

PRESS RELEASE

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East Capital Real Estate has sold the very popular and high-quality spa hotel, Georg Ots Spa, in Kuressaare

Fund manager East Capital Real Estate has sold the Gospa hotel building in Kuressaare, with a total area of over 6,600 square metres. The hotel is located on the attractive Saaremaa island resort, near the harbour, the city park and the picturesque 13th century Bishop's Castle.

The hotel has been sold to a company related to the operator that owns a number of high quality and popular hotels accross the region. East Capital Real Estate has managed and developed the property together with the operator since 2006 on behalf of the East Capital Baltic Property Fund.

Georg Ots Spa Hotel opened its doors in 2004 and was the first wellness spa in Estonia. It has 92 rooms, a spa, a wellness and conference centre and a top-class restaurant with scenic sea views. The hotel was fully renovated in 2014-2015.

According to Albin Rosengren, Partner, East Capital Group, feelings about the sale of the Gospa hotel are mixed:

“On the one hand, it is a pity that such a much loved and iconic landmark in the Estonian wellness and spa landscape is exiting our portfolio. On the other hand, we are pleased to hand it over to the operator that clearly is the best possible party to continue the development in the coming decades. We are confident that they will continue to provide the best combination of high-quality services to Gospa customers and also develop the concept further. With over 16 years of cooperation with Gospa, there is a long and proven track record and we wish the new owner much success.”

According to Tarmo Sumberg, the buyer's spokesperson, such a significant investment on their behalf shows the belief in Kuressaare's potential to further develop as a tourist destination:

“We hope that good cooperation with the local government and other companies in Saaremaa will continue. I would like to thank East Capital for the years of professional cooperation, which has been fruitful for both parties.”

The transaction was advised by Ellex Raidla and Redgate Capital in cooperation with Newsec Baltics on the seller`s side and FortLegal on the buyer`s side. According to the agreement of the parties, the price of the transaction is not subject to publication.

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About East Capital Real Estate

East Capital Real Estate is a leading real estate manager that focuses on commercial real estate investments the Baltics and Central Europe, primarily in the office, logistics and retail segments. We manage four funds and one investment mandate, with a total property value of EUR 481 million, distributed across 25 properties with a lettable area of 396,000 square metres.

East Capital Real Estate 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 5.3 billion for a broad range of international investors including leading institutions, companies and private individuals.

For further information, please visit www.eastcapitalrealestate.com