



Press release, 24 May 2019

Mentice announces its intention to list its shares on Nasdaq First North Premier

Mentice AB (publ) ("Mentice" or the "Company"), a leading supplier of high-technology solutions for simulation in the medical sector with focus on endovascular procedures, today announces its intention to list the Company's shares on Nasdaq First North Premier. The offering is expected to include existing shares in Mentice which are offered by selling shareholders¹ and new shares issued by the Company (the "Offering").

The Offering in brief:

- The Offering is expected to be conducted at a fixed price of SEK 49 per share, corresponding to a total market value of the Company's shares of approximately SEK 1,101 million prior to the Offering.
- The Offering includes a new share issue that is expected to render approximately SEK 82 million in gross proceeds, before transaction costs, as well as a sale of shares corresponding to approximately SEK 299 million offered by Priveq Investment² and a small group of shareholders.
- In order to cover a potential over-allotment in connection with the Offering, the selling shareholders have undertaken, upon request by Pareto Securities to sell additional existing shares up to approximately SEK 57 million, or maximum 15 percent of the Offering (the "Over-Allotment Option").
- Provided that the Over-allotment option is fully exercised, the Offering is expected to amount to approximately SEK 438 million.
- Prior to the Offering, five investors have undertaken to subscribe for shares under certain conditions, and at the same price as other investors, corresponding to a total value of SEK 265 million or approximately 61 percent of the Offering, including the Over-Allotment Option. The five investors' commitments are distributed as follows:
 - Bure Equity: SEK 120 million
 - Joh. Berenberg, Gossler & Co. KG (Berenberg)³: SEK 45 million
 - Fjärde AP-fonden: SEK 45 million
 - Handelsbanken Fonder on behalf of managed funds: SEK 30 million
 - TIN Fonder with the investment fund Core Ny Teknik: SEK 25 million
- Full terms and conditions for the Offering will be available in the prospectus which is expected to be published on or about 31 May 2019.
- The Offering is directed to institutional investors in Sweden and internationally as well as to the general public in Sweden.
- First day of trading in the Company's shares on Nasdaq First North Premier is expected to commence mid-June 2019.

Background to the Offering

Priveq Investment has been one of the largest owners of Mentice since 2005 and today owns approximately 32.6 percent of the Company. Priveq Investment has since the initial investment been active in developing the Company's operations and establishing structures for continued profitable growth. Priveq Investment currently manages over SEK 5 billion and has for over 30 years successfully created value through long-term investments and active ownership in unlisted growth companies. As part of Priveq Investment's strategy, the acquired company will eventually be divested. Priveq Investment's two funds owning Mentice have exceeded their

¹ The selling shareholders consist of Priveq Investment Fund III KB, Priveq Investment Fund III AB and a small group of shareholders.

² Priveq Investment has invested in Mentice through its two funds Priveq Investment Fund III KB (21.3 percent) and Priveq Investment Fund III AB (11.4 percent).

³ Joh. Berenberg, Gossler & Co. KG mandated as portfolio manager on behalf of certain investment funds.

investment horizons, and against this background, Priveq Investment together with the Howell Family and the Company's board of directors believe now is the right time to widen the Company's shareholder base.

Mentice's board of directors and management believe the Offering together with a distribution of ownership will further support the Company's continued growth and development. The distribution of the Company's shares is expected increase Mentice's credibility and public awareness, while at the same time providing the Company with a quality stamp, contributing to assurance to all customers and suppliers as well as to attract and maintain personnel.

Göran Malmberg, CEO, comments:

"We are now ready for the next step in the Company's development and my colleagues and I are looking forward to the upcoming listing, which is fully in line with our long-term growth strategy. A listing of the company's shares will promote Mentice's continued growth and development by, among other things, broadening the company's financing options."

Lawrence Howell, Chairman of the Board, comments:

"We are proud to see how the company has developed since 2012, when the management team was given a growth mandate from the board. It is the board and management's continuing ambition that the company will continue to play a key role in the development of the endovascular simulation market. The Howell family intends to remain a long-term owner in Mentice and will maintain its entire holding after the offering."

Magnus Hardmeier, Executive Chairman and Co-founder, Priveq Investment, comments:

"Since Priveq has invested in Mentice, the Company has had an impressive growth and has succeeded in establishing itself as the leading player in the endovascular simulation market. The company has a strong operational momentum with good opportunities to continue its growth journey with high profitability. Priveq will continue to maintain part of its ownership after the transaction and we believe that Mentice has good prospects of continuing its development over the years to come."

Henrik Blomquist, CEO, Bure Equity AB, comments:

"We think that Mentice is a very interesting and innovative company that holds a leading position in an attractive and fast-growing market. As a significant shareholder, we look forward to supporting Mentice in this future development."

Bure Equity AB, which will be one of the Company's largest shareholders at the time of the listing, has announced that they will request that Mentice's board of directors convene an extraordinary general meeting after the listing to enable Gösta Johannesson, representing Bure Equity AB, to be elected to the board of directors.

About Mentice AB (publ)

Mentice is a company that offers highly technological solutions for simulation to the medical sector with a focus on the fast-growing market for endovascular procedures. Mentice's simulators are used to educate, train, and improve surgeons' skills in various types of procedures and when introduced to new clinical instruments. Mentice was founded in 1999 and has since then developed a wide product portfolio with several of the largest medical technology companies as clients. Mentice's simulators have been installed in approximately 400 hospitals and academic institutions around the world and over 1,250 simulation systems have been delivered to hospitals and medical device manufacturers.

In 2012, the Company's CEO, Göran Malmberg, received a clear mandate from the board of directors to focus on growth, which has resulted in the Company growing strongly and reaching total sales of SEK 166 million for the full year 2018. The Company's net sales growth amounted to 44 percent between 2017 and 2018. In 2017, the Company acquired the majority of the assets in Medical Simulation Corporation ("MSC"), which strengthened Mentice's presence in the US market. Mentice is developing solutions for several companies that Mentice considers to be the world's leading medical technology companies. These solutions are then used to educate clients by showing how the solution can be used in a safe and effective environment and minimize/reduce the need for the training on patients in the clinical environment. In addition to training in connection with the launch of new procedures and clinical instruments, the Company has also initiated strategic collaborations with two of the three largest global suppliers of Catheterization Laboratories ("Cath Labs").

Financial development

TSEK	Quarterly		Full-year	
	Jan-Mar 2019	Jan-Mar 2018	2018	2017
Net sales	27,481	28,288	157,048	108,966
<i>Net sales growth, %</i>	-2.9	-	44.1	-
	-	-	-	-
Gross profit	23,328	23,953	127,594	89,687
<i>Gross margin, %</i>	84.9	84.7	81.2	82.3
	-	-	-	-
EBITDA	-7,897	-1,114	20,782	9,482
<i>EBITDA-marginal, %</i>	-28.7	-3.9	13.2	8.7
	-	-	-	-
EBIT	-10,802	-2,151	16,128	6,541
<i>EBIT-marginal, %</i>	-39.3	-7.6	10.3	6.0
	-	-	-	-
Net debt⁴	7,869	-15,613	-17,821	-14,712

Financial targets

Mentice has set the following short to medium term financial goals⁵:

- Growth: Sales CAGR of 30-40 percent
- Profitability: EBITDA-margin of 30 percent

Important strengths and competitive advantages

- Strong position in the market for advanced endovascular simulation solutions
- Highly technological and innovative simulation solutions
- Reputable client base and strategic partnerships with leading med-tech suppliers
- Proven and scalable business model with strong profitability
- Clearly defined strategy for continued growth with high margins and little tied up capital

Prospectus and application forms

A prospectus, containing complete terms and conditions of the Offering is expected to be made public on or about 31 May 2019 on Mentice's website (www.mentice.com) and Pareto Securities' website (www.paretosec.com). Application forms are available on Pareto Securities' website. Applications can also be made through the Aktieinvest's website (www.aktieinvest.se) and Avanza's website (www.avanza.se).

Advisors

Pareto Securities is the Global Coordinator and Sole Bookrunner. Setterwalls is the legal advisor to Mentice. Baker McKenzie is the legal advisor to Pareto Securities.

About Priveq Investment

Priveq Investment has for 35 years invested in profitable growth companies. Its business model rests on value-creation through long-term investments and active ownership of unlisted growth companies. Priveq Investment has been active owners in 125 companies, 25 of which have been listed. Existing and previous Swedish investments include Byggpartner i Dalarna, 4C Strategies, Office Management, and ILT Inläsningstjänst. For more information, (www.priveq.se).

⁴ Net debt calculation for January - March 2019 includes 19,255 TSEK which relates to IFRS 16, where leasing contracts are considered to be owned and thus reported as interest-bearing liabilities in the balance sheet.

⁵ The "short to medium" term used by the Company refers to a period of 3-5 years.

About Bure Equity AB

Bure is an investment company and a good owner. By actively building successful companies and operations with a long-term perspective, Bure generates an attractive return for its shareholders. Bure was listed on Nasdaq Stockholm in 1993. Today, Bure has a net asset value of approximately SEK 11.4 billion consisting of ten portfolio companies, of which six are listed. Bure's principal owners are the Tigerschiöld family, Nordea Investment Funds and the Björkman family.

For further information, please contact:

Göran Malmberg, CEO, Mentice

Telephone (SWE): +46 703 09 22 22

Telephone (US): +1 (312) 860 5610

E-mail: goran.malmberg@mentice.com

Important information

This announcement is not and does not form a part of any offer for sale of securities. Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Canada, Japan or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the "**Prospectus Directive**"). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA Member State other than Sweden that has implemented the Prospectus Directive, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

This communication is only being distributed to and is only directed at persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

Matters discussed in this announcement may constitute forward-looking statements. Forward looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

In connection with the offer or sale of securities referred to herein, the Pareto Securities may over-allot securities/conduct stabilization or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. Any stabilization action or over-allotment will be conducted by the Pareto Securities in accordance with all applicable laws and rules.