up to 15,108,000 Units

Baltic Horizon Fund

(a closed-ended contractual investment fund registered in the Republic of Estonia)

This document is a supplement (the “Prospectus Supplement”) to, and should be read in conjunction with, the public offering and listing prospectus approved by the EFSA under registration number 4.3-4.6/1841, dated 8 May 2017 (the “Offering Circular”) and published by Northern Horizon Capital AS (the “Management Company”) on 9 May 2017 and the prospectus supplement, approved by the EFSA under registration number 4.3-4.6/1841-1, dated 22 May 2017 and published by the Management Company on 22 May 2017. The Offering Circular, the prospectus supplement dated 22 May 2017 and this Prospectus Supplement have been prepared and published in connection with the offering (the “Offering”) of up to 15,108,000 offer units (the “Offer Units”) and admission to trading of the units of Baltic Horizon Fund (the “Fund”) on the Nasdaq Stockholm and Nasdaq Tallinn. The Management Company reserves an option to increase the number of new Offer Units to be offered in the Offering by up to 22,662,000 Offer Units (the “Upsizing Option”). The exercise of the Upsizing Option shall be determined together with determining the completion of the Offering and allotment of Offer Units. In case the Upsizing Option is exercised in full, the total number of new Offer Units issued in the Offering is 37,770,000.

The Offering is made (i) to professional investors in and outside Estonia in accordance with laws implementing Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and also other types of investors in reliance on certain exemptions available under the laws of each jurisdiction where the Offering is being made (the “Institutional Offering”) and (ii) to retail investors in Sweden, Finland, Denmark and Estonia (the “Retail Offering”).

This Prospectus Supplement has been approved by the Estonian Financial Supervision Authority (“EFSA”) under registration number 4.3-4.6/1841-2 in its capacity as the competent authority in the Republic of Estonia for the purposes of the Prospectus Directive, in accordance with the requirements of the Estonian Securities Market Act and the Prospectus Regulation. In connection with the offering of Offer Units to retail investors in Sweden, Finland and Denmark (the “Retail Offering”), and pursuant to § 39¹ (2) of the Securities Market Act of Estonia, the Management Company has requested that EFSA notify the Swedish, Finnish and Danish Financial Supervision Authorities of its approval of this Prospectus Supplement.

See section 4 “Risk Factors” in the Offering Circular for a discussion of certain factors that should be considered by prospective investors.

This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the Offer Units in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this Prospectus Supplement and the offering or sale of the Offer Units in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus Supplement or the Offering Circular may come are required by the Management Company and the Managers to inform themselves about and to observe such restrictions.

NOTHING IN THIS DOCUMENT CONSTITUTES AN OFFER OF THE OFFER UNITS FOR SALE IN THE UNITED STATES (“U.S.”) OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE OFFER UNITS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S., AND MAY NOT BE OFFERED OR SOLD IN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S). THE OFFER UNITS ARE SUBJECT TO CERTAIN SELLING RESTRICTIONS THAT ARE SET OUT IN THE OFFERING CIRCULAR.

The date of this Prospectus Supplement is 31 May 2017

1. GENERAL

Capitalised terms and phrases used in this Prospectus Supplement have the same meaning given to them in the Offering Circular, unless otherwise defined herein. Any statement contained in the Offering Circular shall be deemed to be modified or superseded to the extent that a statement contained in this document modifies or supersedes such statement. To the extent that there is any inconsistency between any statement in or incorporated by reference in this document and any other statement in or incorporated by reference in the Offering Circular, the statements in or incorporated by reference in this document will prevail.

The Management Company accepts responsibility for the information contained in this Prospectus Supplement. To the best of the knowledge and belief of the Management Company, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus Supplement is in accordance with the facts and contains no omission likely to affect its import. The contents of this Prospectus Supplement are not to be construed as legal, business or tax advice. Each prospective investor should consult with its own legal adviser, business adviser or tax adviser as to legal, business and tax advice.

Except as disclosed in this Prospectus Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular has arisen or been noted, as the case may be, since the publication of the Offering Circular.

This Prospectus Supplement is being published:

- (i) to extend the Offer Period and related key dates of the Offering;
- (ii) to amend the Offer Price of the Offering;
- (iii) to provide the updated summary of the Offering Circular which includes the new information disclosed in this Offering Supplement. Only two elements of the Summary have been updated: section C11 "Admission to trading" and E3 "Terms and conditions of the Offering".

This Prospectus Supplement will be published on the Website and on the website of the EFSA (www.fi.ee). A paper copy of this Offering Circular can be obtained from Catella Bank S.A. until the end of the Offer Period.

2. UPDATED SUMMARY

of the Offering Circular of Baltic Horizon Fund dated 8 May 2017 and as supplemented with the Prospectus Supplements dated 22 May 2017 and 31 May 2017.

This Summary is made up of disclosure requirements known as “Elements” in accordance with the Annex XXII (Disclosure Requirements in Summaries) of the Prospectus Regulation. These elements are numbered in Sections A – E (A.1 – E.7) below. This Summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the Summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the Summary with the mention ‘not applicable’.

Section A - Introduction and Warnings

A.1	Warning	This summary should be read as an introduction to the Offering Circular. The summary information set out below is based on, should be read in conjunction with, and is qualified in its entirety by, the full text of this Offering Circular, including the financial information presented herein. Any consideration to invest in the Offer Units should be based on consideration of the Offering Circular as a whole by the investor. Where a claim relating to the information contained in the Offering Circular is brought before a court, the plaintiff investor might, under the applicable law, have to bear the costs of translating the Offering Circular in the course of the legal proceedings or before such proceedings are initiated. No person assumes civil liability for this summary or the information herein, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Offering Circular, or does not provide key information to allow investment decision making.
A.2	Consent by the issuer	Not applicable

Section B - Issuer

B.1	Legal and commercial name	Baltic Horizon Fund
B.2	Domicile, legal form and legislation	The Fund is a public closed-ended contractual investment fund. The Fund is a real estate fund. The Fund is registered in the Republic of Estonia.
B.3	Key factors relating to the Fund and its activities	<p>The Fund is a real estate fund and invests directly or indirectly in real estate located in Estonia, Latvia, and Lithuania, with a particular focus on the capitals - Tallinn, Riga, and Vilnius. See more information on the Fund’s investment policy in Element B.34 below.</p> <p>The Fund Rules were registered with Estonian Financial Supervision Authority on 23 May 2016. The Fund completed an initial public offering on 29 June 2016 raising EUR 21.0m of proceeds for acquisitions of new properties. On 30 June 2016 the Fund merged with BOF and took over all assets and liabilities of BOF including its property portfolio of 5 commercial properties. Unit-holders of BOF became Unit-holders of the Fund as units of BOF were converted into Units of the Fund at a ratio of 1:100. BOF was a closed-ended contractual real estate investment fund registered in Estonia with the Estonian Financial Supervision Authority on 1 September 2010. On 6 July 2016 Units of the Fund were listed on Nasdaq Tallinn. On 30 November 2016 the Fund completed a secondary public offering raising EUR 19.6m of new equity for investing into new properties. On 23 December 2016 the Fund Units were secondary listed on Nasdaq Stockholm.</p> <p>The Fund generates returns to the Unit-holders by investing in commercial real estate assets primarily at central and strategic locations in the Baltic capital cities. The Fund focuses on fully-developed premium office and retail properties with high-quality tenants mix, low vacancy and stable and strong cash flows. The Fund generates revenue by leasing out space at its properties to tenants. Constant flow of rental income is the basis for the Fund to distribute dividends to its Unit-holders. The Fund seeks to become the largest commercial property owner in the Baltics. In the longer term it targets to reach a property portfolio size of EUR 1,000m and NAV of EUR 500m in order to maximize Unit-holder returns through cost efficiencies, ensure high liquidity of its Units and increase diversification across properties, tenants, property classes and cities.</p> <p>The Fund’s investment strategy aims to take advantage of higher property yields in the Baltics. According to Colliers, prime yields for office and retail properties in the Baltic capitals stood at 6.5-6.8% at the end of 2016. They exceeded yields in Nordic capitals by approximately 2.5% and</p>

		<p>Warsaw and Prague by approximately 1.5%. Higher property yields enable the Fund to generate greater cash returns, which are paid out to Unit-holders as dividends, and also offer a potential for capital appreciation due to possible compression in the Baltic yields. The Fund targets a debt level of 50% of the value of its properties enabling to leverage returns to Unit-holders and utilize currently low market interest rates. Dividends are targeted to yield 7-9% of invested equity per annum, payable on a quarterly basis.</p> <p>The focus on the Baltic commercial real estate is also based on positive leasing trends: low vacancy, gradually growing rent rates and a significant and still increasing presence of large international tenants. In addition, rising activity in the Baltic property transaction market leads to greater availability of potential acquisition targets which is important for the implementation of the Fund's investment strategy.</p> <p>The Fund's geographical focus on the Baltics is supported by the stable macroeconomic situation in the region. All three Baltic countries are members of the EU and have euro as a national currency. Their economies have been growing at a considerably higher pace than the EU average. Ranked by real GDP growth over 2000-2016 (Eurostat), they are in the top 8 of the fastest expanding members of the EU. The EC forecasts economic growth in the Baltics to continue outperforming the EU average. Furthermore, government debt and private debt levels of the Baltic countries are among the lowest in the EU. Government debt to GDP ratio of Lithuania, the highest of the three, stood at 41% at the end of 2016 – substantially below the EU average of 85% (according to the EC).</p>
B.4a	Significant trends	<p>The growth of the GDP of Baltic countries has significantly outperformed EU average. Over the period from 2000 to 2016, annual real GDP growth averaged 4.0% in Lithuania (the 3rd fastest in the EU), 3.6% in Latvia (the 5th fastest) and 3.2% in Estonia (the 8th fastest). In contrast, the overall EU's GDP expanded by only 1.3% real per annum over the same period. The EC forecasts that buoyed by growing private consumption and a rebound in investments the Baltic economies will continue expanding at a considerably faster pace than EU as a whole. The EU is expected to achieve real GDP growth of 1.8% in 2017 and 2018 whereas Lithuania is forecast to deliver growth of 2.9% in 2017 and 2.8% in 2018, Latvia to increase by 2.8% in 2017 and 3.0% in 2018 and Estonia to grow by 2.2% in 2017 and 2.6% in 2018.</p> <p>Government finances of the Baltic States stand out in the European context as prudent, fiscally responsible and not overburden by debt. The Baltic countries have one of the lowest government debt levels in the EU. Whereas the overall EU had a gross debt to GDP ratio of 85% at the end of 2016, Estonia's government debt amounted to only 10% of GDP (the lowest in the EU), Latvia's 39% (the 7th lowest) and Lithuania's 41% (the 8th lowest).</p> <p>The activity in the Baltic property transaction market grew rapidly in recent years. According to Colliers, the turnover of property transactions, aggregated for all three Baltic countries, reached an all-time record of 1.4bn in 2015 and remained high at EUR 1.2bn in 2016. Office and retail properties together constituted approximately two thirds of the transaction volume in 2016.</p> <p>Prime yields in the Baltic capital cities have been gradually declining since 2010 on the back of stable and growing economy, improving real estate market fundamentals (declining vacancy and increasing rent rates), falling borrowing costs and high demand for cash flow-generating assets in a low interest rate environment. At the end of 2016 prime yields for office and retail properties stood at 6.8% in Riga, 6.75% in Vilnius and 6.5% in Tallinn. Despite a downward trend, yields in the Baltic capitals are still considerably higher than in Poland and even more so than in Nordics. Colliers estimates that at the end of 2016 prime yields for office and retail (SCs) properties were 5.25% in Warsaw, 4.25-5.25% in Copenhagen, 3.9-4.25% in Oslo and 3.5-4.0% in Stockholm.</p> <p>Stock of modern office space in the Baltic capital cities increased by 9% to 1,765 thousand sqm of GLA in 2016. Office vacancy stood at 4.5% in Riga, 6.3% in Vilnius and 6.9% in Tallinn. Development activity has picked up recently in Vilnius and Tallinn office markets as growth in demand for office premises has outpaced additions to supply. The demand has been supported by launches of new shared service centers of international companies, especially in Vilnius. A significant part of office buildings under construction are pre-let.</p> <p>Retail space (in shopping centers) in the Baltic capitals rose by 5% to 1,870 thousand sqm of GLA in 2016. Vacancy rates in SCs were low – 2.7% in Riga, 1.6% in Vilnius and 1.0% in Tallinn. The most successful SCs in the Baltic capital cities effectively had no vacant space. Demand for retail space has been supported by increasing household consumption which has been the main driver of economic growth in the Baltics in recent years. In 2014-2016 retail trade (excl. motor vehicles and</p>

		motorcycles) was expanding yearly by 4.8% real on average in the Baltic countries exceeding 2.7% rise in the EU and 2.0% in the euro area. Development activity in retail property sector has been modest and below one in Vilnius and Tallinn office markets.																																																						
B.5	Group	Not applicable																																																						
B.6	Unitholders	<p>Holdings in the Fund are not notifiable under Estonian law.</p> <p>All Units rank <i>pari passu</i> without preference or priority among themselves.</p> <p>To the extent known to the Management Company, no Unit-holder holds majority of the Units and controls the Fund.</p>																																																						
B.7	Selected historical financial information	<p>On 30 June 2016 the Fund merged with BOF and took over all assets and liabilities of BOF. Units of BOF were converted into units of the Fund at a ratio of 1:100 (1 unit of BOF was exchanged into 100 units of the Fund). At the time of the Merger, the Fund had no assets and liabilities of its own. Thus, historical financial and operational performance of BOF prior to the Merger is directly comparable the Fund's performance after the Merger. In the Fund's audited consolidated financial statements for the year ended 31 December 2016, BOF's financial results prior to the Merger are presented as those of the Fund. For these reasons, in this Offering Circular past results of BOF are presented as results of the Fund.</p> <p>The consolidated financial information, provided in the following tables, has been derived as follows:</p> <ul style="list-style-type: none"> - For the interim period of January – March 2017 (and the corresponding period of 2016): the Fund's reviewed interim consolidated financial statements for the 3-month period ended 31 March 2017 prepared according to the IFRS; - For year 2016: the Fund's audited consolidated financial statements for the year ended 31 December 2016 prepared according to the IFRS; - For year 2015: BOF's audited statutory consolidated financial statements for the year ended 31 December 2015 prepared according to the IFRS; - For year 2014: BOF's audited special purpose consolidated financial statements for the years ended 31 December 2014 and 31 December 2013. Because prior to 2015 BOF was qualified as an investment entity under IFRS 10, these statements do not comply with consolidation requirements in IFRS 10 according to which investment entities are required to measure their subsidiaries at fair value through profit and loss rather than consolidate them. Apart from this exception, these special purpose financial statements are prepared based on all other standards and interpretations of the IFRS. <p>The Fund reports its financial results in the consolidated form. In years prior to 2015 BOF qualified as an investment entity under IFRS 10. According to consolidation requirements in IFRS 10, investment entities are required to measure subsidiaries at fair value through profit and loss rather than consolidate them. In order to provide prospective investors with comparable financial information for years prior to 2015, special purpose consolidated financial statements have been prepared for 2014.</p> <p>Table 1: Consolidated income statement of the Fund, EUR thousand</p> <table border="1"> <thead> <tr> <th></th> <th>2014</th> <th>2015</th> <th>2016</th> <th>Jan - Mar 2016</th> <th>Jan - Mar 2017</th> </tr> </thead> <tbody> <tr> <td>Rental income</td> <td>3,048</td> <td>6,073</td> <td>7,874</td> <td>1,619</td> <td>2,727</td> </tr> <tr> <td>Service charge income</td> <td>829</td> <td>2,062</td> <td>2,594</td> <td>621</td> <td>924</td> </tr> <tr> <td>Cost of rental activities</td> <td>-1,177</td> <td>-2,796</td> <td>-</td> <td>-803</td> <td>-1,125</td> </tr> <tr> <td>Net rental income</td> <td>2,700</td> <td>5,339</td> <td>7,153</td> <td>1,437</td> <td>2,526</td> </tr> <tr> <td>Administrative expenses</td> <td>-665</td> <td>-984</td> <td>-</td> <td>-182</td> <td>-730</td> </tr> <tr> <td>Other operating income</td> <td>-</td> <td>267</td> <td>97</td> <td>-</td> <td>13</td> </tr> <tr> <td>Net loss on disposal of investment properties</td> <td>-</td> <td>-10</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Valuation gains/losses on investment properties</td> <td>611</td> <td>2,886</td> <td>2,562</td> <td>-</td> <td>-</td> </tr> </tbody> </table>		2014	2015	2016	Jan - Mar 2016	Jan - Mar 2017	Rental income	3,048	6,073	7,874	1,619	2,727	Service charge income	829	2,062	2,594	621	924	Cost of rental activities	-1,177	-2,796	-	-803	-1,125	Net rental income	2,700	5,339	7,153	1,437	2,526	Administrative expenses	-665	-984	-	-182	-730	Other operating income	-	267	97	-	13	Net loss on disposal of investment properties	-	-10	-	-	-	Valuation gains/losses on investment properties	611	2,886	2,562	-	-
	2014	2015	2016	Jan - Mar 2016	Jan - Mar 2017																																																			
Rental income	3,048	6,073	7,874	1,619	2,727																																																			
Service charge income	829	2,062	2,594	621	924																																																			
Cost of rental activities	-1,177	-2,796	-	-803	-1,125																																																			
Net rental income	2,700	5,339	7,153	1,437	2,526																																																			
Administrative expenses	-665	-984	-	-182	-730																																																			
Other operating income	-	267	97	-	13																																																			
Net loss on disposal of investment properties	-	-10	-	-	-																																																			
Valuation gains/losses on investment properties	611	2,886	2,562	-	-																																																			

Valuation gains/losses on investment properties under construction	-	-	175	-	-
Operating profit	2,646	7,498	7,797	1,255	1,809
Financial income	72	17	14	4	41
Financial expenses	-656	-1,100	-	-280	-332
			1,253		
Profit before tax	2,062	6,415	6,558	979	1,518
Income tax charge	-55	-890	-798	-115	-568
Profit for the period	2,007	5,525	5,760	864	950
Earnings per unit (basic and diluted)¹, EUR	0.10	0.23	0.12	0.03	0.02

Source: reviewed interim consolidated financial statements of the Fund for Q1 2017, audited consolidated financial statements of the Fund for year 2016 and audited consolidated financial statements of BOF for years 2014-2015

¹ On 30 June 2016 the Fund merged with BOF and took over all assets and liabilities of BOF. Units of BOF were converted into the Units of the Fund at a ratio of 1:100 (1 unit of BOF was exchanged into 100 Units of the Fund). To ensure the comparability of historical *per unit* figures, numbers of units prior to the Merger were recalculated by multiplying them by 100 to reflect the effect of the conversion. The recalculated numbers or units were used to compute comparable *per unit* figures.

Table 2: Consolidated financial position of the Fund, EUR thousand

	31 Dec 2014	31 Dec 2015	31 Dec 2016	31 Mar 2017
Investment properties	46,170	86,810	141,740	156,538
Investment property under construction	-	-	1,580	2,218
Derivative financial instruments	-	-	-	22
Other non-current assets	-	263	288	82
Total non-current assets	46,170	87,073	143,608	158,860
Trade and other receivables	214	840	1,269	1,282
Prepayments	11	81	178	235
Cash and cash equivalents	2,626	1,677	9,883	8,641
Total current assets	2,851	2,598	11,330	10,158
TOTAL ASSETS	49,021	89,671	154,938	169,018
Paid in capital	22,051	25,674	66,224	66,216
Own units	-	-	-8	-
Cash flow hedge reserve	-194	-199	-294	-173
Retained earnings	2,458	6,218	10,887	10,463
Total equity	24,315	31,693	76,809	76,506
Interest bearing loans and borrowings	22,395	39,586	58,981	50,662
Deferred tax liabilities	670	3,673	4,383	5,001
Derivative financial instruments	149	215	345	153
Other non-current liabilities	160	451	935	996
Total non-current liabilities	23,374	43,925	64,644	56,812
Interest bearing loans and borrowings	644	11,608	10,191	32,716
Trade and other payables	534	2,036	2,876	2,534
Income tax payable	-	112	46	12
Derivative financial instruments	60	17	-	76
Other current liabilities	94	280	372	362
Total current liabilities	1,332	14,053	13,485	35,700
Total liabilities	24,706	57,978	78,129	92,512

TOTAL EQUITY AND LIABILITIES	49,021	89,671	154,938	169,018
-------------------------------------	---------------	---------------	----------------	----------------

Source: reviewed interim consolidated financial statements of the Fund for Q1 2017, audited consolidated financial statements of the Fund for year 2016 and audited consolidated financial statements of BOF for years 2014-2015

Table 3: Consolidated statement of cash flows of the Fund, EUR thousand

	2014	2015	2016	Jan - Mar 2016	Jan - Mar 2017
Operating activities					
Profit before tax	2,062	6,415	6,558	979	1,518
Adjustments for non-cash items:					
Value adjustment of investment properties	-611	-2,886	-2,562	-	-
Gain/loss on disposal of investment property	-	10	-	-	-
Value adjustment of investment properties under construction	-	-	-175	-	-
Value adjustment of derivative finance instruments	14	18	-	-	-
Change in allowance for bad debts	29	22	17	-	3
Financial income	-72	-17	-14	-4	-41
Financial expenses	656	1,100	1,253	280	332
Working capital adjustments:					
Decrease/-increase in trade and other accounts receivables	-81	-156	-204	103	-55
-Increase/decrease in other current assets	271	-82	-106	3	-61
-Decrease/increase in other non-current liabilities	83	120	69	40	19
Increase/-decrease in trade and other accounts payable	77	69	-398	-223	-503
-Decrease/increase in other current liabilities	-559	407	-50	-70	10
Refunded/-paid income tax	-102	-54	-103	-17	-11
Net cash flow from operating activities	1,767	4,966	4,285	1,091	1,211
Investing activities					
Interest received	-	17	14	4	3
Acquisition of a subsidiaries, net of cash acquired	-1,357	-7,657 ¹	-20,098	-	-
Acquisition of investment properties	-	-	-15,454	-	-14,349
Disposal of investment properties	-	990	-	-	-
Advance payment on investment property	-	-	-200	-	-
Investment property development expenditure	-	-1,643	-1,660	-	-491
Capital expenditure on investment properties	-468	-570	-380	-178	-129
Net cash flow from investing activities	-1,825	-8,863	-37,778	-174	-14,966
Financing activities					
Proceeds from bank loans, net of fees	499	4,804	8,084	396	14,700
Repayment of bank loans	-463	-2,684	-4,722	-470	-501
Proceeds from issue of units	3,019	3,160	40,550	-	-
Repurchase of units	-	-	-8	-	-
Profit distribution to unitholders	-184	-1,302	-1,091	-	-1,374
Interest paid	-643	-1,030	-1,114	-264	-312

Net cash flow from financing activities	2,228	2,948	41,699	-338	12,513
Net change in cash and cash equivalents	2,170	-949	8,206	579	-1,242
Cash and cash equivalents at the beginning of the year	456	2,626 ¹	1,677	1,677	9,883
Cash and cash equivalents at the end of the year	2,626	1,677	9,883	2,256	8,641²

Source: reviewed interim consolidated financial statements of the Fund for Q1 2017, audited consolidated financial statements of the Fund for year 2016 and audited consolidated financial statements of BOF for years 2014-2015

¹ In BOF's audited consolidated financial statements for 2015, *acquisition of subsidiaries, net of cash acquired*, in year 2015 is equal to EUR 6,324 thousand which is comprised of EUR 7,657 thousand payment (net of cash acquired) for an acquisition of Europa SC reduced by EUR 1,333 thousand cash and cash equivalents held by SPVs at the beginning of 2015. The subtraction of SPVs' cash position is due to the change in BOF's status under IFRS 10 from an investment entity at the end of 2014 to a non-investment entity in 2015. In BOF's consolidated statements of cash flows for the year 2015, cash and cash equivalents at the beginning of 2015 reflect non-consolidated position, i.e. only cash held by BOF itself (EUR 1,293 thousand). In order to consolidate cash held by SPVs at the beginning of 2015, the amount is recognised under *acquisition of subsidiaries, net of cash acquired*, as a positive cash flow item. This EUR 1,333 thousand consolidation adjustment is eliminated from the table above because in it cash and cash equivalents at the beginning of 2015 already reflect the consolidated position, i.e. cash held by both BOF itself (EUR 1,293 thousand) and all its SPVs (EUR 1,333 thousand).

² Of that, EUR 430 thousand were restricted following requirements set in bank loan agreements.

Source: audited consolidated financial statements of the Fund for year 2016 and audited consolidated financial statements of BOF for years 2014-2015

Table 4: Key indicators of the Fund

	2014	2015	2016	Jan - Mar 2016	Jan - Mar 2017
Property-related					
Value of investment properties, EUR'000	46,170	86,810	141,740	86,988	156,538
Number of properties, period end	4	5	8	5	9
Rentable area, sqm					
Period end	30,928	48,651	75,107	48,661	83,434
Period average ¹	28,322	44,718	58,936	48,661	77,883
Vacancy rate					
Period end	6.3%	2.0%	2.6%	3.7%	1.9%
Period average ²	9.8%	2.8%	3.2%	3.5%	2.4%
Net initial yield ³	6.6%	7.1%	6.8%	6.6%	7.0%
Financial					
EPRA NAV per unit ^{4,5} , EUR	1.16	1.48	1.48	1.52	1.48
NAV per unit ⁴ , EUR	1.12	1.27	1.34	1.30	1.34
Adjusted earnings per unit ^{4,6} , EUR	0.10	0.23	0.14	0.03	0.03
Adjusted ROE ⁷	9.2%	19.7%	12.3%	10.8%	8.4%
Adjusted cash earnings ⁸ , EUR'000	1,349	3,485	4,656	962	2,161
Adjusted cash earnings per unit ⁴ , EUR	0.07	0.15	0.10	0.04	0.04
Adjusted cash ROE ⁹	6.2%	12.4%	8.6%	12.0%	11.3%
AFFO ¹⁰ , EUR'000	983	2,702	3,344	801	1,376
AFFO per unit ⁴ , EUR	0.05	0.11	0.07	0.03	0.02
Dividends per unit ⁴ , EUR	0.051	0.072	0.050 ¹¹	-	0.023 ¹²
Interest coverage ratio	3.2	4.3	4.4	4.6	5.5
LTV	49.9%	59.0%	48.8%	58.8%	53.3%
Weighted average number of units issued ⁴ , '000	19,767	23,915	47,351	25,017	57,263
Number of units issued at period end ⁴ , '000	21,720	25,017	57,265	25,017	57,259

Source: ratios and indicators in the table have been computed using information provided in the Fund's and BOF's audited annual consolidated financial statements, reviewed interim consolidated financial statements and internal management reports. The ratios and indicators themselves have neither been audited nor reviewed by independent auditors.

¹ Computed as average of monthly estimates.

² Computed as average of monthly estimates.

³ Net initial yield = net rental income / value of investment properties. Calculated as average of monthly estimates.

⁴ On 30 June 2016 the Fund merged with BOF and took over all assets and liabilities of BOF. Units of BOF were converted into units of the Fund at a ratio of 1:100 (1 unit of BOF was exchanged into 100 units of the Fund). To ensure the comparability of historical *per unit* figures, numbers of units prior to the Merger were recalculated by multiplying them by 100 to reflect the effect of the conversion. The recalculated numbers or units were used to compute comparable *per unit* figures.

⁵ EPRA NAV is a measure of long term NAV, proposed by European Public Real Estate Association (EPRA) and widely used by listed European property companies. It is designed to exclude assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value of financial derivatives and deferred taxes on property valuation gains. EPRA NAV = NAV per financial statements + derivative financial instruments liability net of related deferred tax asset + deferred tax liability related to investment property fair and tax value differences.

⁶ Earnings per unit for 2016 were adjusted to exclude EUR 938 thousand one-off expenses related to public offerings. Earnings per unit for Q1 2017 were adjusted to exclude EUR 202 thousand one-off expenses related to public offerings and EUR 452 thousand one-off deferred tax related to revaluation of Upmalas Birojji's land plot. No adjustments were performed for other periods.

⁷ Adjusted return on average equity (ROE) = profit for the period / average total equity; where average total equity = (total equity at the beginning of the period + total equity at the end of the period) / 2. Profit for the period for 2016 was adjusted to exclude EUR 938 thousand one-off expenses related to public offerings. Profit for the period for Q1 2017 was adjusted to exclude EUR 202 thousand one-off expenses related to public offerings and EUR 452 thousand one-off deferred tax related to revaluation of Upmalas Birojji's land plot. No adjustments were performed for other periods. Estimates for interim periods were annualized.

⁸ Adjusted cash earnings = profit before tax - valuation gains or losses on investment properties - valuation gains or losses on investment properties under construction - net gains or losses on disposals of investment properties - paid income taxes. A figure for 2016 was adjusted to exclude EUR 938 thousand one-off expenses related to public offerings. A figure for Q1 2017 was adjusted to exclude EUR 202 thousand one-off expenses related to public offerings. No adjustments were performed for other periods.

⁹ Adjusted cash ROE = adjusted cash earnings for the period / average total equity. Estimates for interim periods were annualized.

¹⁰ Adjusted funds from operations (AFFO) = net rental income - administrative expenses + financial income - financial expenses - capital expenditure on investment properties.

¹¹ Represents two quarterly dividends for 2016 profit: EUR 0.026 per unit for Q3 2016 profit, announced on 12 October 2016 and paid on 28 October 2016, and EUR 0.024 per unit for Q4 2016 profit, announced on 20 January 2017 and paid on 7 February 2017.

¹² Represents a quarterly dividend for Q1 2017 profit, announced on 28 April 2017 and paid on 18 May 2017.

Interim results in the first 3 months of 2017

In the first 3 months of 2017 the Fund's net rental income expanded by 76% year on year to EUR 2.5m primarily due to 3 new properties acquired in the second half of 2016. Upmalas Birojji (acquired in August 2016) and G4S Headquarters (bought in July 2016) generated EUR 0.4m and EUR 0.3m of net rental income respectively in the first quarter of 2017. Piirita (acquired in December 2016) contributed EUR 0.2m of net rental income in the first quarter of 2017. On the other hand, Duetto I, which was purchased on 22 March 2017, added only EUR 29 thousand to the net rental income in the first quarter of 2017. Duetto I will contribute fully starting from the second quarter of 2017. Regarding properties that were owned by the Fund at the beginning of 2016 already, Domus Pro and Europa SC each improved their net rental income by EUR 50-70 thousand year on year. Changes at remaining properties were marginal.

In the first 3 months of 2017 total administrative expenses grew to EUR 0.7m from EUR 0.2m in the same period of 2016. A significant part of the increase was attributable to one-off expenses – EUR 0.2m public offering related expenses. The management fee rose by approximately EUR 0.1m year on year as the base for its calculation – NAV before the Merger with BOF on 30 June 2016 and market capitalization after the Merger – expanded. Legal fees increased by EUR 0.1m explained mainly by higher acquisition activity of the Fund.

Net financial expenses grew by 5% year on year to EUR 291 thousand as additional bank debt (in combination with new equity capital from the public offerings) was raised to finance acquisitions of new properties. On the other hand, average cost of debt dropped further to 1.7% from 2.1% indicating attractiveness of debt financing in the current economic environment.

		<p>In the first quarter of 2017 income tax increased to EUR 0.6m from EUR 0.1m predominantly attributable to one-off recognition of EUR 452 thousand deferred tax in relation to revaluation of Upmalas Biroji's land plot. Current income tax amounted to only EUR 11 thousand and was comparable to the level recorded in the first 3 months of 2016.</p> <p>The Fund's current ratio stood at 0.28 on 31 March 2017 because 3 bank loans were due to mature within a year: Lincona's EUR 7.0m and EUR 1.5m loans in December 2017 and Europa's EUR 23.2m loan in March 2018. The Management Company of the Fund has performed an assessment of the Fund's future consolidated financial position, consolidated financial performance and cash flows and has concluded that the continued application of the going concern assumption is appropriate. The Management Company is in the process of extending Europa's EUR 23.2m loan. 3 non-committed bank offers to extend the loan have already been received. Due to strong attention from banks, the Management Company believes that expiring loans can be extended or refinanced with other banks. Assuming this can be done, the cash flow budget of the Fund for the years 2017 and 2018 indicates that the Fund will be able to cover other current liabilities with existing current assets and operating cash flow.</p> <p>Results in years 2014 - 2016</p> <p>In 2016 net rental income rose by 34% to EUR 7.2m driven both by higher income at existing properties and contribution from new properties acquired in 2016. Of the existing properties, Europa SC's net rental income grew by EUR 0.4m thanks to full year contribution and Domus Pro's net rental income expanded by EUR 0.2m due to commissioning of its 3,700 sqm 2nd stage. Of the new properties, G4S Headquarters, purchased in July 2016, and Upmalas Biroji, bought in August 2016, each added EUR 0.5m of net rental income while Piirita, acquired in December 2016, generated EUR 32 thousand. The 3 new properties will lead to a sizeable increase in the Fund's rental income in 2017 since they will be owned for the whole year. In 2015 net rental income doubled to EUR 5.3m from EUR 2.7m in 2014. The increase was primarily attributable to Europa SC, acquired in March 2015, that contributed EUR 2.0m during the year. Net rental income of Domus Pro grew by EUR 0.4m thanks to its full year contribution and a drop in its vacancy.</p> <p>Administrative expenses increased to EUR 2.2m in 2016 from EUR 1.0m in 2015. The main reason for the increase was EUR 0.9m one-off expenses related to the preparation and execution of the Fund's initial public offering in June 2016 and its secondary public offering in November 2016. The management fee rose by EUR 0.1m to EUR 0.7m as the base for its calculation – NAV before the Merger and market capitalization after the Merger – expanded. In 2015 administrative expenses grew to EUR 1.0m from EUR 0.7m in 2014 as higher NAV led to increased management fee.</p> <p>Valuation gains on investment properties amounted to EUR 2.6m in 2016, EUR 2.9m in 2015 and EUR 0.6m in 2014. Properties have been recognised at fair value based on independent appraisals which have been carried out at least once a year.</p> <p>Net financial expenses grew to EUR 1.2m in 2016 from EUR 1.1m in 2015 and EUR 0.6m in 2014. Increases were attributable predominantly to rising interest expenses as an amount of bank loans expanded with an increasing size of the Fund's property portfolio. The Fund uses bank loans to partly finance acquisitions of new properties. As a result, financial debt grew to EUR 69.2m at the end of 2016 from EUR 51.2m at the end of 2015 and EUR 23.0m at the end of 2014.</p> <p>Income tax amounted to EUR 0.8m in 2016 comprised of EUR 0.1m current income tax and EUR 0.7m deferred income tax. Deferred income tax was attributable to fair value gains from external property valuations as well as depreciation of properties' historical cost which is deducted from taxable profits in determining current taxable income. In 2015 income tax went up to EUR 0.9m (fully comprised of deferred tax) from EUR 0.1m in 2014 caused by substantially higher profits from properties located in Lithuania. Over years 2014-2016, income tax was recorded only for properties based in Lithuania and Latvia. Estonian properties, on the other hand, incurred no income tax because they did not pay dividends - retained profits are tax exempt in Estonia.</p>
B.8	Pro forma financial information	Not applicable. Pro forma financial information is not provided in the Offering Circular.
B.9	Profit forecast	Not applicable. A profit forecast is not provided in the Offering Circular.
B.10	Qualifications in audit reports	All audited financial statements provided in this Offering Circular received unqualified opinions from independent auditors.
B.34	Investment objective and	The objective of the Fund is to provide its unit-holders with consistent and above average risk-adjusted returns by acquiring high quality cash flow generating commercial properties with the

	policy	<p>potential for adding value through active management, thereby creating a stable income stream of high yielding current income combined with capital gains. The focus of the Fund is to invest, directly or indirectly, in real estate located in Estonia, Latvia, and Lithuania, with a particular focus on the capitals - Tallinn, Riga, and Vilnius - and a preference for city centres within or near the central business districts.</p> <p>At least 80% of the Fund's gross asset value must be invested in real estate and securities relating to real estate in accordance with the investment objectives and policy of the Fund. Up to 20% of the Fund's gross asset value may be invested in the deposits and financial instruments. The assets of the Fund may be invested in derivative instruments only for the purpose of hedging the property loan risks.</p> <p>The Fund shall meet the following risk diversification requirements:</p> <ul style="list-style-type: none"> • up to 50% of the gross asset value of the Fund may be invested in any single real estate property, or in any single real estate fund; • the annual rental income from one single tenant shall not form more than 30% of the total annual net rental income of the Fund.
B.35	Borrowing and/or leverage limits	The Management Company has, on account of the Fund, the right to guarantee an issue of securities, provide surety, take a loan, issue debt securities, enter into repurchase or reverse repurchase agreements, and conclude other securities borrowing transactions. Subject to the discretion of the Management Company, the Fund aims to leverage its assets and targets a debt level of 50% of the value of its assets. At no point in time may the Fund's leverage exceed 65% of the value of its assets. Loans may be taken for periods of up to 30 years.
B.36	Regulatory status and the name of a regulator	The Fund is registered with, and is regulated by the Estonian Financial Supervision Authority (<i>Finantsinspektsioon</i>).
B.37	Profile of a typical investor	A typical investor of the Fund is either an institutional or a retail investor seeking to have a medium or long term indirect exposure to commercial real estate property. Investors should be ready to accept investment risk generally inherent to real estate markets. Provided that Fund's investments are made with a long term perspective with a view to gain both from the increase of the property value over economic cycles and through continuous cash flow generation, also investors are expected to invest with a long term view. Furthermore, investors who expect regular distributions out of cash flows (e.g. dividends, interests) should consider an investment in the Fund. Any investor, who has had no or very little experience in investing in real estate funds or directly in commercial real estate property, should consult their professional adviser in order to learn about the characteristics and risks associated with such investments.
B.38	Identity of assets in which the Fund invested more than 20% of its gross asset value	<p>According to the Fund Rules, up to 50% of the gross asset value of the Fund may be invested in any single real estate property, or in any single real estate fund.</p> <p>As of 31 March 2017, the fair value of Europa SC, a shopping mall in Vilnius, constituted approximately 23% of the Fund's gross assets and 24% of its property portfolio value. No other single property (or other investment) comprised more than 20% of the Fund's gross asset value on 31 March 2017.</p>
B.39	Identity of collective investment undertakings in which the Fund invested more than 40% of its gross asset value	The Fund has no investments in other collective investment undertakings.
B.40	Service providers and fees	<p>The main service providers to the Fund are the Management Company and the Depositary. See Element B.41 below.</p> <p>For the fund management services, the Management Company is paid a management fee and a performance fee on account of the Fund.</p> <p>According to the Fund Rules, the management fee shall be calculated as follows:</p> <ul style="list-style-type: none"> • the management fee shall be calculated quarterly based on the 3-month average market capitalisation of the Fund. After each quarter, the management fee shall be calculated on the first banking day of the following quarter.

		<ul style="list-style-type: none"> • the management fee shall be calculated based on the following rates and in the following tranches: <ul style="list-style-type: none"> - 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 fee shall be calculated after each quarter as follows: <ul style="list-style-type: none"> - the market capitalisation as calculated on the fee calculation date, split into the tranches and each tranche of the market capitalisation (M_{Cap_t}) multiplied by - respective fee rate (F_n) applied to the respective tranche, then the aggregate of the fees from each tranches multiplied by - the quotient of the actual number of days in the respective quarter (Actual_q) divided by 365 days per calendar year, as also indicated in the formula below $((M_{Cap_1} \times F_1) + \dots + (M_{Cap_5} \times F_5)) \times (Actual_q / 365)$ • in case the market capitalisation is lower than 90% of the net asset value, the amount equal to 90% of the net asset value shall be used for the Management Fee calculation instead of the market capitalisation. In this case, the net asset value means the average quarterly net asset value and such management fee adjustments shall be calculated and paid annually after the annual report of the Fund for the respective period(s) has been audited. <p>For each year, if the annual adjusted funds from operations of the Fund divided by the average paid in capital during the year (calculated on a monthly basis) exceeds 8% per annum, the Management Company is entitled to a performance fee in the amount of 20% of the amount exceeding 8%.</p> <p>The performance fee is calculated annually by the Management Company and is accrued to the performance fee reserve. Once the performance fee reserve becomes positive, the performance fee can be paid to the Management Company. However, the performance fee for the year shall not exceed 0.4% of the Fund's average net asset value per year (upper performance fee limit). Negative performance Fee shall not be less than -0.4% of the Fund's average net asset value per year (lower performance fee limit).</p> <p>A performance fee for the first year of the Fund (i.e. 2016) shall not be calculated. The performance fee first becomes payable in the fifth year of the Fund (i.e. 2020) for the period of 2017, 2018, and 2019.</p> <p>The Depositary shall be paid a depositary fee for the provision of depositary services. The annual Depositary Fee will be 0.03% of the gross asset value of the Fund, but the fee shall not be less than EUR 10,000 per annum. In addition, the Depositary shall be paid or reimbursed for fees and out-of-pocket expenses related to the transactions made on account of the Fund.</p> <p>The fees and other expenses paid out of the Fund (including out of SPVs) shall not exceed 30% of the net asset value of the Fund per calendar year.</p>
B.41	Investment manager	<p>Northern Horizon Capital AS, registry code 11025345, address Tornimäe 2, 10145 Tallinn, Estonia, acts as the fund management company of the Fund (the "Management Company").</p> <p>Swedbank AS, registry code 10060701, address Liivalaia 8, 15040 Tallinn, Estonia acts as the depositary for the Fund. The depositary may delegate its tasks to third party service provider in compliance with the regulations and the Fund Rules (the "Depositary").</p>
B.42	Net asset value calculation and communication	<p>The net asset value of the Fund shall be calculated monthly, as of the last banking day of each calendar month. The net asset value of the Fund and of a Unit shall be made available on the Website (www.baltichorizon.com), via a stock exchange release, and at the registered office of the Management Company on the 15th day of the following month at the latest.</p>
B.43	Cross liabilities in the case of umbrella collective	<p>Not applicable. The Fund is not an umbrella collective investment undertaking and it has no investments in other collective investment undertakings.</p>

	investment undertaking																																																																														
B.45	Description of the Fund's portfolio	<p>At the date of this Offering Circular, the Fund's property portfolio consists of 9 commercial properties located in the capital cities of the Baltic States. The fair value of the portfolio amounted to EUR 156.5m and it had 83.4 thousand sqm of rentable area at the end of March 2017. The Fund took over BOF's portfolio of 5 buildings as a result of the Merger with BOF on 30 June 2016. By investing proceeds from the initial public offering completed on 29 June 2016, the Fund acquired 2 more properties: G4S Headquarters in Tallinn on 12 July 2016 and Upmalas Biroji in Riga on 30 August 2016. Equity raised in the secondary public offering completed on 30 November 2016 was deployed to purchase the latest 2 properties: Piirita in Tallinn on 16 December 2016 and Duetto I in Vilnius on 22 March 2017.</p> <p>Table 5: the Fund's property portfolio, 31 March 2017</p> <table border="1"> <thead> <tr> <th>Property</th> <th>Sector</th> <th>Rentable area, sqm</th> <th>Fair value, EUR'000</th> <th>Vacancy</th> <th>WAULT, years</th> <th>No of tenants</th> </tr> </thead> <tbody> <tr> <td>Europa SC</td> <td>Retail</td> <td>16,856</td> <td>38,051</td> <td>5.8%</td> <td>3.7</td> <td>69</td> </tr> <tr> <td>Upmalas Biroji</td> <td>Office</td> <td>10,419</td> <td>23,530</td> <td>0.2%</td> <td>4.1</td> <td>13</td> </tr> <tr> <td>Domus Pro</td> <td>Retail</td> <td>11,247</td> <td>17,080¹</td> <td>0.7%</td> <td>5.7</td> <td>28</td> </tr> <tr> <td>G4S Headquarters</td> <td>Office</td> <td>8,363</td> <td>16,800</td> <td>0.0%</td> <td>5.6</td> <td>1</td> </tr> <tr> <td>Lincona</td> <td>Office</td> <td>10,859</td> <td>15,704</td> <td>3.8%</td> <td>4.0</td> <td>14</td> </tr> <tr> <td>Duetto I</td> <td>Office</td> <td>8,327</td> <td>14,629</td> <td>0.0%²</td> <td>5.0</td> <td>5</td> </tr> <tr> <td>Coca Cola Plaza</td> <td>Leisure</td> <td>8,664</td> <td>13,000</td> <td>0.0%</td> <td>6.0</td> <td>1</td> </tr> <tr> <td>Piirita</td> <td>Retail</td> <td>5,436</td> <td>12,200</td> <td>0.3%</td> <td>7.5</td> <td>23</td> </tr> <tr> <td>Sky Supermarket</td> <td>Retail</td> <td>3,263</td> <td>5,543</td> <td>1.6%</td> <td>4.1</td> <td>21</td> </tr> <tr> <td>Total</td> <td></td> <td>83,434</td> <td>156,538</td> <td>1.9%</td> <td>4.8</td> <td>175</td> </tr> </tbody> </table> <p>¹ Does not include EUR 2.2m fair value of 3rd stage which is under construction.</p> <p>² Effective vacancy rate of Duetto I was zero because YIT Kausta, a seller of the property, is providing a 2-year guarantee (starting from the acquisition date) of full-occupancy net rental income which implies a 7.2% annual yield on the acquisition price. Any shortage between an actual rent and the guaranteed amount is paid by YIT Kausta to the Fund on a monthly basis. Actual vacancy of Duetto I stood at 25% at the end of March 2017.</p> <p>As of March 2017 vacancy of the portfolio stood at 1.9% indicating strong demand for space at the Fund's properties. 6 out of 9 properties had occupancy between 99-100%. The portfolio's average remaining lease term was at comfortable 4.8 years. There were 175 tenants including such well-known companies as G4S, Forum Cinemas (part of AMC), Rimi (part of ICA Gruppen), SEB, Swedbank, Bosch and others.</p> <p>The property portfolio was well diversified both in terms of sectors and locations. At the end of March 2017, retail and office segments with 4 properties each constituted 47% and 45% of the total fair value respectively. The remaining 8% were attributable to Coca Cola Plaza cinema complex representing a leisure segment. Location-wise, Vilnius with 3 properties comprised 44% of total portfolio value followed by Tallinn with 4 properties at 37% and Riga with 2 properties at 19%.</p> <p>All buildings in the portfolio were operational and generating cash flows. The development of the 3,700 sqm second stage in Domus Pro SC was fully completed in May 2016. In addition, construction of the third stage at Domus Pro started in December 2016. The expansion is a 6-story building with 4,380 sqm of rentable area of which more than 50% is already pre-leased. The construction is planned to be completed by the end of 2017.</p>	Property	Sector	Rentable area, sqm	Fair value, EUR'000	Vacancy	WAULT, years	No of tenants	Europa SC	Retail	16,856	38,051	5.8%	3.7	69	Upmalas Biroji	Office	10,419	23,530	0.2%	4.1	13	Domus Pro	Retail	11,247	17,080 ¹	0.7%	5.7	28	G4S Headquarters	Office	8,363	16,800	0.0%	5.6	1	Lincona	Office	10,859	15,704	3.8%	4.0	14	Duetto I	Office	8,327	14,629	0.0% ²	5.0	5	Coca Cola Plaza	Leisure	8,664	13,000	0.0%	6.0	1	Piirita	Retail	5,436	12,200	0.3%	7.5	23	Sky Supermarket	Retail	3,263	5,543	1.6%	4.1	21	Total		83,434	156,538	1.9%	4.8	175
Property	Sector	Rentable area, sqm	Fair value, EUR'000	Vacancy	WAULT, years	No of tenants																																																																									
Europa SC	Retail	16,856	38,051	5.8%	3.7	69																																																																									
Upmalas Biroji	Office	10,419	23,530	0.2%	4.1	13																																																																									
Domus Pro	Retail	11,247	17,080 ¹	0.7%	5.7	28																																																																									
G4S Headquarters	Office	8,363	16,800	0.0%	5.6	1																																																																									
Lincona	Office	10,859	15,704	3.8%	4.0	14																																																																									
Duetto I	Office	8,327	14,629	0.0% ²	5.0	5																																																																									
Coca Cola Plaza	Leisure	8,664	13,000	0.0%	6.0	1																																																																									
Piirita	Retail	5,436	12,200	0.3%	7.5	23																																																																									
Sky Supermarket	Retail	3,263	5,543	1.6%	4.1	21																																																																									
Total		83,434	156,538	1.9%	4.8	175																																																																									
B.46	Most recent net asset value per unit	As of 30 April 2017 the Fund's NAV per unit amounted to EUR 1.3220 while EPRA NAV, the measure of long term NAV, stood at EUR 1.4697 per unit. These figures have not been audited or reviewed by independent auditors.																																																																													

Section C - Securities

C.1	Type and class of securities	The Fund has one class of Units and the Offer Units are from the same class. All Offer Units will be registered with the Estonian Central Securities Depository, with ISIN EE3500110244. Units traded on Nasdaq Stockholm are also held with Euroclear Sweden.
C.2	Currency of securities issue	Units are issued in euros. Units listed on Nasdaq Stockholm are nominated in SEK.
C.3	Number of	Up to 37,770,000 New Units will be issued in the Offering. This also includes the Upsizing Option

	securities issued	<p>under which up to 22,662,000 additional Offer Units may be offered. Immediately after the Offering, assuming that the Upsizing Option is exercised in full, the total number of Units will be 95,028,843 Units.</p> <p>Units are issued with no nominal value.</p>
C.5	Restrictions on transferability of securities	Units are freely transferable.
C.7	Dividend policy	<p>The Management Company targets to pay out to Unit-holders at least 80% of adjusted funds from operations (AFFO) which are defined as net rental income of properties less fund administration expenses, less external interest expenses and less capital expenditures excluding acquisitions of properties and investments into developments. Dividends will be determined taking into account the sustainability of the Fund's liquidity position. Up to 20% of the AFFO might be used for follow on investments. As % of invested equity, dividends are targeted to yield 7-9% per annum. The Management Company intends to pay dividends on a quarterly basis.</p> <p>Since the initial public offering in June 2016, the Fund has distributed dividends quarterly. Until the date of this Offering Circular, 3 quarterly dividend payments have been announced. The latest is EUR 0.023 per unit for Q1 2017 profit, announced on 28 April 2017 and to be paid on 18 May 2017, representing a 1.8% quarterly dividend yield on the Unit market price on Nasdaq Tallinn on the day of the announcement. In relation to the Fund's 2016 profit, 2 quarterly dividends were paid out: EUR 0.024 per unit for Q4 2016 and EUR 0.026 per unit for Q3 2016 profit. Before the Merger, BOF had distributed dividends to its unit-holders every year from 2012 to 2015.</p>
C.11	Admission to trading	The Management Company is planning to list the New Units on Nasdaq Tallinn and Nasdaq Stockholm. Holders of Units are entitled to have those Units traded on Nasdaq Stockholm or Nasdaq Tallinn. Trading in the New Units is expected to commence on Nasdaq Tallinn on or about 26 June 2017 and on Nasdaq Stockholm on or about 30 June 2017.

Section D - Risks

D.2	Key risks specific to the Fund	<ul style="list-style-type: none"> - The Fund is exposed to macroeconomic fluctuations. - The successful implementation of Fund's investment strategy is subject to risks such as limited availability of attractive commercial properties for sale, unfavourable economic terms of potential investment targets, intensive competition among investors for high quality properties and inability to raise debt financing at attractive terms. - The Fund has a limited past performance, whereas also past performance is not a guarantee of the future performance of the Fund. - Newly acquired real estate assets could require unforeseen investments and/or demonstrate lower than expected performance and financial returns. - If a tenant leaves, there is a risk that a new tenant may not be found at the equivalent economic terms or at all for some time. There is also a risk that a tenant may not pay rent on time or at all. - Increased competition in property industry may require the Fund to invest in upgrading its properties and offer rent discounts to attract tenants. - A fair value of the Fund's property portfolio is subject to fluctuations. - The Fund employs a significant financial leverage when acquiring properties which also leads to interest rate risk and refinancing risk. - The Fund may to a limited extent invest in development projects which typically involve greater risks than fully-developed properties. - Fund's insurance policies could be inadequate to compensate for losses associated with damage to its property assets, including loss of rent. - Fund's properties could be subject to unidentified technical problems which could require significant capital investments. - The Fund may be drawn into legal disputes with tenants or counterparties in real estate transactions. - Use of external service providers involve risks related to the quality of services and their cost. - The Fund could be held liable for environmental damage incurred in a property owned by the Fund. - Potential damage to Fund's reputation could affect its ability to attract and retain tenants at its properties as well as Management Company's ability to retain personnel.
D.3	Key risks specific to securities	<ul style="list-style-type: none"> - Investors may lose the value of their entire investment in the Fund. - There is no guarantee that an active trading market for the Units will develop or be sustained. - The Offer Price may not be representative of the Unit market price after the listing. Investors

		<p>that acquire the Units in the Offering may not be able to resell them in the secondary market at or above the Offer Price.</p> <ul style="list-style-type: none"> - Potential future issuances of new Units could lead to dilution of unitholders holdings in the Fund and reduction in earnings per unit. - Court proceedings in Estonia and enforcement of judgements by foreign courts in Estonia may be more complicated or expensive than in investor's home country. - The tax consequences for the Swedish Unit-holders would depend on the assets directly held by the Fund and will vary over time if the Fund's assets change. - Neither the payment of future dividends, nor their size are guaranteed. - Dual listing on Nasdaq Stockholm and Nasdaq Tallinn may entail logistic and technical issues for Unit-holders who have their Units held with Euroclear Sweden. The Nasdaq Tallinn and the Nasdaq Stockholm have different characteristics as well as liquidity and as a result of these differences, the trading price of the Units may not be the same at any given time.
--	--	---

Section E - Offer

E.1	Net proceeds and expenses of the Offering	<p>Assuming all Offer Units will be issued and the Upsizing Option will be exercised in full, net proceeds to the Fund from the Offering are estimated to be approximately EUR 47.6m. Assuming all Offer Units will be issued and paid in, but the Upsizing Option will not be exercised, the Fund is estimated to receive net proceeds of approximately EUR 18.9m.</p> <p>Majority of the expenses related to the Offering are variable and linked to the amount of capital raised. Assuming all Offer Units will be issued and paid in, and the Upsizing Option will be exercised in full, the variable expenses of the Offering are estimated to amount to approximately EUR 2.2m or 4.5% of the capital raised. This corresponds to 1.8% of the Fund's total NAV immediately after the Offering. In addition, the Fund is estimated to incur approximately EUR 140 thousand of fixed expenses related to legal advice, audit and marketing in conjunction with the Offering. Assuming all Offer Units will be issued and paid in, and the Upsizing Option will be exercised in full, the total expenses of the Offering are estimated to be approximately EUR 2.4m. Assuming all Offer Units will be issued and paid in, but the Upsizing Option will not be exercised, the total expenses of the Offering are estimated to be approximately EUR 1.0m.</p>
E.2b	Reasons for the Offering and use of proceeds	<p>The Fund aims to become the largest publicly listed real estate investor in the Baltics and to generate its prospective Unit-holders attractive returns by investing into commercial properties located in the Baltic capital cities. Reasons for the Offering in particular are:</p> <ol style="list-style-type: none"> 1. To attract new capital which will be deployed to acquire fully developed and cash flow generating commercial properties in the capital cities of the Baltic States in order to diversify Fund risks; 2. To increase liquidity of Units and expand Unit-holders base; 3. To increase awareness of the Fund among existing and prospective stakeholders and general public. <p>The Management Company will use the net proceeds of the Fund from the Offering to acquire commercial properties comprising the Fund's investment pipeline. The Management Company estimates that the investment pipeline has an aggregated value of approximately EUR 450-490m and in aggregate assets could be acquired at an average initial yield of 6.5-7.0%. It consists of commercial properties located at central and strategic locations in the capital cities of the Baltic States. The target properties are fully operational and cash flow generating (except for 1 property which is under construction) with attractive risk-return profile, high-quality tenants mix, low vacancy rates and long lease maturities. To ensure a rapid deployment of the proceeds, the Management Company has entered into negotiations with owners of the most attractive targets and/or has been participating in tenders for such assets.</p> <p>To the extent the net proceeds of the Offering are not used according to the purposes stated above, they will otherwise be used for the general purposes of the Fund.</p>
E.3	Terms and conditions of the Offering	<p>Up to 15,108,000 Offer Units will be issued and offered by the Management Company. Together with determining the completion of the allocation process the Management Company has the right to exercise the Upsizing Option, taking into consideration the total demand in the Offering and the quality of such demand. In exercising the Upsizing Option the Management Company has the right to increase the number of new Offer Units by up to 22,662,000 Offer Units.</p> <p><i>Price</i></p> <p>The Offer Price is equal to the NAV of the Unit of the Fund as at 31 May 2017. The Offer Price will not exceed 1.345 EUR. The Offer Price will be disclosed on the Website and through Nasdaq Tallinn</p>

(www.nasdaqbaltic.com/market/) and Nasdaq Stockholm (<http://www.nasdaqomxnordic.com/>). on 15 June 2017 the latest. The Offer Price is the same in the Institutional Offering and in the Retail Offering. In connection with the Retail Offering in Sweden Catella Bank S.A. will act as paying and settlement agent.

The Retail Offering

The Retail Offering in Sweden is directed to natural and legal persons in Sweden who are clients of Catella Bank S.A.. Investor is considered to be a client of Catella Bank S.A. if it has opened a deposit account with Catella Bank S.A.. The Retail Offering in Finland and Denmark is directed to natural and legal persons in Finland and Denmark who are private banking customers and retail customers of Nordnet Bank AB as well as customers that through third parties receive advice for capital that is placed with Nordnet Bank AB. The Retail Offering in Estonia is directed to natural and legal persons in Estonia. For the purposes of the Offering, a natural person is considered to be "in Estonia" if such person has a securities account with the ECRS and such person's address recorded in the ECRS records in connection with such person's securities account is located in Estonia. A legal person is considered to be "in Estonia" if such person has a securities account with the ECRS and such person's address recorded in the ECRS records in connection with such person's securities account is located in Estonia or its registration code recorded in the ECRS records is the registration code of the Estonian Commercial Register.

Subscription Period

Investors may submit purchase orders for the Offer Units (a "Purchase Order") during the offer period, which commences at 09:00 CET (Central European Time) on 9 May 2017 and terminates at 15:00 CET on 20 June 2017 (the "Offer Period").

Placement of Purchase Orders

Purchase Orders can only be submitted for a full number of Units. The minimum amount of a Purchase Order is 200 Units. An investor wishing to submit a Purchase Order should contact the Manager or the Sales Partner and register a transaction instruction for the purchase of securities in the form as set out by the respective Manager or the Sales Partner. The Purchase Order can be submitted by any means accepted by the Manager or the Sales Partner. Retail Investors in Estonia wishing to subscribe for the Offer Units should contact a custodian that operates such investor's ECRS securities account.

An investor may amend or cancel a Purchase Order at any time before the expiry of the Offer Period. To do so, the Investor must contact respective Manager, Sales Partner or in case of investor from Estonia, its custodian through whom the Purchase Order in question has been made and carry out the procedures required by the Manager, Sales Partner or respective custodian for amending or cancelling a Purchase Order.

Allocation

The Management Company together with the Managers and the Sales Partner will decide on the allocation on discretionary basis after the expiry of the Offer Period, and no later than on 21 June 2017. The Management Company expects to announce the results of the Offering, including the final number of New Units on or about 21 June 2017 on the Website and through the Nasdaq Tallinn (www.nasdaqbaltic.com/market/) and Nasdaq Stockholm (<http://www.nasdaqomxnordic.com/>). Allocations made to Investors shall be notified to Investors on the same date by the Managers and the Sales Partner.

For the purposes of allocation, multiple Purchase Orders by one Investor, if submitted, will be merged.

Payment

By submitting a Purchase Order, an Investor agrees to pay for the subscribed Offer Units the Offer Price. In accordance with the allotments determined and announced for each specific Investor, trade instructions for the Offer Units may be placed on or after 21 June 2017 and must reach the relevant custodian bank in a manner which allows the settlement on or about 26 June 2017. The Units allocated to the Investors will be transferred to their securities accounts or to the security account of their nominee or any other person acting on Investors behalf on or about 26 June 2017 simultaneously with the transfer of payment for such Units.

Cancelling the Offering

The Management Company may cancel, partly or in full, the Offering and/or modify the terms and

		<p>dates of the Offering at any time prior to the completion of the Offering. Any cancellation of the Offering or any part thereof will be announced on the Website and through the Nasdaq Tallinn (www.nasdaqbaltic.com/market/) and Nasdaq Stockholm (http://www.nasdaqomxnordic.com/). If the Offering is cancelled, Purchase Orders for the Offer Units that have been made will be disregarded, Offer Units are not allocated to an investor, and the funds blocked on the Investor's cash account or a part thereof (the amount in excess of the payment for the allocated Offer Units) will be released. The Management Company will not be liable for the payment of the interest on the payment amount for the time it was held.</p>
E.4	Material and conflicting interests	Not applicable. The Management Company is not aware of any conflicts of interests related to the Offering.
E.5	Entity offering to sell securities and lock-up agreements	<p>None of the existing Unit-holders sell any Units in the Offering.</p> <p>As of the date of this Offering Circular, no Fund Units are under lock-up agreements.</p>
E.6	Dilution resulting from the Offering	Immediately after the completion of the Offering, the New Units, including the Offer Units under the Upsizing Option, will amount to 39.7% of the total number of Units of the Fund. If the Upsizing Option is not exercised, the New Units will amount to 20.9% of the total number of Units of the Fund.
E.7	Expenses charged to the investor	An investor bears all costs and fees charged by the Manager or the Sales Partner in connection with the submission of a Purchase Order or charged by a custodian (in case of Retail Investors in Estonia). Any costs or fees are expected to be charged in accordance with the price list of every Manager, Sales Partner or custodian.

3. EXTENSION OF THE OFFER PERIOD, AMENDMENT OF KEY DATES AND PRICING

Offer Period and Timetable of the Offering

The Offer Period was set between 9 a.m. (Central European Time) on 9 May 2017 and 15 p.m. (Central European Time) on 31 May 2017 in the Offering Circular (page 116). After consultation with the Managers and Sales Partner, the Management Company has decided to amend and extend the Offer Period so that it will end at 15 p.m. (Central European Time) on 20 June 2017 (the "Offer Period").

Accordingly, also the following key dates that relate to the Combined Offering are amended and are expected to be as set out below:

9 May June to 20 June 2017	Offer Period
On or about 21 June 2017	Determination and announcement of the results of the Offering and of the allotment of the Offer Units ("Allotment Date")
On or about 26 June 2017	Delivery of the New Units to Investors and payment for the New Units ("Settlement Date")
On or about 26 June 2017	Start of trading on the Nasdaq Tallinn ("Listing Date in Tallinn")
On or about 30 June 2017	Start of trading on the Nasdaq Stockholm (Listing Date in Stockholm").

The Management Company expects to announce the results of the Offering, including the final number of New Units on or about 21 June 2017 on the Website and via stock exchange releases on Nasdaq Tallinn (<http://www.nasdaqbaltic.com/market/>) and on Nasdaq Stockholm (<http://www.nasdaqomxnordic.com>). The Placement Agreement to be entered into among the Management Company, Sales Partner and the Managers regarding placement of the Offer Units (on best effort basis) is planned to be executed no later than on 26 June 2017.

Placement of Purchase orders by retail investors in Estonia

As a result of extending the Offer Period, the instructions for value date in the Purchase Order to be submitted by retail investors in Estonia is updated. Other sections of the form below remain unchanged. An Investor wishing to subscribe for the Offer Units should contact a custodian that operates such investor's ECRS securities account and submit a Purchase Order for the purchase of Offer Units materially in the form set out below. The investor may use any method or form that such Investor's custodian offers to submit the Purchase Order (e.g. physically at the client service venue of the custodian, over the internet or by other means). The Purchase Order must include the following information:

Owner of the securities account:	<i>name of the investor</i>
Securities account:	<i>number of the investor's securities account</i>
Custodian:	<i>name of the investor's custodian</i>
Security:	Unit of Baltic Horizon Fund
ISIN code:	EE3500110244
Amount of securities:	<i>the number of Offer Units for which the investor wishes to subscribe</i>
Price (per one Offer Unit):	
Transaction amount:	<i>the number of Offer Units for which the investor wishes to subscribe multiplied by the Offer Price</i>
Counterparty	Baltic Horizon Fund
Securities account of counterparty:	99102152485
Custodian of the counterparty:	Swedbank AS
Value date of the transaction:	26 June 2017
Type of transaction:	"purchase"
Type of settlement:	"delivery versus payment"

Pricing

In the Prospectus, the Offer Price per Offer Unit was set to be 1.3220 EUR which corresponded to NAV of the Fund divided by the total number of the Fund's Units as at 30 April 2017. As a result of extending the Offer Period, a new NAV of per Fund unit will be calculated and published which will also be the Offer Price.

As a result, the cover page of the Offering Circular is also amended to state that the offer price per Offer Unit (the "Offer Price") will be equal to the NAV of the Unit as at 31 May 2017.

As of the date of this Prospectus Supplement, the Offer Price applicable is not included in the Offering Circular as allowed under Article 17 (3) of the Estonian Securities Market Act. However, the Offer Price shall not exceed EUR 1.345 per Offer Unit. The Offer Price will be determined based on the NAV of the Fund divided by the total number of the Fund's Units as at 31 May 2017.

See for further information on the NAV of the Fund in section 6.15 "NAV", section 6.8 „Valuation“ and section 6 of the Fund Rules. Final information on the Offer Price will be filed as soon as possible, but not later than on 15 June 2017, to the EFSA and will be made public immediately on the Website and through Nasdaq Tallinn (<http://www.nasdaqbaltic.com/market/>) and Nasdaq Stockholm (<http://www.nasdaqomxnordic.com>). Should NAV of the Fund divided by the total number of Fund's Units as at 31 May 2017 exceed EUR 1.345, the Management Company is likely to use the right of cancellation of the Offering as allowed under section 8.7 „Terms and conditions of the Offering“ (page 119) of the Offering Circular.

The Offer Price will be expressed in Euros, but Investors subscribing for Units listed on Nasdaq Stockholm can subscribe also in Swedish kronas. As the Offer Price is in Euros, Investors wanting to subscribe in Swedish kronas will pay such amount in SEK corresponding to the Offer Price based on the currency exchange rate of Catella Bank S.A. as at the Allotment Date. The Offer Price will be the same in the Institutional Offering and in the Retail Offering.

4. WITHDRAWAL RIGHTS

In accordance with § 35 of the Estonian Securities Market Act and Article 16(2) of the Prospectus Directive (as implemented through national implementing legislation in each EU Member State), where a prospectus supplement has been published, investors who have already agreed to purchase or subscribe for the securities before the supplement is published shall have the right, exercisable within a time limit which shall not be shorter than two working days after the publication of the supplement, to withdraw their acceptances.

Investors wishing to exercise their withdrawal right after the publication of this Prospectus Supplement must do so by submitting a written withdrawal notice to the respective Manager or the Sales Partner through which the original Purchase Order was placed. Withdrawal notices may be submitted until 16 p.m. (Central European Time) on 5 June 2017. Any paid-in moneys by the Investor shall be refunded to the Investor not later than within 10 business days after receipt of the withdrawal notice. Further, according to the terms and conditions of the Offering, investors may amend or cancel the Purchase Order at any before the expiry of the Offer Period (described in more detail in section 8.7 "Terms and Conditions of the Offering" on page 118 of the Offering Circular).

The Fund
BALTIC HORIZON FUND

Tornimäe 2, 10145 Tallinn, Estonia
www.baltichorizon.com

Management Company
NORTHERN HORIZON CAPITAL AS

Tornimäe 2, 10145 Tallinn, Estonia
www.nh-cap.com

Sales Partner
CATELLA BANK S.A.

38 r. Pafebruch - Parc d'Activités, 8308, Luxemburg
www.catella.com

Lead Manager in the Baltics
SWEDBANK AB

Konstitucijos av. 20A, 03502 Vilnius, Lithuania
www.swedbank.lt

Co-Manager
LHV PANK AS

Tartu rd. 2, 10145 Tallinn, Estonia
www.lhv.ee

Legal Advisor to the Management Company
SORAINEN AS

Kawe Plaza, Pärnu mnt 15, 10141 Tallinn, Estonia
www.sorainen.com

Auditor
KPMG BALTICS OÜ

Narva mnt 5, 10117 Tallinn, Estonia
www.kpmg.ee