

Polaris enters a partnership with Sinful

Polaris becomes a co-owner of Sinful, which is Scandinavia's largest e-commerce business focused on sex toys and related products. Since the foundation in 2008, Sinful has successfully built a data-driven market leader with around 150 employees and several strong brands, securing significant progress with almost 800,000 orders shipped and more than 10 million unique users over the last 12 months in a niche industry growing at a rapid pace. Sinful has grown more than 30% each year since the foundation and increased 2020 revenue by 38% to more than DKK 300 million and operating profit (EBIT) by just over 130% to DKK 61 million.

"Sinful is a well-run and profitable growth company, which has become a clear market leader by ensuring high customer satisfaction through a sharp focus on quality and a strong e-commerce solution. The market for sex toys is growing rapidly these years as social acceptance increases and consumers grow accustomed to online shopping. We look forward to cooperating with the ambitious and skilled Sinful team to further accelerate growth and fuel their international expansion in the coming years," says Henrik Bonnerup, Partner at Polaris.

Sinful moved into the company's headquarters and modern warehouse facilities in Aarhus in 2013 and expanded into the Swedish, Finnish and Norwegian markets, which comprised around half of the company's revenue in 2020. Sinful simultaneously launched a series of nine own brands – and the most exciting Christmas Calendar – which make up a steadily increasing share of revenue and Sinful's more than 6,500 products. As the first steps in a European expansion strategy, Sinful is venturing into the French and UK markets in 2021, which are both significantly larger than the Scandinavian home markets.

"We have revolutionized the market for sex toys by being very serious about quality and customer service, and we have created a strong online business with huge development and expansion opportunities. We are therefore pleased that Polaris will join the team, enabling us to jointly accelerate the development and realize Sinful's mission of becoming world champions in our field. In the Scandinavian countries, people more often search for the word 'Sinful' than 'sexlegetøj', and we now have to teach consumers in France and the UK to replace 'jouets sexuels' and 'sex toys' with our brand name," says Mathilde Mackowski, Chief Visionary Officer and co-founder of Sinful.

The share of female visitors has increased steadily in recent years and today constitutes 45%, and users' satisfaction with Sinful is high with a Trustpilot score of 4.8/5 and a very low return rate of less than 1.5%. The company's newsletter has several hundred thousand subscribers who receive discrete and tailored news about relevant campaigns, product launches and special offers.

"Customers have welcomed our concept with open arms across the Scandinavian countries, and we have demonstrated several times that we are able to generate strong growth in new markets. Growth has accelerated faster than expected recently, and with an experienced and financially strong partner such as Polaris by our side and exciting European expansion plans ahead, we are aiming to pass DKK 1 billion in revenue in 2025," says Tonny Corydon Andersen, CEO and co-founder of Sinful.

Polaris acquires 57.5% of the shares in Sinful and becomes a co-owner alongside the company's two founders and management. The parties have agreed not to disclose the purchase price.

Additional information:

Henrik Bonnerup, Partner at Polaris, +45 21 66 87 66

Mathilde Mackowski, Chief Visionary Officer and co-founder of Sinful, +45 22 90 09 56

About Sinful

Sinful was founded by Mathilde Mackowski and Tonny Corydon Andersen in 2008 and is today Scandinavia's largest e-commerce business focused on sex toys and related products. The company is headquartered in Aarhus where around 150 employees ship almost 800,000 orders and ensure a great user experience for more than 10 million unique visitors annually. Sinful has a Trustpilot score of 4.8/5 and has grown by more than 30% each year since the foundation.

www.sinful.dk

About Polaris – The Power of Partnership

Polaris is a Nordic private equity firm headquartered in Copenhagen, which invests in well-established medium sized companies in the Nordics. Since 1998, Polaris has raised five funds and obtained capital commitments of EUR ~1.7bn. Polaris' focus is to invest in companies with growth and development potential. To date, Polaris has invested in 46 companies and completed more than 80 add-on investments. Currently, Polaris owns 15 companies with total revenue of EUR +800m and ~5,000 employees. More info at www.polarisequity.dk