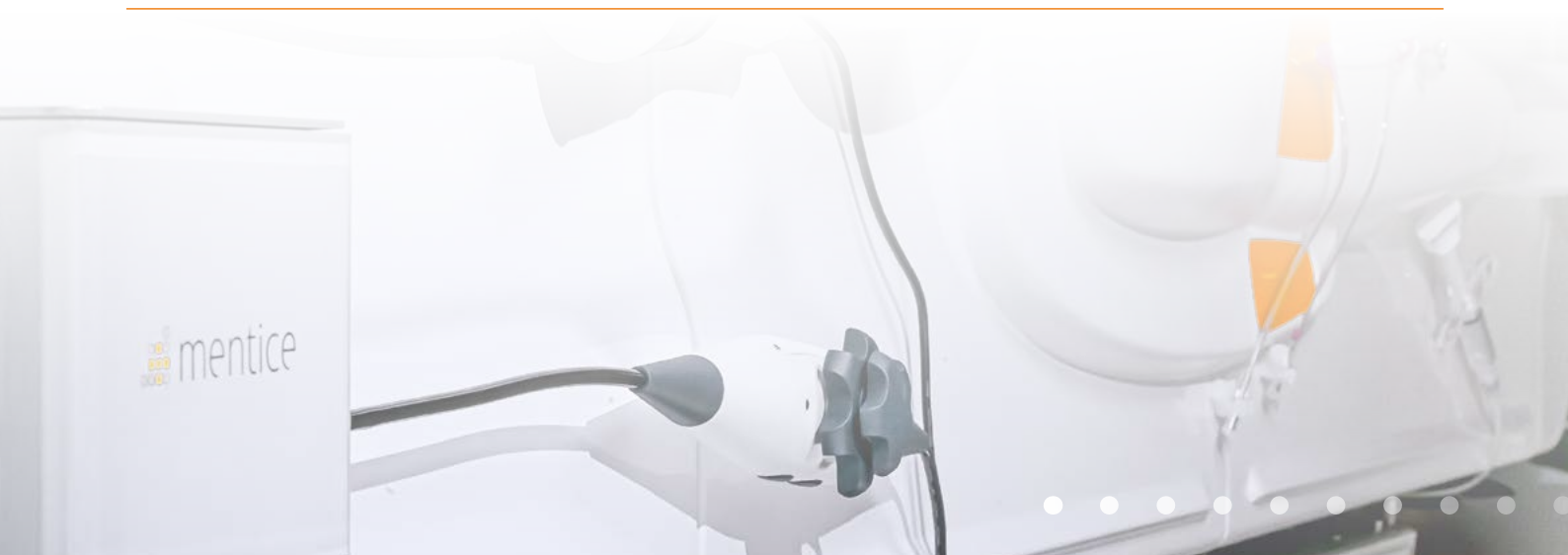




YEAR-END REPORT
Q4 2021





CONTINUED STRENGTH WITH NET SALES GROWTH ABOVE 30% DESPITE THE PANDEMIC

CEO GÖRAN MALMBERG COMMENTS:

"Q4 is typically Mentice's strongest quarter, and consequently we have again delivered a strong Q4 with net sales 45% above the level for 2020 and order intake on par with last year.

For the full year, despite the pandemic we had a record year with the first year in Mentice's history with over 200 MSEK in order intake and with a growth of over 34% in net sales compared to the previous year.

Net income for the period was -4.2 (3.3) MSEK but adjusted for one-off items of 13.7 further described on page 10 coming in at 9.5 MSEK for the quarter.

Cash flow was positive for the quarter but negative for the full year as we increased both inventory and accounts receivable with payment terms extended into 2022. A large amount is related to larger clients in the medical device sector and over 40 MSEK is expected to be received in the first part of 2022.

The positive result in 2021 has been driven mainly by considerable growth from our Medical Device Industry segment while the sales to the hospital market still is suffering from the impact of the pandemic."

FOURTH QUARTER (OCTOBER–DECEMBER 2021) AND THE FULL YEAR (JANUARY–DECEMBER 2021)

- Order intake amounted to 73.7 (73.1) MSEK for the fourth quarter and 205.6 (168.6) MSEK for the full year.
- Order book by the end of the period was 87.1 (66.4) MSEK
- Net sales amounted to 67.7 (45.9) MSEK for the fourth quarter and 185.1 (137.5) MSEK for the full year.
- Earnings before depreciations (EBITDA) totaled 12.0 (4.3) MSEK for the fourth quarter and 2.5 (-4.1) MSEK for the full year.
- Net income for the period amounted to -4.2 (3.3) MSEK for the fourth quarter and -29.2 (-13.1) MSEK for the full year.
- Earnings per share (EPS) was -0.17 (0.14) SEK for the fourth quarter and -1.18 (-0.54) SEK for the full year.
- Cash flow from operating activities totaled 7.4 (20.1) MSEK for the fourth quarter and -5.1 (30.5) MSEK for the full year.

COMMENTS BY THE CEO

Despite the pandemic we have concluded the year with a solid growth in both order intake and net sales. Our order intake increased to 205.6 (168.6) up 22% bringing our current order book to 87.1 (66.4) MSEK. Net sales for the year grew with 34.6%, which is in line with our target of 30-40 percent and amounted to an all-time high of 185.1 (137.5) MSEK. In the fourth quarter Mentice delivered a stable financial performance with an order intake of 73.7 (73.1) and a substantial increase in net sales to 67.7 MSEK (45.9).

Looking at the performance of the various segments and geographies the Medical Device industry delivered 167.3 (114.8) MSEK of order intake a 45.7% increase compared to last year. The other segments which relate to the hospital market are trailing prior year's performance. From a geographical perspective the Americas region (North and South America) delivered over 100 MSEK in order intake for the first time and has for two consecutive years delivered more than 50 per cent of Mentice's overall order intake as compared to about a third in prior years. The APAC region on the other hand has had a negative development for the fourth quarter compared to last year but for the full year generating growth compared to last year.

Vascular Simulations, the business Mentice acquired at the end of 2020, also contributed to the increased order intake achieving an order intake of 26.2 MSEK which was more than double the level for the prior year. We will continue our ambition to seek and acquire relevant technologies, adding value to our clients, where we similarly to Vascular Simulations can leverage our sales, distribution and customer network.

Financially, the fourth quarter rendered earnings before depreciations and interest (EBITDA) of 12.0 MSEK(4.3), which is a significant improvement compared to last year. For the full year EBITDA was 2.5 MSEK(-4.1). It is worth noting that cost items of a non-recurring nature amounting to 4.6 MSEK had a negative effect on the fourth quarter and full year EBITDA. These items are explained in more detail in the report's financial commentary. In total net earnings was affected with -13.7 MSEK relates to various non-recurring items, of which -6.9 MSEK relates to deferred tax.

MARKET CONDITIONS AND OUR MARKET SEGMENTS

Mentice's business is fueled by continued strong growth for the medical device industry segment while our hospital related business, both direct sales and via strategic partners is still negatively impacted by



the pandemic and thus lagging the levels of 2020 and 2019. This has had a negative impact on our earnings as our organization and resources are scaled for a larger business volume in this market. However, we firmly believe that this business will rebound and that the value our products bring to the hospital marketplace validates keeping the resources and efforts in place.

We have communicated the importance of building strong relations with our larger clients and we have during 2021 seen a good development where we now have four clients generating over 15 MSEK in orders each. Furthermore we see a sizable group of clients providing recurring levels upwards to and over 10 MSEK each per year.

During the fourth quarter we experienced positive signs with multiple markets opening after the effects of vaccination and declining covid infection rates. However, the scenario changed in December when the world reversed with the rapid spread of Omicron. Despite the continued uncertainty, we can see that our pipeline is growing and the interest for our products is strong in all markets with many encouraging projects under way.

Mentice's sales via our strategic partners Siemens Healthineers and Philips Healthcare are negatively impacted by the pandemic as well as our own sales to hospitals. However, we are encouraged by the continued development of our projects with these two marketleaders, which aims to further enhance their product offering and integration of Mentice tools.

The collaboration with Siemens Healthineers in China and their decision to bundle every sale of their Corindus robot with a Mentice system in the Chinese market is a breakthrough for our collaboration with Siemens Healthineers and Corindus, and we believe this will impact not only China but also our activities in the other regions.

A GROWING ORDER BOOK AND RECURRING COMPONENTS

With an order book of 87.1 (66.4) MSEK, which is 31.6% higher than last year, we feel confident as we move into 2022. We can also see a higher proportion recurring revenues with rental and subscriptions representing 58 MSEK of the total order book. 65 MSEK of the order book is also planned for delivery in 2022 meaning that we already have a good level of net sales as we start the new year.

SUMMARY

Overall, I am pleased with the business performance in 2021 with an all-time-high of order intake and net sales largely generated by the Medical Device Industry segment. Also, an EBITDA of 7.0 MSEK (adjusted for one-off items) is a positive development compared to previous two years.

Going into 2022 we have a strong orderbook and we will expect the Medical Device Industry to continue to move forward in a positive way, however in addition we will focus on strategic alliances and the hospital business which we hope is set for a post pandemic rebound.

Gothenburg in February 2022,

Göran Malmberg

CEO, Mentice AB (publ)

KEY FIGURES

	Oct-Dec 2021	Oct-Dec 2020	Change	Jan-Dec 2021	Jan-Dec 2020	Change	RTM*
Order intake, MSEK	73.7	73.1	0.8%	205.6	168.6	21.9%	205.6
- whereof Medical Device Industry	59.8	48.8	22.6%	167.3	114.8	45.7%	167.3
- whereof Healthcare systems	7.0	21.2	-67.2%	24.4	39.3	-38.1%	24.4
- whereof Strategic Alliances	6.9	3.1	124.3%	13.9	14.5	-3.8%	13.9
Order book (end of period), MSEK	87.1	66.4	31.2%	87.1	66.4	31.2%	87.1
Net sales, MSEK	67.7	45.9	47.3%	185.1	137.5	34.6%	185.1
Sales, MSEK	71.0	54.3	30.7%	190.2	150.9	26.1%	190.2
Gross margin, %	78.9%	63.3%		81.0%	77.9%		81.0%
Operating income before depreciations, EBITDA, MSEK	12.0	4.3		2.5	-4.1		2.5
EBITDA-margin, %	17.8%	9.3%		1.3%	-3.0%		1.3%
Income before tax, EBT, MSEK	3.1	0.6		-21.3	-18.6		-21.3
Income for the period, MSEK	-4.2	3.3		-29.2	-13.1		-29.2
Earnings per share, SEK	-0.17	0.14		-1.18	-0.54		-1.18
Cash-flow from operations, MSEK	7.4	20.1		-5.1	30.5		-5.1
Cash at end of period, MSEK	12.7	48.8		12.7	48.8		12.7
Equity/Asset ratio, %	52.3%	66.6%		52.3%	66.6%		52.3%
Number of employees at the end of the period	104	95		104	95		104

*RTM = rolling twelve months.

FINANCIAL PERFORMANCE

ORDER INTAKE

Order intake during the fourth quarter increased by 0.8 % to 73.7 (73.1) MSEK. Americas including Latin America delivered a similar quarter with 38.0 MSEK in order intake compared to 38.3 MSEK for the same period previous year, which represents a decrease of 0.8% in comparison to a strong quarter in 2020. In APAC, order intake decreased with 50.8% compared to the same period previous year, totalling 11.8 MSEK (23.2). In EMEA, order intake increased with 105.1% to 24.0 MSEK compared to 11.7 MSEK last year.

For the full year order intake increased by 21.9% to 205.6 (168.6) MSEK, above 200 MSEK for the first time in Mentice's history. Americas including Latin America ended at 102.9 (82.5) MSEK, an increase of 24.8%. APAC order intake grew with 13.4% to 51.1 (45.1) MSEK and EMEA increased with 25.6% to 51.6 (41.1) MSEK.

Within Medical Device Industry segment, order intake for the fourth quarter increased with 22.2% to 59.8 MSEK compared to 48.8 MSEK for the same period previous year. Within Healthcare system segment, order intake decreased to 7.0 MSEK (21.2) which represents a decrease

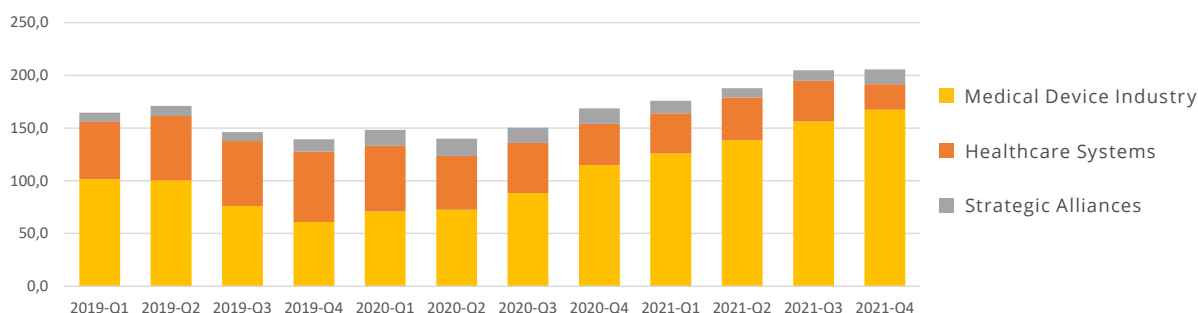
of -67.2%. Order intake from Strategic Alliances increased to 6.9 MSEK compared to 3.1 MSEK for the same period previous year.

For the full year the Medical Device industry segment order intake increased with 45.7% to 167.3 (114.8) MSEK whilst Healthcare system and Strategic Alliances segment decreased with -38.1% and -3.8% respectively. Healthcare system order intake was 24.4 (39.3) MSEK and Strategic Alliances was 13.9 (14.5) MSEK.

SEASONAL VARIATIONS

There is a seasonal pattern to Mentice's business due to the fact that a large number of customers have annual budget cycles aligned with calendar year. As a large part of Mentice's cost base is fixed, fluctuations in net sales have a direct impact on the quarterly operating profit (EBITDA). This seasonal pattern is however not immediately visible in the order intake graph below as it is showing RTM figures (rolling twelve months).

ORDER INTAKE PER SEGMENT ROLLING 12 MONTHS (MSEK)



ORDER BOOK

The order book closed at 87,1 (66.4) MSEK for the fourth quarter, which represent a growth of 31.2% and where 64 MSEK is deliveries for 2022. The order book represents orders received but not yet delivered.

Out of the total orderbook per December 31, 15.1 MSEK is in systems and 18.6 is in software subscription that will be delivered and recognised as net sales in 2022 and onwards. 13.1 MSEK is development contracts agreed with customers that will be delivered during 2022 and the remaining 40.2 MSEK refers to deliveries of rental and support agreements that is to be delivered and recognised as revenue of the coming three years.

NET SALES

The group's net sales consist of sales from system 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 subscription model is recognized as net sales over time.

Net sales for the fourth quarter amounted to 67.7 (45.9) MSEK, an increase of 47.3% compared to last year. Out of total net sales, 1.3 (5.0) MSEK refers to net sales from acquired business. The effect of exchange rate variances in net sales amounted to -2.5 (-0.7) MSEK, which is equivalent to a 3.2% reduction of the net sales, and is mainly the result of a weaker USD compared to SEK.

Net sales for the full year amounted to 185.1 (137.5) MSEK, an increase of 34.6% compared to last year. Out of total net sales, 20.1 (5.0) MSEK refers to net sales from acquired business. The effect of exchange rate variances in net sales amounts to -6.8 (3.1), which is equivalent to a 3.2% reduction for net sales, and is mainly the result of a weaker USD compared to SEK.

FINANCIAL PERFORMANCE, CONT.

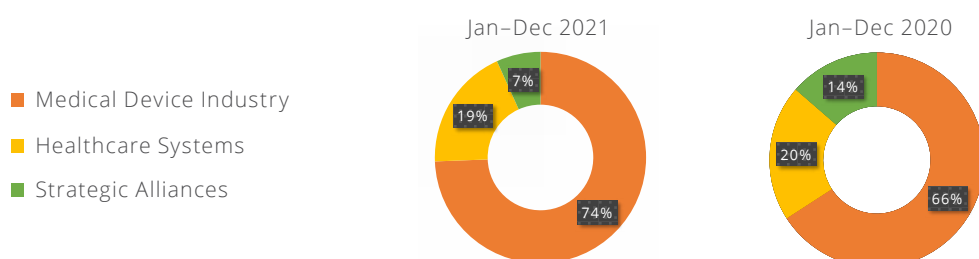
NET SALES, CONT.

As of the fiscal year 2021, Mentice reports according to the following segments: Medical Device Industry, Healthcare Systems and Strategic Alliances. This change represents how the business is followed up internally.

Strategic Alliances is now reported as its own segment, which was previously included in the Teaching Entities and Medical Device Industry segments up until 2020.

The former Teaching entities segment is now part of the Healthcare systems segment.

Of the net sales for the fourth quarter, 51.8 (27.2) MSEK came from the Medical Device Industry segment, 9.5 (16.1) MSEK came from Healthcare System segment and 6.4 (2.6) MSEK from the Strategic Alliances segment.

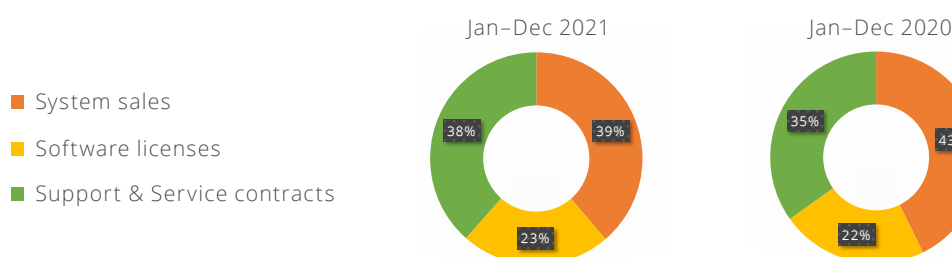


Net sales per segment TSEK	Jan-Dec 2021	Jan-Dec 2020	Change
Medical Device Industry	139,160	87,528	59.0%
Healthcare Systems	31,576	34,917	-9.6%
Strategic Alliances	14,328	15,058	-4.9%
Total	185,064	137,503	34.6%

Of the net sales for the fourth quarter, 33.1 (24.1) MSEK came from system sales, where net sales is recognized in full upon delivery of the system. 13.0 (8.0) MSEK of total net sales came from software licenses sales. Net sales from software licenses include both perpetual licenses, where net sales is recognized upon delivery of system as well as software licenses sold as subscription model

where net sales is recognized over time, normally one year.

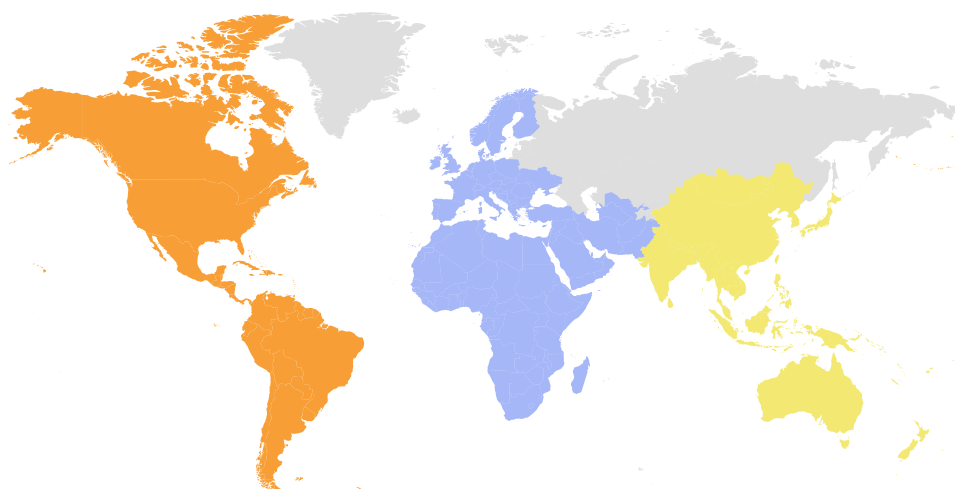
Net sales from support and service contracts for the fourth quarter amounted to 21.6 (13.9) SEK and refers to support and service where net sales is recognized over time.



Net sales per product TSEK	Jan-Dec 2021	Jan-Dec 2020	Change
System sales	78,570	63,177	24.4%
Software licenses	39,756	28,484	39.6%
Support & Service contracts	66,738	45,843	45.6%
Total	185,064	137,503	34.6%

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-Dec 2021	Jan-Dec 2020	Change
● EMEA	41,801	42,253	-1.1%
● APAC	50,560	37,309	35.5%
● Americas	92,703	57,941	60.0%
Total	185,064	137,503	34.6%

Geographically, net sales from EMEA was 14.9 (10.3) MSEK, corresponding to 22 (22)% of total net sales.

Net sales increased in APAC to 15.8 (11.2) MSEK, which accounted for 23 (24)% of total net sales. In the Americas, net sales increased to 37.0 (24.5) MSEK, corresponding to 55 (54)% of total net sales.

OTHER INCOME

Other income was 3.3 (8.4) MSEK for the quarter. Other income is related to exchange rate variances in operating assets and liabilities in foreign currencies and Covid related income in the US during 2020.

Other income was 5.2 (13.4) for the full year and is related to exchange rate variances in operating assets and liabilities in foreign currencies and Covid related income in the US during 2020.

GROSS MARGIN

Gross margin was at 78.9% for the fourth quarter, compared to 63.3% 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.

For the full year gross margin was 81.0 (77.9) %, mainly as an effect of better product mix for the fourth quarter 2021 compared to 2020.

The higher gross margin in the quarter is largely due to increased net sales from software licenses. Gross margin is also affected by currency effects in net sales and in purchase of components.

GROSS PROFIT, OPERATING RESULT AND OPERATING MARGIN (EBITDA)

Gross profit for the fourth quarter was 56.7 (37,4) MSEK. Operating income before depreciation, EBITDA, was 12.0 (4.3) MSEK. This corresponds to an operating margin of 17.8 (9.3) for the fourth quarter.

Gross profit for the full year was 155.7 (117.5) MSEK. Operating income before depreciations, EBITDA, was 2.5 (-4.1) MSEK, which corresponds to an operating margin of 1.3 (-3.0) % for the full year.

FINANCIAL PERFORMANCE, CONT.

Since we are growing the organization, combined with currently lower productivity for our sales to hospitals, both directly and via our channel partners, there is currently a negative impact on our profitability and efficiency. Our ambition is to continue to grow our sales and organization to the level where we can appreciate the positive effects of economy of scale, hence our longer term higher financial target for EBITDA.

OTHER EXTERNAL COSTS

Other external costs totaled -14.8 (-11.8) MSEK during the fourth quarter which equals an increase of 25.3% compared to same period last year. For the full year other external costs totaled -47.2 (-40.2) MSEK, which equals an increase of 17.3% compared to last year.

For the fourth quarter other external costs include operating costs from acquired business with -1.5 (-0.9) MSEK. For the full year the added cost for acquired business amounts to -2.7 (-0.9) MSEK.

In addition, capitalization of development cost was included in other external costs with 0.3 (1.1) MSEK and for the full year 9.1 (7.0) MSEK was added.

This year's cost level for travel is higher than 2020 with pandemic during the quarter and we also made a provision for sales tax in the US with 1.3 MSEK.

PERSONNEL COSTS

Personnel costs during the fourth quarter were -29.9 (-21.3) MSEK which equals an increase of 40.0%. For the full year the personnel costs increased with 29.7% to 105.4 (81.3) MSEK. Personnel costs include costs from acquired business with -0.8 (-1.1) MSEK, acquired business added -7.0 (-1.4) MSEK for the full year.

The comparison on personnel costs should also reflect the lower level of costs last year due to furlough and a general ambition to reduce costs during the pandemic in 2020.

Capitalization of development cost were included in the personnel costs with an amount of 1.6 (3.8) MSEK and for the full year this amount was 8.0 (15.0) last year. The number of employees were 104 (95) by the end of the quarter.

During the year we have recalculated our commission cost and included social security costs on our personnel related accrual and taken a negative impact of 2.3 MSEK of commission costs related to the year 2020.



FINANCIAL PERFORMANCE, CONT.

CAPITALIZED EXPENSES FOR DEVELOPMENT COSTS

Capitalized expenses for development costs during the fourth quarter totalled 3.0 (5.2) MSEK, and are mainly attributable to a number of ongoing software projects. We have also taken the decision to writedown some research related work with 2.2 MSEK in the quarter.

NET FINANCIAL ITEMS

Net financial items for the fourth quarter totalled -0.9 (1.0) 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 -7.3 (2.8) MSEK. Net income for the period was -4.2 (3.3) MSEK. Earnings per share was -0.17 (0.14) SEK.

Tax is impacted during the quarter of revaluation of tax losses carry forward with -5.2 MSEK (5.9) and timing difference on the depreciation on merger goodwill of -1.8 MSEK.

CASH FLOW

Cash flow from operating activities for the period was 7.4 MSEK compared to 20.1 MSEK same period last year.

Cash flow from changes in working capital amounted to -4.0 MSEK compared to 9.3 MSEK same period last year mainly attributable to increase in accounts receivable and decrease in accounts payable.

CASH AND FINANCIAL POSITION

Cash at the end of the period was 12.7 (48.8) MSEK. The group's total assets amounted to 261.9 (245.3) MSEK. IFRS 16 affected total assets by 14.1 (11.2) MSEK. Accounts receivable increased during the period to 68.3 (29.5) MSEK. Inventories amounted to 9.2 (5.8) MSEK. Current liabilities were 110.3 (70.5) MSEK excluding current leasing liability. The carrying amounts of financial assets and liabilities are considered to correspond essentially to fair value.

INVESTMENTS

Investments during the fourth quarter totalled -5.3 (6.4) MSEK. Of the investments, -3.0 (5.2) MSEK refers to the capitalization of development costs. Remaining -2.3 (1.3) 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.

ONE-OFF ITEMS IN THE FOURTH QUARTER

In the fourth quarter several expenses of a non-recurring nature have affected Net Income. In total Net income has been impacted negatively by 13.7 MSEK. EBITDA is impacted by a cost of goods sold adjustment of -1.0 MSEK. Other expenses with -1.3 MSEK in sales tax provision for the US and -2.3 MSEK in personnel costs correction for the year 2020, in total effect of 4.6 MSEK. We have taken a write down of capitalized R&D expenses of 2.2 MSEK as effect on EBIT and revaluated deferred tax asset and booked deferred tax on depreciation of parent merger goodwill - in total 6.9 MSEK impacting Net income.

MSEK	
Cost of goods sold	1.0
Sales commission recalculation	2.3
Sales tax provision	1.3
Total effect on EBITDA	4.6
Write down capitalized R&D expenses	2.2
Total effect on EBIT	6.8
Revaluation of deferred tax asset	5.2
Tax effect on depreciation of merger GW	1.8
Total effect on Net Income	13.7

These one-off items had limited impact on cash flow both for the quarter and the full year with less than 0,5 MSEK in total outflow.

PARENT COMPANY

The parent company is an operating company. Net sales for the parent company amounted to 56.0 (30.8) 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 (6.9) MSEK, impacted by the depreciation of merger goodwill of -8,7 MSEK.

SHARE CAPITAL

The total number of shares as of December 31, 2021 was 24,768,850 (24,727,995) and the share capital was SEK 1.238 million. Average number of shares in January-December 2021 was 24,764,261 (24,336,153). 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.

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 2020 annual report on page 34.

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 exclusively in the currencies EUR and USD.

In the parent company, 82% 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 Note 22 on page 94 of the annual report for 2020.

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 1,854 shareholders by December 31, 2021. 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	1,800,000	7.3
Fjärde AP fonden	1,345,109	5.4
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	390,079	1.6
10 Largest shareholders total	19,850,829	80.1
Others	4,918,021	19.9

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.

AFFIRMATION

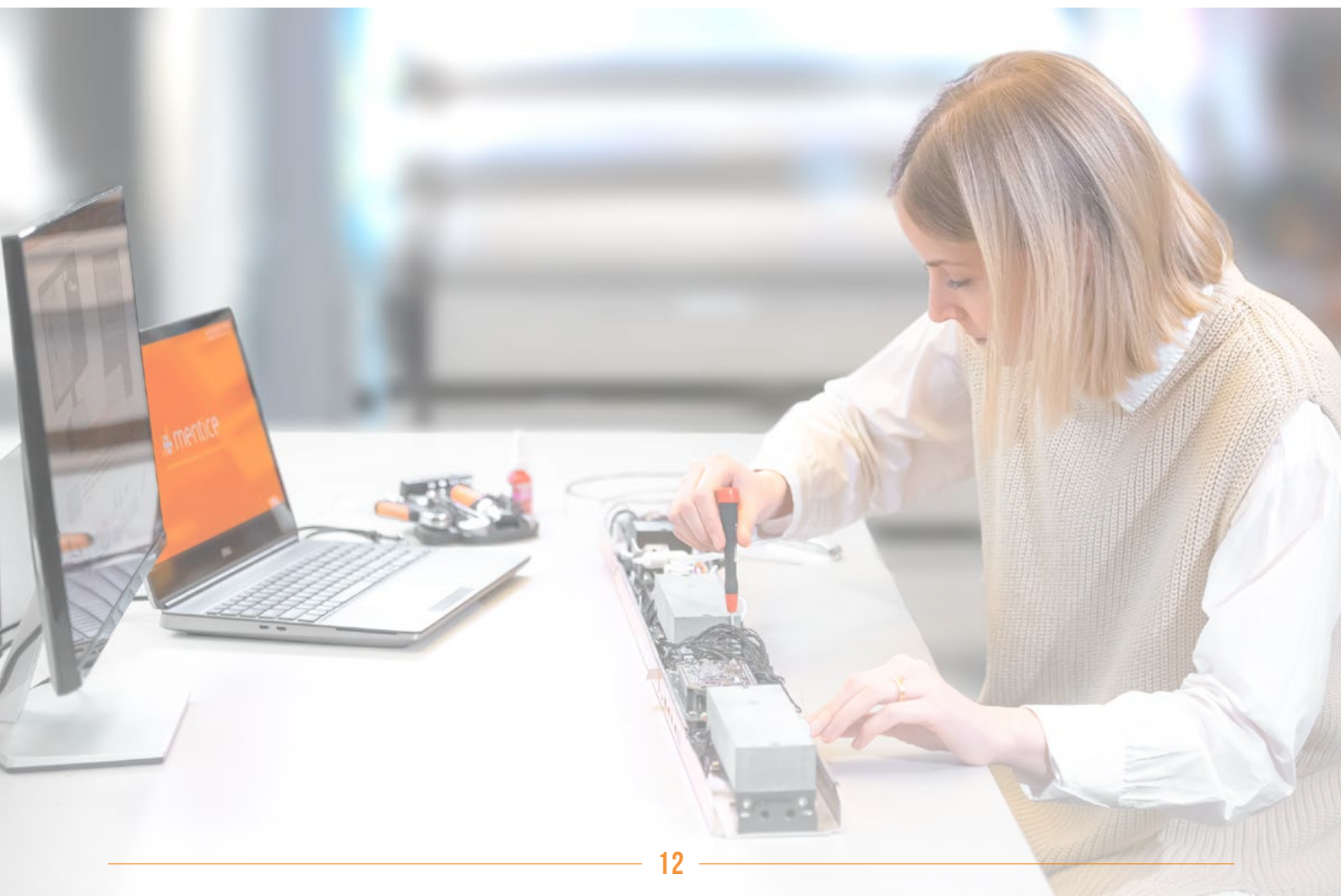


Mentice AB (publ)'s Board of Directors and CEO hereby assure that this interim report gives a true and fair view of the Group's business, financial position and performance and describes the essential risks and uncertainty factors that the company and the companies which are part of the Group are subjected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

Gothenburg, February 3, 2022

Mentice AB (publ)

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



GROUP — CONSOLIDATED INCOME STATEMENT

TSEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	67,688	45,941	185,064	137,503
Other income	3,284	8,378	5,155	13,376
Sales	70,972	54,319	190,219	150,879
Cost of goods sold	-14,266	-16,882	-35,148	-33,398
Other external costs	-14,819	-11,828	-47,191	-40,248
Personnel costs	-29,863	-21,335	-105,426	-81,304
Depreciation of tangible and intangible assets	-8,005	-4,721	-22,176	-14,142
Operating income, EBIT	4,019	-447	-19,722	-18,213
Financial income	331	998	4	1,306
Financial expenses	-1,275	4	-1,553	-1,679
Income before tax, EBT	3,075	555	-21,271	-18,586
Tax on income for the period	-7,273	2,777	-7,920	5,494
Net income for the period	-4,198	3,332	-29,191	-13,092
Profit/Loss attributable to:				
Shareholders parent company	-4,198	3,332	-29,191	-13,092
Non-controlling interest	0	0	0	0
Net income for the period	-4,198	3,332	-29,191	-13,092
Earnings per share basic, SEK	-0.17	-0.14	-1.18	-0.54

GROUP — STATEMENT OF COMPREHENSIVE INCOME

TSEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net income for the period	-4,198	3,332	-29,191	-13,092
<i>Other total income for the period</i>				
Translation reserve	1,734	-2,040	2,827	-1,980
Other total income for the period	-2,464	1,292	-26,364	-15,072
Profit/Loss attributable to:				
Shareholders parent company	-2,464	1,292	-26,364	-15,072
Non-controlling interest	0	0	0	0
Comprehensive income for the period	-2,464	1,292	-26,364	-15,072

GROUP — CONSOLIDATED BALANCE SHEET

TSEK	31 Dec 2021	31 Dec 2020
Assets		
Intangible Fixed Assets	106,002	101,366
Tangible Fixed Assets	14,091	7,970
Right-of-use Assets	14,062	11,221
Deferred Tax Assets	13,966	20,576
Total Fixed Assets	148,121	141,133
Inventories	9,195	5,769
Accounts Receivable	68,324	29,481
Prepaid Costs and Accrued Income	17,895	16,493
Other Current Receivables	5,672	3,642
Cash and Cash Equivalents	12,697	48,753
Total Current Assets	113,783	104,138
Total Assets	261,904	245,271
Equity		
Share Capital	1,238	1,236
Additional Paid in Capital	144,760	144,760
Other Capital Including Net Result for the Year	-9,111	17,255
Total Equity Attributable to Parent Company Shareholders	136,887	163,251
Minority Share in Total Equity	0	0
Total Equity	136,887	163,251
Liabilities		
Long-term Leasing Liabilities	10,086	6,368
Total Long-term Liabilities	10,086	6,368
Accounts Payable	8,997	16,763
Current Tax Liability	319	166
Other Liabilities	3,602	2,829
Current Leasing Liability	4,618	5,142
Accrued Expenses and Deferred Income	97,395	50,752
Total Current Liabilities	114,931	75,652
Total Liabilities	125,017	82,020
Total Equity and Liabilities	261,904	245,271

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 2021-01-01	1,236	144,760	-1,919	19,174	163,251	0	163,251
New Issuance of Shares	2			-2	0	0	0
Net income for the period				-29,191	-29,191	0	-29,191
Other total income for the period			2,827		2,827	0	2,827
Closing balance Equity 2021-12-31	1,238	144,760	908	-10,019	136,887	0	136,887

CASH FLOW STATEMENT FOR THE GROUP

TSEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Operating activities				
Result before tax	3,075	555	-21,271	-18,586
Adjustment for non-cash items	8,320	10,197	22,367	15,214
Tax paid	-54	-14	-434	-498
Cash flow from operating activities before changes in working capital	11,341	10,738	662	-3,870
Changes in working capital				
Increase (-)/Decrease (+) inventories	-2,038	-1,053	-3,138	2,988
Increase (-)/Decrease (+) current assets	-23,113	-1,563	-39,425	10,671
Increase (+)/Decrease (-) current liabilities	21,185	11,933	36,771	20,745
Cash flow from changes in working capital	-3,966	9,317	-5,792	34,404
Cash-flow from operations	7,375	20,055	-5,130	30,534
Investing activities				
Investments in tangible assets	-2,327	-1,253	-9,049	-3,275
Investments in intangible assets	-2,758	-5,185	-16,853	-22,063
Acquisition of business, net cash effect	0	0	0	367
Cash-flow from investment activities	-5,085	-6,438	-25,902	-24,971
Financial activities				
Payment of finance leasing liabilities	-1,289	-140	-5,783	-3,978
Cash-flow from financing activities	-1,289	-140	-5,783	-3,978
Cash-flow for the period	1,001	13,477	-36,815	1,585
Opening cash balance	11,360	36,059	48,753	48,041
Exchange rate differences on financial items	336	-783	759	-873
Closing cash balance	12,697	48,753	12,697	48,753

INCOME STATEMENT – PARENT COMPANY

TSEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net Sales	56,026	30,804	132,723	103,361
Capitalized Expenses for Development	2,758	5,184	16,853	22,063
Other Income	3,789	3,934	5,159	8,622
Sales	62,573	39,922	154,735	134,046
Cost of Sold Goods	-10,032	-9,188	-23,171	-23,273
Other External Costs	-21,651	-5,034	-67,068	-63,170
Personnel Expenses	-19,836	-16,844	-76,173	-63,998
Depreciations on Intangible and Tangible Assets	-14,139	-2,432	-22,168	-6,023
Operating Profit	-3,085	6,424	-33,845	-22,418
Other Interest Income and similar Profit/Loss Items	9,561	1,220	9,600	1,220
Interest Expenses and similar Profit/Loss Items	-1,655	-733	-1,836	-1,309
Result after Financial Items	4,821	6,911	-26,081	-22,507
Tax on Result for the Period	-5,194	-31	-5,194	5,411
Net Result for the Period	-373	6,880	-31,275	-17,096

BALANCE SHEET – PARENT COMPANY

TSEK	31 Dec 2021	31 Dec 2020
Intangible Assets	98,876	103,308
Tangible Assets	3,158	2,334
Shares in Group Companies	41,656	41,656
Receivables Group Companies	13,476	2,679
Deferred Tax Receivable	7,966	13,123
Total Financial Fixed Assets	63,098	57,458
Inventories	6,541	4,801
Accounts Receivable	35,400	22,309
Other Receivables	15,075	3,215
Prepaid Expenses and Accrued Income	6,887	9,274
Cash and Cash Equivalents	4,968	41,388
Total Current Assets	68,871	80,987
Total Assets	234,003	244,087
<i>Restricted Equity</i>		
Shareholders Equity	1,238	1,236
Capitalization of Development Cost	52,914	45,750
<i>Non-restricted Equity</i>		
Premium Reserve	144,750	144,760
Balanced Result	-35,316	-11,058
Profit/Loss for the Period	-31,275	-17,096
Total Equity	132,311	163,592
Liabilities Group Companies	31,449	28,966
Total Long-term Liabilities	31,449	28,966
Accounts Payable	7,978	15,797
Other Current Liabilities	3,805	1,422
Accrued Expenses and Prepaid Income	58,460	34,310
Total Current Liabilities	70,243	51,529
Total Equity and Liabilities	234,003	244,087

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 2020.

- The Medical Device Industry segment consists of global providers of products where Mentice's adaptable simulation solutions can be integrated to fit specific needs. The segment includes solutions for training, sales and marketing, research and clinical evaluations.
- The segment for Healthcare systems includes the efforts aimed at teaching entities in academic and university hospital settings, as well as its efforts aimed at healthcare entities. The latter is focused on solutions for continuous professional development, maintenance of skills and planning, rehearsal and physical guidance.
- Strategic Alliances refers to the integration of Mentice solutions in leading cath lab systems from leading suppliers Siemens Healthineers and Philips Healthcare.

SEGMENTS

Mentice's business is divided into three segments, which reflect the group's operations, financial management and management structure. These three segments are

Medical Device Industry, Healthcare Systems and Strategic Alliances.

NET SALES PER SEGMENT AND GEOGRAPHIC MARKET

	Medical Device Industry		Healthcare Systems		Strategic Alliances		Total	
TSEK	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Geographic Markets								
EMEA	28,596	19,786	7,931	13,276	5,274	9,191	41,801	42,253
APAC	35,599	24,094	10,742	11,947	4,219	1,268	50,560	37,309
Americas	74,966	43,648	12,903	9,694	4,835	4,599	92,703	57,941
Total	139,160	87,528	31,576	34,917	14,328	15,058	185,064	137,503
Time for Revenue Recognition								
Goods and Services that are Accounted for at a given time	102,812	53,990	25,382	31,549	11,619	13,258	139,813	98,797
Goods and Services that are Accounted for over time	36,348	33,538	6,194	3,368	2,709	1,800	45,251	38,706
Total Net Sales from Customer Contracts	139,160	87,528	31,576	34,917	14,328	15,058	185,064	137,503

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 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.

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

ANNUAL REPORT 2021
ANNUAL GENERAL MEETING

APRIL 6, 2022
APRIL 27, 2022

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



