

**PRESS RELEASE**  
Stockholm, 13 February 2015

### **Starman's acquisition of Cgates finalized**

- East Capital Explorer invests additional EUR 22.5 in Starman through rights issue

As announced on 22 December, East Capital Explorer's portfolio company Starman, the leading cable TV and broadband internet service provider in Estonia, signed an agreement to acquire 100 percent of Lithuanian Cgates for a total enterprise value of EUR 56.3m. The transaction was completed on 12 February following approval from the Lithuanian competition authority. In conjunction with the transaction, East Capital Explorer has made an additional investment of EUR 22.5m in Starman through a share issue, thereby increasing the ownership from 51 to 63 percent.

- Starman is now our largest portfolio company, representing 24 percent of our NAV. With the acquisition of Cgates, Starman will further strengthen its position in the Baltic markets after having shown strong results and value generation since our acquisition in May 2013. The add-on investment is yet another step in our ambition to create a unique private equity and real estate portfolio, says Mia Jurke, CEO of East Capital Explorer.

Cgates is Lithuania's leading cable TV and broadband internet services provider based on hybrid fiber-coax network. Its network reaches more than 300,000 homes in 12 cities across Lithuania. Cgates has 125,000 customers within pay-TV and 70,000 within internet. The company's revenues in 2014 amounted to EUR 14m, with an expected EBITDA-margin of about 45 percent.

Starman is Estonia's leading cable TV and broadband provider with a cable network covering 52 percent of households and a digital network (DTT) covering 97 percent of households. Starman's revenues in 2014 amounted to EUR 34m, with an EBITDA-margin of 47 percent.

- Cgates is the best managed telecommunications company in Lithuania with a strong market position, stable performance and good profitability. We look forward to start working together with Cgates' strong management team already today, to create the first truly pan-Baltic cable TV operator. The merger will be step-wise where the first synergies we expect to realize are within joint purchasing of equipment and content, as well as within product development. System and platform utilization are other areas where we expect to generate synergies, says Gert Tiivas, chairman of Starman and Head of Private Equity in the Baltics, East Capital.

The fair value of East Capital Explorer's holding in Starman before the add-on investment was EUR 39.5m. The transaction is financed through divestment of holdings in East Capital Frontier Markets Fund and East Capital Russia Domestic Growth Fund.

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#### **Financial reporting calendar**

- Annual Report 2014 available in March 2015
- Annual General Meeting 2015 - 21 Apr 2015
- Interim Report, Q1 2015 - 13 May 2015
- Interim Report, Q2 2015 - 20 Aug 2015
- Interim Report, Q3 2015 - 5 Nov 2015

**About East Capital Explorer**

East Capital Explorer AB (publ) is a Swedish investment company, created with the specific aim of bringing unique investment opportunities in Eastern Europe to a broader investor base. The company makes direct investments into private and public companies but investments are also made through East Capital's private equity, real estate and alternative investment funds. 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 has appointed East Capital to manage its investment activities. East Capital Explorer is listed on NASDAQ OMX Stockholm, Mid Cap.

**Listing:** NASDAQ OMX Stockholm, Mid Cap - **Ticker:** ECEX - **ISIN:** SE0002158568 -  
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*This information is disclosed in accordance with the Securities Markets Act, the Financial Instruments Trading Act and demands made in the exchange rules. It was released for publication at 07:00 a.m. CET on 13 February 2015.*