

IK Investment Partners raises €1.2 billion in three months for third Small Cap fund

IK Investment Partners (“IK” or “the Firm”), a leading Pan-European private equity firm, is pleased to announce that it has closed the IK Small Cap III Fund (“IK Small Cap III” or “the Fund”) at its hard cap with commitments of €1.2 billion. The IK Small Cap III Fund was significantly oversubscribed and allocated exclusively to existing IK platform investors in just three months, having been raised on a fully virtual basis.

The Fund is more than double the size of its €550 million predecessor, IK Small Cap II Fund, and was raised exclusively with the support of existing investors across the IK platform.

IK Small Cap III will continue to employ the same investment strategy focused on growing businesses across IK’s core sectors of Business Services, Healthcare, Consumer and Industrials and will make investments in companies with enterprise values of between €50 million and €150 million. The Fund includes a dedicated Development Capital pool which will focus on investing in smaller companies valued up to €50 million, in line with IK’s original Small Cap I Fund strategy.

IK launched its Small Cap strategy in 2015 and has since made 27 platform investments across two funds. The €277 million IK Small Cap I Fund has realised €425 million of proceeds, including seven full exits at a gross average 3.2x MM and 56% IRR.

IK Small Cap III will continue to support businesses through its active ownership model focused on organic growth, international buy-and-build, professionalisation and operational improvement. The IK Small Cap team of 30 investment professionals located across Amsterdam, Copenhagen, Hamburg, London, Paris and Stockholm will be supported throughout the investment process by IK’s dedicated Operations and Capital Markets teams.

The closing of the Fund follows a period of significant fundraising for IK, which has held a final close on funds with over €4.3 billion of commitments in the last 12 months, reflecting continued investor confidence and support despite the ongoing pandemic. This included the €2.85 billion raised for IK’s ninth Mid Cap fund, the IK IX Fund, in May 2020 and more recently the €303 million final close for IK’s Partnership Fund, a vehicle dedicated to making minority investments in larger, more established businesses.

Kirkland & Ellis International LLP acted as legal counsel to the Fund.

This press release is not an offer of securities for sale in the United States or any other jurisdiction and interests in the Fund may not be offered or sold in the United States or any other jurisdictions save in accordance with applicable law.

About IK Investment Partners

IK Investment Partners (“IK”) is a Pan-European private equity firm focused on investments in the Benelux, DACH, France, Nordics and the UK. Since 1989, IK has raised more than €14 billion of capital and invested in 145 European companies. IK supports companies with strong underlying potential, partnering with management teams and investors to create robust, well-positioned businesses with excellent long-term prospects. For more information, visit www.ikinest.com

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Kristian Carlsson Kemppinen, Head of IK's Small Cap strategy and Managing Partner at IK, said: "Five years after we launched our first Small Cap Fund, we continue to see significant opportunities in high-potential European companies at the lower end of the mid-market. Despite the challenges we have seen throughout the pandemic, IK's strategy has remained resilient and we are delighted with the continued support from our investors. With our Investment and Operations Teams based on the ground across all our key markets, we are ideally placed to support the transformation of local champions into European and international leaders."

Pierre Gallix, Head of IK's Development Capital strategy and Managing Partner at IK, said: "There continue to be a large number of opportunities at the lower end of the small cap market where we see significant potential for IK to support management teams in unlocking potential and realising growth. We have already identified a pipeline of future market leaders who we can support with our capital and expertise as they look to scale up and expand."

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