

Interim Report

January – September 2015

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*Stable
development
despite
turbulent
times*

(Mia Jurke, CEO)

Key figures

	30 Sep 2015	31 Dec 2014
NAV per share	EUR 8.96	EUR 8.73
	SEK 84	SEK 83
Closing price per share	EUR 5.55	EUR 4.49
	SEK 52.00	SEK 42.50
Total NAV	EUR 252m	EUR 261m
Market cap	EUR 156m	EUR 134m

	2015	2014
Net result	Jul-Sep EUR -10.8m	EUR -0.3m
	Jan-Sep EUR 6.0m	EUR 2.3m
Earnings per share	Jul-Sep EUR -0.38	EUR -0.01
	Jan-Sep EUR 0.20	EUR 0.07

1 EUR = 9.36 SEK on 30 September 2015. Source: Reuters

Key events during and after the quarter

- » Net Asset Value (NAV) per share was EUR 8.96, which corresponds to an increase of 2.6% since year-end, and a decrease of 3.9% since 30 June. Total NAV was EUR 252m
- » Starman was appreciated by EUR 9.8m, while Melon Fashion Group was impaired by EUR 12.3m by 30 September
- » East Capital and East Capital Explorer announced that a review of the Investment Agreement is being conducted. Share buybacks will not be resumed during this process
- » 0.52% of the company's shares were repurchased during the quarter, adding to a total of 1.11% during the year
- » Fund holdings equivalent to EUR 5.0m were sold during the quarter
- » In line with the aim of increasing the portion of Real Estate investments, the company has committed to invest EUR 20m in the new fund East Capital Baltic Property Fund III. The first draw-down is expected during Q4
- » EUR 13.2m was distributed to shareholders in July under the third redemption program. The aggregate shareholder distribution during the three-year program was EUR 41.0m, corresponding to an annual yield of 7-8% during 2013-2015
- » EUR 9.4m was received from East Capital Russia Domestic Growth Fund in November as part of the planned fund liquidation. The amount corresponds to approximately 91% of East Capital Explorer's holding in the fund

Stable development despite turbulent times

Continued good development in Baltic properties and Starman. Melon Fashion Group and the Public Equity segment affected by rouble depreciation and weaker market sentiment



Mia Jurke, CEO

East Capital Explorer's portfolio developed slightly negative during the third quarter. Net Asset Value per share has gained 3 percent year-to-date, but fell by 4 percent in the quarter. At the same time, the decline was limited, not least compared to MSCI Emerging Europe Index that fell by 16 percent in the quarter.

A large number of the listed holdings were affected by the generally higher risk aversion in the markets, primarily driven by an uncertainty concerning China's growth and the Federal Reserve's future actions. However, our Baltic real estate investments continued to develop well, and the real estate segment was the largest positive contributor during the quarter. The private equity segment had an overall negative contribution despite a 16 percent positive fair value adjustment in Starman, as Melon Fashion Group was impaired by 30 percent following an adjusted underlying rouble based valuation, primarily as an effect of lower gross margin assumptions, as well as a translation effect from rouble to euro. The East Capital Explorer share ended the quarter on a more or less unchanged price.

Portfolio development and activity

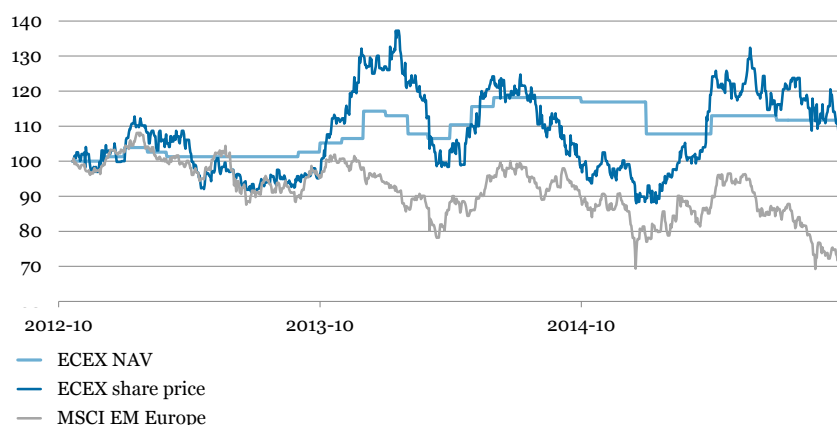
The portfolio composition continues to develop in line with the ambition to create a private equity and real estate portfolio. The Public Equity segment decreased further, in line with plans, as divestments totalling EUR 5m were made in funds with exposure to listed assets. In November, EUR 9.4m was also received as a consequence of the previously announced liquidation of the East Capital Russia Domestic Growth Fund. This means that 91 percent of the proceeds have been distributed, and the remaining part is expected to be received before year-end. In total, including this distribution, we have thereby divested fund investments of a total of EUR 36.9m year-to-date. The divestments have also decreased our exposure to Russia further. Today, the Baltics is our largest region with over half of our portfolio invested in the region.

The Baltic holdings continued to perform well. Starman gave the sole largest positive contribution to the portfolio during the quarter. Both the Estonian and the Lithuanian operations developed well and the group showed an underlying year-on-year revenue growth of six percent in the quarter. In line with Starman's consolidation strategy, the acquisition of the Lithuanian cable and broadband provider Kava was finalized in October and added full market coverage in Lithuania. The largest contributions to the fair value increase in Starman are the company's lower net debt as a result of a strong cash generation, as well as the removal of a previous risk factor that was related to the acquisition of Cgates.

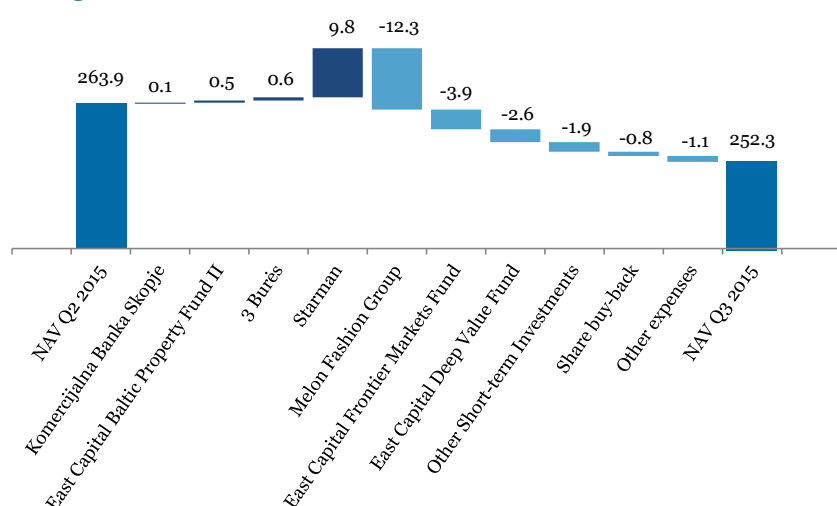
Our investments in the Baltic real estate sector developed well and in line with expectations. Both 3 Burès and the properties in the East Capital Baltic Property Fund II generated positive results, which led to the positive increase in value. We can see that the gradual increase in average rent that 3 Burès has showed since our acquisition in 2014 is continuing in pace with rent agreements being renegotiated, a trend that we expect to continue. New agreements have been signed at a 25 percent higher level on average. As of today, a quarter of the deals have been up for renegotiation.

The Russian market is still challenging and during the third quarter the Russian rouble depreciated again against the euro. Melon Fashion Group (MFG), which buys its goods abroad and sells primarily in Russia, was naturally affected by the weaker currency. At the same time, we can see

ECEX NAV and share price vs. MSCI Emerging Markets Europe, 3 years



Change in NAV Q3 2015, EURm



63%

of our portfolio is Private Equity and Real Estate, compared to 50% a year ago

7-8%

yield through the three redemption programs 2013-2015

“The real estate segment was the largest positive contributor during the quarter”

“Our joint ambition is to ensure a structure that is straight forward and transparent with fair terms and incentives that are clearly aligned with the interest of our shareholders”

increasingly well the results of the cost efficiency program, which was launched in the beginning of the year.

Kestutis Sasnauskas, head of Private Equity and Real Estate within East Capital, who has been Acting CEO of MFG during 2015, was in September replaced by Mikhail Urzhumtsev. Mikhail, who was CEO of the company during the growth years 2005-2013, will now take over the responsibility for the continued implementation of the efficiency program at the same time as seizing the opportunities that we now see in Russia.

Among the listed holdings, we could see effects from the increased uncertainty in the markets during the third quarter through widespread declines. For the Russian holdings, the weakening of the oil price was another factor that contributed negatively. Komercijalna Banka Skopje (KBS), however, went against the flow, and after some challenging years the bank is now showing better results and we expect the company to end this year with a profit.

Buybacks and review of Investment Agreement

We resumed the share buybacks at the end of August, since this was considered an interesting investment opportunity given the share price at the time. The turnover of the stock was however weak, something that many smaller companies could see as a consequence of the increased uncertainties in the markets in the beginning of September. In total, only a limited amount of shares were repurchased, 0.5 percent of total outstanding shares, during the program that ended on 6 October. So far this year, the company has repurchased 1.1 percent of outstanding shares.

As we announced in September, East Capital, in its capacity as Investment Manager, initiated a review of the Investment Agreement that regulates the relationship between the companies, including the fees East Capital receives for its services. East Capital Explorer has during the last years begun a journey towards becoming an investment company focusing on Private Equity and Real Estate investments. It is therefore the right time to review the setup to reflect this shift. Our joint ambition is to ensure a structure that is straight forward and transparent with fair terms and incentives that are clearly aligned with the interest of our shareholders. No decisions regarding further repurchases will be made until the current review of the Investment Agreement has been concluded.

Outlook

After a turbulent September, we could see a broad recovery in the global markets during October. The future development will depend on a number of factors, including both macro as well as the development in a number of political issues. On the macro side, the Baltics and Balkans continue to be in a good position, with growth above the euro zone as a whole. In Russia, macro is improving and the inflation is expected to halve over the coming six to nine months. Growth should rebound next year but will remain much below potential and structural reforms are long overdue. On the political side, we are starting to see signs of improvement in the Ukrainian situation, even if the conflict is still far from unsolved.

Within East Capital Explorer, our focus continues to be on identifying new interesting investment opportunities within Private equity and Real Estate. The first investment in the East Capital Baltic Property Fund III is expected to be executed by the end of this year, which will increase our exposure to the attractive Baltic real estate market further. We are also seeking new investment opportunities within Private Equity.

Mia Jurke
CEO, East Capital Explorer

Our portfolio

East Capital Explorer's strategy builds on four cornerstones: growth in Eastern Europe, domestic consumption, companies with strong outlook and a long-term active ownership. The preferred way of investing is through direct investments. East Capital Explorer's focus for new investments is within the Private Equity and Real Estate segments, where the company can, in a more direct way, contribute its expertise and create value.

As of 2015, East Capital Explorer has changed its segment reporting to reflect the ongoing strategic shift. The new segments are Private Equity, Real Estate and Public Equity. Short-term investments include assets that are expected to be divested. These are reported separately, and not included in the core segments. Comparable numbers for 2014 are reclassified according to the new segment reporting.

Net Asset Value (NAV)							
	Value 30 Sep 2015 EURm	NAV/share EUR	% of NAV	Value 30 Jun 2015 EURm	Value 31 Dec 2014 EURm	Value change Jan-Sep 2015, % ¹	Value change Jul-Sep 2015, % ¹
Private Equity							
Starman	71.8	2.55	28.5	62.0	39.5	15.8	15.8
Melon Fashion Group	28.8	1.02	11.4	41.0	35.1	-18.0	-29.9
Trev-2 Group	7.0	0.25	2.8	7.0	8.5	-16.9	0.0
Total Private Equity	107.6	3.82	42.7	110.1	83.0	2.0	-2.2
Real Estate							
East Capital Baltic Property Fund II	26.0	0.92	10.3	25.5	24.4	6.7	1.9
3 Burès	25.3	0.90	10.0	24.8	24.2	4.5	2.2
Total Real Estate	51.3	1.82	20.4	50.3	48.6	5.6	2.1
Public Equity							
East Capital Deep Value Fund	41.6	1.48	16.5	46.1	47.0	4.2	-5.6
Komercijalna Banka Skopje	6.7	0.24	2.7	6.6	7.3	-8.5	2.3
Total Public Equity	48.3	1.71	19.1	52.7	54.3	2.5	-4.6
Short-term Investments							
East Capital Frontier Markets Fund	30.9	1.10	12.3	35.8	40.9	-2.2	-10.9
Other short-term Investments ³	11.0	0.39	4.4	14.9	29.4	14.2	-12.7
Short-term Investments	41.9	1.49	16.6	50.7	70.3	4.6	-11.4
Cash and cash equivalents	3.6	0.13	1.4	13.7	5.6		
Total Short-term Investments	45.5	1.62	18.0	64.4	75.9		
Total Portfolio	252.7	8.97	100.2	277.5	261.9		
Other assets and liabilities net	-0.4	-0.01	-0.2	-13.6	-0.6		
Net Asset Value	252.3	8.96	100.0	263.9	261.3	2.7²	-3.9²

¹ The value change calculation is adjusted for investments, divestments and distributions during the relevant period. i.e. it is the percentage change between: the fair value plus any proceeds from dividends or divestments during the period, divided by the inception value plus any added investment during the period

² NAV per share development

³ Includes East Capital Bering Ukraine Fund Class R and East Capital Russia Domestic Growth Fund

¹ EUR = 9.36 SEK on 30 Sep 2015. Source: Reuters

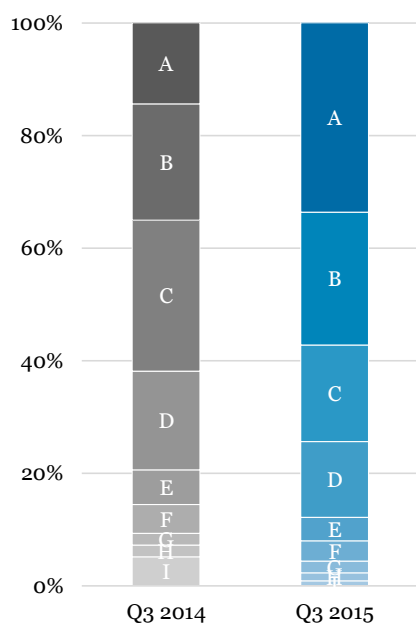
Note that certain numerical information may not add up due to rounding

10 largest holdings in East Capital Explorer's portfolio on a see-through basis (sum of direct and indirect holdings)¹

30 September 2015						
Company	Value in portfolio mEUR	% of NAV	Perf. Q3, %	Country	Sector	East Capital Explorer's investment vehicle
Starman	71.8	28.5	15.8	Estonia	Telecom	Direct Investment
Melon Fashion Group	28.8	11.4	-29.9	Russia	Consumer Discretionary	Direct Investment
3 Burės	25.3	10.0	2.2	Lithuania	Real Estate	Direct Investment
Komercijalna Banka Skopje	8.3	3.3	2.3	Macedonia	Financials	Direct Investment East Capital Deep Value Fund
Trev-2 Group	7.0	2.8	0.0	Estonia	Industrials	Direct Investment
GO9	6.4	2.5	1.7	Lithuania	Real Estate	East Capital Baltic Property Fund II
Tänassilma Logistics	6.1	2.4	3.0	Estonia	Real Estate	East Capital Baltic Property Fund II
Integra	5.3	2.1	23.9	Russia	Energy	East Capital Deep Value Fund
B92	5.2	2.1	-2.0	Serbia	Consumer Discretionary	East Capital Deep Value Fund
Metro Plaza	5.0	2.0	2.5	Estonia	Real Estate	East Capital Baltic Property Fund II
Total	169.2	67.1				

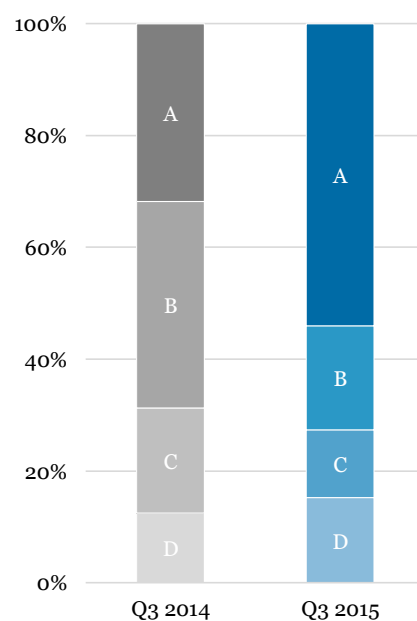
¹ As if East Capital Explorer had owned its pro-rata share of all the underlying securities in the different funds it has invested in

Sector breakdown, %



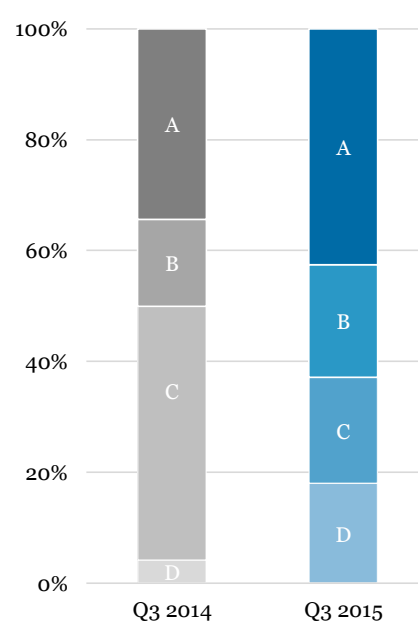
A	Telecom	34 (14)
B	Real Estate	24 (20)
C	Consumer Discr.	17 (26)
D	Financials	13 (17)
E	Industrials	4 (6)
F	Consumer Staples	4 (5)
G	Energy	2 (2)
H	Materials	1 (2)
I	Utilities	1 (5)

Geographic breakdown, %



A	Baltics	54 (32)
B	Russia	19 (37)
C	Balkans	12 (19)
D	Other countries	15 (12)

Segment breakdown, %



A	Private Equity	43 (34)
B	Real Estate	20 (16)
C	Public Equity	19 (46)
D	Short-term investments, cash, other assets and liabilities	18 (4)

Comparative numbers in parentheses refer to the corresponding period 2014

Private Equity

The Private Equity segment represents 43 (34) percent of total Net Asset Value. The portfolio primarily consists of non-cyclical, consumer-oriented companies with high growth and/or cash flow potential. More detailed financial information regarding the Private Equity holdings is available on www.eastcapitalexplorer.com under Investors/Reports and Presentations.

Starman

Starman, the only truly pan-Baltic cable TV and broadband provider in Estonia and Lithuania, has a loyal customer base and strong non-cyclical cash flows. With its leading market position and superior product offering, Starman is well positioned to lead the market consolidation and benefit from the increasing broadband penetration.

East Capital Explorer's holding in the company	63%
% of NAV	28%

EURm	2015 Jan-Sep*	2014 Jan-Sep	2015 Jul-Sep	2014 Jul-Sep
Sales	38.0	24.9	13.2	8.4
- of which Cgates	10.7	-	4.0	-
EBITDA	18.1	12.1	6.2	3.9
- of which Cgates	4.6	-	1.7	-
Net profit	3.6	2.6	1.1	0.7
Sales growth (%)	52.3	10.8	52.8	10.8
EBITDA margin (%)	47.7	48.5	47.2	46.9
Net debt	73.1**	47.9	73.1**	47.9
Balance sheet total	166	106	166	106
Number of RGU's ('000)	536	288	536	288
- of which Cgates	201	-	201	-
Avg. ARPU, combined (€/m)	13.0	12.2	13.1	12.3

* Cgates consolidated as of 1 Feb 2015

** Of which EUR 43.2m (47.9m) refers to Starman, and EUR 29.9m (-) to Cgates
RGU: Revenue generating units, ARPU: Average revenue per user

- Nine month 2015 performance was strong. Group revenues for the third quarter reached EUR 13.2m (8.4m), a year-on-year increase of 52.8%. The increase is a result of the Cgates acquisition in Q1 2015 and strong organic growth. The combined underlying Starman and Cgates operations grew by 6.2% compared to Q3 2014 (as if Cgates had been consolidated in Q3 2014)
- Q3 2015 revenues in Estonia reached EUR 9.2m (8.4 m), an increase of 9.5% compared to Q3 2014. EBITDA after one-off items amounted to EUR 4.5m (3.9m), corresponding to a margin of 48.9%
- Q3 revenues in Lithuania reached EUR 4.0m, an underlying growth of 0.4% compared to Q3 2014. EBITDA after one-off items amounted to EUR 1.7m, corresponding to a margin of 42.7%
- In October, Starman's Lithuanian subsidiary Cgates received regulatory approval for and closed its acquisition of Kava, a regional operator which gives Cgates a nationwide network coverage
- During the third quarter, a new group management team was formed and Kestutis Sasnauskas, Head of Private Equity and Real Estate within East Capital, replaced Gert Tiivas as Chairman of Starman. Gert Tiivas, previous Head of East Capital Baltics, will chair the Management Board of Starman
- On 30 September, net debt amounted to EUR 73.1m, corresponding to 3.0x EBITDA for the last twelve months
- The fair value of the holding in Starman was appreciated by EUR 9.8m, or 15.8%, to EUR 71.8m, on the back of continued robust performance and lower net debt, as well as the removal of a previous risk factor related to the Cgates acquisition. The new valuation corresponds to an EV/EBITDA multiple of 7.6x (last 12 months)

Learn more about Starman on: www.starman.ee

Melon Fashion Group

Melon Fashion Group (MFG) is the fastest growing fashion retailer in Russia. The company is well positioned for growth with a broad target group under three strong brands: Zarina, befree and Love Republic. MFG benefits from the consolidation in the fragmented Russian fashion industry and long-term consumption growth.

East Capital Explorer's holding in the company	36%
% of NAV	11%

RUBm	2015 Jan-Sep	2014 Jan-Sep	2015 Jul-Sep	2014 Jul-Sep
Sales	9,078	7,924	3,156	3,098
Gross profit	3,970	4,215	1,475	1,483
EBITDA	363	-231	296	153
Net profit	10	-426	158	37
Sales growth (%)	14.6	25.7	1.9	24.1
Gross margin (%)	43.7	53.2	46.8	47.9
EBITDA margin (%)	4.0	-2.9	9.4	4.9
Net debt	3.8	394.6	3.8	394.6
Balance sheet total	4,536	4,900	4,536	4,900
Number of stores (end-quarter)	641	656	641	656
Like-for-like sales growth (%)	3.5	-0.2	-3.4	-1.6

- MFG posted strong results in the third quarter, despite continuing external headwinds, partly from the depreciation of the rouble causing traffic drop at the majority of apparel retailers
- Q3 total sales increased 1.9% year-on-year, driven primarily by the addition of new selling space
- While befree posted a strong positive like-for-like growth in the third quarter, Zarina and Love Republic reported negative comparable sales growth, resulting in a 3.4% like-for-like sales drop in the period. This indicates a consumer trend moving towards cheaper brands such as befree
- Profitability improved significantly, in large thanks to the implemented cost-cutting and efficiency measures, resulting in a 26% and 18% decrease in rental and personnel costs, respectively, compared to the previous year
- The total number of stores decreased to 641 as a result of 43 store closures during the first nine months due to the locations not bringing the desired results, while 18 retail stores were opened
- The fair value of MFG was impaired by EUR 12.3m, or 29.9%, to EUR 28.8m on the back of a 17% lower underlying rouble based valuation (based on an external valuation) that was mainly a result of lower gross margin assumptions, as well as a translation effect of the underlying valuation from rouble to euro

Learn more about Melon Fashion Group on: www.melonfashion.ru

Trev-2 Group

Trev-2 Group, one of the largest infrastructure construction and maintenance companies in Estonia, was acquired as a restructuring case, which has under our guidance concentrated its operational focus on its core areas: environmental and road construction and maintenance.

East Capital Explorer's holding in the company	38%
% of NAV	3%

EURm	2015 Jan-Sep	2014 Jan-Sep	2015 Jul-Sep	2014 Jul-Sep
Sales	41.5	51.1	24.3	28.4
EBITDA	2.2	5.2	2.7	4.1
Operating profit	0.1	2.8	2.0	3.2
Net profit	0.0	2.5	2.1	3.2
Sales growth (%)	-18.8	-30.6	-14.2	-26.1
EBITDA margin (%)	5.4	10.3	11.2	14.5
Operating margin (%)	0.3	5.5	8.3	11.5
Net debt	6.7	3.1	6.7	3.1
Balance sheet total	42.9	49.8	42.9	49.8

- 2015 performance continued to be weak for Trev-2 with lower tender volumes and project margins compared to last year due to a weakened infrastructure market in Estonia. Q3 performance was consequently below expectations
- Revenues for the third quarter reached EUR 24.3m (28.4m), a decrease of 14.2% compared to the same period last year. EBITDA for the third quarter amounted to 2.7m (4.1m), corresponding to a margin of 11.2% (14.5%)
- Revenues for the first nine months of the year reached EUR 41.5m (51.1m), a decrease of 18.8% compared to the same period last year. EBITDA for the first nine months of the year amounted to 2.2m (5.2m), corresponding to a margin of 5.4% (10.3%)
- The company is currently addressing its cost base to adjust to the new market situation
- On 30 September, net debt amounted to EUR 6.7m, corresponding to 2.5x EBITDA for the last twelve months
- East Capital Explorer's fair value of Trev-2 Group was kept unchanged at EUR 7.0m per 30 September 2015, after an impairment of 16.9% in Q2 2015

Learn more about Trev-2 Group on: www.trev2.ee

Real Estate

The Real Estate segment represents 20 (16) percent of total Net Asset Value. The Real Estate investments in the Baltic capitals have strong cash flows, sustainable rents and low vacancies. Yields are 7-9 percent, 2-3 percentage points higher than in the Nordic capitals, with attractive financing terms. More detailed financial information regarding 3 Burès is available on www.eastcapitalexplorer.com under Investors/Reports and Presentations.

3 Burès

3 Burès is one of Vilnius' most modern and well located A Class office properties. The two buildings, with low vacancy rates and high interest from potential tenants, generate a stable cash flow with potential ahead for increasing rents. At the same time, the country's stable and growing economy supports continued low financing costs and the potential for long term value appreciation.

East Capital Explorer's holding in the company	100%
% of NAV	10%

EURm	2015 Jan-Sep	2015 Jul-Sep	2014 Jul-Sep
Net rental revenue*	3.3	1.1	1.0
Net operating income	3.0	1.0	0.9
Vacancy rate (% end-quarter)	2.0	2.0	4.6
Avg. rent (€/sqm, end-quarter)	12.8	12.8	12.4

* Rental income only, excluding income from communal services

- During the third quarter, the equity value of 3 Burès increased by 2.2% as a result of positive operating results. The value increase for the first nine months 2015 is 4.5%
- Vacancy in the office complex at the end of the third quarter temporarily increased to 2.0% from 0.6% at the end of the second quarter. There is a strong pipeline of new tenants that could reduce vacancy to close to zero again by year-end
- The management team is working on the development project of the adjacent land plot that was included in the acquisition of 3 Burès. Detailed planning for the development land plot is now established and construction permit is expected to be received in the first quarter of 2016

Learn more about 3 Burès on: www.3bures.lt

East Capital Baltic Property Fund II

The fund invests in and manages properties with well-established tenants and sustainable rental terms in the Baltic capitals. Focus is primarily on shopping centres and retail properties, as well as logistics and office properties. The goal is to acquire well located properties with stable revenues and potential for improvements.

East Capital Explorer's share of the Fund	49%
% of NAV	10%

	Q3 2015	Since May 12
Performance, EUR	1.9%	37.1%

Properties in the portfolio	Weight of mkt value, %	Contr, %*	Location	Type
GO9 Shopping Centre	27.0	17.0	Vilnius	Retail
Tānassilma Logistics	24.0	33.0	Tallinn	Logistics
Metro Plaza	21.0	22.0	Tallinn	Office
Deglava Prisma	15.0	13.0	Riga	Retail
Rimi Logistics	13.0	15.0	Tallinn	Logistics

* Contribution; Share of quarterly change in NAV from property operating result

- The fair value of East Capital Baltic Property Fund II increased by 1.9% during the third quarter, which represents a 6.7% increase for the financial year-to-date
- The properties in the fund continued to perform as planned, with Tānassilma Logistics and Metro Plaza contributing the most to the quarterly increase of net asset value
- The final draw-down of commitments was executed in the third quarter (no investment by East Capital Explorer), in preparation for the last investment of the fund in Mustamäe Keskus
- The Mustamäe Keskus development is progressing in line with the targeted opening in February 2016. Currently, 98% of the area is covered by lease agreements

Public Equity

The Public Equity segment represents 19 (46) percent of total Net Asset Value. Investments in this segment offer exposure to companies with a strong outlook, especially in sectors driven by domestic growth such as retail, consumer goods, finance, and real estate. The listed portfolio comprise assets with high return potential that can be used as a financing source for further investments in the Private Equity and Real Estate segments.

Komercijalna Banka Skopje

Komercijalna Banka Skopje (KBS) is Macedonia's largest bank by assets and capital. The low valuation compared to other banks in the region makes it a potential candidate for strategic investors.

East Capital Explorer's holding in the company	10%
% of NAV	3%

MKDm	2015 Jan-Sep	2014 Jan-Sep	2015 Jul-Sep	2014 Jul-Sep
Net interest income	2,162	1,958	750	648
Net interest margin (%)	3.7	3.7	3.7	3.7
Total operating income	3,057	2,807	1,031	959
Operating expenses	1,272	1,355	403	440
Cost Income ratio (%)	41.6	48.2	39.1	46.0
Profit before tax and provisions	1,786	1,453	628	518
Net profit	317	-184	498	-44

- KBS reported a nine month 2015 profit of MKD 317m (EUR 5.1m). The bank was in loss at the half year, so more than all of this year's profit, or MKD 498m, has come in Q3 as the bank's steadily increasing operating income overcame impairment losses, most of which were recorded in the first half year
- KBS enjoyed net interest income growth of 10% year-on-year over the nine month period, driven by decreased interest expenses. The net interest margin (annualized) was 3.7%
- Net fee and commission income was slightly lower than for the corresponding nine months 2014, but an increase in other income (mostly capital gain on the sale of foreclosed property) more than compensated for this dip
- Operating expenses continue to be well under control, and the bank's cost/income ratio for the nine month period was 41.6% (48.2%), and for the third quarter 39.1% (46.0%)

Learn more about Komercijalna Banka Skopje on: www.kb.com.mk

East Capital Deep Value Fund

The fund offers exposure to the conservative market valuations of small and mid-cap companies with proven business models, strong revenue generation and high revaluation potential where the fund managers can take an active role in corporate governance of the portfolio companies.

East Capital Explorer's share of the Fund	75%
% of NAV	16%

	Q3 2015	Since Jan 14
Performance of the holding, EUR	-5.6%	5.5%

Largest holdings in the Fund on 30 September 2015

Company	Weight, %	Perf, %	Contr, %*	Country	Sector
Integra	12.6	23.9	2.3	Russia	Energy
B92	11.4	-2.0	-0.4	Serbia	Consumer
Caucasus Energy & Infrastructure	6.9	-6.1	-0.5	Georgia	Energy
Impact	6.6	-18.8	-1.5	Romania	Financials
Bank Sankt-Peterburg	5.1	-16.9	-1.0	Russia	Financials
Reinsurance Co Sava	4.2	-9.4	-0.4	Slovenia	Financials
Komercijalna Banka Skopje	4.1	2.3	0.1	Macedonia	Financials
Telekom Srpske	3.7	10.3	0.3	Bosnia	Telecom
Cantik	2.9	-0.3	-0.0	Ukraine	Financials
Pif Big	2.5	-9.0	-0.3	Bosnia	Financials

All figures in EUR

* Contribution to the portfolio performance

10 largest holdings (% of fund)	Unlisted holdings (% of fund)	Total number of holdings
60	19	87

- The fund ended the quarter down 5.6%, significantly outperforming the markets; the Russian RTS index fell by 15.1%, mainly due to oil prices that fell by 24.1%, while the MSCI Emerging Markets Europe index declined by 15.8%, impacted by the general emerging market sell off caused by lingering fears over the Chinese growth
- The strongest performer in the fund was the Russian oilfield services company Integra which was subject to a management buyout below fair value in Q2 2014, which was challenged by East Capital in the Cayman Islands Grand Court. In August 2015, the court ruled in favour of East Capital, resulting in an increased value of the holding in Integra by 52% compared to 21 May 2014, when the original MBO was carried through
- Romanian real estate developer Impact fell by 18.8%, in line with the general market decline. However, September figures showed highest ever sales levels and the company seems on track to complete the sale of 490 units in its new Greenfield Complex

Short-term investments

Short-term investments include assets that are expected to be divested. The largest short-term investment is East Capital Frontier Markets Fund, corresponding to 12.2 percent of NAV and East Capital Russia Domestic Growth Fund at 4 percent of NAV. East Capital Bering Ukraine Fund Class R, which decreased by 0.9 percent in the third quarter, corresponds to 0.5 percent of East Capital Explorer's NAV and is not specified below.

East Capital Frontier Markets Fund

East Capital Frontier Markets Fund is a daily traded UCITS fund with a global focus on young and growing markets. To combine high growth, attractive valuations and risk-adjusted returns, the fund seeks to invest in a wide spectrum of countries, sectors and companies. A significant share is invested in off-index countries, the "next frontiers".

East Capital Explorer's share of the Fund	57%
% of NAV	12%

	Q3 2015	Since Dec 14
Performance of the holding, EUR	-10.9%	2.4%

Largest holdings in the Fund on 30 September 2015

Company	Weight, %	Perf, %	Contr, %*	Country	Sector
National Bank Of Kuwait	5.0	-5.7	-0.3	Kuwait	Financials
Zavarovalnica Triglav	4.1	-11.3	-0.5	Slovenia	Financials
United Bank/Pakistan	3.8	-14.9	-0.6	Pakistan	Financials
Mobile Telecommunications	3.1	-4.7	-0.1	Kuwait	Telecom
Lucky Cement	3.1	-1.1	0.0	Pakistan	Materials
Montenegro Telekom	3.0	-6.8	-0.2	Montenegro	Telecom
Vinamilk	2.9	4.8	0.1	Vietnam	Cons. Stap.
Engro Foods	2.8	-6.0	-0.2	Pakistan	Cons. Stap.
Sonatel	2.6	7.6	0.1	Senegal	Telecom
Myronivsky Hliboproduct	2.3	-7.8	-0.1	Ukraine	Cons. Stap.

All figures in EUR

* Contribution to the portfolio performance

10 largest holdings (% of fund)	Unlisted holdings (% of fund)	Total number of holdings
33	0	62

- Global frontier markets were affected by the volatility in global equities and most of the markets consequently saw double digit losses during Q3
- Argentina was particularly weak, proving that an underweight in the country was the right choice for the fund. Also the underweight in the energy sector was positive, as major energy stocks ended the period with 30-40% losses due to the oil price weakness
- The fund continued to reduce its positions in the Middle East, particularly in Saudi Arabia, mainly due to the lower oil price and its implications on the investment climate
- Going forward, important factors for the frontier markets are the direct and indirect implications of a possible Chinese slowdown, especially in Asia and Africa that have close economic relations with China, as well as political events and potential currency devaluation in Nigeria, and the result of the Argentinian elections

East Capital Russia Domestic Growth Fund

The Fund seeks to benefit from domestic growth in the Russian economy through a concentrated portfolio of listed companies with at least half of their revenue generation in Russia.

East Capital Explorer's share of the Fund	91%
% of NAV	4%

	Q3 2015	Since Aug 12
Performance of the holding, EUR	-13.9%	-48.4%

Largest holdings in the Fund on 30 September 2015

Company	Weight, %	Perf, %	Contr, %*	Country	Sector
Sberbank	15.4	-5.7	-0.7	Russia	Financials
Magnit	13.4	-12.1	-1.7	Russia	Cons. Stap.
E.ON Russia	11.5	-14.8	-1.8	Russia	Utilities
M.Video	10.8	-1.4	-0.1	Russia	Cons. Disc.
Bank Of St Petersburg	10.2	-14.8	-1.6	Russia	Financials
Sistema	9.1	-14.0	-1.5	Russia	Telecom
LSR Group	8.9	-11.6	-1.2	Russia	Financials
Moscow Exchange	7.0	4.6	0.3	Russia	Financials
Micex-Rts					
Aeroflot	5.9	-20.0	-1.8	Russia	Industrials
Sollers	3.3	-6.8	-0.2	Russia	Cons. Disc.

All figures in EUR

* Contribution to the portfolio performance

10 largest holdings (%)	Unlisted holdings (% of fund)	Total number of holdings
96	0	13

- The East Capital Russia Domestic Growth Fund dropped 13.9%, however still outperforming the Russian RTS that fell 15.1% in large due to weakening oil prices
- The largest positive contribution came from the holding in Moscow Exchange that gained 4.6% on the back of strong trading volumes and a new dividend pay-out policy of at least 55%
- The largest negative contribution of came from Aeroflot, that decreased 20% during the quarter following the merger news with its closest peer Transaero. However, the offer was withdrawn after the end of the quarter, resulting in the stock recovering the entire loss
- As previously announced, East Capital Russia Domestic Growth Fund will be liquidated. The vast majority (approximately 91%) of the proceeds was paid out during November, and the remainder is expected to be paid out before year-end

Results

The investment activities of East Capital Explorer AB (publ) (the Company) are managed in the operating subsidiary East Capital Explorer Investments SA which manages the investment portfolio, in accordance with the Investment Policy. Transactions in the operating subsidiaries East Capital Explorer Investments SA, East Capital Explorer Investments AB and Humarito Ltd are referred to as the investment activities in this report.

Presentation currency is euro (EUR).

Results for the third quarter 2015

The net result for the third quarter was EUR -10.8m (EUR -0.3m), including value changes of shares in subsidiaries of EUR -10.4m (EUR 0.0m), corresponding to earnings per share of EUR -0.38 (EUR -0.01).

In Q3 2015, the value of the holding in Starman was appreciated by EUR 9.8m while Melon Fashion Group (MFG) was impaired by -12.3m. The appreciation of Starman was primarily due to decrease of net debt. The impairment of MFG was due to translation from rouble to euro and also primarily downgraded forecast for the gross margin. Together with fair value adjustments in 3 Burés of EUR 0.6m, East Capital Baltic Property Fund II of EUR 0.5m, East Capital Frontier Markets Fund of EUR -3.9m, East Capital Deep Value Fund of EUR -2.6m and in East Capital Russia Domestic Growth Fund of EUR -1.9m, these were the main contributors to the change in value of shares in subsidiaries in the Income statement for the period.

In the investment activities, the Company sold shares in East Capital Frontier Markets Fund for a total amount equivalent to EUR 1.0m, East Capital Russia Domestic Growth Fund for an amount equivalent to EUR 2.0m and in East Capital Deep Value Fund for an amount equivalent to EUR 2.0m.

The result for the period includes expenses of EUR -0.4m (EUR -0.5m), all of which refer to the Parent company.

Financial income for the period amounted to EUR 0.1m (EUR 0.2m) and financial expenses to EUR -0.0m (EUR -0.0m).

Comparative numbers in parenthesis refer to the third quarter of 2014.

Results for the period January-September 2015

The net result for the first nine months was EUR 6.0m (EUR 2.3m), including value changes of shares in subsidiaries of EUR 7.1m (EUR 2.8m), corresponding to earnings per share of EUR 0.20 (EUR 0.07).

The value of the holding in Starman was appreciated by EUR 9.8m while MFG was impaired by EUR -6.3m and the value of the holding in Trev-2 Group was impaired by EUR -1.4m. Together with the fair value adjustments in East Capital Baltic Property Fund II of EUR 1.6m,

3 Burés of EUR 1.1m, East Capital Deep Value Fund of EUR 2.0m, East Capital Russia Domestic Growth Fund of EUR 4.5m and East Capital Frontier Markets Fund of EUR -0.7m, these were the main contributors to the change in value of shares in subsidiaries in the Income statement for the period.

In the investment activities, Starman's acquisition of Cgates was finalized on 12 February 2015. In conjunction with the transaction, East Capital Explorer made an additional investment of EUR 22.5m through a share issue in Starman, thereby increasing the ownership from 51 to 63 percent. Furthermore, the Company sold shares in East Capital Frontier Markets Fund for a total amount equivalent to EUR 9.1m, in East Capital Russia Domestic Growth Fund for an amount equivalent to EUR 11.0m and in East Capital Deep Value Fund for an amount equivalent to EUR 7.4m.

To calculate all fees related to East Capital Explorer, fees originated in funds are added to the fees in the investment activities. Total fees to East Capital, generated by the investments held by East

Capital Explorer AB, amounted to EUR -3.7m (EUR +6.6m). Of this, EUR -3.7m (EUR -4.6m) was management fees and EUR 0.0m (EUR +11.2m) was performance fees. The fees for 2014 were positive due to reversed performance fees relating to previous years.

The result for the period includes expenses of EUR -1.3m (EUR -1.5m), all of which refer to the Parent company.

Financial income for the period amounted to EUR 0.2m (EUR 1.0m) and financial expenses to EUR -0.0m (EUR -0.0m).

Comparative numbers in parenthesis refer to January-September 2014.

Financial Position and Cash Flow January-September 2015

The Company's equity ratio was 99.9 percent (99.8 percent).

The cash flow presented below only relates to transactions in the Parent Company. During the period January-September 2015, the Company received repayment of shareholder's contributions of EUR 17.5m (EUR 15.6m) from East Capital Explorer Investments SA (East Capital Explorer Investments AB in 2014). During the period 25 March-13 April 2015 and 21 August-17 September 2015, East Capital Explorer repurchased a total of 315,229 shares, for an amount equivalent to EUR 1.9m.

Cash and cash equivalent at the end of the period amounted to EUR 2.4m (EUR 1.5m), all of which refer to the Parent Company.

At the end of the period, cash, cash equivalents and other short-term investments in the investment activities amounted to EUR 45.5m (EUR 12.5m). Please refer to the breakdown of values in subsidiaries on pages 17-18 for more details regarding the investment activities.

Comparative numbers in parenthesis refer to 31 December 2014.

Commitments

On 10 July 2015, East Capital Explorer announced a commitment to invest EUR 20m in total in the new fund East Capital Baltic Property Fund III. No amount has so far been drawn down.

Business Environment and Market

Most markets in Eastern Europe enjoyed a good start of the year, supported by increased optimism regarding European macro in general, and ECB stimulus in particular. The second and third quarters were overall more mixed, influenced by the Greek debt crisis and global volatility stemming from worries about Chinese growth and the consequences for Emerging Markets from the eventual interest rate hike by the Federal Reserve.

The Russian economy contracted during the first nine months of the year. A weak currency translated into high inflation and consequently falling real wages and consumption. The Baltic economies have continued to grow faster than the euro zone as a whole, supported by a broad base of domestic and external demand, despite economic weakness in a number of neighbouring export markets. The Balkan economies are recovering, even though the uncertainty over Greece has caused some negative spill-overs.

The outlook for Eastern Europe is mixed. The Baltics and the Balkans are expected to grow 2-3 percent while inflation will remain subdued. The Russian economy is predicted to contract 3-4 percent, but probably bottomed out in the second quarter of this year. The Russian rouble is expected to remain volatile and trade primarily on the oil price. The economic development in East Capital Explorer's investment region is thus uneven and significant uncertainties remains from a financial perspective. Global monetary policies, currencies and commodity prices are likely to continue to impact the Company's markets. East Capital Explorer's holdings may therefore be associated with increased risk, which may also impact the

possibilities for divestments, while, on the other hand, creating new investment opportunities.

Other information

Accounting principles

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) 34 Interim Financial Reporting and applicable provisions in the Swedish Annual Accounts Act (Årsredovisningslagen). The interim report for the Company has been prepared in accordance with Swedish Financial Reporting Board (RFR 2) and The Swedish Annual Accounts Act Chapter 9, Interim report. The parts of IFRSs and RFR 2 that are currently relevant for East Capital Explorer AB lead to the same accounting. The two sets of separate financial statements are therefore presented together as a common single set of accounts.

Any future performance fees to the Investment Manager East Capital pertaining to direct investments will not be accounted for as a provision on the balance sheet nor as a contingent liability until a direct investment has been realised. As all decisions to realise direct investments needs to be approved by East Capital Explorer's Board of Directors, and the payment of any accrued performance fees therefore are within the Company's control, it is the Company's interpretation of IAS 32 and IAS 37 that no obligation arises until such a decision is made.

As of Q1 2015, East Capital Explorer has changed its segment reporting to reflect the ongoing strategic shift. The new segments are Private Equity, Real Estate, Public Equity and Short-term investments. Comparable numbers for 2014 are restated according to the new segment reporting, see Note 1 Segment reporting. The classes of investments used in the fair value disclosures in note 3 have been affected in a corresponding way. All other accounting principles applied are the same as in the Annual Report for 2014.

A number of other new standards, amendments to standards and interpretations are effective for periods beginning after this report has been published. These are assessed not to have any material impact on the reports of East Capital Explorer.

For further information about the accounting principles of the Company, please see Note 1 Accounting principles in the Annual Report 2014.

Risks and uncertainties

The dominant risk in East Capital Explorer's operations is commercial risk in the form of exposure to specific sectors, geographic regions or individual holdings and financial risk in the form of market risk, equity price risk, foreign exchange risk and interest rate risk. A more detailed description of East Capital Explorer's material risks and uncertainties is provided in the Company's Annual Report 2014 on pages 40-42. An assessment for the coming months is provided in the Business Environment and Market section above.

In addition, through the business activities of their holdings, i.e. their offerings of products and services, within the respective sectors, the investments are also exposed to legal/regulatory risk and political risk, for example political decisions on public sector expenditures and industry regulations.

Fees

For direct investments, an annual management fee of 2% is charged by the Investment Manager, besides for Real Estate investments, where the management fee is 1.75%. Further, performance fee of 20% of profits is paid provided that a threshold value of 8% annually has been achieved. Performance fees are only charged on realized investments.

For fund investments, the fee terms of the relevant fund applies, which normally corresponds to an annual management fee of 1.95% (plus additional administrative expenses and charges, among others an AIFMD related charge of 0.1% and custody fees) and 20% performance fee (for real estate funds, the management fee is 1.75%). For East Capital Frontier Markets Fund, which is a UCITS fund, East Capital Explorer is charged a rebated management fee of 1% (plus an additional "all-in" fee for fund administration, depository and other expenses of 0.45% NAV). The fund does not charge any performance fee.

No performance fees are to be paid out until the adjusted net asset value per ordinary share exceeds SEK 100. For direct investments, an additional condition for payment is that all direct investments, in total, show a positive result. Additionally, all management fees on portfolio values exceeding EUR 400m is reduced to 1.0%. Catch-up clauses in the range of 0/100 – 50/50, related to profit distribution after the hurdle is reached, are applicable for direct investments as well as real estate investments. For more details about fees, please see the latest Annual Report available on the Company's website

Related party transactions January-September 2015

There have been no related party transactions during the year, other than fee payments according to agreements in place. East Capital Explorer Investments SA has a related party relationship with its subsidiaries, with companies in the East Capital Group, as well as with management and employees.

East Capital Explorer AB, East Capital Explorer Investments SA and East Capital Explorer Investments AB have a licensing agreement with East Capital Explorer Licensing AB, pursuant to which East Capital Explorer Licensing AB has granted a non-exclusive, royalty-free license to use the trade name and trademark "East Capital Explorer".

During the first nine months of 2015, the fees paid by East Capital Explorer Investments SA to East Capital Asset Management SA were EUR -3.7m (EUR +6.6m). The fees in 2014 were positive due to reversed performance fees relating to earlier years.

The Company has a service agreement with East Capital International AB, a service company within East Capital, pursuant to which the Company buys certain administrative and other services. The Company has a sub rent premises agreement with East Capital International AB. During the first nine months of 2015, the Company purchased services for EUR 0.1m (EUR 0.1m), all through the Parent Company.

East Capital Explorer AB's management, Board members and their close relatives and related companies control 22.6 percent of voting rights in the Company.

The CEO of East Capital Explorer AB is a Board member of East Capital Explorer Investments SA and a member of the Investment Committee of East Capital Explorer Investments SA (the AIFM).

Comparative numbers in parenthesis refer to January-September 2014.

Organisational and investment structure

East Capital Explorer AB (publ) is a Swedish investment company listed on Nasdaq Stockholm. East Capital Explorer's business concept is to maximise risk-adjusted shareholder return by offering shareholders a liquid exposure to a unique investment portfolio of primarily unlisted companies in Eastern Europe. Value is added through active ownership made possible by the investment manager East Capital's local presence, extensive network and long experience in the Eastern European markets.

East Capital Explorer's strategy is to invest in sectors and companies that have the most to gain from the long-term trends in its investment universe. Strong domestic demand is a key driver for growth in Eastern Europe and this is the main investment theme. East Capital Explorer targets fast growing sectors such as retail, consumer goods, financials and real estate. The investment portfolio

is actively managed to optimize the long-term value. All investments are considered carefully from a risk-reward perspective. Risks are managed on the basis of a number of methods and tools, among others, through emphasis on corporate governance, including material and relevant environmental and social factors. Active ownership also involves board representation and close relations with the companies in which East Capital Explorer invests.

For further information about the organizational and investment structure of the Company, please see the Corporate Governance Report for 2014, included in the Annual Report and on the Company's web site www.eastcapitalexplorer.com under the section, 'Corporate Governance'.

Redemption program and repurchase of shares

On 24 March 2015, The Board of East Capital Explorer AB resolved to initiate a share repurchase program in order to increase shareholder value. The Company repurchased a total of 166,100 shares during the period 25 March through 13 April 2015, corresponding to 0.55% of the Company's outstanding shares, at an average price of SEK 57.07 per share. The Company also repurchased a total of 149,129 shares during the period 21 August through 17 September 2015, corresponding to 0.52% of the Company's outstanding shares, at an average price of SEK 52.58 per share. In total, 315,229 shares have been repurchased during 2015, corresponding to 1.11% of the Company's outstanding shares. The Board intends to propose to the 2016 Annual General Meeting (AGM), or sooner, that the share capital in the company be reduced by cancelling the repurchased shares.

At the AGM, it was further resolved that East Capital Explorer would offer its shareholders to redeem 5 percent of the Company's outstanding shares at a price of SEK 83 (corresponding to EUR 8.99) for each redeemed share. The redemption price was equivalent to the Company's Net Asset Value per share on 31 December 2014. A total of 1,466,468 ordinary shares were tendered for redemption during the period 26 May to 22 June 2015, corresponding to an acceptance level of approximately 98.5 percent. Consequently, a total of SEK 121,716,844, EUR 13.2m, was paid out on 15 July 2015 to the shareholders participating in the redemption program.

The total number of shares outstanding in East Capital Explorer as of 30 September 2015 amounted to 28,161,563, adjusted for the shares redeemed under the above mentioned redemption program and the repurchased shares. The weighted average number of shares outstanding for the reporting period was 29,729,634, adjusted for the redemption program and the repurchased shares.

Dividend

A new dividend policy was adopted as of 21 April 2015. The new policy implies that at least 50 percent of the dividends received from portfolio holdings will be distributed to shareholders. With an ordinary dividend as a base, share redemptions and repurchases can also be used from time to time to enhance shareholder value. The first dividend, in accordance with the policy, will be proposed to the Annual General Meeting 2016.

Events occurring after the end of the quarter

EUR 9.4m, corresponding to 91% of the fund holding in East Capital Russia Domestic Growth Fund was received in November, as part of the planned full liquidation of the fund.

The Board of Directors and CEO give their assurance that the interim report presents a true and fair view of the Company's and the Group's operations, financial position and profits and describes the significant risks and uncertainties facing the Company and the Group.

Stockholm, 5 November 2015

Mia Jurke
Chief Executive Officer

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Financial calendar

- Year-end Report 2015 – 11 February 2016
- Annual Report 2015 available in March 2016
- Annual General Meeting 2016 – 20 April 2016
- Interim Report Q1 2016 – 19 May 2016
- Interim Report Q2 2016 – 26 August 2016
- Interim Report Q3 2016 – 17 November 2016

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The information in this interim report is the information which East Capital Explorer AB is required to disclose under Sweden's Securities Market Act. It was released for publication at 08:00 a.m. CET on 5 November 2015

Review Report

To the Board of East Capital Explorer AB (publ)
Corporate identity number 556693-7404

Introduction

We have reviewed the summary interim financial information (interim report) of East Capital Explorer AB (publ) as of 30 September 2015 and the nine-month period then ended except for the portfolio reporting on pages 5-10. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of the Review

We conducted our review in accordance with the Standard on review engagements (ISRE) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 5 November 2015
KPMG AB

Anders Malméby
Authorised Public Accountant

This review report is a translation of the original review report in Swedish.

Income Statement

EUR Thousands					
	Note	2015 Jan-Sep	2014 Jan-Sep	2015 Jul-Sep	2014 Jul-Sep
Changes in fair value of subsidiaries	1	7,073	2,831	-10,404	1
Staff expenses		-603	-583	-188	-179
Other operating expenses		-657	-868	-239	-290
Operating profit/loss		5,814	1,379	-10,830	-468
Financial income		192	961	66	210
Financial expenses		0	-5	6	0
Profit/loss before tax		6,005	2,335	-10,759	-258
Tax		-	-	-	-
NET PROFIT/LOSS FOR THE PERIOD¹		6,005	2,335	-10,759	-258
Earnings per share, EUR					
- Attributable to shareholders of the Parent Company		0.20	0.07	-0.38	-0.01
No dilutive effects during the periods					

¹ Net Profit/Loss for the period corresponds to Total Comprehensive income

Balance Sheet

EUR Thousands				
	Note	2015 30 Sep	2014 31 Dec	2014 30 Sep
Assets				
Shares in subsidiaries	2, 3	250,217	260,644	296,224
Total non-current assets		250,217	260,644	296,224
Other short-term receivables		-	1	100
Accrued income and prepaid expenses		3	16	8
Cash and cash equivalent		2,435	1,057	1,452
Total current assets		2,438	1,074	1,561
Total assets		252,655	261,718	297,785
Equity				
Share capital ¹		3,654	3,650	3,650
Other contributed capital/Share premium reserve ²		319,539	334,564	334,564
Retained earnings including other reserves ²		-76,901	-43,055	-43,055
Net profit/loss for the period ²		6,005	-33,846	2,335
Total equity		252,298	261,314	297,495
Current liabilities				
Other liabilities		88	129	97
Accrued expenses and prepaid income		268	275	193
Total current liabilities		357	404	290
Total equity and liabilities		252,655	261,718	297,785

¹ Restricted capital

² Unrestricted capital

Statement of Changes in Equity

EUR Thousands	Share capital	Other contributed capital/Share premium reserve	Other reserves	Retained earnings incl. profit/loss for the year	Total equity shareholders in Parent company
Opening equity 1 January 2015	3,650	334,564	-619	-76,282	261,314
Net profit/loss for the period	-	-	-	6,005	6,005
Total comprehensive income	-	-	-	6,005	6,005
Bonus issue	4	-4	-	-	0
Redemption program	-	-13,170	-	-	-13,170
Share buy-back	-	-1,851	-	-	-1,851
Closing equity 30 September 2015	3,654	319,539	-619	-70,277	252,298

EUR Thousands	Share capital	Other contributed capital/Share premium reserve	Other reserves	Retained earnings incl. profit/loss for the year	Total equity shareholders in Parent company
Opening equity 1 January 2014	3,640	348,183	-	-42,435	309,387
Net profit/loss for the period	-	-	-	2,335	2,335
Total comprehensive income	-	-	-	2,335	2,335
Bonus issue	10	-10	-	-	-
Redemption program	-	-13,609	-144	-	-13,753
Other reserves	-	-	-475	-	-475
Closing equity 30 September 2014	3,650	334,564	-619	-40,101	297,495

Statement of Cash Flow

EUR Thousands	2015 Jan-Sep	2014 Jan-Sep	2015 Jul-Sep	2014 Jul-Sep
Operating activities				
Operating profit/loss	5,814	1,379	-10,830	-468
Changes in fair value of subsidiaries	-7,073	-2,831	10,404	-1
Interest received	-	961	-	210
Cash flow from current operations before changes in working capital	-1,259	-490	-426	-259
Cash flow from changes in working capital				
Increase (-)/decrease(+) in other current receivables	14	14	4	9
Increase (+)/decrease(-) in other current payables	-47	-589	32	136
Cash flow from operating activities	-1,293	-1,066	-390	-115
Investing activities				
Repayment of shareholder contributions	17,500	15,600	5,500	-
Loan to subsidiary	-	-100	-	-100
Cash flow from investing activities	17,500	15,500	5,500	-100
Financing activities				
Redemption program	-13,170	-13,753	-13,170	-144
Share buy-back	-1,851	-	-834	-
Cash flow from financing activities	-15,021	-13,753	-14,004	-144
Cash flow for the period	1,186	682	-8,894	-359
Cash and cash equivalent at the beginning of the period	1,057	776	11,258	1,811
Exchange rate differences in cash and cash equivalents	192	-5	71	-
Cash and cash equivalent/cash and bank at the end of the period	2,435	1,452	2,435	1,452

Note 1 Segment Reporting

East Capital Explorer AB classifies the Company's various segments based on the nature of the investments. Management monitors the holdings on the basis of fair value, and all holdings are reported at fair value through profit or loss. As the value of the holding in East Capital Explorer Investments SA, where the investment activities are managed, is directly dependable of the investment portfolio, the value change of holdings held by the subsidiary has been allocated to value changes, dividends received and other operating expenses that are directly attributable to the underlying investments in private equity, real estate, public equity and short-term investments. All other revenues and expenses are classified as unallocated in the table below. As of Q1 2015, East Capital Explorer has changed its segment reporting to reflect the ongoing strategic shift (previously, the segment reporting was classified as Direct Investments, Fund Investments and Short-term investments). Comparable numbers for 2014 are restated according to the new segment reporting.

EUR thousands 1 Jan – 30 Sep 2015	Private Equity	Real Estate	Public Equity	Short-term investments	Unallocated	Total
Changes in value of portfolio	2,068	2,715	1,335	3,248	-	9,366
Other operating expenses (including management fees)	-1,526	-317	-110	-	-340	-2,293
Changes in value of subsidiaries	543	2,398	1,225	3,248	-340	7,073
Staff expenses	-	-	-	-	-603	-603
Other operating expenses	-	-	-	-	-657	-657
Operating profit/loss	543	2,398	1,225	3,248	-1,600	5,813
Financial income	-	-	-	-	192	192
Financial expense	-	-	-	-	0	0
Profit/loss before tax	543	2,398	1,225	3,248	-1,408	6,005
Assets	107,613	51,335	48,269	45,501	-63	252,655

EUR thousands 1 Jan – 30 Sep 2014	Private Equity	Real Estate	Public Equity	Short-term investments	Unallocated	Total
Changes in value of portfolio	-4,022	1,518	-4,096	1,884	-	-4,716
Other operating expenses (including management fees)	9,160	-502	-120	-	-991	7,547
Changes in value of subsidiaries	5,138	1,015	-4,216	1,884	-991	2,831
Staff expenses	-	-	-	-	-583	-583
Other operating expenses	-	-	-	-	-868	-868
Operating profit/loss	5,138	1,015	-4,216	1,884	-2,442	1,380
Financial income	-	-	-	-	961	961
Financial expense	-	-	-	-	-5	-5
Profit/loss before tax	5,138	1,015	-4,216	1,884	-1,486	2,335
Assets	102,411	46,831	136,302	12,450	-210	297,785

Note 2 Entities with ownership interests over 50 percent

The following entities, in which the ownership interest is over 50%, are not consolidated due to the consolidation exception for investment entities.

Non consolidated entities 30 June 2015	Country	Number of shares	Book value, EUR thousands	Ownership capital
East Capital Explorer Investments SA	Bertrange, Luxembourg	4,000	250,217	100%
East Capital Explorer Investments AB	Stockholm, Sweden	11,000	7,008	100%
Humarito Limited	Nicosia, Cyprus	2,000	221,754	100%
Baltic Cable Holding OÜ	Tallinn, Estonia	2,502	-	100%
Starman AS	Tallinn, Estonia	10,758	71,839	63%
UAB Portarera ¹	Vilnius, Lithuania	300	25,325	100%
UAB Solverta ¹	Vilnius, Lithuania	100	-	100%
UAB Verslina ¹	Vilnius, Lithuania	100	-	100%
East Capital Deep Value Fund	Bertrange, Luxembourg	54,309	41,563	75%
East Capital Frontier Markets Fund	Bertrange, Luxembourg	384,752	30,947	57%
East Capital Russia Domestic Growth Fund	Bertrange, Luxembourg	18,676	9,626	91%

¹⁾ The operations in UAB Portarera, UAB Solverta and UAB Verslina have been aggregated as they are consolidated as 3 Burès

Note 3 Financial instruments

For a better understanding of the business, the information regarding financial instruments below is presented on a see-through basis as the fair value of the holding in the subsidiary East Capital Explorer Investments SA is a result of the fair values of the holdings in the investment activities within East Capital Explorer Investments AB and Humarito Ltd. Shares and participations in the investment activities as well as the Company's holdings in subsidiaries are all valued at fair value.

Financial instruments not measured at fair value through profit and loss

For accounts receivable and accounts payable, the carrying amount is assessed to reflect fair value since the remaining maturity is generally short. This is also the case for cash and bank.

Calculation of fair value

The following summarises the main methods and assumptions applied in determining the fair values of the financial instruments in the balance sheet. Please refer to the Annual Report 2014 for more details on valuation policies used by East Capital Explorer AB.

Fair value hierarchy

The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level of input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs requiring significant adjustment based on unobservable inputs, such measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the financial asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The remaining equity funds are classified in the level where underlying equities to a predominant proportion have been classified.

Shares in subsidiaries/financial instruments

In the Parent company, financial instruments consist of shares in subsidiaries of EUR 250.2m and cash and cash equivalent of EUR 2.4m. The carrying amount of these assets constitutes the fair value on the balance sheet date.

Shares in subsidiaries	Country	Book value, EURt		Share of capital, %	
		30 Sep 2015	31 Dec 2014	30 Sep 2015	31 Dec 2014
East Capital Explorer Investments SA	Bertrange, Luxembourg	250,217	260,644	100	100

East Capital Explorer AB owns 100% of the Class A shares, and 4.0% (4.0%) of the votes, in East Capital Explorer Investments SA and is entitled to all profits, assets and liabilities attributable to that company. East Capital Explorer Investments SA is in turn classified as an investment entity whose total holdings, including its subsidiaries, are measured at fair value through profit and loss.

As the holdings in East Capital Explorer Investments SA and its investing subsidiary Humarito Ltd are presented on a see through basis, the tables below reflect the fair value hierarchy in the investment activities.

The value of the shares in subsidiaries is directly and indirectly made up by the following assets:

EUR Thousands 30 September 2015							
Breakdown of values in subsidiaries, including loans to subsidiaries	Private Equity	Real Estate	Public Equity	Short-term investments	Cash and bank	Other assets and liabilities, net	Total
Opening balance 1 January 2015	85,028	48,620	70,442	52,188	4,557	-191	260,644
Reclassifications	-1,997	-	-16,110	18,107	-	-	-
Purchase/additions	22,514	-	-	-	-22,514	-	-
Divestments/Reductions	-	-	-7,397	-31,604	39,002	-	-
Other	-	-	-	-	-2,419	126	-2,293
Repaid shareholders contributions	-	-	-	-	-17,500	-	-17,500
Changes in fair value recognised net in profit/loss	2,068	2,715	1,335	3,248	-	-	9,366
Closing balance 30 September 2015	107,613	51,335	48,269	41,939	1,126	-65	250,217

EUR Thousands 31 December 2014							
Breakdown of values in subsidiaries, including loans to subsidiaries	Private Equity	Real Estate	Public Equity	Short-term investments	Cash and bank	Other assets and liabilities, net	Total
Opening balance 1 January 2014	106,435	20,670	172,321	112	19,471	-10,016	308,993
Reclassifications	-	-	-17,820	17,820	-	-	-
Purchase/additions	-	24,643	-	50,236	-74,880	-	-
Divestments/Reductions	-691	-	-58,190	-19,452	78,332	-	-
Other	-	-	-	-	-2,980	9,825	6,845
Repaid shareholders contributions	-	-	-	-	-15,600	-	-15,600
Dividend received	-	-	-	-	214	-	214
Changes in fair value recognised net in profit/loss	-20,715	3,306	-25,870	3,471	-	-	-39,808
Closing balance 31 December 2014	85,028	48,620	70,442	52,188	4,557	-191	260,644

Private Equity consists of the holdings in Melon Fashion Group (MFG), Starman and Trev-2 Group. Real Estate consists of holdings in 3 Burès and East Capital Baltic Property Fund II. All of these holdings are valued by external appraisers at least once a year, normally at year-end. The fair value of the holdings is assessed on a quarterly basis.

Public Equity consists of funds with a majority of public holdings managed by East Capital, a specialist in emerging and frontier markets, basing its investment strategy on thorough knowledge of the markets, fundamental analyses and frequent company visits by its investment teams. The holding in Komercijalna Banka Skopje, which is publicly traded, is also included in Public Equity. Holdings in Public Equity are valued at fair value according to the valuation principles described in previous page.

Short-term investments consist of holdings which are expected to be divested within a year. The holding in East Capital Frontier Markets Fund, East Capital Russia Domestic Growth Fund and East Capital Bering Ukraine Fund R are classified as short-term investments.

Holding	Class	Valuation method	Valuation assumptions
Starman	Private Equity	DCF	Long-term growth 2%, Long term operating margin 25%, WACC 6-8%
Melon Fashion Group	Private Equity	DCF	Long-term growth 4%, Long term operating margin 8%, WACC 19%
Trev-2 Group	Private Equity	DCF	Long-term growth 2%, Long term operating margin 4%, WACC 9-11%
3 Burès	Real Estate	DCF	Long-term growth 2.5%, WACC 8-11%
East Capital Baltic Property Fund II	Real Estate	Yield	7-9%

Discounted Cash Flow model (DCF), weighted average cost of capital (WACC)

For the fair values of Private Equity investments and Real Estate (3 Burès) - reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

Effect in EUR thousands 30 September 2015	Private Equity Profit or loss		Real Estate Profit or loss	
	Increase	Decrease	Increase	Decrease
Sensitivity analysis				
Long term growth rate (0.5% movement)	8,328	-7,208	113	-113
Weighted average cost of capital (WACC) (0.5% movement)	-9,452	10,919	-657	680
Long term operating margin (0.5% movement)	3,231	-3,231	-	-

The East Capital Explorer portfolio is presented on page 4 in this report, including information on fair value changes during the period. More information on the portfolio holdings can be found on pages 5 to 11 in this report.

The following table analyses, within the fair value hierarchy, the investments in the investment activities measured at fair value:

EUR thousands 30 September 2015				
Shares and participations in investment activities at fair value through profit or loss ¹	Level 1	Level 3	Total balance	
- Private Equity	-	107,613	107,613	
- Real Estate	-	51,335	51,335	
- Public Equity	48,269	-	48,269	
- Short-term investments	40,573	1,366	41,939	
Total	88,842	160,314	249,156	

EUR thousands 31 December 2014			
Shares and participations in investment activities at fair value through profit or loss ¹	Level 1	Level 3	Total balance
- Private Equity	-	85,028	85,028
- Real Estate	-	48,620	48,620
- Public Equity	70,442	-	70,442
- Short-term investments	52,187	1	52,188
Total	122,628	133,650	256,278

¹ The following investments are classified in Level 1: East Capital Russia Domestic Growth Fund, East Capital Deep Value Fund, East Capital Frontier Markets Fund and Komercijalna Banka Skopje.

The following investments are classified in Level 3: East Capital Baltic Property Fund II, East Capital Bering Ukraine Fund Class R, Melon Fashion Group, Starman, Trev-2 Group and 3 Burès.

EUR thousands 30 September 2015					
Changes in financial assets and liabilities in Level 3	Private Equity	Real Estate	Public Equity	Short-term Investments	Total
Opening balance 2015	85,028	48,620	-	1	133,649
Reclassifications	-1,997	-	-	1,997	-
Purchase/additions	22,514	-	-	-	22,514
Changes in fair value recognised net in profit/loss	2,068	2,715	-	-632	4,151
Closing balance 30 September 2015	107,613	51,335	-	1,366	160,314

EUR thousands 31 December 2014					
Changes in financial assets and liabilities in Level 3	Private Equity	Real Estate	Public Equity	Short-term Investments	Total
Opening balance 2014	106,434	20,670	-	112	127,217
Purchase/additions	-	24,643	-	-	24,643
Divestments/Reductions	-454	-	-	-58	-511
Changes in fair value recognised net in profit/loss	-20,952	3,306	-	-53	-17,699
Closing balance 31 December 2014	85,028	48,620	-	1	133,649

EUR 4,783 thousands (EUR -17,646 thousands) of changes in fair value recognised net in profit/loss relate to investments still held at the end of the period.

Risks and uncertainties

For information about risks, uncertainties and information about the business environments and markets in which East Capital Explorer invests, please see page 11. For a summary of the methods and assumptions used to determine fair value of the portfolio holdings please see Note 3 and in more detail on page 71 in the Annual Report of 2014. The effect of fluctuations in the major parameters on the value of the portfolio holdings is presented in the table below:

Sensitivity analysis for market risks (EUR Thousands)

30 September 2015		
Risk factors	Change	Effect on net profit/loss for the period
Fx EUR/RUB	+/- 10%	2,875
Fx EUR/USD	+/- 5%	3,694
Equity price	+/- 10%	24,916

Note 4 Key Figures

Key figures	9m 2015	6m 2015	3m 2015	12m 2014	9m 2014	6m 2014	3m 2014	12m ¹ 2013
Net asset value (NAV), EUR m	252	264	279	261	297	298	288	309
Redemption program, EURm	-	13.2	-	-	-	13.6	-	-
Equity ratio, %	99.9	95.1	99.8	99.8	99.9	99.9	99.8	99.9
Market capitalisation, SEK m	1,464	1,486	1,688	1,273	1,395	1,729	1,587	1,956
Market capitalisation, EUR m	156	161	182	134	153	189	178	225
Number of outstanding shares, m	28.2	28.3	29.9	29.9	29.9	29.9	31.4	31.4
Number of outstanding shares including repurchased shares, m	28.5	28.5	29.9	29.9	29.9	29.9	31.4	31.4
Weighted average number of shares, m	29.7	30.5	30.6	31.8	32.3	33.1	33.1	33.1
Number of employees	4	4	4	4	4	3	3	4

Key figures per share	9m 2015	6m 2015	3m 2015	12m 2014	9m 2014	6m 2014	3m 2014	12m ¹ 2013
Earnings per share, EUR	0.20	0.55	0.52	-1.06	0.07	0.08	-0.64	0.70
Dividend per share, EUR	-	-	-	-	-	-	-	-
NAV, SEK	84	86	87	83	90	91	82	87
NAV, EUR	8.96	9.32	9.35	8.73	9.94	9.95	9.17	9.85
Share price, SEK ²	52.00	52.50	56.50	42.50	46.60	57.75	50.50	62.25
Share price, EUR ²	5.55	5.68	6.10	4.49	5.12	6.31	5.67	7.00

SEK/EUR	9.36	9.25	9.26	9.47	9.11	9.15	8.91	8.89
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¹ Recalculated due to amendments to IFRS 10 and IAS 27 regarding accounting by investment entities

² Not adjusted for redemption programs

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