

## PRESS RELEASE

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### X5 best-in-class governance, Allegro IPO, Bilibili's growth and Global Fashion Group's surge recognised in East Capital Awards

East Capital, a specialist asset manager in emerging and frontier markets, today announces the winners of the 2020 East Capital Awards:

- X5 Best Corporate Governance
- Allegro Best IPO
- Bilibili Best Growth
- Global Fashion Group Discovery of the Year

This is the 17th year that the East Capital Awards honour remarkable companies in East Capital's investment universe. Peter Elam Håkansson, Chairman and CIO of East Capital, said: *"The Awards serve to highlight some of the most outstanding companies in our portfolios, and also to inspire others. Through our extensive in-depth research with frequent company meetings in emerging and frontier markets, we identify companies each year that have achieved impressive results and demonstrate great potential. I want to extend my sincere congratulations to this year's award winners on their impressive achievements."*

Russian retail group **X5** (MCX: FIVE) wins the award for **Best Corporate Governance** in 2020 having consistently demonstrated best-in-class governance, as evidenced by its industry-leading returns on invested capital and strong growth. X5's emphasis on transparent capital allocation, its strong management team, which is one of the most gender diverse in Russia, and commitment to sustainability establish it as a leader in the Russian retail industry. Its move in 2020 to integrate material sustainability issues into its strategy, in part thanks to engagements from active investors such as East Capital, includes a pledge to cut emissions by 30% by 2030 and to achieve carbon neutrality by 2050. As the largest retailer in the country, this will have a profound impact throughout the retail value chain and hopefully set a standard for other companies to follow.

Polish e-commerce platform **Allegro** (ALEP) wins the **Best IPO Award** for its highly successful USD 2.8bn listing, the third largest IPO in Europe in 2020. Founded more than 20 years ago as a rival to eBay, Allegro is a dominant e-commerce platform in Poland, with 13 million users and a 36% market share. High growth rates, together with superior margins in comparison to other e-commerce players globally, spurred strong demand for shares in the IPO. The stock gained 63% on its first trading day on October 12, 2020, and reached a record daily volume of 4 billion zloty, making up almost 80% of the total equity traded value on the exchange on that day. Allegro's stock was up 97% by the end of 2020. Today Allegro is the largest listed company in Poland, with a market capitalization of USD 23.2bn.

The **Best Growth Award** is presented to **Bilibili** (BILI US), a Chinese video-sharing platform which evolved in 2020 from an anime, comics and games content community into the largest and most influential online entertainment platform for Generation Z (the demographic cohort in China of individuals born from 1990 to 2009). With 197 million monthly active users, Bilibili now covers a wide array of genres and media formats, which has allowed it to extensively expand and diversify its user base. The company reported revenue growth of 74% in the third quarter of 2020, on the back of 89% growth in average monthly paying users. The stock was up 360% in 2020.

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The **Discovery of the Year Award** is presented to **Global Fashion Group** (GFG GY), an emerging market-focussed operator of e-commerce fashion platforms globally, including lamoda in Russia and CIS, Zalora in South East Asia, dafiti in Latin America and THE ICONIC in Australia. Listed in Germany in July 2019 at a share price of EUR 4.50, we discovered the company in July 2020. At that time, GFG had a market capitalisation of USD 600m and was loss-making with negative free cash flow. With the average daily value of shares traded of around USD 600,000, GFG had very low liquidity, little sell side coverage and no major active public equity funds among shareholders. Adding it to our portfolio increased its visibility among investors. The share price has more than tripled and the company has now reached EBITDA breakeven. GFG's share price hit EUR 11.93 on January 15.

## Notes to editors

The East Capital Awards were established in 2004 to reward the progress of outstanding companies in East Capital's portfolios. The Best Corporate Governance Award is presented to a company that demonstrates exceptional standards in the area of corporate governance. The Best IPO Award is presented to the company that has carried out the most successful flotation in the region. The award for Best Growth is presented to a company that has demonstrated outstanding growth in the areas of sales, market share and profit margins in recent years. The Discovery of the Year is awarded to a company discovered by our investment team that is expected to demonstrate unique performance.

For further information about the winning companies, please visit:

### **Best Growth Award 2020: Bilibili**

[bilibili.com/](https://bilibili.com/) [linkedin.com/company/bilibili/](https://linkedin.com/company/bilibili/)

### **Best IPO Award 2020: Allegro**

[allegro.pl/](https://allegro.pl/) [linkedin.com/company/allegro-pl/](https://linkedin.com/company/allegro-pl/)

### **Discovery of the Year Award 2020: Global Fashion Group**

[global-fashion-group.com/](https://global-fashion-group.com/) [linkedin.com/company/global-fashion-group/](https://linkedin.com/company/global-fashion-group/)

### **Best Corporate Governance Award 2020: X5**

[x5.ru/en](https://x5.ru/en/) / [linkedin.com/company/x5-retail-group/](https://linkedin.com/company/x5-retail-group/)

## Contact information

Ilze Johnston, Marketing Communications Manager, East Capital  
+46 8 505 88 550  
[mediaenquiries@eastcapital.com](mailto:mediaenquiries@eastcapital.com)

## About East Capital

East Capital is a leading active asset manager specialising in emerging and frontier markets. Our investment teams base their investment strategy on in-depth knowledge of local markets, fundamental analysis and frequent company visits. Evaluation of ESG-related risks and opportunities forms an integral part of the investment process. We favour investments in companies that show long-term sustainable growth and have responsible owners.

East Capital is part of East Capital Group, an independent asset management group that comprises several strategies and specialisations to offer active management solutions in equities, bonds and real estate assets with a clear ESG framework. Founded in Sweden in 1997, East Capital Group manages a total of EUR 4.5 billion for a broad range of international investors including leading institutions, companies and private individuals.

For further information, please visit [our website](#).