

PRESS RELEASE
12 December 2023

Unveiling Excellence: East Capital Awards 2023 go to ebebek, Empower, FinVolution Group and Mytilineos

For more than two decades, East Capital has been working for positive change, spotlighting outstanding companies within their investment portfolio through the esteemed East Capital Awards. This tradition continues in 2023, with recognition in categories such as Best Growth, Best IPO, Best Corporate Governance, and East Capital Discovery of the Year. Today, we are pleased to announce this year's winners.

- ebebek – Best IPO Award
- Empower – Discovery of the Year Award
- FinVolution Group - Best Growth Award
- Mytilineos - Best Corporate Governance Award

"As the financial landscape has experienced some dynamic shifts in 2023, the East Capital Awards stand firm, lifting companies that show resilience, innovation, and outstanding performance within an ever-evolving market. Distinguished in their respective categories, all of our winners have exhibited robust financial performance and significant strides in sustainability efforts. As we shed light on the driving forces behind these achievements, we extend our heartfelt congratulations to this year's award recipients," says Jacob Grapengiesser, Partner and Chief Investment Officer (CIO), East Capital.

Best IPO Award: ebebek is a **high-quality Turkish one-stop-shop for mother and baby**, a market leader in baby clothing and equipment. From humble beginnings as an online educational platform for mothers, ebebek quickly rose to become a household name, evolving first into an ecommerce business, subsequently adding brick and mortar stores. Store rollout has demonstrated strong growth, 30% CAGR over 10 years, and as of the first quarter of 2023, ebebek has a total of 203 stores. With a capital injection of TL 1.1 billion (USD 40 million) resulting from the IPO, they will continue this rapid store expansion, targeting 14% CAGR '23-26. Their growth story and strong brand name caught the attention of a wide range of investors, and the subsequent IPO broke a national record with 3.8 million investors participating, representing some 4.5% of the Turkish population. Having met with the management and founder several times this year, East Capital is confident in ebebek and was pleased to secure the largest number of shares in the deal. The stock rallied 76% in USD in the first few days after the IPO in September and remains 36% above the IPO price.

Discovery of the Year Award: Empower is the **world's largest district cooling service company** by capacity. District cooling (providing chilled water through a closed loop pipe network to cool buildings) is a crucial and often overlooked solution to rapidly warming parts of the world, as it can be up to 50% more energy efficient than air conditioning. This is particularly relevant in Dubai, where the company is based, as air conditioning accounts for approximately 70% of total emissions. The company has an 80% market share, operating in many of Dubai's most famous landmarks, with considerable potential for inorganic and organic expansion to neighbouring countries. East Capital has met with Empower management on several occasions and has been impressed with their powerful vision combined with their strong execution track record and capital allocation framework. We have been one of the largest institutional investors in the company since its IPO in November '22. Since then, the stock has returned 49.8% in USD.

Best Growth Award – FinVolution Group is one of China’s leading fintech platforms and focuses on connecting borrowers with financial institutions. As such, it provides financial services to a wide range of underserved customers, 906,000 small and micro enterprises in China in 2022 for example. While consumer lending has been under pressure in China, due to covid-19 restrictions and weak consumer confidence, the company has managed to use their strong platform to successfully expand operations overseas. Overseas revenue accounted for only 10% of total revenues in 2022, however it has already increased to 16% as international revenue grew by 166% in 1Q23 and 112% in 2Q23.

The company is a good example of one of our key investment themes in China. The theme being our selecting companies which generate a material amount of revenues outside of China, despite having been derated along with the broader market due to general concerns regarding the Chinese economy. The company’s operations generate healthy cash flows which they return to shareholders via share buybacks and dividends – all-in-yield in both 2023 and 2024 will be comfortably above 10%. Strong overseas growth combined with a prudent approach to Chinese lending has been rewarded by the stock market, and the company has returned 21% since we first bought in early May 2023, a 32% outperformance compared to MSCI China during this period.

Best Corporate Governance Award: Mytilineos is a Greek aluminium and power producer and a long-term holding across our strategies. Over the last few years, the company has transformed itself into an energy transition powerhouse, decommissioning all coal power plants and investing heavily in renewable energy, with a growing EBITDA at 25% CAGR from 2016-2022. The result is a diversified, robust business with high earnings visibility and strong capital returns, with Return on Invested Capital (ROIC) improving from mid-single digits to mid-teens in the last five years. The company also has a transparent and appropriate policy for returning capital to shareholders, with all-in yield including buybacks at around 6% for 2023, at the current share price. Executive remuneration is reasonable, including material sustainability KPIs which are clearly explained in their remuneration report. Finally, the company has been making clear efforts to improve the diversity of its leadership team, recently appointing a female CFO and achieving 25% gender diversity at the board of director level (a number we hope will improve further). We believe that robust corporate governance is driving Mytilineos’ energy transition journey, with ambitious emissions reduction targets and a 15% fall in absolute Scope 1 and 2 emissions since 2019, all with a rapidly growing EBITDA. We believe the above factors have contributed to their exceptional stock performance, with the stock returning 64% year-to-date and 264% in the last three years.

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 standard of corporate governance.

For more information about the companies, please visit:

- Best IPO Award: ebebek <https://kurumsal.ebebek.com/en/>
- Discovery of the Year Award: Empower <https://www.empower.ae/>
- Best Growth Award: FinVolution Group <https://ir.finvgroup.com/>
- Best Corporate Governance Award - Mytilineos <https://www.mytilineos.com/>

Contact

Jessica Scott, Chief Marketing and Communications Officer, East Capital Group
mediaenquiries@eastcapital.com

About East Capital

East Capital is an 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, 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 work to drive positive change, influencing industries around the world to become more sustainable. We have a broad range of international investors including leading institutions, companies and private individuals. For further information, please visit our website www.eastcapital.com