

PRESS RELEASE

Copenhagen, 14 July 2020

New national bus and coach operator ready to depart

Four private bus and coach operators are planning to merge under the name of Vikingbus to create one of Denmark's leading operators offering a full range of bus and coach services in Denmark and abroad with a fleet of some 450 buses and coaches. Polaris to become a shareholder in connection with the merger.

The four companies – Egon's A/S, Larsenbus ApS, Papuga A/S and Papuga Bus A/S – have some 775 employees between them and in 2019 generated total revenue of DKK 800 million (proforma).

Vikingbus will serve a wide range of customers in Denmark and Europe, including travel agencies, private-sector enterprises, associations and public-sector customers requesting school transport, limited mobility and patient transport as well as regular and city bus services. Vikingbus will operate minibuses as well as regular and tourist bus services.

“Together, we will be an even better and stronger partner to large and small customers alike. We will strengthen our already solid local presence and offer customers the largest and most flexible bus and coach fleet in the industry. Based on our combined skills and diverse bus and coach fleet, we will sharpen our competitive edge and enhance our capacity to develop new offers and digital services for our customers”, said Mogens Pedersen, who will serve as CEO of the merged company.

After the merger, Vikingbus will be 40%-owned by the four current owner managers and 60%-owned by Polaris. The four owner managers will remain responsible for the day-to-day management of the merged company:

- Mogens Pedersen, CEO of Egon's A/S, will become CEO of Vikingbus.
- Lars Larsen, CEO of Larsenbus ApS, will be in charge of coach services in eastern Denmark.
- Peter Papuga, CEO of Papuga Bus A/S, will be in charge of coach services in western Denmark.
- Carsten Papuga, CEO of Papuga A/S, will be in charge of procurement.

The merger is subject to approval by the Danish competition authorities.

Strong financial and strategic partner

The idea of merging has gradually evolved among the four owner managers, who share the same values, the same views on a professional and service-driven approach and the same visions of a customer-oriented national bus and coach service provider. They wanted to expand the group of owners to include a major, financially strong partner, and after careful deliberations, the choice fell on Polaris.

“As a leading operator, we want to be standard setters in the industry. Our drivers will be well-trained, service-minded and employed under Danish collective agreements so as to maximise the safety and well-being of our customers and employees. We share the same values and ambitions as Polaris, and working with a respected, experienced Danish partner like Polaris means we’ll have access to strong skills and solid experience that can help us set a strategic course and continuously develop the company”, said Mogens Pedersen.

Jan Johan Kühl, Managing Partner at Polaris: *“We greatly respect the four owner managers – they’re all talented, competent businesspeople. We click with them, and we share the same views on Vikingbus’ huge potential and on what it takes to set the standards in the industry. We’re excited to enter into a partnership committed to developing the company and building Denmark’s first genuinely national bus and coach operator with the power to lead the way in terms of service, quality and sustainable operations.”*

Local development and sustainable operations

Vikingbus will be a national operator with branches in Copenhagen, Køge, Slagelse, Svebølle, Vordingborg, Vejle, Kolding and Skjern, in addition to Aarhus where a new facility will be built. The plan is to establish additional branches to strengthen local presence.

Some of the main benefits to be derived from the merger are economies of scale in terms of procurement of buses and coaches, fuel, spare parts, etc. in addition to shared IT and ERP systems, marketing and business development. As part of the merger, two branches in the Greater Copenhagen Area will be combined into one new branch in Hvidovre, and the branches in Brørup and Vejle will be integrated at Vejle.

Moreover, the merger will entail more cost-efficient and sustainable services as, by virtue of its large bus and coach fleet and broad geographical coverage, Vikingbus will be able to optimise its route planning and thereby avoid running empty vehicles, which, in turn, will support the sustainability of operations.

Vikingbus will be phased in as a common brand following approval of the merger by the Danish competition authorities.

PwC Corporate Finance and the law firm of Lundgrens are acting as advisers in connection with the merger.

For additional information, please contact:

Mogens Pedersen, CEO of Egon’s A/S, new CEO of Vikingbus

Tel: +45 40 53 17 47

Jan Johan Kühl, Managing Partner, Polaris

Tel: +45 23 25 32 66

Anders Lehmann, ass. partner, Point Communications

Tel: +45 51 39 01 65

About Egon's A/S

Established by Egon Pedersen in 1982, Egon's is today owned and operated by his son Mogens. Egon's, including Ørslev Turistfart, provides a full range of bus and coach services, including limited mobility and patient transport, special route and school transport and party and tourist transport. Egon's employs 180 people at its head office in Slagelse and its Zealand and Greater Copenhagen branches.

www.egons.dk

About Larsenbus ApS (Københavns Bustrafik)

Larsenbus was established by Lars Larsen in 2006. Over the past 14 years, the company has carried on business under brands such as Københavns Bustrafik, Dania Turist, Lokalbus, Schmidts Turist, Holte Turist, Brønnums, Veddebus, Kolls Turist, Bjert Busser, Centrum Turist, Folmanns Busser, Egeskov Turist and Vikingbus. Under each brand name, the company has provided a full range of bus and coach services for travel agencies, corporate customers, public authorities and private customers. Larsenbus employs 500 people and is headquartered in Hvidovre and Køge.

www.larsenbus.dk

About Papuga A/S

Founded by Merete and John Papuga in 1971, Papuga is today owned and operated by their son Carsten. Papuga specialises in high-quality coach journeys to holiday destinations in Europe, events across Denmark, among other services. Papuga A/S employs 18 people at its branches in Kolding and Brørup.

www.papuga.dk

About Papuga Bus ApS

Founded by Hein Papuga in 1964, Papuga Bus, who also operates Folmann Busser, Egeskov Turistfart and Bookingabus, is today owned jointly by his son Peter (75%) and Lars Larsen (25%). Papuga Bus specialises in coach journeys to tourist destinations across Europe, summer and winter, for some of Denmark's largest travel agencies in addition to commercial transport in Denmark. Papuga Bus is the only two-time winner of industry association Danish Passenger Transport's Tourist Coach Operator of the Year award. The company employs 80 people and is headquartered in Vejle.

www.papugabus.dk

About Polaris

Based in Copenhagen, Polaris is a Nordic private equity fund investing in well-established mid-sized companies in the Nordic region. Since its foundation in 1998, Polaris has raised over DKK 9 billion in four different funds. Polaris is focused on investing in companies with growth and development potential. To date, Polaris has invested in 42 companies and made more than 70 add-on investments in its portfolio companies. Polaris owns 13 companies with a combined revenue of DKK 7 billion and 5,000 employees.

www.polarisequity.dk