

**PRESS RELEASE**  
Stockholm, 10 July 2015

## **East Capital Explorer invests EUR 20m in new real estate fund**

**In accordance with the Company's communicated aim to increase its exposure to the Baltic real estate sector, East Capital Explorer AB – listed on Nasdaq Stockholm – will invest EUR 20m in East Capital's new real estate fund East Capital Baltic Property Fund III.**

The Fund targets institutional investors and is expected to have an equity size of up to EUR 100m. The aim is to focus on high-quality commercial properties (retail, office and logistics) with well-established tenants in prime locations in the capital cities Tallinn, Riga and Vilnius.

"With the investment in East Capital Baltic Property Fund III, we will have invested a total of EUR 62.3m in the Baltic real estate sector, and we are moving towards a real estate allocation of around 25 percent of our Net Asset Value. We find the sector attractive, in particular because of high yields, recovering rent levels and decreasing vacancy rates – ensuring good long-term growth in value for properties in the Baltic countries, as well as attractive cash flows for us and our shareholders", says Mia Jurke, CEO of East Capital Explorer.

Real estate investments in Tallinn, Riga and Vilnius show yield levels of 7-8 per cent, which is 2-3 percentage points higher than in the Nordic capitals. This, coupled with the fact that rent levels have recovered and that lending terms from primarily Nordic banks are good, makes the Baltic Real Estate Sector attractive.

"We are very encouraged by the increased interest in the sector among investors, with transaction volumes returning to pre-crisis levels. This is further underpinned by the sharply recovering economies, which represent the highest growth in the Eurozone, adds Kestutis Sasnauskas, Head of Private Equity and Real Estate at East Capital.

The fund is expected to be launched in August. The draw-down of capital will be made gradually according to the fund's timing of real estate acquisitions. The investment will be financed through the sale of shares in fund holdings (East Capital Frontier Markets Fund, East Capital Deep Value Fund and East Capital Russia Domestic Growth Fund), thus further reducing the portion of public holdings in the portfolio, in accordance with the Company's set-out goal. East Capital Explorer will be offered to invest as per a rebated fee schedule, equaling to a management fee of 1.25 percent and a performance fee of 20 percent in excess of a 7 percent hurdle.

### **Contact information**

**Mia Jurke**, CEO, East Capital Explorer, +46 8 505 885 32

**Lena Krauss**, CFO and Head of Investor Relations, East Capital Explorer, +46 73 988 44 66

### **Financial reporting calendar**

- Interim Report, Q2 2015 - 20 Aug 2015
- Interim Report, Q3 2015 - 5 Nov 2015

### **About East Capital Explorer**

East Capital Explorer AB (publ) is a Swedish investment company, created with the specific aim of bringing unique investment opportunities in Eastern Europe to a broader investor base. The company makes direct investments into private and public companies but investments are also made through East Capital's private equity, real estate and alternative investment funds. East Capital Explorer's main investment theme is domestic growth and the Company targets fast growing sectors such as Retail and Consumer goods, Financials and Real Estate. East Capital Explorer has appointed East Capital to manage its investment activities. East Capital Explorer is listed on Nasdaq Stockholm, Mid Cap.

**Listing:** Nasdaq Stockholm, Mid Cap - **Ticker:** ECEX - **ISIN:** SE0002158568 -  
**Reuters:** ECEX.ST - **Bloomberg:** ECEX SS Equity

*This information is disclosed in accordance with the Securities Markets Act, the Financial Instruments Trading Act and demands made in the exchange rules. It was released for publication at 11:00 a.m. CET on 10 July 2015.*