

## PRESS RELEASE

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## The 2022 East Capital Awards go to Airtel Africa, Enefit Green, LPP and Karur Vysya Bank

Since 2004, East Capital has been annually recognising some of the most successful and impressive companies in their investment universe through the East Capital Awards. The 2022 awards are given in the following categories: *Best Growth*, *Best IPO*, *Best Corporate Governance* and *Discovery of the Year*. Today East Capital is proud to announce this year's winners:

- Airtel Africa – Best Corporate Governance Award
- Enefit Green – Best IPO Award
- LPP – Best Growth Award
- Karur Vysya Bank – Discovery of the year Award

*"2022 is a special year for us as at East Capital, as we are celebrating our 25<sup>th</sup> anniversary, and we see that recognising the efforts of outstanding companies in these important categories is one way that we continue to inspire and ultimately work for positive change. As well as distinguishing themselves in their respective categories all of our winners have come far in their sustainability work and deliver strong financial and growth results. As we share these motivations for the awards we would, at the same time, like to extend our sincere congratulations to this year's award winners for their impressive results,"* says Jacob Grapengiesser, Partner and Chief Investment Officer (CIO), East Capital.

**Best Corporate Governance Award: Airtel Africa** is one of Africa's leading telecom companies and a long-term holding in the East Capital Frontier Markets Fund. As such, it is a company with whom we have a long running dialogue on a range of material sustainability issues. The company has made significant strides in the last year, publishing its first sustainability report, establishing a sustainability committee at board level and including sustainability KPIs for senior management. Furthermore, the company has introduced mandatory annual training on anti-bribery issues and improved the quality of the board by adding a well-qualified independent director, taking female board level representation to 31%. We believe the company is a good example that other companies in Africa and around the world can follow. It is worth noting that in the last 12 months the stock has returned 7% in USD terms, 30% above MSCI All-World Index.

**Best IPO Award: Enefit Green** is one of the leading renewable energy producers in the Baltic Region and plays a key role in reducing the region's emissions as well as its reliance on Russian energy. Since Enefit Green's IPO in October 2021, the company's stock price has returned 23% in USD, 47% above the MSCI All-World index. This is partly due to strong results, with EBITDA in 1H22 growing by 65% YoY. Going forward, we expect the company to grow installed capacity by four times over the next four years to almost 2 GW, and over the next ten years capacity will grow more than ten times on the back of the first offshore wind projects in Estonia and Latvia. We believe this stellar growth is currently not fully appreciated by the market nor reflected in the stock price.

**Best Growth Award – LPP** is a multinational clothes retailer based in Poland. Despite losing a large market (Russia and part of Ukraine), the company posted 19% YoY sales growth in 2Q22 and 45% YoY excluding Russia. This was due to their impressive store rollout - we expect 62% in selling space growth in 2022 - and strong e-commerce performance, with GMV up 64% YoY in the quarter. Going forward the main driver of growth will be the continuing rollout of stores across Europe as well as strong performance in the more affordable brands such as Sinsay as consumers are trading down. The company also has a strong focus on sustainability and was one of the first listed companies in Poland to join the Science Based Targets Initiative. Encouragingly, it has already calculated its Scope

3 emissions, which is a difficult endeavour, but vital for sectors such as the fashion industry in setting robust targets that drive meaningful climate impacts.

**Discovery of the year Award – Karur Vysya Bank is an Indian bank with a strong focus on tier two cities and the rural population**, both of which are underserved by the larger banks. Karur Vysya Bank has a special focus on the agriculture sector with 25% of their loan book focused on farm loans; providing working capital to finance small and medium scale farmers at affordable interest rates. Over the last 3 years, the bank's earnings have grown by over 300% thanks to consistent loan growth, stringent cost control and strong focus on digitalisation which has helped them to reduce their non-performing loans. On the back of this strong fundamental performance, the bank's stock has returned 110% in USD in 2022 vs -22% return for the MSCI EM Index. Despite the appealing fundamentals, the bank is not covered by any of the international brokers which means that the stock is not widely appreciated by the broader market. Given the strong earnings momentum that we expect to continue and their larger size after the stock's performance, we expect this will change over the next few years and we see that the bank will continue to perform strongly.

#### About East Capital Awards

The East Capital Awards were established in 2004 to recognise prominent portfolio companies. The award for **Best Growth** is awarded to a company that has shown remarkable growth in terms of sales, market share and profit margin in recent years. **Best IPO** is awarded to the portfolio company that has completed the most successful IPO in the current year. **Discovery of the Year** is awarded to a company that East Capital's investment team deems to have excellent prospects for good development going forward. The **Best Corporate Governance** award goes to a company with a very high level of corporate governance.

For more information about the companies, please visit:

- Best Corporate Governance Award 2022: Airtel Africa [www.airtel.africa](http://www.airtel.africa)
- Best IPO Award 2022: Enefit Green [www.enefitgreen.ee](http://www.enefitgreen.ee)
- Best Growth Award 2022: LPP [www.lpp.com](http://www.lpp.com)
- Discovery of the year Award 2022: Karur Vysya Bank [www.kvb.co.in](http://www.kvb.co.in)

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#### About East Capital Group

East Capital Group is a global asset manager based in Sweden since 1997. We offer a range of investment solutions within equities, fixed income securities, real estate, and alternatives. The essence of our business is not only to find attractive investment opportunities, but also to actively work to drive change, influencing industries around the world to become more sustainable.

Within East Capital Group you will find East Capital – specialising in emerging and frontier market strategies, East Capital Real Estate – managing commercial real estate investments in Central and Eastern Europe, Espiria – offering bespoke global and Nordic equities and fixed income strategies, and Adrigo – a Nordic long/short fund strategy targeting absolute returns. East Capital Group owns 49% of Cicero Fonder and also has a significant holding in the listed company Eastnine (OM:EAST), which owns, develops and manages modern and sustainable office and logistics premises in prime locations in the Baltics and Poland.

For further information please visit our websites: [www.eastcapital.com](http://www.eastcapital.com),  
[www.eastcapitalrealestate.com](http://www.eastcapitalrealestate.com), [www.espiria.se](http://www.espiria.se), [www.adrigo.se](http://www.adrigo.se)