

PRESS RELEASE
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BaltCap is the leading independent private equity firm focusing on small and midmarket buyout and expansion capital investments in the Baltic States.

BaltCap has strong presence in all three Baltic countries with local offices and experienced team of 16 professionals.

Since 1995, BaltCap has been managing several private equity and venture capital funds with total capital of over EUR 260 million and has made more than 60 investments.

BaltCap is a member of European Private Equity & Venture Capital Association (www.evca.eu), Estonian Private Equity and Venture Capital Association (www.estvca.ee), Latvian Venture Capital Association (www.lvca.lv) and Lithuanian Venture Capital Association (www.vca.lt).

BaltCap is a signatory of the United Nations Principles for Responsible Investment (UNPRI) since 2008.

BaltCap Private Equity Fund II holds second close

BaltCap has successfully reached the second close on its latest fund, BaltCap Private Equity Fund II (BPEF II) which has now €81.5m of available capital (with subscribed commitments reaching already €85m). The target size of BPEF II remains €100m.

The new investors joining the fund at second close include Estonian, Latvian and Lithuanian pension funds of SEB Wealth Management, a private equity fund-of-fund managed by eQ Private Equity and J-Investicijos Family Office. SEB pension funds committed in total €16.36m (€5.7m from Estonia, €5.06m from Latvia and €5.6m from Lithuania).

BPEF II makes equity investments in innovative companies based in the Baltic region focusing on buy-and-build opportunities. BPEF II will seek to acquire controlling ownership stakes, typically investing between €5 and €10 million per portfolio company. BaltCap will act as an active medium term investor partnering with management teams in order to build market leading companies in their respective sectors. BPEF II has already completed its first investment by acquiring 75% ownership in Ecoservice, the leading waste management company in Lithuania.

BPEF II held the first close in the beginning of 2014 and has now received commitments from all larger Baltic pension funds. The fund's investors after second close include the Baltic Innovation Fund, the European Bank for Reconstruction & Development, Baltic pension funds managed by Swedbank Investment Funds, LHV Asset Management, Danske Capital and SEB Wealth Management, a private equity fund-of-fund managed by eQ Private Equity and J-Investicijos Family Office.

Mr Peeter Saks, Managing Partner of BaltCap said, "BPEF II has been well received in the market, both among institutional investors and potential investment targets. We are very pleased to welcome on-board BPEF II five additional distinguished institutional investors who all play an important role in our region. We believe the Baltic markets continue to have a positive outlook and offer excellent opportunities for private equity to develop fast growing and internationally competitive companies."

Mr Sven Kuning, Head of Eastern European Investment Management at SEB Wealth Management added, "SEB Wealth Management is happy to cooperate with such a professional and experienced private equity player as BaltCap to get a high quality Baltic equity exposure for SEB's Baltic pension funds. As the opportunities in Baltic listed equity markets remain very limited, we expect that pension funds' participation in private markets will be offering better risk/return characteristics to our investors while also creating new opportunities for the listed markets in the future and will foster economic growth in all three economies."

Mr Hubert Cottogni, EIF Deputy Director and Head of Mandate Management said, "We are very pleased with the interest and the level of participation of private investors in BPEF II. With the cornerstone investment from the Baltic Innovation Fund, BaltCap has now raised a significantly sized fund, which will benefit the whole region."

Additional information:

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About the Baltic Innovation Fund: The Baltic Innovation Fund is one of the cornerstone investors in BPEF II; it is an innovative investment initiative created by cooperation between Estonia, Latvia, Lithuania and the European Investment Fund (EIF) that is unique in its nature across Europe. The Baltic Innovation Fund will invest EUR 100 million into private equity, mezzanine and venture capital funds focussed on the Baltic States. It is a key initiative with EIF partnering with three national agencies – LGA (Latvia), KredEx (Estonia) and INVEGA (Lithuania). This unique trans-national process provides a real opportunity to further develop the Baltic PE & VC market.