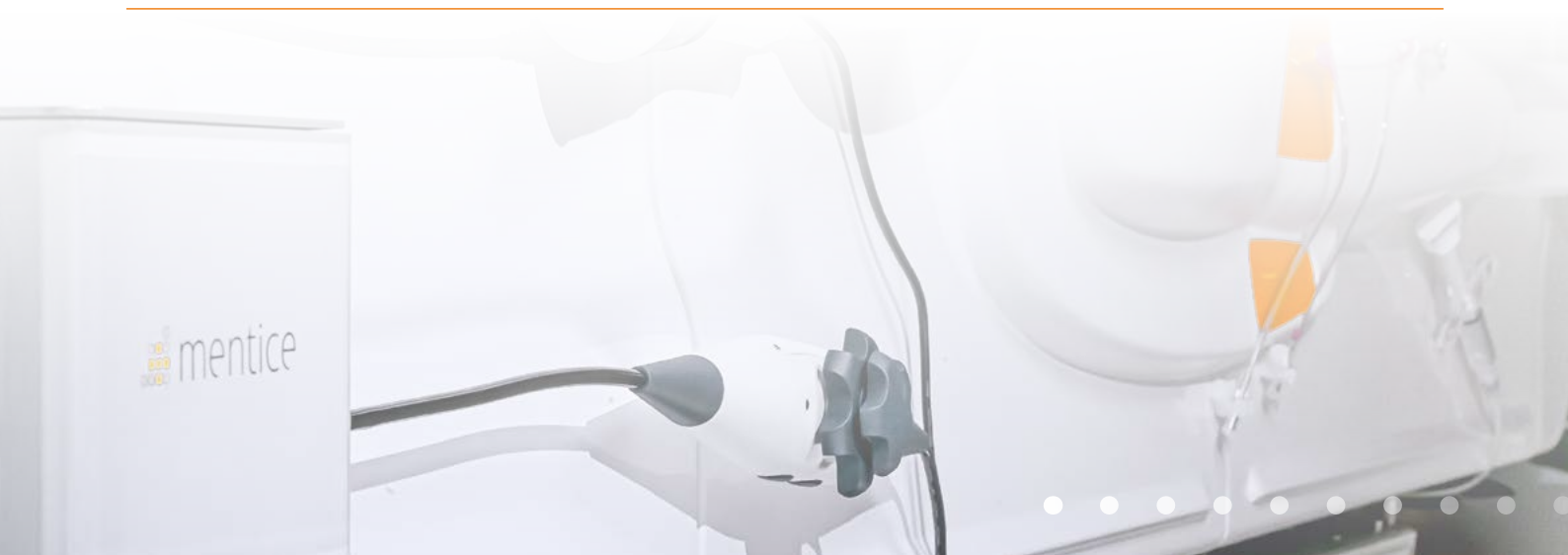




Q1 INTERIM REPORT  
**JAN—MAR 2022**





## A STRONG START FOR THE YEAR WITH CONTINUED OVERALL GROWTH

- Our strong finish of 2021 is now followed by a first quarter of 2022 with considerable growth for both order intake and net sales. We increased the order book to 91.4 (72.9) MSEK compared to the end of 2021 (87.1) MSEK.
- The orderbook now consists of 72% Annual Recurring Revenue based components adding up to 66 MSEK out of the total of 91.4 MSEK.
- Net sales for the first quarter of 53.1 (32.3) MSEK, corresponding to an increase of 64.2% compared to the same period last year and the order intake was 54.4 (39.9) MSEK an increase of 36.3% compared to last year.
- A significant event in the quarter was the order received by Siemens Healthineers China relating to 10 systems for the Corindus roll-out of GRX robots in China. It should be noted that none of these systems was recognized as net sales for the quarter, but they are planned for the remainder of this year. The software for these systems is to be recognized over time as recurring revenue.
- The overall performance for the quarter is improved compared to last year, hence both the cash flow from operations as well as the quarter result are improved compared to last year and to what Mentice typically experiences in a first quarter.

### FIRST QUARTER (JANUARY–MARCH 2022)

- Order intake amounted to 54.4 (39.9) MSEK for the first quarter.
- Order book by the end of the period was 91.4 (72.9) MSEK
- Net sales amounted to 53.1 (32.3) MSEK for the first quarter.
- Earnings before depreciation and amortization (EBITDA) totaled -1.3 (-8.4) MSEK for the first quarter.
- Net income for the period amounted to -7.4 (-12.4) MSEK for the first quarter.
- Earnings per share (EPS) was -0.30 (-0.50) SEK for the first quarter.
- Cash flow from operating activities totaled 7.4 (-13.1) MSEK for the first quarter.

## COMMENTS BY THE CEO

The order intake in the first quarter of 2022 has provided continued growth for Mentice, wherein we can appreciate a much improved generation of orders from the hospital and strategic alliances market, with levels comparable to the time before the pandemic. This is an encouraging change as our sales to hospitals has been heavily affected by Covid-19 during the last two years.

We also acknowledge continued positive development of our industry opportunities in the quarter, however orders generated for the quarter was on par with previous year. Multiple encouraging discussions with industry serve as a continued confirmation of our approach and focus on the image guided therapy arena and we see this serve as a confirmation for our outlook for the full year 2022.

With the strong first quarter we are demonstrating a continued positive trend which brings us to a rolling 12-months performance for net sales of around 210 MSEK and for order intake of about 220 MSEK.

We will maintain our ambition to seek and acquire relevant technologies, adding value to our clients, where we similarly to the acquisition of Vascular Simulations can leverage our sales, distribution and customer network.

Earnings improved compared to 2021, and we generated in the first quarter of 2022 an EBITDA of -1.3 (-8.4) MSEK.

### BUSINESS AREAS

Our three business areas, Medical Device Industry (MDI), Healthcare systems (HCS) and Strategic Alliances (SA), performed on or above last year for the quarter and we especially note that the HCS business area performed on par with the period before the pandemic.

In the HCS business area we note that all three regions did produce in line with the period before the pandemic, where we also note that the APAC region still is suffering from shutdowns and travel restrictions. For the EMEA region we experienced an especially strong quarter with multiple hospital transactions and order levels substantially higher compared to 2020 and 2021. Our overall order intake for HCS worldwide for the first quarter was 12.3 (4.4) MSEK a 178% above the same period last year and now is well above 2019 levels. This strong growth reflects the recovery from an usually depressed hospital order level during the Covid period, however we see this as a positive sign that the HCS market is getting back to a normal state of behavior.

For the MDI business area order intake was on par with last year, nonetheless the generation of pipeline and the amount of activity during the first quarter builds support for the second quarter and the rest of the year. Abbott



is a key client, already in the first quarter generated above 10 MSEK in orders, on the basis of multiple orders received across the regions.

The SA business area started off in a good way with the Siemens Healthineers China deal, received in March and we see that this customer in the first quarter was only matched by Abbott in the list of our largest clients.

### REGIONS

From a regional perspective and order intake point of view, the APAC region performed the strongest with 23.3 (15.5) MSEK (50.3%) of course positively impacted by the Siemens Healthineers order, but even without this order a good performance. The EMEA region with 83% up from last year at 16.5 (9.0) MSEK, mainly due to strong order intake for HCS. Our Americas region did perform on par with 2021 with several orders moving into the second quarter. It should be noted that the first quarter for Americas, trailing strong fourth quarter, typically is weaker.

### BUSINESS SEGMENTS

With our new definition of business segments, Systems, Software and Service, we will be able to track development for the part of revenue for these segments that includes

annual recurring revenue (ARR). For the first quarter we can see that our recurring revenue grew 83% to 10.6 (5.1) MSEK. On a rolling basis we are now above 30 MSEK in recurring revenue for the last four quarters. Our subscription structure was implemented in the autumn of 2019 and before this our ARR was limited to some few rental agreements, hence less than 5 MSEK per year in revenue. For the full year 2021 our ARR related net sales amounted to 26 MSEK.

### UNCERTAINTY

The first quarter on its way out of the difficult geopolitical situation with the pandemic now is back-to-back with a completely different difficult situation with the conflict between Russia and Ukraine. This is terrible and our thoughts are with the people of Ukraine and we hope there will be a solution and an end to this soon. Mentice do not currently conduct any business in Ukraine or in the Russian states, hence this crisis will not directly impact our business short or longer term.

The generally difficult situation is creating logistic and supply related issues where we have been forced to change our commercial structures for freight and deliveries, and we have also been forced to bulk up larger level of inventories for critical components and parts. We have managed this in a good way without this substantially effecting our cost structure or margins. Cost pressure on the other hand from inflation on fuel, travel and labor will potentially have cost implications in the quarters to come.

### SUMMARY

We feel confident that our approach to the market is the correct one and we welcome the positive development in business area HCS in the quarter, however understanding that there are no guarantees that this will continue at the same pace. We see a solid quarter for the medical device industry business area, while on par with last year, with a lot of activities building pipeline for the rest of 2022.

To summarize, we feel that the first quarter delivers a good start of 2022 and it provides a stable base for our performance for the full year.

**Gothenburg in April 2022,**

**Göran Malmberg**

**CEO, Mentice AB (publ)**

## KEY FIGURES

	Jan-Mar 2022	Jan-Mar 2021	RTM*	Full year 2021
Order intake, MSEK	54.4	39.9	220.1	205.6
- whereof Medical Device Industry	32.2	32.8	166.8	167.3
- whereof Healthcare systems	12.3	4.4	32.2	24.4
- whereof Strategic Alliances	9.9	2.7	21.1	13.9
Order book (end of period), MSEK	91.4	72.9	91.4	87.1
Net sales, MSEK	53.1	32.3	205.8	185.1
Sales, MSEK	54.7	33.5	211.4	190.2
Gross margin, %	80.1%	80.3%	80.9%	80.1%
Operating income before depreciations, EBITDA, MSEK	-1.3	-8.4	9.5	2.5
EBITDA-margin, %	-2.5%	-26.0%	4.6%	1.3%
Income before tax, EBT, MSEK	-6.9	-12.4	-15.8	-21.3
Income for the period, MSEK	-7.4	-12.4	-24.2	-29.2
Earnings per share, SEK	-0.30	-0.50	-0.98	-1.18
Cash-flow from operations, MSEK	7.4	-21.3	-8.1	-36.8
Cash at end of period, MSEK	19.3	27.8	19.3	12.7
Equity/Asset ratio, %	48.8%	62.9%	48.8%	52.3%
Number of employees at the end of the period	112	98		104

\*RTM = rolling twelve months.

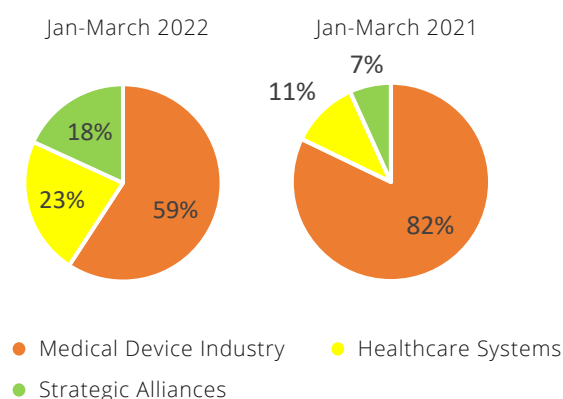
## FINANCIAL PERFORMANCE

### ORDER INTAKE

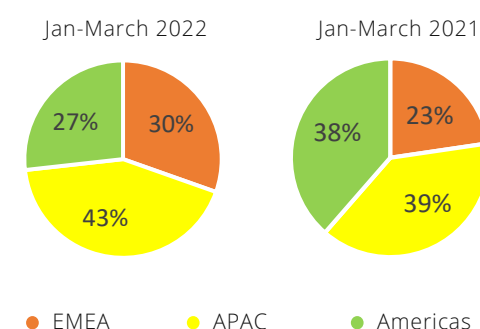
Order intake during the first quarter increased by 36.3 % to 54.4 (39.9) MSEK. Americas including Latin America delivered a similar quarter with 14.6 MSEK in order intake compared to 15.4 MSEK for the same period previous year, which represents a decrease of -5.5% compared to 2021, where several orders moved over to quarter 2. In APAC, order intake increased with 50.6% compared to the same period previous year, totalling 23.3 MSEK (15.5), mainly driven by the Siemens Healthineers order in Kina. In EMEA, order intake increased with 82.8% to 16.5 MSEK compared to 9,0 MSEK last year, as a result of a strong quarter in the HCS business area.

Within Medical Device Industry business area, order intake for the first quarter decreased with -1.8% to 32.2 MSEK compared to 32.8 MSEK for the same period previous year. Within Healthcare system business area, order intake increased to 12.3 MSEK (4.4) which represents an increase of 178.0%, delivered across all regions. Order intake from Strategic Alliances increased to 9.9 MSEK compared to 2.7 MSEK for the same period previous year, mainly due to the Siemens Healthineers order in China.

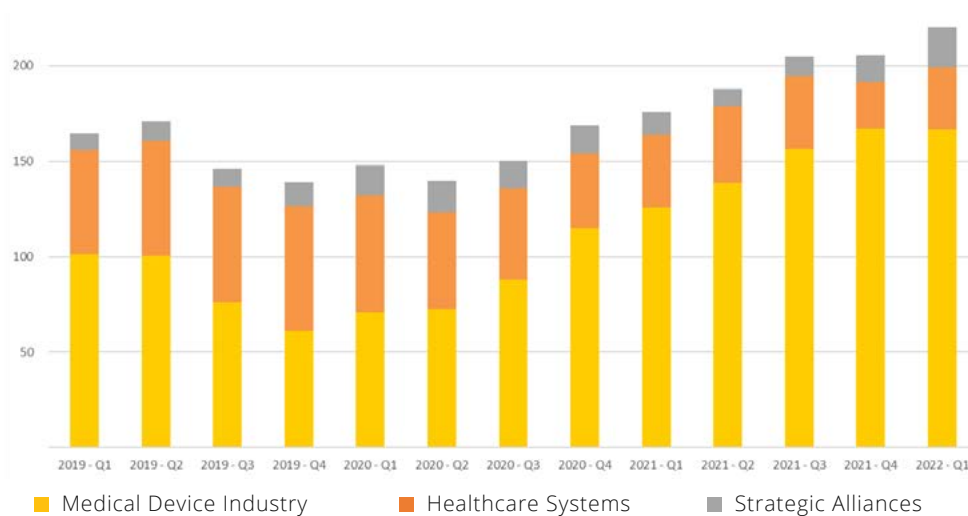
Order intake per business area TSEK	Jan-March 2022	Jan-March 2021	Variance	Full year 2021
Medical Device Industry	32,207	32,791	-1.8%	167,338
Healthcare Systems	12,317	4,431	178.0%	24,358
Strategic Alliances	9,883	2,702	265.8%	13,948
<b>Total</b>	<b>54,407</b>	<b>39,924</b>	<b>36.3%</b>	<b>205,645</b>



Order intake per region TSEK	Jan-March 2022	Jan-March 2021	Variance	Full year 2021
EMEA	16,543	9,050	82.8%	51,599
APAC	23,302	15,469	50.6%	51,112
Americas	14,562	15,405	-5.5%	102,933
<b>Total</b>	<b>54,407</b>	<b>39,924</b>	<b>36.3%</b>	<b>205,645</b>



### ORDER INTAKE PER SEGMENT ROLLING 12 MONTHS (MSEK)



### ORDER BOOK

The order book closed at 91.4 (72.9) MSEK for the first quarter, which represent a growth of 25.4% and where 66 MSEK is related to recurring revenue. The order book represents orders received but not yet delivered.

Out of the total orderbook per March 31, 16.7 MSEK is in systems and 5.7 is in software subscription that will be delivered and recognised as net sales in 2022 and 19.6 in 2023 and onwards. and 41.0 MSEK refers to deliveries of rental and support agreements that is to be delivered and recognised as revenue of the coming three years and 8.4 MSEK is development contracts agreed with customers that will be delivered during 2022.

### NET SALES

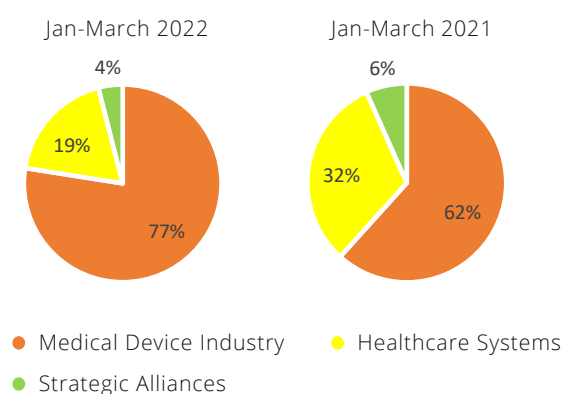
The group's net sales consist of sales from systems and software, service and support and sales from consultancy assignments. Software licenses sold as perpetual are recognized as net sales at delivery, together with hardware, while software licenses sold as a subscription model is recognized as net sales over time.

## FINANCIAL PERFORMANCE, CONT.

### NET SALES PER BUSINESS AREA

Of the net sales for the first quarter, 41.1 (19.9) MSEK came from the business area Medical Device Industry, 9.8 (10.2) MSEK came from business area Healthcare Systems and 2.1 (2.2) MSEK from the business area Strategic Alliances.

Net sales per business area TSEK	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
Medical Device Industry	41,132	19,939	106.3%	139,161
Healthcare Systems	9,848	10,231	-3.7%	31,576
Strategic Alliances	2,105	2,150	-2.1%	14,327
<b>Total</b>	<b>53,085</b>	<b>32,320</b>	<b>64.2%</b>	<b>185,064</b>



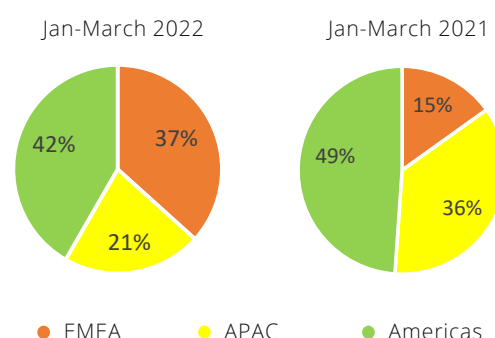
### NET SALES PER REGION

Mentice reports sales figures for three geographic markets: EMEA (Europe, Middle East and Africa), APAC (Asia and the Asian Pacific Region) and Americas (North, Central and South America).

Geographically, net sales from EMEA was 19.5 (4.9) MSEK, corresponding to 37 (15)% of total net sales.

Net sales at the same level for APAC 11.5 (11.6) MSEK, which accounted for 22 (36)% of total net sales. In the Americas, net sales increased to 22.1 (15.8) MSEK, corresponding to 42 (49)% of total net sales.

Net sales per region TSEK	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
EMEA	19,471	4,886	298.5%	41,520
APAC	11,488	11,633	-1.2%	50,561
Americas	22,126	15,801	40.0%	92,983
<b>Total</b>	<b>53,085</b>	<b>32,320</b>	<b>64.2%</b>	<b>185,064</b>





## FINANCIAL PERFORMANCE, CONT.

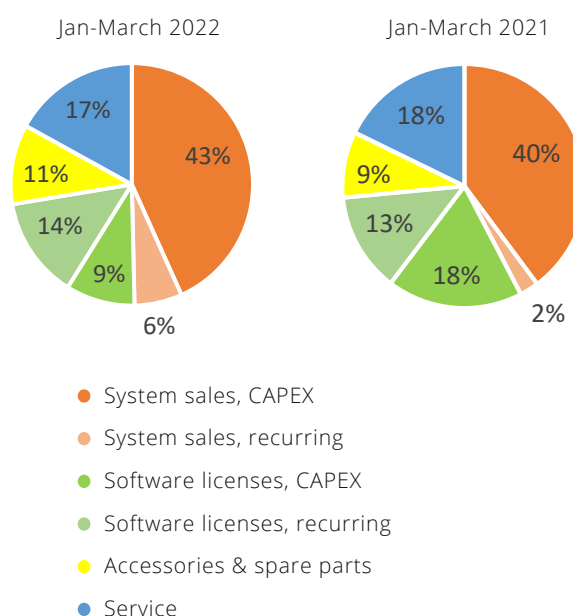
### NET SALES PER BUSINESS SEGMENT

Of the net sales for the fourth quarter, 23,0 (12.9) MSEK came from system sales for investment, where net sales is recognized in full upon delivery of the system. Another 3,4 (0,8) MSEK comes from recurring system sales where net sales is recognized over time. 4.9 (5.8) MSEK of total net sales came from software licenses sales for investment where net sales is recognized upon delivery of system.

Net sales per business segment TSEK	Jan-Mar 2022	Jan-Mar 2021	Change	Full year 2021
System sales, CAPEX	22,972	12,871	78.5%	78,398
System sales, recurring	3,380	815	314.7%	7,056
Software licenses, CAPEX	4,896	5,814	-15.8%	37,739
Software licenses, recurring	7,170	4,249	68.7%	19,267
Accessories & spare parts	5,663	2,828	100.2%	16,834
Service	9,004	5,742	56.8%	25,770
<b>Total</b>	<b>53,085</b>	<b>32,320</b>	<b>64.3%</b>	<b>185,064</b>

Furthermore, recurring software licenses amounted for 7,2 (4,2) MSEK and refers to software licenses sold as subscription model where net sales is recognized over time, normally one year.

Net sales from accessories and spareparts for the first quarter amounted to 5.7 (2.8) MSEK while Service amounted to 9,0 (5,7) MSEK.



### OTHER INCOME

Other income was 1.6 (1.2) MSEK for the quarter. Other income is related to exchange rate variances in operating assets and liabilities in foreign currencies.

### GROSS PROFIT AND GROSS MARGIN

The gross profit for the first quarter was 44.1 (27.1) MSEK. Gross margin was at 80.1% for the first quarter, compared to 80.3% for the same period the previous year. The gross margin is mainly affected by the mix of the products sold and the higher net sales from support & Service contracts.

Gross margin in the quarter is impacted by the level of net sales from software licenses versus systems. Gross margin is also affected by currency effects in net sales and in purchase of components.

### OPERATING RESULT AND OPERATING MARGIN (EBITDA)

Operating income before depreciation, EBITDA, was -1.3 (-8.4) MSEK. This corresponds to an operating margin of -2,5 (-26,0) % for the first quarter.

The EBITDA improvement was mainly driven from higher net sales and gross profit of 17 MSEK reduced by cost increases of 10 MSEK.

### OTHER EXTERNAL COSTS

Other external costs totaled -14.4 (-12.0) MSEK during the first quarter which equals an increase of 20.2% compared to same period last year.

## FINANCIAL PERFORMANCE, CONT.

For the first quarter, the cost for travel, marketing and communication is increasing compared to 2021 first quarter, which was impacted heavily from pandemic putting restrictions on our travel and meetings with customers. Capitalization of development costs was included with 0.8 (1.3) MSEK in the quarter.

### PERSONNEL COSTS

Personnel costs during the first quarter were -31.1 (-23.5) MSEK which equals an increase of 32.2%. The comparison on personnel costs should take into consideration the higher variable commissions based on the increase in net sales amounting to -4.5 (-2.4) MSEK and the increase in number of personnel, in total 14%.

Personnel costs include capitalized costs for development with 1.5 (2.9) MSEK. The number of employees at end of quarter was 112 (98) compared to 104 at end of the year 2021.

### CAPITALIZED EXPENSES FOR DEVELOPMENT COSTS

Capitalized expenses for development costs during the fourth quarter totalled 2.3 (4.2) MSEK, and are mainly attributable to a number of ongoing software projects.

### NET FINANCIAL ITEMS

Net financial items for the first quarter totalled -0.9 (0.5) MSEK and are mainly related to exchange rate variances. The net financial items for the quarter included -0.1 (-0.1) MSEK of interest expense on lease liabilities, in accordance with IFRS 16.

### INCOME BEFORE TAX, NET RESULT FOR THE PERIOD AND EARNINGS PER SHARE

Tax on income for the period was -0.5 (0.0) MSEK, mainly due to deferred tax on amortisation of asset goodwill in the parent company. Net income for the period was -7.4 (-12.4) MSEK. Earnings per share was -0.3 (-0.50) SEK.

### CASH FLOW

Cash flow from operating activities for the period was 7.4 MSEK compared to -21.3 MSEK same period last year.

Cash flow from changes in working capital amounted to 15.1 MSEK compared to -3.9 MSEK same period last year mainly attributable to decrease in accounts receivable and increase in accounts payable.



## FINANCIAL PERFORMANCE, CONT.

### CASH AND FINANCIAL POSITION

Cash at the end of the period was 19,3 (27,8) MSEK. The group's total assets amounted to 264,0 (240,8) MSEK. IFRS 16 affected total assets by 18.0 (9,9) MSEK. Accounts receivable increased during the period to 57.2 (39.5) MSEK, but decreased with 11.1 MSEK compared to the yearend position. Inventories amounted to 9.5 (6.1) MSEK. Current liabilities were 116.7 (79.5) MSEK excluding current leasing liability. The carrying amounts of financial assets and liabilities are considered to correspond essentially to fair value. The company also has an overdraft facility of 20 MSEK.

### INVESTMENTS

Investments during the fourth quarter totalled -2.3 (-6.6) MSEK. Of the investments, -2.3 (-4.2) MSEK refers to the capitalization of development costs. Remaining -0.0 (-2.4) MSEK refers to investments in tangible assets relating to new hardware devices for internal use but also rental.

The group had no significant obligations relating to investments as of December 31, 2021.

### PARENT COMPANY

The parent company is an operating company. Net sales for the parent company amounted to 38.6 (26.8) MSEK. The income for the period corresponds largely to the sales within EMEA and APAC, the development department and the head office in Sweden. The income for the period was -0,3 (-12.6) MSEK, impacted by the profit liquidating group company in Switzerland + 10.1 MSEK.

### SHARE CAPITAL

The total number of shares as of December 31, 2021 was 24,768,850 (24,768,850) and the share capital was SEK 1.238 million. All shares are ordinary shares with equal voting value. The shares have a quotient value of SEK 0.05.

### DISPUTES

The group has no current disputes.

### TRANSACTIONS WITH RELATED PARTIES

No transactions with related parties have been carried out during the period.

### THE PURPOSE OF MENTICE

The purpose of Mentice's solutions is to support the health-care professionals in their mission to ensure all patients have an optimal outcome, improve cost-effectiveness and generally offer opportunities for the healthcare sector to better utilize its resources.

### RISKS

Important risks and uncertainties for the group are primarily related to commercial customers and suppliers related to their supply and security in the implementation of new medical equipment. The financial risks lie in the global operations that the company operates.

This affects changes in exchange rates and interest rates, as well as liquidity, financing and credit. Currency risk also arises when translating foreign net assets and earnings into Swedish kronor. Mentice overall goal is to avoid as far as possible financial risk taking, which can arise through changes in exchange rates, interest rates and market prices, as well as liquidity, financing and credit risks.

Exchange rate risk is divided into translation exposure and transaction exposure. Translation exposure refers to the exposure of net assets for foreign subsidiaries. Transaction exposure refers to the risks associated to purchases and net sales in foreign currency.

The group's external sales are made in the currencies EUR, GBP and USD.

In the parent company, 52% (70%) of the external sales are in EUR, and the majority of the operating costs are in SEK. Net sales and cost in the US subsidiary is exclusively conducted in USD.

For more information about the company's risks, see the board of directors report in the annual report for 2021.

## THE SHARE AND OWNERSHIP

Mentice AB (publ.) shares are traded on Nasdaq First North Growth Market since June 18, 2019 under MNTC. According to Euroclear's official register of shareholders, Mentice had a total of 1,754 shareholders by March 31, 2022. FNCA is the company's certified advisor.

Largest shareholders (source Euroclear 2021-12-31) Name	Number of shares	Shareholding in %
Karin Howell -Bidermann	8,690,980	35.1%
Bure Equity AB (publ)	3,644,059	14.7%
Handelsbanken Microcap Sverige	1,827,618	7.4%
Fjärde AP fonden	1,414,804	5.7%
Medical Simulation Corporation	1,191,074	4.8%
Berenberg Funds	932,391	3.8%
TIN Fonder	712,847	2.9%
Göran Malmberg	711,670	2.9%
Andra AP Fonden	432,620	1.7%
Avanza Pension	397,463	1.6%
<b>10 Largest shareholders total</b>	<b>19,955,526</b>	<b>80.6%</b>
Others	4,813,324	19.4%
<b>Total number of shares</b>	<b>24,768,850</b>	

The information regarding shareholders has earlier only been taken from Euroclear and due to this some owners has been clustered into custodians without the correct breakout.

## AUDITOR REVIEW

This report has not been reviewed by the company's auditors.

## FINANCIAL REPORTS

Interim reports and other financial reports are available on the company's website, [www.mentice.com](http://www.mentice.com).

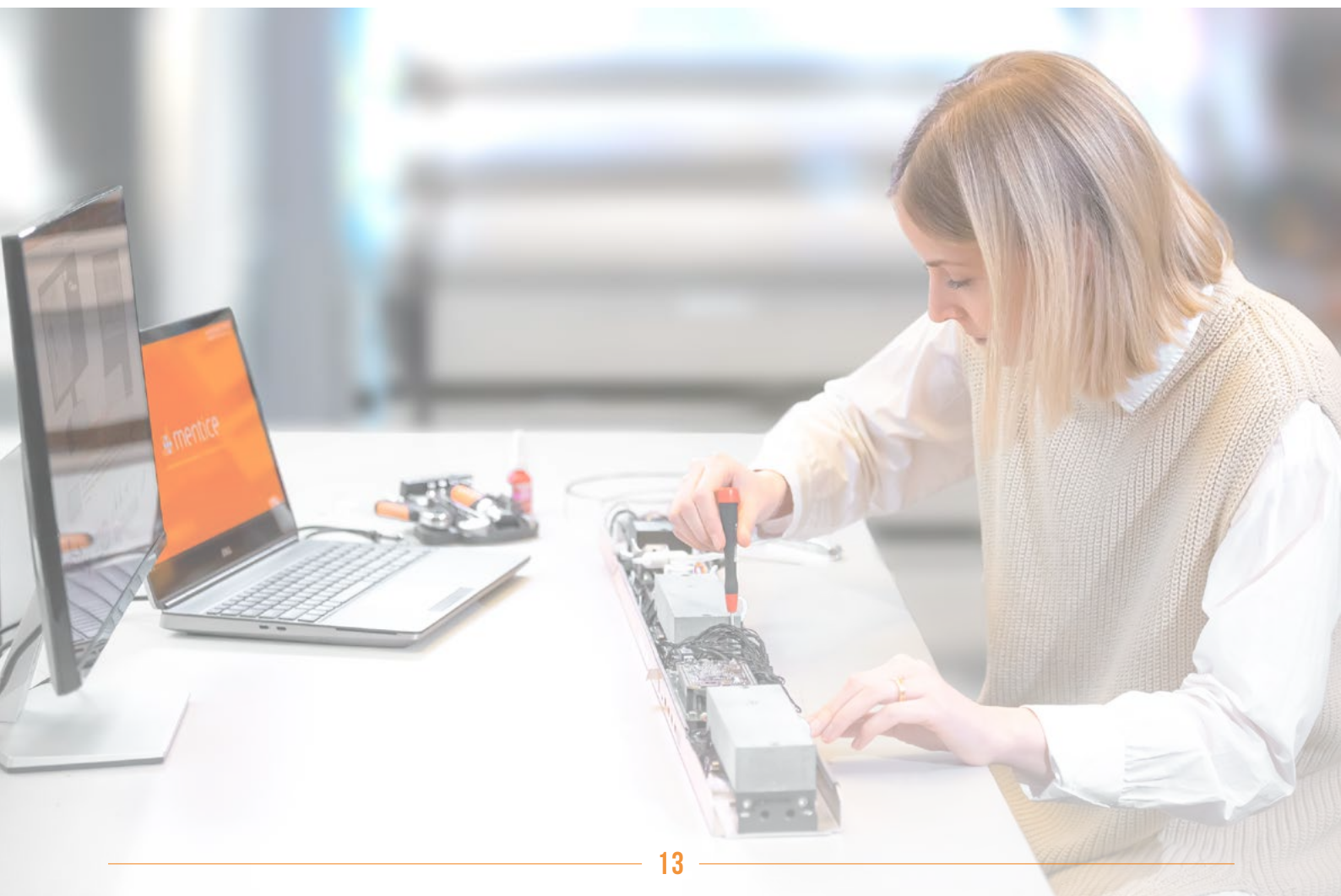
## AFFIRMATION

Mentice AB (publ)'s Board of Directors and CEO hereby assure that this interim report gives a true and fair view of the Group's business, financial position and performance and describes the essential risks and uncertainty factors that the company and the companies which are part of the Group are subjected to. In the event of any discrepancies between the English and Swedish versions of the report, the Swedish version shall prevail.

Gothenburg, April 26, 2022

Mentice AB (publ)

<b>Lawrence D. Howell</b>	Chairman of the Board
<b>David J Ballard</b>	Board member
<b>Denis Gestin</b>	Board member
<b>Gösta Johannesson</b>	Board member
<b>Johann Koss</b>	Board member
<b>Eola Änggård Runsten</b>	Board member
<b>Göran Malmberg</b>	CEO





## CONSOLIDATED INCOME STATEMENT

TSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Net Sales	53,085	32,320	185,064
Other Income	1,611	1,157	5,155
	<b>54,696</b>	<b>33,477</b>	<b>190,219</b>
Raw materials and consumables used	-10,559	-6,382	-35,148
Other External Costs	-14,372	-11,961	-47,191
Personnel Costs	-31,105	-23,524	-105,426
Depreciation of Tangible Assets	-2,111	-2,146	-10,508
Amortization and writedown of Intangible Assets	-2,630	-2,308	-11,668
	<b>-60,777</b>	<b>-46,321</b>	<b>-209,941</b>
<b>Operating Income (EBIT)</b>	<b>-6,082</b>	<b>-12,844</b>	<b>-19,722</b>
Financial Income	2	587	4
Financial Expenses	-855	-107	-1,553
<b>Net Financial Items</b>	<b>-854</b>	<b>480</b>	<b>-1,549</b>
<b>Earnings before tax (EBT)</b>	<b>-6,935</b>	<b>-12,364</b>	<b>-21,271</b>
Tax	-489	-35	-7,920
<b>Net result for the Year</b>	<b>-7,425</b>	<b>-12,399</b>	<b>-29,191</b>
Net result for the Year attributable to:			
Shareholders Parent Company	-7,425	-12,399	-29,191
<b>Earnings per share</b>			
Basic (SEK)	-0.30	-0.50	-1.18
Diluted (SEK)	-0.30	-0.50	-1.18

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
<b>Net result for the year</b>	<b>-7,425</b>	<b>-12,399</b>	<b>-29,191</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
-	-	-	-
<b>Items that may be reclassified to profit or loss</b>			
Translation differences on translation of foreign operations	-560	535	2,827
<b>Other comprehensive income for the year, net of tax</b>	<b>-560</b>	<b>535</b>	<b>2,827</b>
<b>Total comprehensive income for the year</b>	<b>-7,985</b>	<b>-11,864</b>	<b>-26,364</b>

# CONSOLIDATED BALANCE SHEET

TSEK	31 March 2022	31 March 2021	Full year 2021
<b>Assets</b>			
Goodwill	42,291	42,291	42,291
Patents	17,397	20,162	17,945
Internally developed Intangible Assets	46,015	40,891	45,766
Tangible assets	13,536	9,988	14,091
Rights-of-use Assets	17,954	9,881	14,062
Deferred Tax Assets	14,068	21,142	13,966
<b>Total Non-current Assets</b>	<b>151,260</b>	<b>144,354</b>	<b>148,121</b>
Inventories	9,538	6,056	9,195
Accounts Receivables	57,230	39,508	68,324
Prepaid Costs and Accrued Income	22,937	19,042	17,895
Other Receivables	3,756	4,091	5,672
Cash and Cash Equivalents	19,295	27,755	12,697
<b>Total Current Assets</b>	<b>112,757</b>	<b>96,452</b>	<b>113,783</b>
<b>Total Assets</b>	<b>264,017</b>	<b>240,806</b>	<b>261,904</b>
<b>Equity and Liabilities</b>			
Share Capital	1,238	1,236	1,238
Other Paid in Capital	144,760	144,760	144,760
Retained Earnings	-17,096	5,391	-9,111
<b>Total Equity Attributable to Parent Company Shareholders</b>	<b>128,902</b>	<b>151,387</b>	<b>136,887</b>
<b>Long term Liabilities</b>			
Leasing liabilities long-term	11,729	5,082	10,086
<b>Total Long-term Liabilities</b>	<b>11,729</b>	<b>5,082</b>	<b>10,086</b>
Accounts Payable	10,967	9,300	8,997
Tax liabilities	119	74	319
Other Liabilities	3,982	2,698	3,602
Current leasing Liability	6,558	4,835	4,618
Accrued Expenses and Deferred Income	101,759	67,430	97,395
<b>Total Current Liabilities</b>	<b>123,386</b>	<b>84,337</b>	<b>114,931</b>
<b>Total Equity and Liabilities</b>	<b>264,017</b>	<b>240,806</b>	<b>261,904</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TSEK	Share Capital	Other Paid in Capital	Translation reserve	Retained Earnings	Total equity
<b>At 1 January 2021</b>	<b>1,236</b>	<b>144,760</b>	<b>-1,919</b>	<b>19,174</b>	<b>163,251</b>
Transactions with owners in their capacity as owners					
Profit for the year				-12,399	-12,399
Other comprehensive income for the year			535		535
<b>Total comprehensive income for the year</b>			<b>535</b>	<b>-12,399</b>	<b>-11,864</b>
<b>Closing balance at 31 March 2021</b>	<b>1,236</b>	<b>144,760</b>	<b>-1,384</b>	<b>6,775</b>	<b>151,387</b>
<b>At 1 January 2022</b>	<b>1,238</b>	<b>144,760</b>	<b>908</b>	<b>-10,019</b>	<b>136,887</b>
Transactions with owners in their capacity as owners					
Profit for the year				-7,425	-7,425
Other comprehensive income for the year			-560		-560
<b>Total comprehensive income for the year</b>			<b>-560</b>	<b>-7,425</b>	<b>-7,985</b>
<b>Closing balance at 31 March 2022</b>	<b>1,238</b>	<b>144,760</b>	<b>348</b>	<b>-17,444</b>	<b>128,902</b>



# CONSOLIDATED STATEMENT OF CASH FLOWS

TSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
<b>Operating activities</b>			
Earnings before tax	-6,935	-12,364	-21,271
Adjustment for Non-cash items	3,272	3,262	22,367
Income tax paid	-231	-94	-434
Change in trade receivables and other current assets	9,522	-10,574	-39,425
Change in inventories	-250	-213	-3,138
Change in trade payables and other current liabilities	5,862	6,886	36,771
<b>Cash flow from operating activities</b>	<b>11,240</b>	<b>-13,097</b>	<b>-5,130</b>
<b>Investing activities</b>			
Acquisitions of tangible assets	-35	-2,414	-9,049
Capitalisation of internally developed intangible assets	-2,296	-4,218	-16,853
<b>Cash flow from investing activities</b>	<b>-2,331</b>	<b>-6,632</b>	<b>-25,902</b>
<b>Financing activities</b>			
Amortization of lease liability	-1,548	-1,593	-5,783
<b>Cash flow from financing activities</b>	<b>-1,548</b>	<b>-1,593</b>	<b>-5,783</b>
<b>Cash flow for the year</b>	<b>7,361</b>	<b>-21,322</b>	<b>-36,815</b>
Opening cash balance	12,697	48,753	48,753
Translation difference on cash and cash-equivalents	-763	324	759
<b>Cash and bank balances at year-end</b>	<b>19,295</b>	<b>27,755</b>	<b>12,697</b>

## PARENT COMPANY INCOME STATEMENT

TSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Net Sales	34,519	21,798	132,723
Capitalised Expense for Development	2,296	4,218	16,456
Other Income	1,785	826	5,159
	<b>38,600</b>	<b>26,842</b>	<b>154,338</b>
Raw materials and consumables used	-11,136	-4,941	-23,618
Other External Costs	-11,171	-15,033	-67,068
Personnel Costs	-20,827	-17,482	-75,776
Depreciation of Tangible Assets	-239	-182	-881
Amortization and writedown of Intangible Assets	-4,897	-2,409	-20,840
	<b>-48,270</b>	<b>-40,047</b>	<b>-188,183</b>
<b>Operating Income (EBIT)</b>	<b>-9,670</b>	<b>-13,205</b>	<b>-33,845</b>
Financial Income	10,341	654	9,600
Financial Expenses	-999	-2	-1,836
<b>Net Financial Items</b>	<b>9,342</b>	<b>652</b>	<b>7,764</b>
<b>Result after Financial items</b>	<b>-328</b>	<b>-12,554</b>	<b>-26,081</b>
<b>Earnings before tax (EBT)</b>	<b>-328</b>	<b>-12,554</b>	<b>-26,081</b>
Tax	0	0	-5,194
<b>Net result for the Year</b>	<b>-328</b>	<b>-12,554</b>	<b>-31,275</b>

# PARENT COMPANY BALANCE SHEET

TSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
<b>Assets</b>			
<b>Intangible and Tangible Assets</b>			
Goodwill	31,939	42,714	34,093
Patents	18,355	20,999	19,016
Internally developed Intangible Assets	46,015	41,404	45,766
Tangible assets	3,303	2,491	3,158
<b>Financial Assets</b>			
Shares in Group Companies	19,591	41,656	41,656
Receivables from Group Companies	9,173	7,489	13,476
Deferred Tax Assets	7,966	13,123	7,966
<b>Total Non-current Assets</b>	<b>136,341</b>	<b>169,876</b>	<b>165,132</b>
Inventories	6,555	5,261	6,541
Accounts Receivables	40,466	21,078	35,400
Current Receivables from Group Companies	1,446	-	-
Prepaid Costs and Accrued Income	8,763	9,364	6,887
Other Receivables	3,387	3,601	15,075
Cash and Cash Equivalents	7,734	18,941	4,968
<b>Total Current Assets</b>	<b>68,351</b>	<b>58,245</b>	<b>68,871</b>
<b>Total Assets</b>	<b>204,692</b>	<b>228,121</b>	<b>234,003</b>
<b>Equity and Liabilities</b>			
<b>Restricted Equity</b>			
Share Capital	1,238	1,236	1,238
Fund for development costs	53,258	47,852	52,914
<b>Non-restricted Equity</b>			
Other Paid in Capital	144,750	144,750	144,750
Retained Earnings	-66,935	-30,332	-35,316
Net result for the Year	-328	-12,554	-31,275
<b>Total Equity</b>	<b>131,984</b>	<b>150,952</b>	<b>132,311</b>
<b>Long term Liabilities</b>			
Liabilities to Group Companies	1,832	28,877	31,449
<b>Total Long-term Liabilities</b>	<b>1,832</b>	<b>28,877</b>	<b>31,449</b>
Accounts Payable	9,503	7,546	7,978
Tax liabilities	-	-	-
Current liabilities to Group Companies	1,242	-	-
Other Liabilities	1,942	1,425	3,805
Accrued Expenses and Deferred Income	58,153	39,321	58,460
<b>Total Current Liabilities</b>	<b>70,876</b>	<b>48,292</b>	<b>70,243</b>
<b>Total Equity and Liabilities</b>	<b>204,692</b>	<b>228,121</b>	<b>234,003</b>

# PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

TSEK	Restricted Equity		Non-restricted Equity			
	Share Capital	Fund for Development costs	Share premium Reserve	Retained Earnings	Net Result for the Year	Total equity
<b>At 1 January 2021</b>	<b>1,236</b>	<b>45,750</b>	<b>144,760</b>	<b>-11,058</b>	<b>-17,096</b>	<b>163,592</b>
Proposed appropriation of profits				-17,096	17,096	0
Transactions with owners in their capacity s owners						
Issue of shares			-10	10		0
Issue of shares no registered						0
Profit for the year		2,102		-2,178	-12,554	-12,630
Other comprehensive income for the year						0
<b>Total comprehensive income for the year</b>				<b>0</b>	<b>-12,554</b>	<b>-12,554</b>
<b>Closing balance at 31 March 2021</b>	<b>1,236</b>	<b>47,852</b>	<b>144,750</b>	<b>-30,332</b>	<b>-12,554</b>	<b>150,952</b>
<b>At 1 January 2022</b>	<b>1,238</b>	<b>52,914</b>	<b>144,750</b>	<b>-35,316</b>	<b>-31,275</b>	<b>132,311</b>
Proposed appropriation of profits				-31,275	31,275	0
Transactions with owners in their capacity s owners						
Profit for the year		344	0	-344	-328	-328
Other comprehensive income for the year				0		0
<b>Total comprehensive income for the year</b>				<b>0</b>	<b>-328</b>	<b>-328</b>
<b>Closing balance at 31 March 2022</b>	<b>1,238</b>	<b>53,258</b>	<b>144,750</b>	<b>-66,935</b>	<b>-328</b>	<b>131,983</b>

# NOTES

## ACCOUNTING POLICIES

Mentice applies International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

The parent company's interim report has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities, issued by the Swedish Financial Reporting Board.

The accounting policies applied correspond to those of the previous financial year, as described in the annual report for 2021.

## BUSINESS SEGMENTS

Mentice started to report business segments in accordance with IFRS 8 for the first time in the annual report for 2021. Mentice's business is divided into three

business segments, which reflect the group's operations, financial management and management structure. These three business segments are System, Software licences and Service and we also added accessories and spare parts separately, but, from a steering perspective, this is included in System.

We also report the net sales divided into for capex and recurring revenue and gross profit for these segments.

This is a change since earlier years and quarters where we were referring to our business areas as segments - see more information on page 24.

- System sales - sales and rental revenues including accessories and spareparts from hardware
- Software licences - sales of licences both perpetual and subscription model
- Service - sales of support, development and other service contracts

### Business segments

	System sales				Software licenses		Service			
TSEK	System sales		Accessories & spareparts		Software licenses		Service		Total Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Sales for capital expenditure	22,972	12,871	5,663	2,828	4,896	5,814	9,004	5,742	42,535	27,255
Recurring revenue	3,380	815	0	0	7,170	4,249	0	0	10,550	5,064
<b>Total</b>	<b>26,352</b>	<b>13,686</b>	<b>5,663</b>	<b>2,828</b>	<b>12,066</b>	<b>10,064</b>	<b>9,004</b>	<b>5,742</b>	<b>53,085</b>	<b>32,320</b>
Raw materials and consumables used	-8,019	-4,259	-2,383	-1,956	0	0	-157	-167	-10,559	-6,382
Gross profit	18,333	9,427	3,280	872	12,066	10,064	8,847	5,575	42,526	25,938
Gross profit %	69.6%	68.9%	57.9%	30.8%	100.0%	100.0%	98.3%	97.1%	80.1%	80.3%

Based on what has been mentioned above, note 3 from the annual report of 2021 will be adjusted according to the table above. See page 24.

## NOTES, CONT.

### BASES OF VALUATION APPLIED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Assets and liabilities are recognised at historical cost with the exception of currency derivatives, which are measured at fair value. As per December 31, 2021, the total actual value of forward contracts was SEK 0.0 (-0.2).

### ASSESSMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

Preparation of the financial statements in compliance with IFRS requires the company's management to make assessments, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses.

Actual outcomes may deviate from these estimates and assessments. Assumptions are reviewed on a regular basis. Changes to estimates are recognised in the period when the change is made if the change affects only that period, or in the period when the change is made and future periods if the change affects both the current period and future periods.

### ADJUSTMENTS, ROUNDING

Some of the financial information provided in this report has been rounded, which may affect the totals in the tables.

### FINANCIAL INSTRUMENTS, CURRENCY EXPOSURE AND RISK MANAGEMENT

Mentice uses forward exchange contracts to manage currency risk. Forward exchange contracts are used to hedge risk in connection with accounts receivable and are placed at the time of ordering. Other future cash flows are not hedged. Mentice operations expose it to credit risk when selling to customers. Only advance payments or letters of credit are accepted for sales to new customers or to customers which are deemed to represent a high-risk exposure.

### ABOUT THE PARENT COMPANY

Mentice AB (publ.), company registration number 556556-4241, is a Swedish public company with its registered office in Gothenburg, Sweden.

### ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures (APM) are financial measurements that cannot be directly discerned or derived from financial statements. These financial measurements are intended to help the company management and investors to analyse the group's performance. Investors should view these alternative key performance indicators as a complement to the financial statements prepared in accordance with IFRS.

## NOTES, CONT.

### DEFINITION OF KEY PERFORMANCE INDICATORS REPORTED

**Order intake** – The value of orders received during the period.

**Net sales** – sales of products and services are normally recognized in connection with delivery to customer, depending on the terms of delivery. Services, software and projects that run over several periods are recognized as net sales over time.

**Order book** – Amount of not yet delivered products and services.

**Order intake rolling 12 months** – Mentice has had recurring growth phases and it is important to view performance over time and not solely for an individual quarter as Mentice historically has had a strong fourth quarter.

**Net sales rolling 12 months** – Mentice has had recurring growth phases and it is important to view performance over time and not solely for an individual quarter as Mentice historically has had a strong fourth quarter.

**Gross profit** – Net sales with deduction for cost of goods sold. The indicator shows profitability before fixed costs.

**Gross profit margin** – Gross profit as a part of net sales. The measure is used to measure operational profitability before fixed costs.

**EBITDA** – Mentice uses the key performance indicator EBITDA to demonstrate the earning power of the business from operating activities without taking into account the capital structure and tax situation and this is intended to make comparison easier with other companies in the same industry.

**EBITDA margin** – EBITDA as part of net sales. The measure is used to measure operating profitability, independent of financing, impairment and depreciation.

**EBITDA rolling 12 months** – Mentice has repeatedly had individual strong quarters, and it is therefore important to continuously see developments over time and not just focus on individual quarters.



## FINANCIAL TARGETS, SHORT TO MEDIUM TERM

### REVENUE GROWTH

30 – 40% average annual revenue growth during short to medium term (next 3–5 years).

### PROFITABILITY

30 % EBITDA margin within short to medium term (3–5 years).

### DIVIDEND POLICY

Mentice is a company on a rapidly growing market. In order to capitalise on its market opportunities, the company will prioritise growth, both organic and through acquisitions.

## CHANGE IN REPORTING OF NET SALES

A review has been carried out of how our net sales has been distributed between our business areas, geographic markets and business segments. The table named Old reporting show the previous way we reported these sales while the tabel named New reporting show the figures after adjustments. Our business segments, we started to report in accordance with IFRS 8 in our annual report 2021, and we have broken out Accessories and spare parts, which earlier was reported as Service. The software development is now a part of Service while it was earlier reported as software licenses. Support as a subscription service is being moved from service to software licenses, recurring. Furthermore, a review has been made of how our metadata connects to the accounting data which is the foundation for the geographic and the business area reporting.

### OLD REPORTING

TSEK	2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EMEA	16,427	8,842	6,707	10,277	4,207	12,992	9,717	14,885
APAC	9,067	5,245	11,833	11,164	12,049	12,736	10,010	15,765
Americas	8,289	10,260	14,892	24,500	16,060	20,661	18,944	37,038
MDI	20,456	15,848	23,998	27,226	22,123	33,567	31,642	51,828
HCS	7,050	4,698	7,031	16,138	8,847	8,124	5,144	9,461
SA	6,277	3,801	2,403	2,577	1,346	4,698	1,885	6,399
System sales, CAPEX	13,515	9,763	15,834	24,065	15,580	22,427	7,426	33,137
System sales, recurring	470	0	282	1,588	815	1,701	1,789	2,751
Software licenses, CAPEX	8,854	3,553	8,115	7,962	6,274	11,754	8,743	12,985
Software licenses, recurring	4,571	5,025	4,145	5,835	4,249	5,062	3,825	6,130
Accessories and spare parts	541	231	316	1,631	2,828	3,740	4,394	5,873
Service	5,832	5,774	4,741	4,859	2,569	1,705	12,495	6,812

### NEW REPORTING

TSEK	2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EMEA	16,176	8,825	7,474	9,370	4,882	12,353	8,668	15,397
APAC	9,154	5,612	8,359	14,184	11,633	13,152	10,011	15,765
Americas	8,454	9,910	17,599	22,387	15,801	20,884	19,992	36,526
MDI	21,683	14,613	25,274	27,586	19,939	35,752	31,641	51,829
HCS	5,531	6,453	6,797	16,138	10,231	6,739	5,145	9,461
SA	6,570	3,281	1,362	2,217	2,150	3,894	1,885	6,398
System sales, CAPEX	13,513	9,768	15,929	23,083	12,871	17,275	16,226	32,027
System sales, recurring	470	0	282	1,588	815	1,701	1,789	2,751
Software licenses, CAPEX	8,853	3,553	8,187	7,654	5,814	12,813	7,197	11,915
Software licenses, recurring	4,571	5,025	4,145	5,835	4,249	5,062	3,825	6,130
Accessories and spare parts	541	231	316	1,631	2,828	3,740	4,394	5,873
Service	5,834	5,770	4,573	6,149	5,742	5,796	5,240	8,993



## CHANGE IN REPORTING OF BUSINESS AREAS

In the annual report of 2021 we defined and started reporting on business segments in accordance with IFRS 8.

Our business segments we started to report in accordance with IFRS 8 in our annual report 2021, and we have broken out Accessories and spare parts which earlier was reported as Service. The software development is now a part of Service while it was earlier reported as software licenses. Support as a subscription service is being moved from service to software licenses, recurring.

## FIRST QUARTER 2022

### Business segments

	System sales				Software licenses		Service			
TSEK	System sales		Accessories & spare parts		Software licenses		Service		Total Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Sales for capital expenditure	22,972	12,871	5,663	2,828	4,896	5,814	9,004	5,742	<b>42,535</b>	<b>27,255</b>
Recurring revenue	3,380	815	0	0	7,170	4,249	0	0	<b>10,550</b>	<b>5,064</b>
<b>Total</b>	<b>26,352</b>	<b>13,686</b>	<b>5,663</b>	<b>2,828</b>	<b>12,066</b>	<b>10,064</b>	<b>9,004</b>	<b>5,742</b>	<b>53,085</b>	<b>32,320</b>
Raw materials and consumables used	-8,019	-4,259	-2,383	-1,956	0	0	-157	-167	<b>-10,559</b>	<b>-6,382</b>
Gross profit	18,333	9,427	3,280	872	12,066	10,064	8,847	5,575	<b>42,526</b>	<b>25,938</b>
Gross profit %	69.6%	68.9%	57.9%	30.8%	100.0%	100.0%	98.3%	97.1%	<b>80.1%</b>	<b>80.3%</b>

## FULL YEAR 2021

### Business segments

	System sales				Software licenses		Service			
TSEK	System sales		Accessories & spare parts		Software licenses		Service		Total Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Sales for capital expenditure	78,398	62,300	16,834	2,719	37,739	28,246	25,770	22,327	<b>158,741</b>	<b>115.592</b>
Recurring revenue	7,056	2,341	-	-	19,267	19,570	-	-	<b>26,323</b>	<b>21.911</b>
<b>Total</b>	<b>85,454</b>	<b>64,641</b>	<b>16,834</b>	<b>2,719</b>	<b>57,006</b>	<b>47,816</b>	<b>25,770</b>	<b>22,327</b>	<b>185,064</b>	<b>137.503</b>
Raw materials and consumables used	-23,648	-22,227	-7,920	-1,550	0	-378	-1,374	-697	<b>-32,942</b>	<b>-24.852</b>
Gross profit	61,806	42,414	8,915	1,169	57,006	47,438	24,396	21,630	<b>152,122</b>	<b>112.651</b>
Gross profit %	72.3%	65.6%	53.0%	43.0%	100.0%	99.2%	94.7%	96.9%	<b>82.2%</b>	<b>81.9%</b>

## ABOUT MENTICE

### BUSINESS OPERATIONS

Mentice is a company that offers high-technology solutions for simulation to the medical sector with focus on the fast-growing market for endovascular procedures. Mentice's simulators are used to educate, train, and improve the practitioners' skills in different types of interventions and when introducing new clinical instruments. The company offers "flight simulations" for physicians and clinical teams to provide practitioners with experiences as realistic as possible. Headquartered in Gothenburg, Sweden, Mentice has a strong global presence with companies established in the US, Japan, China, and Switzerland.

### BUSINESS IDEA

Mentice business idea is to assist in the aim to reduce deaths, injuries and costs resulting from medical errors and inefficiencies and ultimately to reduce risk of harm to patients. By developing and providing innovative and realistic training tools, the company will help to improve the clinical skills of doctors and reduce the risk of needless errors. Medical errors are a major problem for society that come at a large cost and are the third most common cause of death in the USA, behind heart disease and cancer. Close integration with health service and the rest of the medical device industry is vital in order to promote innovative solutions that enhance the simulation experience. Sustainability, social and environmental

issues are a core element of Mentice code of conduct and its operations. Mentice has a strong focus on the continuing innovation of the products it offers and on taking simulation to new heights in order to offer the best possible solutions for customers at hospitals, clinics, universities and in research groups as well as in the medical device industry. The company has clear ambitions and principles to take economic, social and environmental responsibility.

### PURPOSE

Mentice's purpose is to reduce deaths, injuries and costs resulting from medical errors and inefficiencies by developing innovative and inspirational tools for the improvement of clinical skills.

### VISION

Mentice's vision is to lead endovascular care to the highest standards of patient safety and performance.

### MISSION

We believe medical technology helps to improve patient outcomes and clinical performance. Our mission is to improve operational efficiency and patient outcomes by introducing innovative solutions that eliminate proficiency barriers.

## OUR RESULTS ARE GLOBAL

### PROUD TO BE TRUSTED BY ORGANIZATIONS WORLDWIDE

20+

Years of experience pioneering interventional simulation.

140+

Over 140 scientific papers reinforcing the value of simulation skills acquisition, retention and assessment.

50+

Medical simulation patents across more than 30 different training procedures.

>50%

Of global market share in endovascular simulation solutions.

## FINANCIAL CALENDAR

INTERIM REPORT APR-JUN 2022

INTERIM REPORT JUL-SEP 2022

JULY 21, 2022

OCTOBER 26TH, 2022

Mentice's interim reports and annual reports are available on [www.mentice.com](http://www.mentice.com).



