



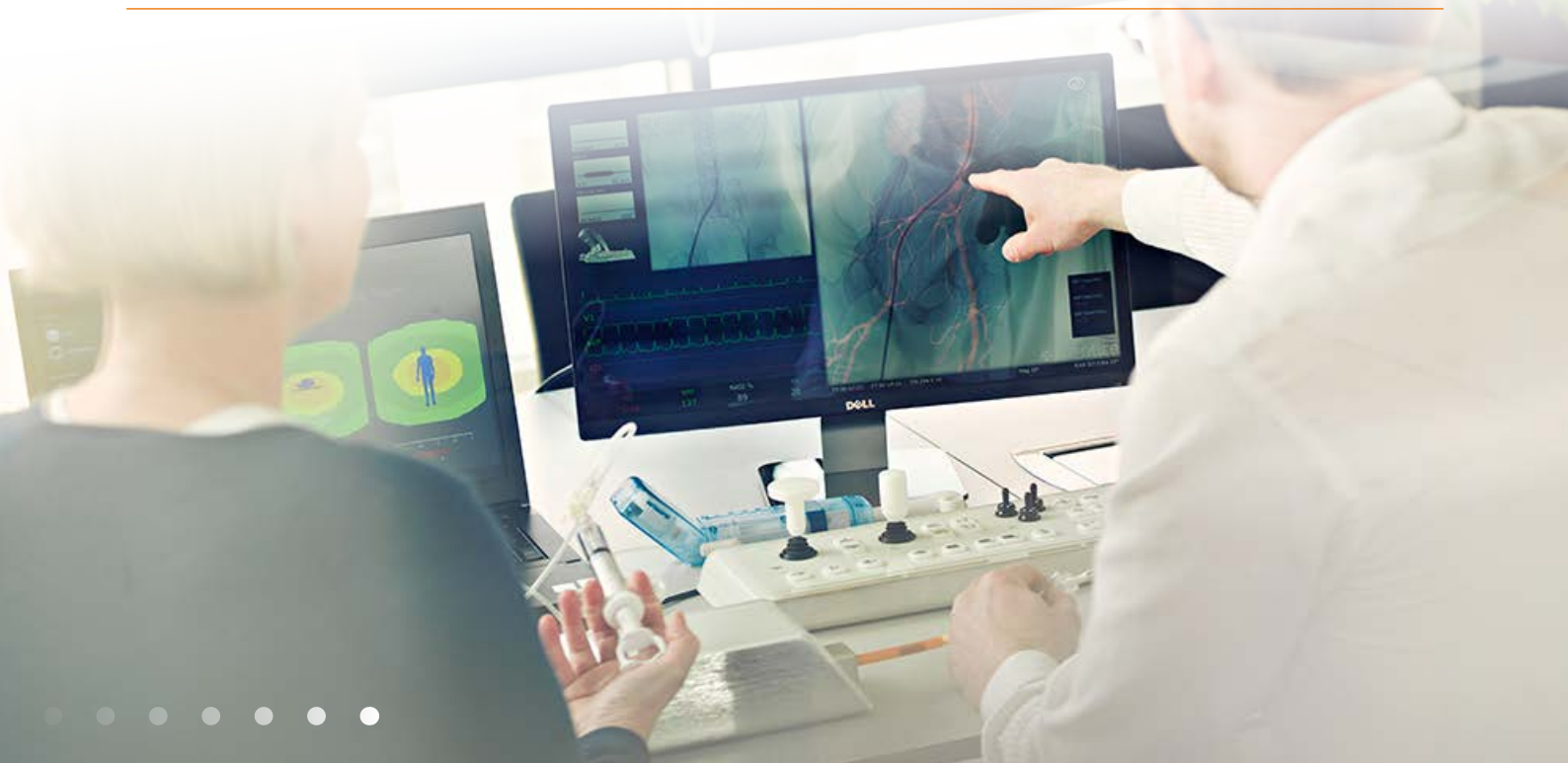
INTERIM REPORT
JAN—MAR 2020



ENCOURAGING SIGNS FOR THE MEDIUM TO LONG-TERM OUTLOOK, WHILE THE UNCERTAINTY IN 2020 REMAINS

FIRST QUARTER (JANUARY–MARCH 2020)

- Net sales amounted to 33.8 (27.5) MSEK.
- Operating result for the period before depreciations (EBITDA) totalled -0.5 (-7.9) MSEK.
- Net result for the period amounted to -5.0 (-8.5) MSEK.
- Earnings per share (EPS) was -0.21 (-0.76) SEK.
- Order intake amounted to 32.5 (25.1) MSEK.
- Cash flow from operating activities totalled 1.5 (-3.7) MSEK.



SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- On January 13, Mentice announced that the company has developed the first of-its-kind flexible training solutions, Coronary Essentials. It was presented at the 20th International Meeting on Simulation in Healthcare (IMSH 2020) in San Diego, USA from January 19 to January 22. Coronary Essentials consists of a multitude of flexible training modules allowing real-time introduction of complications and manipulation of scenarios using an iPad.
- On March 12, Mentice announced the launch of Coronary Intermediate as the latest software addition to the company's coronary product portfolio. Coronary Intermediate offers proctors and attending physicians the unique ability to remotely, and in real time, introduce complications using a tablet via the Mentice Proctor iOS app.
- During the period, a coronavirus (Covid-19) outbreak was reported. This is expected to impact negatively on Mentice's sales and result, especially in the Teaching Entities segment where the company has already noticed delays in order intake. It is obvious that the Covid-19 situation will impact Mentice in the short term, and most likely also have an impact on the company's overall performance for the year. However, considering how rapidly things are changing it is currently impossible to forecast the actual impact. As investments in solutions from Mentice are long-term commitments, which are

expected to deliver substantial value and benefits to the customer over time, the company is convinced that this is a temporary effect that will vanish when the global situation normalizes. During the Covid-19 pandemic, we are also seeing a lot of argumentation and the requirement for the healthcare to become more effective and structured, and the importance of focus on moving the level of skills and education for everyone to the next level.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- In the beginning of the second quarter, Mentice noticed a continued solid order intake despite the Covid-19 situation, partly due the company's diversification between several segments and geographies. At the same time, the short-term uncertainty is expected to stay at a high level until the pandemic is no longer setting the agenda for healthcare systems around the world.
- Early in the second quarter, Mentice was proud to announce an order for 3 Mentice VIST Virtual Patients from Siemens Healthineers and Charité Universitätsmedizin (Berlin, Germany), one of the largest Universities in Europe. Focus is on the ARTIS Icono Angiosuite and Mentice integration to support quality initiatives surrounding improved patient outcomes.

COMMENTS BY THE CEO

23 % increase of net sales and 30 % increase for orders received in Q1 2020 compared to the same period last year.

In the first quarter, we managed to regain some of the projects that did not materialise in 2019. This contributed to Q1 2020 order intake figures coming in substantially above the same period last year in both our medical device industry segment (+84 %) and in strategic alliances (+160 %), while our healthcare systems segment was negatively impacted by the Covid-19 situation. Overall, we are pleased to report a net sales increase of 23 % and a 30 % increase in orders received compared to the first quarter of 2019. We are also pleased to see that our cost-reducing measures combined with stronger sales has moved us to a just slightly negative operating profit of -0.5 MSEK compared to -7.9 MSEK for the same period last year.

As indicated in our previous report, the Covid-19 pandemic resulted in a direct negative impact early in the year in our healthcare systems order intake for the APAC region, while we noticed a corresponding negative effect in the later part of the quarter for our healthcare systems segment in the Europe and the North America regions.

Strong corrective actions as a response to the Covid-19 pandemic

In Q1 and the first part of Q2, multiple changes were implemented both internally in our organisation and in our approach to address the market. Our target is to reduce our operating cost and thus reduce the potential impact of the pandemic, which will make us more agile during this difficult time. We are specifically aiming to avoid reductions in our workforce, and our intention is to avoid this as long as possible. We need our employees as we do not have fewer tasks to handle, our issue is the uncertainty on the income side in the near term due to the pandemic. The implemented measures to reduce our operating costs have already contributed to our overall performance in Q1, and we expect further positive effects in Q2 and Q3.

Increased demand for remote services using simulation

As an effect of the radically reduced amount of elective procedures being performed, the normal on-the-job training abilities have diminished to a minimum. We see an opportunity to meet this demand with a more structured use of simulation. This is true for trainees that usually get the bulk of their training observing more experienced physicians performing procedures in the cath-lab. As they currently cannot get sufficient training using this method, this vital experience needs to be acquired from other sources.

The inability to perform physical meetings, both internally in our organisation and among our clients, has created a substantial need for virtual meetings and product presentations. We have implemented technologies to allow for remote services being performed on our client's simulation systems, so that they can perform such presentations using our solutions.

Furthermore, we are now seeing that practicing physicians are experiencing a situation that resembles that of airline pilots. When the bulk of air travel and elective procedures are resumed, both doctors and pilots will need to be even better prepared and



trained to perform their duties in a more effective way than ever given the anticipated backlog..

Encouraging product launch schedule for 2020

So far in 2020, we have already launched two new software products with two modules for Interventional Cardiology. We are also planning to introduce new products in the remaining part of Q2, and this includes both new hardware and additional software capabilities. We will then continue to launch new products throughout the year, and we are confident that this will further improve our position in the market as well as generate short-term opportunities.

Short-term challenges ahead, but our long-term view remains very positive

Looking ahead, it is obvious that the Covid-19 pandemic will have a short-term impact on our business in 2020. We have however implemented measures to handle this period, and we also have the benefit of being able to act in several segments and multiple geographies. We therefore hope to see that the negative effects in one segment or some geographies will be compensated by strong result elsewhere.

We have also seen that the pandemic is spurring organisations to look for new solutions and new ideas to handle known issues, and in many situations, we believe that they will now see our solutions in a different light. It is my firm belief that our proactive approach during this difficult period will benefit us greatly, and that we will come out on the other side with an even stronger position in the market.

We will not be able to provide an outlook for the full year 2020 at this moment due to the Covid-19 situation. I am however certain that we will be able to maintain our mid-term objectives. We have a strong faith in our direction and strategy, and we receive encouraging feedback from the market in support of this direction. Specifically, we are very pleased with our advances in the interaction and business volumes from our strategic alliances' partners, Siemens Healthineers, Philips Healthcare and Laerdal which is up over 160 % compared to last year as noted above. Furthermore, we are receiving excellent feedback. This strongly indicates that we are on the correct path.

Gothenburg in May 2020,

Göran Malmberg
CEO, Mentice AB (publ)

KEY FIGURES

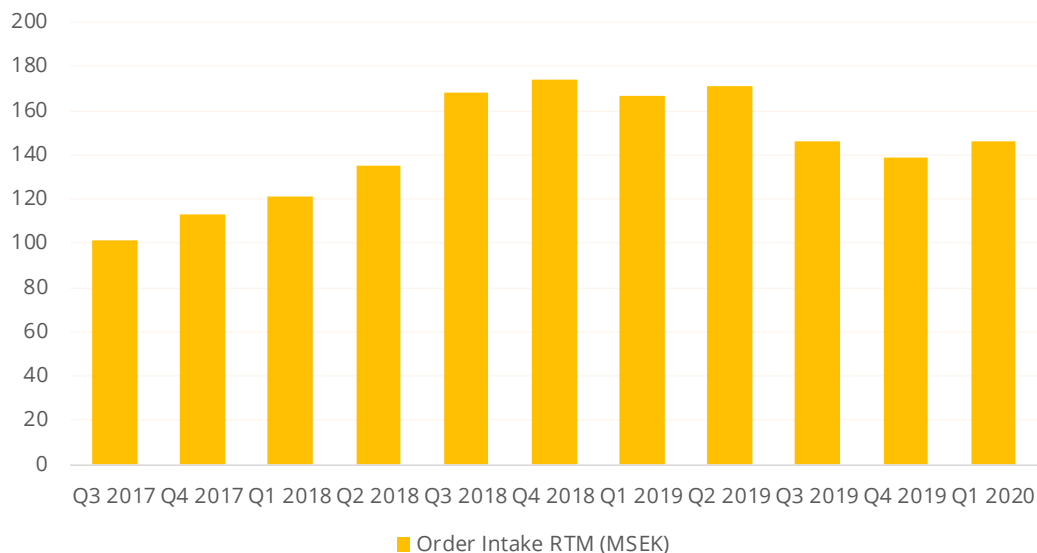
	Jan–March 2020	Jan–March 2019	RTM*	Full Year 2019
Order Intake, MSEK	32.5	25.1	146.5	139.1
Net Sales, MSEK	33.8	27.5	155.7	149.4
Sales, MSEK	37.7	29.1	161.2	152.7
Gross Margin, %	84.8 %	84.9 %	84.9 %	84.9 %
Operating Result before Depreciations (EBITDA), MSEK	-0.5	-7.9	-5.5	-12.9
EBITDA Margin, %	-1.5 %	-28.7 %	-3.5 %	-8.6 %
Result before Tax (EBT), MSEK	-6.6	-11.6	-21.2	-26.2
Result for the Period, MSEK	-5.0	-8.5	-17.0	-20.6
Earnings per Share (EPS), SEK	-0.21	-0.76	-0.50	-1.05
Cash at the end of the Period	43.0	11.4	43.0	48.0
Capital Employed (CE), MSEK	123.7	62.8	95.8	96.1
Equity/Asset Ratio, %	65.1 %	43.7 %	65.0 %	67.1 %

*RTM = latest twelve months.

FINANCIAL PERFORMANCE

ORDER INTAKE

Order intake for the first quarter was 32.5 (25.1) MSEK.
Below, order intake RTM* is presented.



*RTM = latest twelve months.

ORDER BOOK

The order book was 33.9 (49.4) MSEK for the first quarter. The order book represents orders received but not yet delivered.

SEASONAL VARIATIONS

There is a seasonal pattern to Mentice business, where the fourth quarter is invariably the strongest in terms of order intake and sales. This is partly due to many customers having annual budgets, with a more conservative spending approach in the first three quarters to have room for unforeseen costs throughout the year. In the fourth quarter, they are able to spend the remaining part of the annual budget on prioritised long-term investments such as solutions from Mentice.

NET SALES

The group's net sales consist of sales from simulators and software, service and support and sales from consultancy assignments.

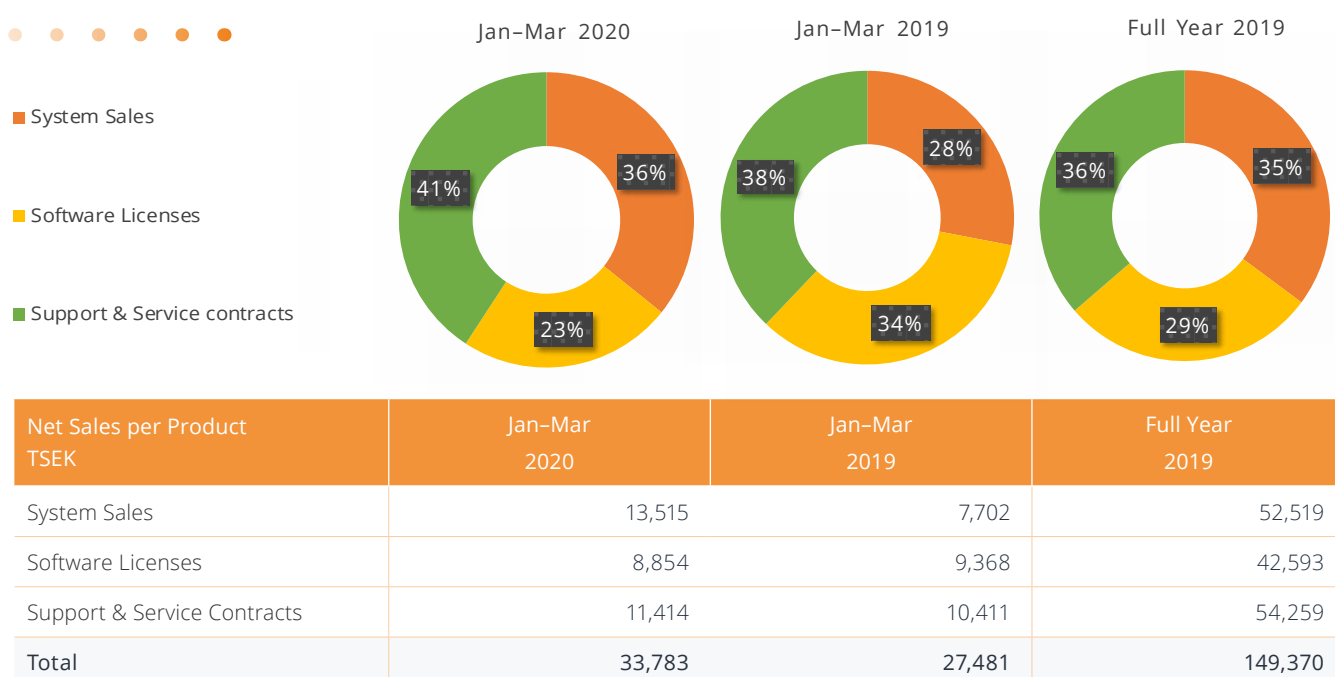
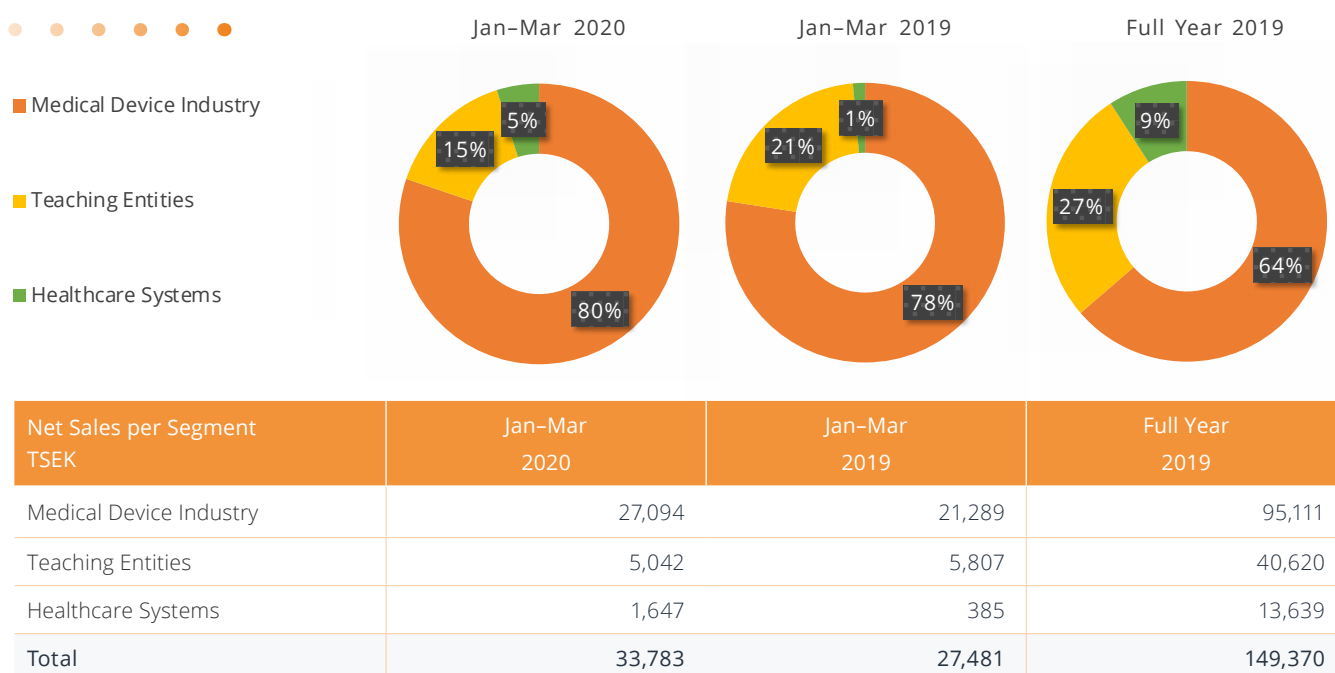
Net sales for the first quarter amounted to 32.5 (27.5) MSEK.

FINANCIAL PERFORMANCE, CONT.

NET SALES, CONT.

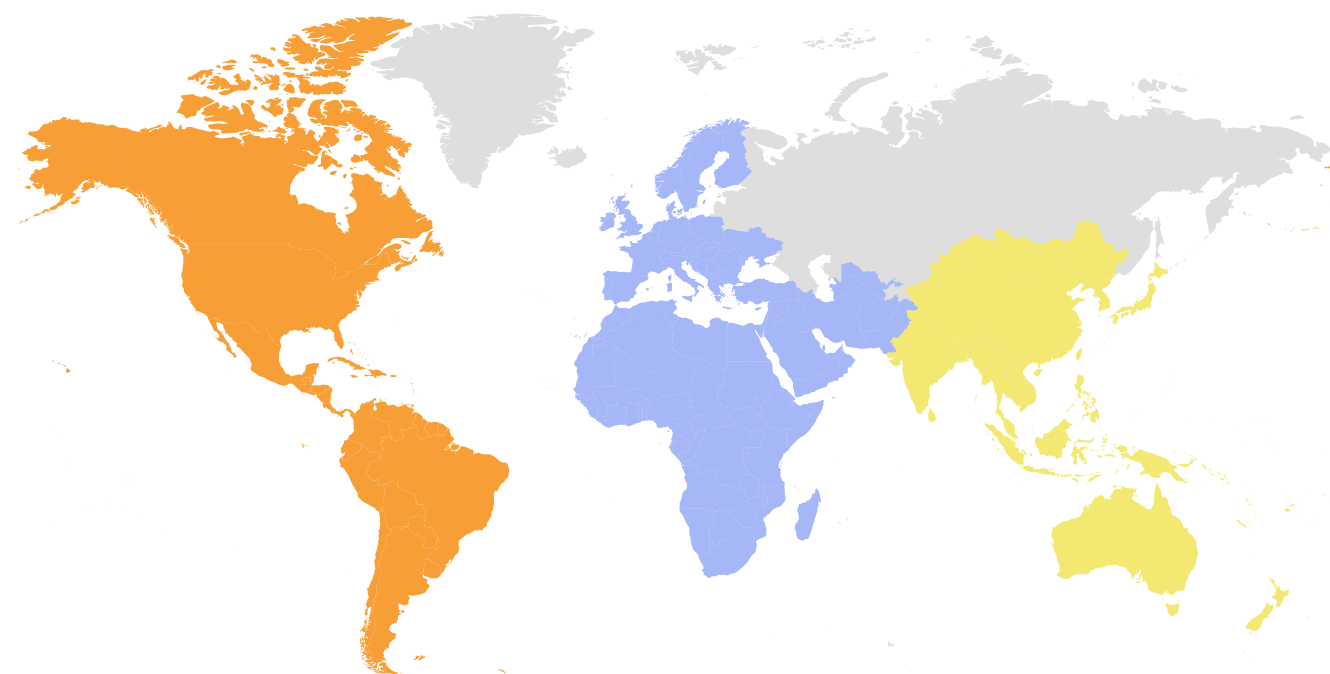
Out of the net sales for the first quarter, 27.1 (21.3) MSEK came from the Medical Device Industry segment, 5.0 (5.8) MSEK from Teaching Entities and 1.7 (0.4) MSEK from Healthcare Systems. Geographically, net sales from EMEA increased to 16.4 (12.0) MSEK, corresponding to

49 (44) % of total net sales. Net sales increased in APAC to 9.1 (5.7) MSEK, which accounted for 27 (21) % of total net sales. In the Americas, net sales were 8.3 (9.8) MSEK, corresponding to 25 (35) % of total net sales.



FINANCIAL PERFORMANCE, CONT.

NET SALES PER GEOGRAPHIC MARKET



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).

Net Sales per Geographic Market TSEK	Jan-Mar 2020	Jan-Mar 2019	Full Year 2019
● EMEA	16,427	12,042	44,739
● APAC	9,067	5,667	52,116
● Americas	8,289	9,772	52,515
Total	33,783	27,481	149,370

OTHER INCOME

Other income was 3.9 (1.7) MSEK for the quarter, which is related to exchange rate variances in assets and liabilities in foreign currencies.

GROSS MARGIN

Gross margin remained at a high level, at 84.8 % for the first quarter, compared to 84.9 % for the same period the previous year. Gross margin is mainly affected by the mix of the products sold.

GROSS PROFIT, OPERATING RESULT AND OPERATING MARGIN (EBITDA)

Gross profit was 28.6 (23.3) MSEK. Operating result before depreciation, EBITDA, was -0.5 (-7.9) MSEK. This corresponds to an operating margin of -1.5 (-28.7) % for the first quarter.

OTHER EXTERNAL COSTS

Other external costs totalled to -10.7 (-10.9) MSEK during the first quarter.

FINANCIAL PERFORMANCE, CONT.

PERSONNEL COSTS

Personnel costs during the first quarter were -22.3 (-22.0) MSEK.

CAPITALIZED EXPENSES FOR DEVELOPMENT COSTS

Capitalized expenses for development costs during the first quarter totalled to 5.4 (1.5) MSEK and are mainly attributable to a number of ongoing software projects.

NET FINANCIAL ITEMS

Net financial items for the first quarter totalled to -3.0 (- 0.8) MSEK and is mainly related to revaluation of internal liabilities. The net financial items for the quarter included -0.2 (-0.2) 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 result for the period was 1.6 (3.0) MSEK. Net result for the period was -5.0 (-8.5) MSEK. Earnings per share was -0.21 (-0.76) SEK.

CASH FLOW

Cash flow from operating activities was 1.5 (-3.7) MSEK.

CASH AND FINANCIAL POSITION

Cash at the end of the period increased to 43.0 (11.4) MSEK. The Group's total assets amounted to 188.3 (134.6) MSEK. IFRS 16 has affected total assets by 14.2 MSEK. Accounts receivable increased during the period to 47.0 (35.4) MSEK. Inventories amounted to 8.8 (6.4) MSEK. Current liabilities were 56.6 (61.4) MSEK. The carrying amounts of financial assets and liabilities are considered to correspond essentially to fair value.

INVESTMENTS

Investments during the first quarter totalled 5.5 (1.6) MSEK. Of the investments, 5.4 (1.5) MSEK refers to the capitalization of development costs. IFRS 16 lease assets totalled 15.2 MSEK. The group had no significant obligations relating to investments as of 31 March 2020.

PARENT COMPANY

The parent company is an operating company. Net sales for the parent company amounted to 27.9 (23.1) MSEK. The result for the period corresponds largely to the sales within EMEA and APAC, the development department and the head office in Sweden. The result for the period was -8.2 (-10.4) MSEK.

SHARE CAPITAL

The total number of shares as of 31 March 2020 was 24,146,552 and the share capital was 1.2 MSEK. Average number of shares in January-March 2020 amounted to 24,146,552. All shares are ordinary shares with equal voting rights. The shares have a quota value of 0.05 SEK.

FINANCIAL PERFORMANCE, CONT.

DISPUTES

The group has no current disputes.

TRANSACTIONS WITH RELATED PARTIES

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

SUSTAINABILITY

Mentice business purpose is to help hospitals to reduce patient deaths and injuries as well as costs resulting from medical errors and inefficiencies. By developing and providing innovative and realistic training tools, doctors' clinical skills can be improved, and the risk of unnecessary mistakes reduced. Medical mistakes are a big and costly social problem. See detailed sustainability information in the 2019 annual report on page 28.

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 and to some extent the regulatory risks relating to the Hospital Systems segment. 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. For more information about the company's risks, see Note 21 on page 84 of the annual report for 2019.

THE SHARE AND OWNERSHIP

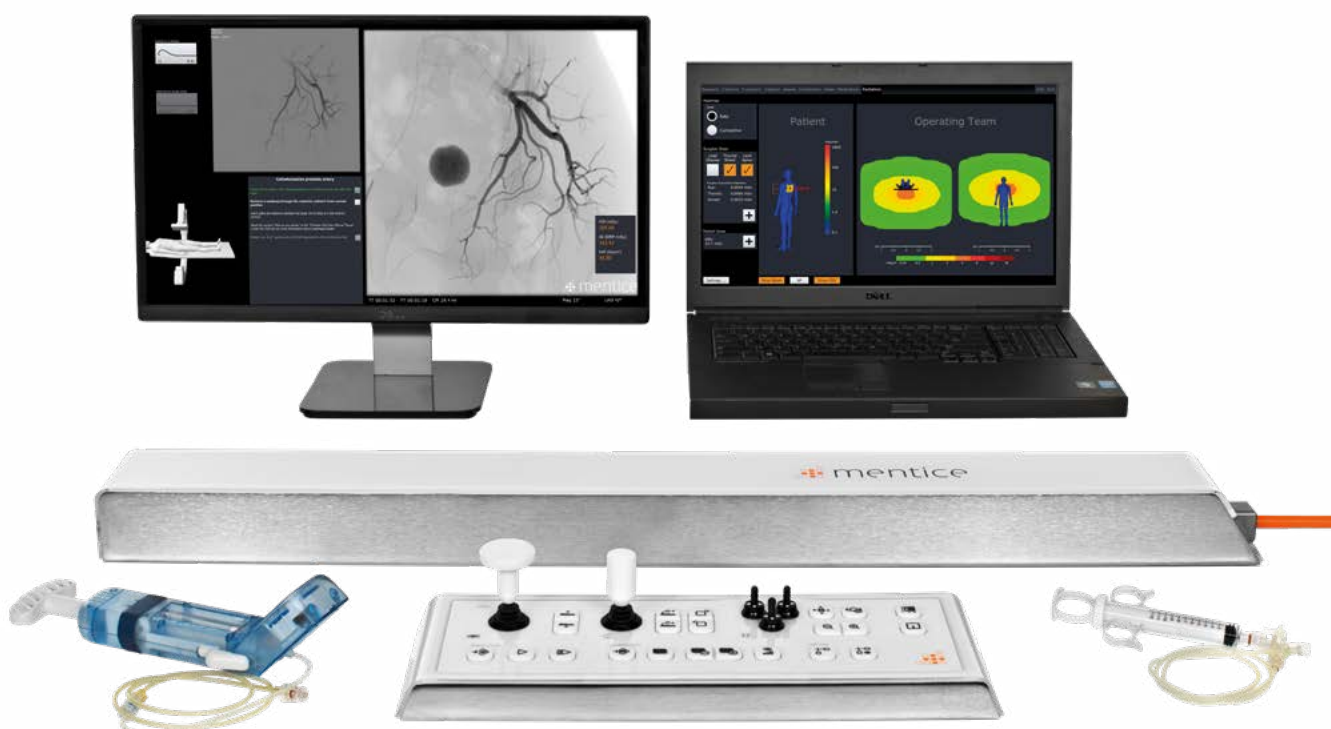
Mentice AB (publ.) shares are traded on Nasdaq First North Premier since June 18, 2019 under MNTC. According to Euroclear's official register of shareholders, Mentice had a total of 1,374 shareholders by March 31, 2020. FNCA is the company's certified advisor.

AUDITOR REVIEW

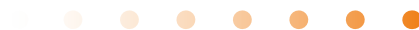
This report has not been reviewed by the company's auditors.

FINANCIAL REPORTS

Interim reports and other financial reports are available on the company's website, www.mentice.com.



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, 14 May 2020

Mentice AB (publ)

Lawrence D. Howell	Chairman of the Board
Magnus Hardmeier	Board member
Bengt Sjöholm	Board member
Johann Koss	Board member
Denis Gestin	Board member
Gösta Johannesson	Board member
David Ballard	Board member
Göran Malmberg	CEO



GROUP — CONSOLIDATED INCOME STATEMENT

TSEK	Jan–March 2020	Jan–March 2019	Full Year 2019
Net Sales	33,783	27,481	149,370
Other Income	3,875	1,666	3,333
Sales	37,658	29,147	152,703
Cost of Goods Sold	-5,145	-4,153	-22,520
Other External Costs	-10,704	-10,877	-50,830
Personnel costs	-22,305	-22,014	-92,266
Depreciation of tangible and intangible assets	-3,104	-2,905	-11,562
Operating Income (EBIT)	-3,600	-10,802	-24,475
Financial Income	295	6	196
Financial Expenses	-3,303	-801	-1,956
Income Before Tax (EBT)	-6,608	-11,597	-26,235
Tax on Result for the Period	1,631	3,055	5,635
Net Result for the Period	-4,977	-8,542	-20,600
Profit/Loss Attributable to:			
Shareholders Parent Company	-4,977	-8,542	-20,600
Non-controlling Interest	0	0	0
Net Result for the Period	-4,977	-8,542	-20,600
Earnings per Share Basic, SEK	-0.21	-0.76	-1.05

GROUP — CONSOLIDATED INCOME STATEMENT AND TOTAL RESULT

TSEK	Jan-March 2020	Jan-March 2019	Full Year 2019
Net Result for the Period	-4,977	-8,542	-20,600
<i>Other Total Result for the Period</i>			
The Period's Translation Reserve	2,785	653	1,356
Other Total Result for the Period	-2,192	-7,889	-19,244
Profit/Loss Attributable to:			
Shareholders Parent Company	-2,192	-7,889	-19,244
Non-controlling Interest	0	0	0
Total Net Result for the Period	-2,192	-7,889	-19,244

GROUP — CONSOLIDATED BALANCE SHEET

TSEK	31 March 2020	31 March 2019	31 Dec 2019
Assets			
Intangible Fixed Assets	36,225	34,302	31,735
Tangible Fixed Assets	7,647	6,408	7,892
Right-of-use Assets	15,241	19,163	16,581
Deferred Tax Assets	18,721	12,598	15,815
Total Fixed Assets	77,834	72,471	72,023
Inventories	8,800	6,367	9,316
Current Tax Receivable	2,443	2,109	2,800
Accounts Receivable	46,985	35,381	37,382
Prepaid Costs and Accrued Income	9,005	6,229	17,451
Other Current Receivables	170	677	127
Cash and Cash Equivalents	43,006	11,386	48,041
Total Current Assets	110,409	62,149	115,117
Total Assets	188,243	134,620	187,140
Equity			
Share Capital	1,207	1,120	1,207
Additional Paid in Capital	91,231	12,032	91,231
Other Capital Including Net Result for the Year	30,135	45,698	32,327
Total Equity Attributable to Parent Company Shareholders	122,573	58,850	124,765
Minority Share in Total Equity	0	0	0
Total Equity	122,573	58,850	124,765
Liabilities			
Accrued Tax Liabilities	0	167	0
Long-term Leasing Liabilities	9,103	14,200	10,393
Total Long-term Liabilities	9,103	14,367	10,393
Accounts Payable	5,000	4,508	7,109
Current Tax Liability	446	223	395
Other Liabilities	2,329	1,230	1,626
Current Leasing Liability	5,055	5,055	5,055
Accrued Expenses and Deferred Income	43,737	50,387	37,797
Total Current Liabilities	56,567	61,403	51,982
Total Liabilities	65,670	75,770	62,375
Total Equity and Liabilities	188,243	134,620	187,140

GROUP — CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



TSEK	Share Capital	Additional Paid in Capital	Translation Reserv	Other Capital incl. Net Result	Total	Minority Share	Total Equity
Opening Balance Equity 2020-01-01	1,207	91,231	61	32,266	124,765	0	124,765
Net Result for the Period				-4,977	-4,977	0	-4,977
Other Total Result for the Period			2,785		2,785	0	2,785
Closing Balance Equity 2020-03-31	1,207	91,231	2,846	27,289	122,573	0	122,573

CASH FLOW STATEMENT FOR THE GROUP

TSEK	Jan–March 2020	Jan–March 2019	Full Year 2019
Operating activities			
Result before tax	-6,608	-11,597	-26,235
Adjustment for non-cash items	2,788	2,731	10,789
Tax paid	-324	415	-544
Total	-4,144	-8,451	-15,990
Increase (-)/Decrease (+) inventories	958	-1,412	-5,959
Increase (-)/Decrease (+) current assets	3,179	13,433	2,174
Increase (+)/Decrease (-) current liabilities	1,484	-7,276	-17,507
Cash-flow from operations	1,477	-3,706	-37,282
Investing activities			
Investments in tangible assets	-92	-116	-3,819
Investments in intangible assets	-5,429	-1,525	-152
Cash-flow from investment activities	-5,521	-1,641	-3,971
Financial activities			
Proceeds from issue of share options	0	0	4,673
Proceeds from issue of share capital	0	0	82,000
Payment of transaction costs	0	0	-8,306
Payment of finance leasing liabilities	-1,290	-1,248	-5,055
Dividend paid to parent company's shareholders	0	0	-2,016
Cash-flow from financing activities	-1,290	-1,248	71,296
Cash-flow for the period	-5,334	-6,595	30,043
Opening cash balance	48,041	17,821	17,821
Exchange rate differences on financial items	299	160	177
Closing cash balance	43,006	11,386	48,041

INCOME STATEMENT – PARENT COMPANY

TSEK	Jan–March 2020	Jan–March 2019	Full year 2019
Net Sales	27,871	23,148	117,375
Capitalized Expenses for Development	5,429	1,526	9,715
Other Income	3,875	1,673	3,333
Sales	37,175	26,347	130,423
Cost of Sold Goods	-5,437	-3,990	-17,999
Other External Costs	-20,590	-21,373	-85,897
Personnel Expenses	-17,544	-12,568	-55,260
Depreciations on Intangible and Tangible Assets	-1,163	-1,185	-4,339
Operating Profit	-7,559	-12,769	-33,072
Other Interest Income and similar Profit/Loss Items	306	0	166
Interest Expenses and similar Profit/Loss Items	-3,164	-609	-1,011
Result after Financial Items	-10,417	-13,378	-33,917
Untaxed Reserves	0	0	775
Tax on Result for the Period	2,241	2,963	7,296
Net Result for the Period	-8,176	-10,415	-25,846

BALANCE SHEET – PARENT COMPANY

TSEK	31 March 2020	31 March 2019	31 Dec 2019
Intangible Assets	37,998	36,601	33,609
Tangible Assets	1,532	1,166	1,563
Shares in Group Companies	41,656	41,178	41,656
Receivables Group Companies	0	347	838
Deferred Tax Receivable	9,923	3,349	7,682
Total Financial Fixed Assets	51,579	44,874	50,176
Inventories	3,620	3,711	4,782
Accounts Receivable	35,934	20,311	29,712
Receivables Group Companies	7,355	17,540	31,636
Current Tax Receivables	2,443	2,108	2,800
Other Receivables	20	105	31
Prepaid Expenses and Accrued Income	8,637	5,289	13,547
Cash and Cash Equivalents	40,130	10,478	42,152
Total Current Assets	98,139	59,542	124,660
Total Assets	189,248	142,183	210,008
<i>Restricted Equity</i>			
Shareholders Equity	1,207	1,120	1,207
Capitalization of Development Cost	32,765	19,989	27,894
<i>Non-restricted Equity</i>			
Premium Reserve	91,231	12,032	91,231
Balanced Result	1,912	42,568	32,647
Profit/Loss for the Period	-8,176	-10,415	-25,846
Total Equity	118,939	65,294	127,133
Untaxed Reserves	0	775	0
Liabilities Group Companies	31,990	34,920	46,297
Total Long-term Liabilities	31,990	35,695	46,297
Accounts Payable	4,842	4,015	6,535
Other Current Liabilities	1,189	614	988
Accrued Expenses and Prepaid Income	32,289	36,565	29,055
Total Current Liabilities	38,320	41,194	36,578
Total Equity and Liabilities	189,249	142,183	210,008

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 2019.

SEGMENTS

Mentice business is divided into three segments, which reflect the group's operations, financial management and management structure. These three segments are Medical Device Industry, Teaching Entities and Healthcare systems.

NET SALES PER SEGMENT

	Medical Device Industry		Teaching Entities		Healthcare Systems		Total	
TSEK	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2019	Jan-Mar 2020	Jan-Mar 2019
Geographic Markets								
EMEA	13,249	9,887	1,531	1,770	1,647	385	16,427	12,042
APAC	6,079	2,698	2,988	2,969	0	0	9,067	5,667
Americas	7,766	8,704	523	1,068	0	0	8,289	9,772
Total	27,094	21,289	5,042	5,807	1,647	385	33,783	27,481
Time for Revenue Recognition								
Goods and Services that are Accounted for at a given time	18,588	13,607	3,202	4,577	1,647	385	23,437	18,569
Goods and Services that are Accounted for over time	8,506	7,682	1,840	1,230	0	0	10,346	8,912
Total Net Sales from Customer Contracts	27,094	21,289	5,042	5,807	1,647	385	33,783	27,481

The group's sales come from the EMEA, APAC and Americas regions.

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 March 31, 2020, the total actual value of forward contracts was SEK 0 (0).

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 KEY PERFORMANCE INDICATORS

Alternative key performance indicators 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.

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.

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.

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 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.

Capital employed (CE) – Mentice reports capital employed, in other words the assets financed by banks and shareholders.

Equity ratio – Equity divided by total assets.

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. The Board of Directors propose no dividend to be paid for 2020.

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 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

Mentice's 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.

49+

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 2020 (Q2)

13 AUG 2020 AT 8:30

INTERIM REPORT JUL-SEP 2020 (Q3)

12 NOV 2020 AT 8:30

Mentice's interim reports and annual reports are available on www.mentice.com.



