



Quarterly report

Q3 2021

Baltic Sea Properties AS

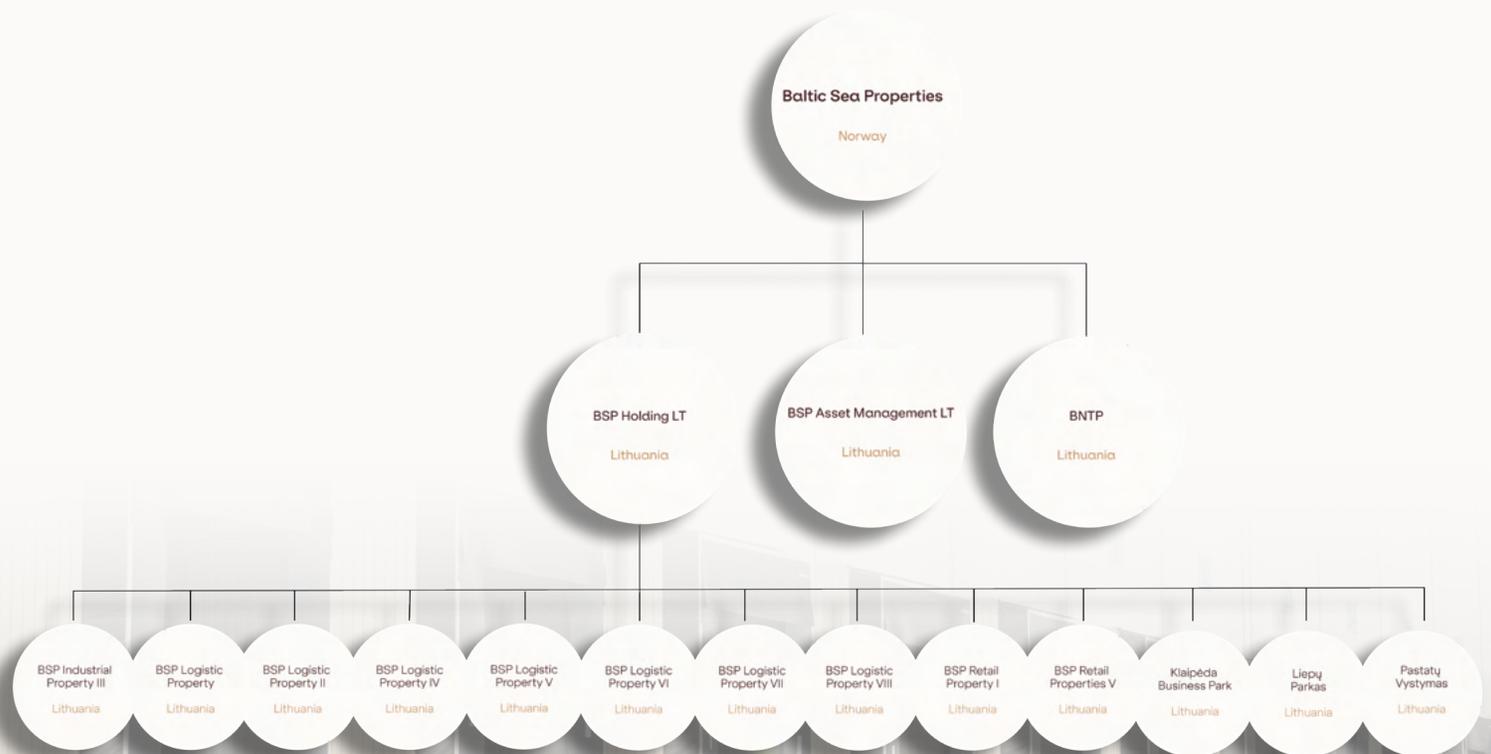
About us

The company is among the Baltics' leading real estate investors and developers – owning a portfolio of logistics, industrial and retail assets. Per 30.09.2021 the company generated a total rent income of apx. MEUR 4.73.

Contracted rent income for the portfolio in 2021 is estimated to MEUR 5.8.

In addition to refining the current portfolio Baltic Sea Properties has ambitions to strengthen the portfolio with new cash flow and development projects which will increase shareholder values and the company's dividend capacity.

The property management is conducted through fully-owned subsidiaries by a professional management team with deep knowledge of the Baltic real estate market.





Delamode terminal | Near Vilnius

An aerial photograph showing a large, rectangular green land plot situated next to a multi-lane highway interchange. The plot is mostly undeveloped, with some trees and a small building visible on the left side. The highway has several lanes and a complex interchange structure with multiple ramps and overpasses. The surrounding area is a mix of green fields and dense forest.

We value long-term partnerships with strong tenants.

To achieve this we acquire land plots in strategic locations and next to our tenants to allow their long term development.

Liepų Parkas | Land plot for development in Klaipėda, acquired by Baltic Sea Properties in April 2021.

Contents

About us	2
CEO's comment	6
Key figures	8
Key figures properties	9
Key figures group	10
Net Asset Value	11
Quarterly financials	12
Profit & loss statement	13
Balance sheet	14
Financing	15
Property portfolio	16
Tenant mix	18
Presentation of our properties	20
Land bank	28
Euronext Growth Oslo	31
Contact	32



Disclaimer:

This report has been prepared by Baltic Sea Properties AS in good faith and to our best ability with the purpose to give the company's shareholders updated information about the company's operations and status. This document must not be understood as an offer or encouragement to invest in the company. The financial figures presented are unadited and may thus include discrepancies. Baltic Sea Properties AS further makes reservations that errors may have occurred in its calculations of key figures or in the development of the report which may contribute to an inaccurate impression of the company's status and/or operations. The report also includes descriptions and comments which are based on subjective assumptions and considerations, and thus must not be understood as a guarantee of future events or future profits.

CEO's comment

Dear shareholder,

We are continuing to show positive momentum throughout the third quarter and into the fourth with growth in both our income from property management and net asset value (NAV), which forms a good foundation for our ambitious growth strategy. Investors' appetite for the logistics and industrial sector keeps gaining momentum across the continent, and valuation yields are compressing also in the Baltics. We believe this trend is likely to continue.

Several fundamental mechanisms support the yield compression we are witnessing, including the e-commerce megatrend and an increased focus on securing supply chains across Europe. The shortage of raw materials and increase in construction prices seen is raising concerns within our sector. Companies worldwide are building up resilience to secure raw material input to combat the bottlenecks and uncertainty related to international production, trade, and shipping. Many of our clients are further confirming this as warehouses are filling up due to increased inventory volumes. Although it could be a matter of short-term supply chain shortages, it is important to monitor the situation closely, and we make sure to have good communication with our construction companies in this regard.

Growth ambitions

We have an exciting pipeline of new potential projects and expansion of existing projects including the Delamode terminal. We have also acquired additional development land adjacent to our existing projects to accommodate our clients' future growth which is an important part of our long-term strategy. Furthermore, we have started the development of two new distribution terminals for DPDgroup, who are one of Europe's largest e-commerce & distribution operators.

As a long-term investor and awarded developer of logistics and industrial properties in the Baltics, we have experienced both regional and international interest for collaboration over some time now. We are very happy to see that our professionalism and position in the market keeps gaining recognition and opens new and exciting doors to potential new partnerships in the Baltics and beyond. We consider such partnerships to be a promising avenue to scale faster as well as to ensure our resilience in an everchanging and competitive environment.

In addition to being an industrial and logistics developer and investor, we also see attractive options within other real estate sectors. Our organisation has a long track record within other sectors, and we continue to look for attractive opportunities in line with our growth strategy.



We see great potential to increase our profitability from our current stable cash flow investments, new acquisitions and from our strong organic development project pipeline.

Our clients require sustainable, creative, and value-added property solutions

Our first-class team continues to provide creative, sustainable and high-quality solutions for our partners, thus supporting long-term partnership and subsequently creates substantial value for our shareholders.

We are continuing to work on our sustainability targets as well to further develop our corporate social responsibility initiatives and corporate governance policies. Continued investment in sustainability and energy efficiency in our existing and new buildings are an integral part of our overall ESG strategy. Hence, we are currently assessing our portfolio to qualify for BREEAM in-use ratings. Furthermore, we are installing solar panels in our current expansion projects.

All in all, the current market conditions and megatrends undoubtedly create a fast-paced and challenging business environment. We welcome the challenge and are confident that our dynamic team and successful implementation of new projects and technologies will lead us to many exciting opportunities in the time to come. In our opinion, The Baltic region still provides very interesting investments in these times of change; we closely monitor our partners' needs and continue to deliver value-added solutions and high-quality projects according to our agreements.

Lars Christian Berger
CEO, Baltic Sea Properties AS



Delamode terminal | Near Vilnius

Key figures

Q3 2021

- Key figures properties
- Key figures group
- Net Asset Value

Please note:

- The figures in this report are unaudited.
- Baltic Sea Properties AS follows Norwegian accounting standards (NGAAP).



Properties

Rent roll

Contracted rent roll 2021

Company	Segment	Tenant	Budget rent (EUR)	Property NOI*	% income	GLA (sqm)	% GLA	Maturity
BSP LP	Logistics	Girteka	956 221	890 041	16,5%	17 149	16,9%	2026
BSP LP II	Logistics	Vinge	1 039 435	963 673	17,9%	21 929	21,6%	2038
BSP LP IV	Logistics	Rhenus	1 073 354	1 014 109	18,5%	18 226	18,0%	2035
BSP LP V **	Logistics	Delamode	534 732	495 196	9,2%	8 329	8,2%	2035
BSP LP VI	Logistics	Oribalt	441 965	399 743	7,6%	6 807	6,7%	2035
KVP	Industrial	Multiple	1 411 952	1 257 220	24,3%	24 500	24,2%	2022-2027
BSP RP I	Retail	Multiple	74 046	66 641	1,3%	1 337	1,3%	2022
BSP RP V	Retail	Maxima	271 859	249 147	4,7%	3 021	3,0%	2034
Total **			5 803 566	5 335 769	100%	101 298	100%	

* Property NOI also includes internal management expenses in addition to other direct property cost.

** Numbers are not CPI-adjusted.

Terms/abbreviations used in the table above:

- Property NOI: Net rent income after direct ownership expenses incl. management.
- GLA: Leasable area.

Projects under development

Company	Segment	Tenant	Budget rent (EUR)	GLA (sqm)	Handover (est.)
BSP LP V	Logistics	Delamode	316 550	4 780	Q3 2022
BSP LP VII	Logistics	DPD - Telsiai	113 724	1 458	Q3 2022
BSP LP VIII	Logistics	DPD - Siauliai	180 180	2 310	Q3 2022
Total			610 456	8 548	

Portfolio based on rental income



■ Retail ■ Logistics ■ Industrial

High-profile tenants



Portfolio based on GLA



■ Retail ■ Logistics ■ Industrial

Key figures group

3rd quarter report 2021 (unaudited)

Per share (NOK)	30/09/2021	30/09/2020
Net Asset Value (NAV)*	51.66	48.66
NAV in Euro	5.08	4.38
Accumulated pay-outs	23.50	22.00
Last transaction price per date	49.00	53.00
Number of shares issued	6 688 232	6 688 232

* Valuations per 30.06.2021 is basis for property values in NAV calculation, adjusted for investments made during Q3 2021.

* Please refer to information on the next page about change of principle for the NAV calculations since the 3rd quarter of 2020.

Balance sheet* (MNOK)	30/09/2021	31/12/2020
Fixed assets	599	571
Current assets	83	41
Assets	682	611
Equity	209	207
Debt	473	405

* Booked values according to Norwegian accounting standards.

Property portfolio (MNOK)	30/09/2021	30/09/2020
Market value portfolio	746.1	848.7
Value of equity based on NAV	344.7	324.4
Gross rent income per date	48.4	45.6
NOI-yield	7.67 %	8.35 %
IFPM-yield	10.15 %	8.93 %
Shortest contract length (years)	1.0	0
Longest contract length (years)	17.0	18.0
WAULT (years)	10.1	11.0
NIBD (incl. mezzanine loan)	402	522
LTV (incl. mezzanine loan)	55.67 %	64.20 %

Profit & loss (MNOK)	30/09/2021	30/09/2020
Operating income	52.4	46.7
Operating expenses excl. depreciations and impairments	14.9	9.9
EBITDA (Operating profit/loss excl. depreciations and impairments)	37.5	36.9
Income From Property Management (IFPM)	26.3	21.7
EBIT	24.6	30.4
Profit/Loss before tax	22.0	14.7

Terms/abbreviations used in the tables above:

- WAULT = Weighted contract length (income/year)
- NIBD = Net Interest-Bearing Debt
- LTV = Loan to Value ratio
- NOI-yield = Annualised budget net operating income from property portfolio (incl. all salary expenses) / Market value of the portfolio. Yield is adjusted for land bank value.
- Income From Property Management = Profit/loss before tax excluding depreciations, profit/loss/value movements on properties, currency and other financial instruments
- IFPM-yield = Income From Property Management / Market Value of the portfolio



Net Asset Value (NAV)

Net Asset Value (NAV) is a measure of the fair value of the company's net assets on an on-going long-term basis, calculated as the total value of the company's assets minus the total value of its liabilities, with certain adjustments.

Public and private real estate companies and real estate funds use slightly different adjustment principles when calculating their NAV. Below is therefore an explanation of how NAV is calculated in Baltic Sea Properties.

Assets valuation and adjustments for NAV:

- Investment (income generating) property and development land is valued and included using the most recent market value established by independent valuers (based principally on the discounted cash flow method.)
- External financial investments are valued and included at their most recently published/recorded NAV (alternatively most recent transaction price if NAV is not available.)
- Development property, unfinished construction and other assets are valued and included at book value (cost price less depreciation)

Liabilities adjustments for NAV:

- Financial liabilities are valued and included at book value.
- Deferred tax liabilities are valued and included at 50 % of the deferred profit tax calculated on the difference between the current property market value and tax book value. (This adjustment principle is based on market practice and a deemed fair value basis)
- Interest rate swaps are valued and included at book value.
- Other liabilities are valued and included at book value.

Please note:

Since the 3rd quarter of 2020, the company has used a new principle for estimating latent tax liabilities in its NAV calculations. The change increases the group's latent tax with apx. MNOK 12.3 relative to the booked net deferred tax liability per 30.09.2021.

Quarterly financials

Q3 2021

- P&L
- Balance sheet
- Financing

Please note:

- The figures in this report are unaudited.
- Baltic Sea Properties AS follows Norwegian accounting standards (NGAAP).



Profit & loss

Q3 report 2021 (unaudited)

(Figures in parentheses are comparable figures for same quarter in the previous year)

Total operating income per 30th of September 2021 was MNOK 52.4 (MNOK 46.7). Of this MNOK 48.4 was rental income from the property portfolio (MNOK 45.6). Measured in EUR the rental income per 30th of September 2021 had increased by EUR 474 043 compared to the same period in the previous year, due to new revenue streams from the properties acquired in Q2 2021.

Direct ownership costs per 30th of September 2021 were MNOK 8.7 (MNOK 6.1). The increase is largely due to an increase in organization size since the acquisition of the management company UAB BNTP in Q2 2021.

Net rental income per 30th of September 2021 was MNOK 39.7 (MNOK 39.8).

Other operating income per 30th of September 2021 was MNOK 4.0 (MNOK 1.1). The increase is mainly profit from the sale of one retail property in the RP5 portfolio, while income from service deliveries amounted to MNOK 1.4.

Other operating expenses per 30th of September 2021 were MNOK 6.2 (MNOK 3.7). The increase is mainly due to extraordinary expenses during a period of high transaction activity.

The profit from operations before financial items, depreciations, and impairments (EBITDA) per 30th of September 2021 were MNOK 37.5 (MNOK 36.9).

Net financial items per 30th of September 2021 were MNOK -2.6 (MNOK -15.7). Net interest of MNOK -11.2 (MNOK -15.1) was largely outweighed by a profit of MNOK 8.2 from realizing the investment in EECF. The Group's interest expenses were reduced compared to the 3rd quarter of 2020, but the result also benefitted from gains from currency differences and interest rate hedging agreements. The effects from the latter were however largely outweighed by fees paid related to refinancing of the portfolio.

The Group had per 30th of September 2021 booked MNOK 4.2 (MNOK 12.7) in reversal of previous impairments following from a net accounting profit of previously impaired properties that were sold during the second quarter of 2021. Booked depreciations per 30th of September 2021 were MNOK -17.0 (MNOK -19.2).

Profit before tax per 30th of September 2021 was MNOK 22.0 (MNOK 14.7).

P&L Group (NOK)	30/09/2021	30/09/2020
NOK (YTD)		
Rental income	48 363 099	45 592 577
Real estate tax, land tax, etc.	-1 070 459	-977 372
Maintenance and fit-out	-42 860	-251 740
Other direct ownership costs	-7 551 102	-4 889 847
Sum direct ownership costs	-8 664 422	-6 118 959
Net rental income	39 698 677	39 473 618
Other operating income	3 993 384	1 139 884
Other operating expenses	-6 211 990	-3 748 839
EBITDA	37 480 071	36 864 663
Depreciations	-17 067 845	-19 181 740
Impairments (-)/ Reversal of previous impairments (+) *	4 216 645	12 696 475
EBIT	24 628 871	30 379 399
Net interest	-11 230 625	-15 133 063
Other finance	8 592 035	-537 987
Profit/loss before tax	21 990 282	14 708 348
* Accounting profits from property sales less than accumulated impairments from previous periods are here presented as reversal of previous impairments.		

Balance sheet

Q3 report 2021 (unaudited)

Valuation of properties

Valuations of the properties have been conducted by two independent valuers, based on discounted cash flow (DCF) analyses, which is standard method and our normal practice. The portfolio was valued at a total of MEUR 73.4 in the NAV calculation per 30th of September 2021, based on valuations from Newsec and Oberhaus per 30th of June 2021 (MEUR 73.2), adjusted for investments made during Q3 2021.

Balance sheet

Per the 30th of September 2021 the Group had a total cash balance of MNOK 80 (31.12.2020: MNOK 39). The increase in 2021 is mainly due to the refinancing process and divestments which have made significant funds available.

During the 2nd quarter of 2021, NOK 1.50 per share was distributed as dividend to the shareholders.

The book value of equity per the 30th of September 2021 was MNOK 209 (31.12.2020: MNOK 207). The change in NAV per share measured in EUR during the first three quarters of 2021 was +10.5 %.

Total amount of shares issued per 30.09.2021 was 6 688 232, of which the company itself held 15 000.

Net Asset Value (NAV) per share	30/09/2021	30/09/2020
NOK	51.66	48.66
EUR	5.08	4.38
Applied EURNOK conversion rate	10.17	11.10

Property portfolio (MNOK)	30/09/2021	30/09/2020
Market value portfolio	746.1	848.7
Value of equity based on NAV	344.7	324.4
Gross rent income per date	48.4	45.6
NOI-yield	7.67 %	8.35 %
IFPM-yield	10.15 %	8.93 %
Shortest contract length (years)	1.0	0
Longest contract length (years)	17.0	18.0
WAULT (years)	10.1	11.0
NIBD (incl. mezzanine loan)	402	522
LTV (incl. mezzanine loan)	55.67 %	64.20 %
NIBD (excl. mezzanine loan)	388	467
LTV (excl. mezzanine loan)	53.76 %	57.50 %

Balance sheet* (MNOK)	30/09/2021	31/12/2020
Fixed assets	599	571
Current assets	83	41
- of which is cash	80	39
Assets	682	611
Equity	209	207
Debt	473	405

* Booked values according to Norwegian accounting standards (NGAAP).

Financing

Q3 report 2021 (unaudited)

Year	Debt maturity			Interest Swap maturity		
	EUR	Share %	Interest including margin	EUR	Share %	Interest including margin
0-1 year	-	0.00 %	2.20 %	0.00 %	0.00 %	0.00 %
1-3 years	-	-	-	100 %	0.58 %	0.58 %
4-5 years	39 456 910	96.56 %	2.05 %			
Total funding real estate portfolio	39 456 910	96.56 %	2.05 %	100 %	0.58 %	0.58 %
Mezzanine - maturing 14.5.2022*	1 405 741	3.44 %	10.70 %			
Sum loan	40 862 651	100 %	2.35 %	100 %	0.58 %	0.58 %

* Loan terms overview of 12-month rolling from 30.9.21 figures

* All in weighted interest including IRS is 2.57%

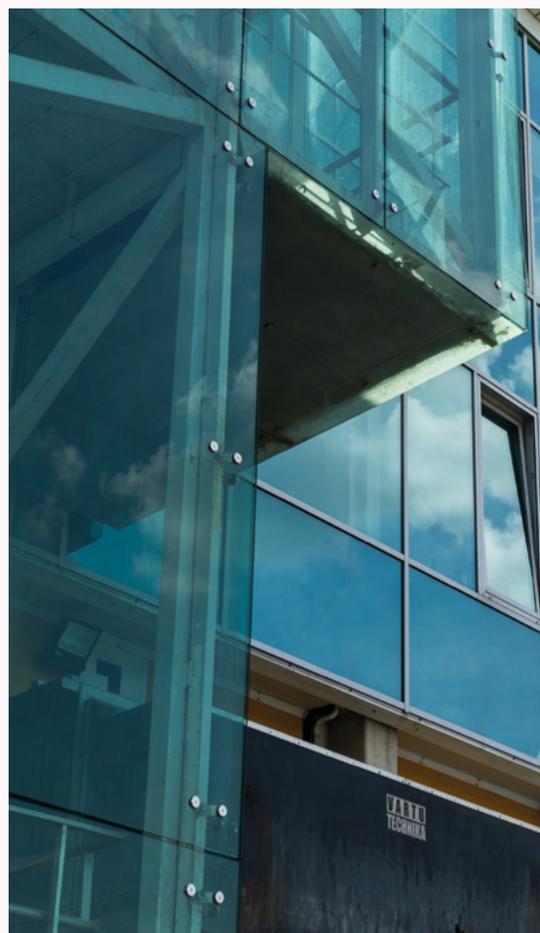
Refinancing and partial down payment of mezzanine loan

During the 2nd quarter of 2021 Baltic Sea Properties completed its refinancing for the total portfolio with Luminor.

In April and May, the company repaid a total of MNOK 38 (MEUR 3.7) of the mezzanine loan. The maturity for the remainder of the loan's principal amount (MNOK 14.2) was extended for one year, until May 2022.

Loan financing	30/9/2021	31/12/2020
Net nominal interest-bearing debt incl. mezzanine loan (MEUR)	40.8	35.4
LTV incl. mezzanine loan	55.68%	54.69 %
Net nominal interest-bearing debt excl. mezzanine loan (MEUR)	39.5	30.4
LTV excl. mezzanine loan	53.76 %	47.0 %
Average interest rate (incl. margin and IRS*) excl. mezzanine loan	2.6 %	3.30 %
Interest rate hedging ratio	37 %	100.0 %
Time until maturity interest-bearing debt (weighted)	4.2 yrs	2.2 yrs
Time until maturity interest hedging contracts (weighted)	3.0 yrs	3.5 yrs

*Interest Rate Swaps



Property portfolio

Q3 2021

- Tenant mix
- Presentation of our properties
- Land bank





Oribalt terminal | Near Vilnius



Delamode terminal | Near Vilnius

Tenant mix

Distribution of budgeted rent income in 2021





We aim to be the preferred industry partner and leading real estate company in the Baltics.

Rhenus | Logistics

Company name:	BSP Logistic Property 4
Tenant:	Rhenus Logistics
Location:	Highway A4, Vilnius, Lithuania
GLA:	18 226 m²
Maturity lease contract:	2035

The property was finalised in June 2017 and further expanded in 2020. It is currently leased by UAB Rhenus Logistics, a subsidiary of the Rhenus Group.

The Rhenus Group is one of Europe's biggest transportation groups, and UAB Rhenus Logistics covers the group's operations in the Baltics and Belarus.



Vingès Terminalas | Logistics

Company name:	BSP Logistic Property 2
Tenant:	Vingès Terminalas
Plassering:	Highway A3, Vilnius, Lithuania
GLA:	21 929 m²
Maturity lease contract:	2038

The property is strategically located along the highway between Vilnius og Minsk in Belarus.

Vingès Terminalas is a local logistics company within the the Vingès Logistics Group, operating within export, transit, order processing and goods transport. The company has a wide spectre of clients in Europe and Russia.



Girteka | Logistics

Company name:	BSP Logistic Property
Tenant:	Girteka Logistics
Location:	Highway A3, Vilnius, Lithuania
GLA:	17 149 m²
Maturity lease contract:	2026

The property is leased by Girteka Logistics, one of Europe's leading transportation companies, strategically located by Vilnius International Airport.

The property has a land area of 42 907 m² with 11 458 m² storage, 2 014 m² frozen storage, 3 348 m² cold storage and 1 134 m² office.



Delamode | Logistics

Company name:	BSP Logistic Property 5
Tenant:	Delamode Baltics
Location:	Highway A1, Vilnius, Lithuania
GLA:	8 329 m²
Maturity lease contract:	2033

The property was finalized in August 2020 and is currently leased by Delamode Baltics, a dynamic supplier of freight forwarding-solutions to the global market.

In July 2021, BSP signed an agreement with Delamode to expand the facility with approximately 4 780 m² (expected handover during the summer of 2022).



Oribalt | Logistics

Company name:	BSP Logistic Property 6
Tenant:	Oribalt
Location:	Highway A1, Vilnius, Lithuania
GLA:	6 807 m²
Maturity lease contract:	2035

The property was finalized in August 2020 and is currently leased by Oribalt.

Oribalt offers a wide spectre of logistics solutions for pharmaceutical producers , including storage, distribution, transportation and direct delivery.



Klaipeda Business Park (KVP) | Business park

Company name:	Klaipėdos verslo parkas
Tenants:	Multiple (27)
Location:	Klaipeda, Lithuania
GLA:	24 500 m²
Maturity lease contracts:	2022-2035

Klaipeda Business Park (KVP) offers its tenants industrial, commercial and office spaces within the Free Economic Zone of Klaipeda.

The property was acquired by BSP in April 2021.



RP 1/RP 5 | Retail portfolio

Company name:	BSP Retail Properties 1 BSP Retail Properties 5
Location:	Lithuania
GLA:	4 358 m²
Maturity lease contract:	2022 - 2034



DPD | Development

Company name:	BSP Logistic Property 7 BSP Logistic Property 8
Tenant:	DPD
Location:	Šiauliai & Telšiai, Lithuania
GLA:	Apx. 4 000 m ²
Maturity lease contract:	2037
Handover:	Q3 2022
Status:	Under construction



Land bank | Development

Type: Land plots for development
Locations: Vilnius and Klaipėda, Lithuania
Areal: 17.9 hectare
Zoning: Commercial
Project: Technical project

Strategically located land plots along strategic road networks near Vilnius and Klaipėda.



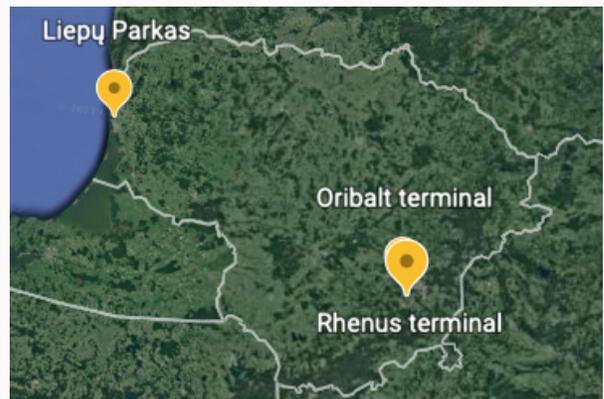
Liepų Parkas
(3.6 hectare)
Liepų Street, Klaipėda



By Oribalt terminal
(6.9 hectare)
Highway A1, Vilnius



By Rhenus terminal
(4.1 hectare)
Highway A4, Vilnius



We tailor buildings to our clients' needs and take pride in finding the optimal solution. Through this approach we ensure that our clients get the flexibility they need to thrive in an everchanging and competitive business environment.



Rhenus Logistics terminal | Vilnius



Rhenus terminal | Vilnius

Euronext Growth Oslo

Baltic Sea Properties AS has since 2017 been listed for trading on Merkur Market/Euronext Growth Oslo, a MTF under Oslo Stock Exchange.

Since Euronext's acquisition of Oslo Stock Exchange in June 2019, trading at Euronext Growth Oslo has been migrated to Euronext's trading system Optiq. The trading system gives all trading on Euronext marketplaces in Europe access to trading on the marketplaces under Oslo Stock Exchange. Pricing data is available on live.euronext.com where trades are updated in real-time.

Euronext Growth Oslo is subject to Euronext's rulebook regime.

On Monday the 30th of November 2020 most pages on oslobors.no were moved to Euronext's website.

For more information, please refer to the following links:

English: https://www.oslobors.no/ob_eng/Oslo-Boers/About-Oslo-Boers/Web-pages-has-been-moved-to-Euronext

Norwegian: <https://www.oslobors.no/Oslo-Boers/Om-Oslo-Boers/Nettsider-flyttes-til-Euronext>

Useful info:

As Baltic Sea Properties (ticker: BALT) is listed for trading on Euronext Growth Oslo, the share may be traded through different channels. You may for instance place purchase or sales orders on different online trading platforms.

Contact your custodian, stock broker or bank for more information.



EURONEXT

Contact



Lars Christian Berger

Group CEO
LCB@BalticSea.no

+47 930 94 319

Oslo

P.O. Box 2076 Vika
c/o Hagen, Berger & Aas AS
0125 Oslo

Apotekergata 10
0180 Oslo

Norway



James Andrew Clarke

Executive Chairman, Group
JAC@BalticSea.no

+370 612 37 515

Klaipėda

Pramones str. 8A
LT-94102 Klaipėda

Lithuania



Sigitas Jautakis

Vilnius Director
SJ@BalticSea.no

+370 652 47 287

Vilnius

Didziojji str. 10A-29
LT-01128 Vilnius

Lithuania

www.balticsea.no

Baltic Sea Properties at the
**EUROPEAN REAL ESTATE
BRAND AWARDS**

*“Strongest Brand Baltics
Developers logistics”*

1st place 2020

1st place 2021



www.balticsea.no