

ECEX completes sale of Starman Group to Polaris
- cash consideration of EUR 83.6m

East Capital Explorer AB (publ) ("ECEX") today announced that it has completed the sale of its 63 percent stake in Starman Group to OÜ Polaris Invest, a minority shareholder in Starman, that has exercised its pre-emption right. The transaction, originally announced on 14 March 2016 as a sale to Providence Equity, values Starman at an enterprise value of EUR 208m. The transaction crystallized a cash consideration to ECEX of EUR 83.6m, corresponding to an exit gain of EUR 37.5m and a gross IRR of 24 percent over 3.5 years.

Mia Jurke, CEO of East Capital Explorer, commented: "I am pleased to announce the completion of this transaction, which crystallizes a significant value creation over the past years. We are working intensely with our investment pipeline, while we continue with the share buyback program launched in May."

East Capital Explorer has invested a total of EUR 46m in the Baltic cable TV operator Starman, comprising the initial investment in 2013 and an add-on investment in 2015 in conjunction with Starman's acquisition of Lithuanian Cgates.

The cash consideration includes parts of the previously announced earn-out and no additional earn-out proceeds are expected. The cash consideration prompts a carried interest to East Capital of approximately EUR 6.7m that is expected to be settled by year-end. The net positive effect on ECEX' Net Asset Value from the transaction is approximately EUR 2.1m, or 0.9 percent, as a result of higher net proceeds compared to current book values. Net IRR (net of management fees and carried interest to East Capital as well as transaction costs) amounts to 18 percent.

In connection with closing of the transaction, Polaris and East Capital Explorer have agreed to settle the pending arbitration dispute.

Please refer to East Capital Explorer's press releases per 14 March 2016 and 26 September 2016 for more detailed information regarding the transaction.

Contact information

Mia Jurke, CEO, East Capital Explorer, +46 8 505 885 32
Lena Krauss, CFO and IR, East Capital Explorer, +46 73 988 44 66

About East Capital Explorer

East Capital Explorer AB (publ) is a Swedish investment company, offering unique investment opportunities in Eastern Europe, where the Baltic countries represent the company's largest investment region. The company primarily invests in unlisted assets within the private equity and real estate segments. East Capital Explorer's main investment theme is domestic growth and the company targets fast growing sectors such as Retail and Consumer goods, Financials and Real Estate. East Capital Explorer is listed on Nasdaq Stockholm, Mid Cap.

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