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Press release, 4 June 2019

## **Mentice announces offering of shares and publishes prospectus in connection with Nasdaq First North Premier listing**

**On 24 May 2019, 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, announced its intention to conduct an offering of the Company’s shares and to list the Company’s shares on Nasdaq First North Premier (the “Offering”). The Offering consists of existing shares in Mentice which are offered by selling shareholders<sup>1</sup> and new shares issued by the Company. The Offering is directed to institutional investors in Sweden and internationally as well as to the general public in Sweden. The Prospectus for the Offering is published today and the first day of trading in the Company’s shares is expected to commence on 18 June 2019.**

### **The Offering in brief:**

- The Offering will 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 completion of the Offering.
- The Offering includes 8,420,751 shares of which 6,747,281 shares are offered by Priveq Investment<sup>2</sup> and a small group of shareholders corresponding to approximately SEK 331 million, and 1,673,470 shares consists of new issued shares that will render approximately SEK 82 million in gross proceeds before deduction of costs relating to the Offering.
- To cover a potential over-allotment in connection with the Offering, the selling shareholders have undertaken, upon request by Pareto Securities, to sell an additional 1,263,112 existing shares corresponding to approximately SEK 62 million, or a maximum of 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 475 million after the completion of the Offering, which corresponds to approximately 40 percent of the total number of shares in Mentice after the Offering.
- Prior to the Offering, five investors have, under certain conditions and at the same price as other investors, undertaken to subscribe for shares, corresponding to a total value of SEK 265 million or approximately 56 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)<sup>3</sup>: SEK 45 million
  - The Fourth Swedish National Pension Fund (AP4): SEK 45 million
  - Handelsbanken Fonder AB on behalf of managed funds: SEK 30 million
  - TIN Fonder: SEK 25 million
- Bure Equity, which will be one of the Company’s largest shareholders at the time of listing, has announced that they will request that Mentice’s Board of Directors convenes an extraordinary general meeting after the listing to enable Gösta Johannesson, representing Bure Equity AB, to be elected as Board member. Bure Equity has also entered into an agreement with Priveq Investment whereby Bure Equity is granted a pre-emptive right to acquire all Priveq Investment’s shares in Mentice after the

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

<sup>2</sup> 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).

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

completion of the Offering. The pre-emptive right applies until further notice, starting on the first day of trading.

- The application period is expected to run between 5 June and 13 June 2019 for the general public and between 5 June and 14 June 2019 for institutional investors.
- 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 on 18 June 2019. The expected settlement date for the Offering is 19 June 2019 and the Company's shares will trade under the ticker "MNTC".
- Mentice intends list its shares on Nasdaq Stockholm within 12-18 months after the listing on Nasdaq First North Premier has been completed.
- A prospectus with full terms and conditions for the Offering is published today, June 4, 2019, on Mentice's website and on Pareto Securities' website.

### **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, acquired companies will eventually be divested. Priveq Investment's two funds owning Mentice have exceeded their typical 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 to increase Mentice's credibility and public awareness, while at the same time providing the Company with a quality stamp, contributing to assurance to customers and suppliers as well as to attract and retain personnel.

### **Preliminary timetable**

Application period for the general public	5 June – 13 June 2019
Application period for institutional investors	5 June – 14 June 2019
First day of trading on Nasdaq First North Premier	18 June 2019
Settlement day	19 June 2019

### **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. Mentice ultimate target is to provide solutions that improve operational efficiency and reduce harm for health systems and for health providers where the Company reaches this market either through its medical device clients, its strategic collaboration with two of the three largest global suppliers of Catheterization Laboratories ("Cath Labs") as well as Mentice direct approach to the worlds health system providers.

Mentice's CEO Göran Malmberg has an inflammation in his abdomen and is under investigation for potential surgery. Accordingly, he will not participate in investor meetings during the application period.

### **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](http://www.priveq.se)).

### **About Bure Equity AB**

Bure was formed in 1992 from the discontinued wage funds and was listed on Nasdaq Stockholm in 1993. Today, Bure is an investment company with a net asset value of approximately SEK 11.4 billion. Bure's business model is focused on deep commitment and high presence in the portfolio companies. The existing portfolio consists of ten portfolio companies, of which six are listed. Bure also has a net cash of approximately SEK 1.1 billion. Bure's principal owners are the Tigerschiöld family, Nordea Investment Funds and the Björkman family.

### **Prospectus and application forms**

A prospectus, containing complete terms and conditions of the Offering is published today on 4 June 2019 on Mentice's website ([www.mentice.com](http://www.mentice.com)) and Pareto Securities' website ([www.paretosec.com](http://www.paretosec.com)). Application forms are available on Pareto Securities' website. Applications can also be made through the Aktieinvest's website ([www.aktieinvest.se](http://www.aktieinvest.se)) and Avanza's website ([www.avanza.se](http://www.avanza.se)).

### **Advisors**

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

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### **Important information**

This announcement is not and does not form a part of any offer for sale of securities. The Offering is not aimed at the general public in any other country than Sweden. Nor is the Offering aimed at persons residing in United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland or in any other jurisdiction, or to any other persons, whose participation requires additional prospectuses, registration or other measures than those that follow from Swedish law. 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.

#### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in the Company have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.