

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 240 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.

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



BaltCap Private Equity Fund II with target size of €100m holds first close

BaltCap has successfully reached the first close on its latest fund, BaltCap Private Equity Fund II (BPEF II), at €50.6m and has subscribed commitments of €63m from investors already.

BPEF II, which has a target of €100m, has achieved support from limited partners including the European Investment Fund (EIF) investing through Baltic Innovation Fund (a Fund-of-Fund initiative between EIF and the governments of Estonia, Latvia and Lithuania acting through their respective national agencies KredEx, LGA and INVEGA), the European Bank for Reconstruction & Development (EBRD) and Baltic pension funds managed by Swedbank Investment Funds, LHV Asset Management and Danske Capital.

BPEF II will continue the successful strategy employed by BaltCap Private Equity Fund I that has completed 8 investments which during the last four years have on aggregated basis more than doubled their revenues, reaching €230m in 2013, and quadrupled EBITDAs. Several companies have carried out significant international expansion and the number of employees across the portfolio has grown by half to 2700 during BaltCap's tenure.

BPEF II will make equity investments in innovative companies based in the Baltic region, focusing on buy-and-build opportunities that offer the potential for BaltCap to capitalise upon the unique Baltic market opportunity. 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.

Mr Peeter Saks, Managing Partner of BaltCap said, "We are extremely happy about the strong support from our cornerstone investors EIF, EBRD and the local pension funds, in launching BPEF II. The favourable economic environment in the Baltic countries coupled with fragmented markets featuring a large number of SMEs across different sectors, provide excellent opportunity to build regional leaders through cross-border growth and acquisitions."

Mr Richard Pelly, Chief Executive of the European Investment Fund stated, "Our new commitment to BaltCap further strengthens the relationship we have been building together since 2001. BaltCap's record and proven capabilities of investing in this region are unmatched and this new fund will extend their reach further. The European Investment Fund is both the architect and key investor in the Baltic Innovation Fund alongside our partners from the region. BPEF II is the first fund launched under Baltic Innovation Fund and represents a significant milestone in the implementation of this unique pan-Baltic Fund of Funds activity."

EBRD President Sir Suma Chakrabarti commented, "This is a milestone because it demonstrates the importance of providing private equity and venture capital to companies on a long-term basis. We are prepared to do so in order to support the development and growth of innovative local companies with far-reaching potential."

Mr Andrus Treier, CEO of KredEx stated, "Baltic Innovation Fund was launched with the aim to widen the financing possibilities for Baltic companies as well as to develop region's private equity and venture capital market further, attracting new investments into the asset class. KredEx is very pleased to see this joint initiative materializing."

Mr Kristjan Tamla, CEO of Swedbank Investment Funds added, "Swedbank Estonian, Latvian and Lithuanian pension funds have enjoyed positive co-operation with the most distinguished private equity fund manager in the region during both the times of growth and crisis. Therefore, the pension funds of Swedbank have invested in three BaltCap's earlier funds and are this time committing in total €12 million. BaltCap's new fund fits very well into the strategy of Swedbank pension funds allowing our clients to benefit from the long-term growth of the Baltic economies."

Additional information:

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