

The Board of Directors' statement in accordance with Chapter 12, Section 7 and Chapter 20, Section 12 of the Swedish Companies Act

The board of directors hereby presents the following statement pursuant to Chapter 12, Section 7 and Chapter 20, Section 12 of the Swedish Companies Act.

Subsequent to the presentation of the annual report for the financial year 2015, the following events of material importance to the company's financial position have occurred;

- The sale of the company's shares in Starman have been closed.
- the investment agreement with East Capital was terminated in May and the company instead entered into a transition and termination agreement as well as a share purchase agreement regarding the voting shares in East Capital Explorer Investments S.A. with East Capital. Approximately EUR 7.5m has thus far been paid out of the total compensation, which amounts to EUR 10.3m.
- Nadya Wells was elected new member of the board of directors at the company's Annual General Meeting.
- Fund holdings totalling EUR 33.8m were sold in Frontier Markets Fund and Deep Value Fund.

According to the most recently adopted balance sheet, the company's shareholders' equity amounted to approximately EUR 254m. At the Annual General Meeting on 9 June 2016 it was resolved to reduce the share capital by way of retirement of own shares with approximately EUR 40,447 and thereafter to increase the share capital with approximately EUR 41,922 by way of a bonus issue without issuing new shares. The Annual General Meeting also resolved upon distribution of profits of approximately EUR 2,456,173. Further, the company has repurchased 2,505,100 own shares per 13 December for approximately EUR 16.6m. The company's equity according to the most recently adopted balance sheet, adjusted for distributions as well as changes in the company's restricted capital, amounts to approximately EUR 235m.

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Stockholm 19 December 2016
EAST CAPITAL EXPLORER AB (publ)
Board of Directors

Lars O Grönstedt

Liselotte Hjorth

Peter Elam Håkansson

Nadya Wells