

Polaris widens strategic perspective and launches Polaris Flexible Capital

The launch of Polaris Flexible Capital sees Polaris expanding activities with investments in subordinated loan capital (junior capital etc.) and minority shareholdings. Polaris expects to raise DKK 1 billion in the new fund, which will support attractive Nordic medium-sized companies with flexible capital for growth, investments, ownership changes and optimisation of capital structure. The addition widens Polaris' reach and sharpens the offering to medium-sized companies looking for capital and to investors who may diversify their portfolios with new attractive investments.

Polaris Flexible Capital is an addition to Polaris' existing activities and is established with its own investment team, an independent investment committee and an independent Investment Advisory Board with external members focused on supporting the investment process. The focal point remains deep insight into the specific company and industry based on a thorough due diligence process, which also focuses on the companies' contribution to creating a more sustainable development.

The expansion enables Polaris to build unique investment competencies across the capital structure, and as a new financial partner in the market, Polaris Flexible Capital is able to assist companies with bespoke financial solutions that fit the desired ownership and capital structure. Altogether, Polaris will become an even stronger partner for more companies. The establishment ensures synergies and scale benefits in terms of sourcing of investment opportunities, access to highly specialised competencies and network as well as utilisation of shared administration, compliance, reporting and other infrastructure.

"We are pleased to introduce an attractive new investment opportunity in the Polaris universe and have received great backing from our existing investors. We are looking forward to the cooperation with Polaris Flexible Capital's strong team, whom we have known and respected for many years. With this widening of our strategic perspective, we are creating a unique position and knowledge about both traditional private equity and flexible capital, which contributes to making Polaris an even more relevant partner for companies looking for capital," says Jan Johan Kühl, Managing Partner of Polaris.

Jesper Langmack has been appointed Head of Polaris Flexible Capital and will draw on his comprehensive experience with investments in equities and alternatives from Danica Pension, PFA Pension and Nykredit. Simultaneously, Kent Brovn Arp is appointed Partner of Polaris Flexible Capital, bringing strong competencies in the field from several years as investment responsible in Danica Pension and PensionDanmark as well as corporate finance advisor at KPMG and EY. The two partners have exhaustive experience with flexible capital after completing 18 investments in the area in 2016-2019 alone.

Peter Høltermand has been appointed Chairman of the Investment Advisory Board and will contribute with a strong network and his unique insight in capital markets and financing from more than 30 years in the financial sector, most recently with SEB where he headed the Danish branch since 2003 and has been part of the Scandinavian executive management since 2011. Peter Høltermand will become a member of the board of Polaris Management A/S.

"Demand for flexible capital is on the rise, and we have already received a lot of positive feedback and capital commitments from investors looking for investments with attractive risk-adjusted returns. We are therefore looking forward to becoming part of Polaris, which for more than 20 years has created good results and built a strong infrastructure and close partnerships with a series of exciting and ambitious companies in the Nordics. We will draw on our mutual network, competencies and resources, but apart from that Polaris Flexible Capital will be operated as an independent unit, which is able to do business with companies, financial institutions and other private equity funds," says Jesper Langmack, Head of Polaris Flexible Capital.

Polaris Flexible Capital will typically invest DKK 50-200 million across companies' capital structure focusing on junior debt tailored to the specific company as well as minority shareholdings. Polaris Flexible Capital is approved by the Danish Financial Supervisory Authority and expected to complete capital raising of around DKK 1 billion

no later than in Q3 2021. The investment team in Polaris Flexible Capital is expected to be expanded with another partner and 2-3 employees within 6-12 months, and the newly established Investment Advisory Board will be expanded with additional external members.

“Polaris Flexible Capital provides a unique opportunity for us to assist well-performing Nordic companies with the development of their business and simultaneously offer a unique and attractive alternative to investors focused on ensuring good long-term returns in an environment where returns on traditional publicly traded assets are at a historic low level. We are looking forward to the dialogue with companies and investors in the coming period and look forward to getting to work,” says Peter Høltermand, Chairman of the Investment Advisory Board of Polaris Flexible Capital.

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About Polaris – The Power of Partnership

Polaris is a Nordic investment company based in Copenhagen, which invests in and provides flexible capital to well-established medium-sized companies in the Nordics. Since its foundation in 1998, Polaris has raised five funds and obtained capital commitments of EUR 1.7 billion. Polaris’ focus is to invest in companies with growth and development potential. To date, Polaris has invested in 48 companies and completed more than 80 add-on investments. Polaris currently owns 17 companies with total revenue of over EUR 1 billion and a total of 5,000 employees. More info at www.polarisequity.dk