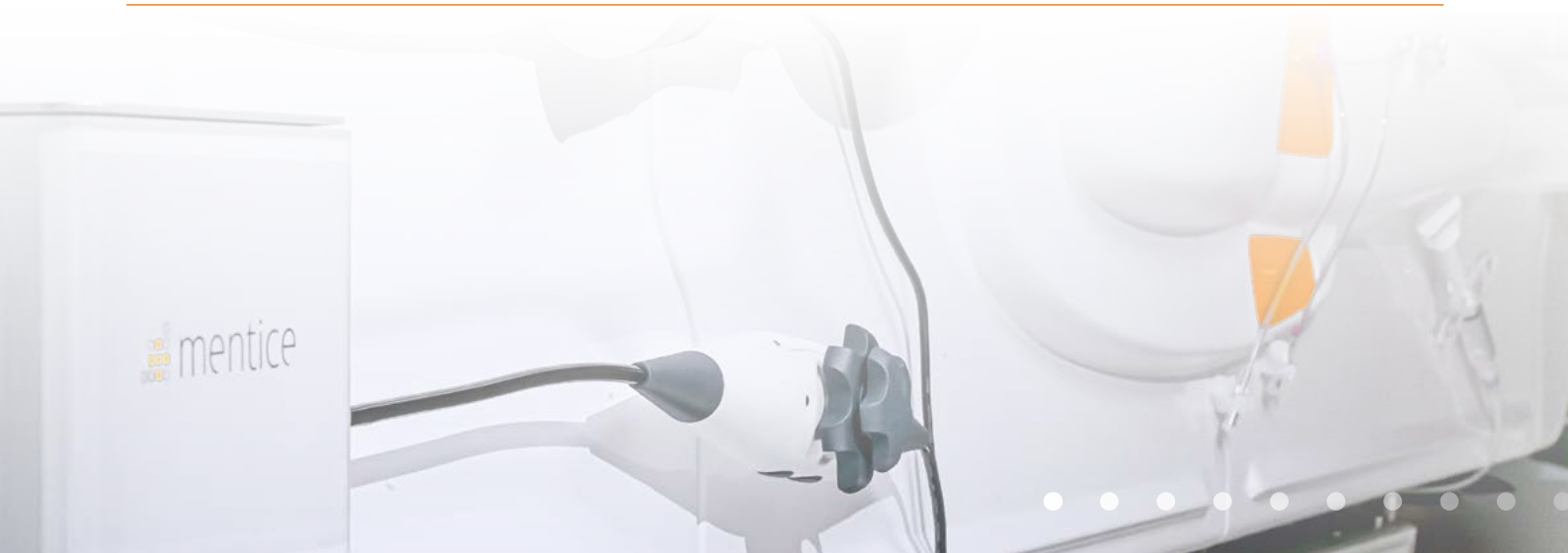




Q2 INTERIM REPORT  
**APR—JUN 2022**





## THE ACQUISITION OF ANKYRAS IS FINALIZED AND A LARGE ORDER IN THE QUARTER

- The order book increased to 108.9 (67.9) MSEK and compared to 87.1 MSEK at the end of 2021.
- We acquired all relevant assets relating to Ankyras from Galgo Medical in Spain on the 30th of June.
- A significant order of 1.93 MUSD for development and systems from a large medical device company in the US was received.
- Higher cost levels during the quarter affecting the result and continued long payment terms with customers affects our cash flow.
- We performed a direct issue of shares in the quarter adding 56.5 MSEK after deduction of transaction costs of 3.5 MSEK.

### SECOND QUARTER (APRIL– JUNE 2022)

- Order intake amounted to 57,3 (40,1) MSEK.
- Order book by the end of the period was 108,9 (67,9) MSEK.
- Net sales amounted to 45,1 (46,4) MSEK.
- Earnings before depreciation and amortization (EBITDA) totaled -12,2 (0,5) MSEK.
- Net income for the period amounted to -17,6 (-5,4) MSEK.
- Earnings per share (EPS) was -0,71 (-0,22) SEK.
- Cash flow from operating activities totaled -18,3 (8,3) MSEK.

### FIRST HALF YEAR (JANUARY – JUNE 2022)

- Order intake amounted to 111,7 (80,1) MSEK.
- Net sales amounted to 98,2 (78,7) MSEK.
- Earnings before depreciation and amortization (EBITDA) totaled -13,5 (-8,9) MSEK.
- Net income for the period amounted to -25,1 (-17,8) MSEK.
- Earnings per share (EPS) was -1,01 (-0,72) SEK.
- Cash flow from operating activities totaled -7.0 (-4,8) MSEK.

## COMMENTS BY THE CEO

During the second quarter Mentice acquired the assets of Ankyras from Galgo Medical (Barcelona). Ankyras develops applications for precision medicine and will take Mentice into the operating room with a regulatory approved solutions assisting physicians in their aim to improve the outcome for patients.

Ankyras has developed an application for analysis of cerebral aneurysms in the brain. Ankyras solution is unique, and they are pioneers in these areas with algorithms and solutions being developed since 2013 and they are now ready for a broader commercialization.

This acquisition is well in-line with our strategy to expand in our vertical for image guided interventional therapies. We have effectively enhanced our solutions for our core and legacy area of high-fidelity virtual simulation solutions combined with the acquisition of Vascular Simulations during 2020 (now referred to as Physical SIM) adding solutions for product development and advanced patient specific simulation using 3D printed physical models. With Vascular Simulation we have been able to leverage our global sales and support organization and our customer network to drive growth of Physical SIM and we envision the same to happen with Ankyras. With Ankyras we will now add analysis and planning of a treatment of a specific patient. The combination of these technologies creates an effective matrix of tools offering our clients a unique portfolio of synergetic solutions within our clinical domain. Our ambition is to redefine what we refer to us our marketplace and we can see this market being radically larger compared to the classical definition of the simulation and training marketplace which Mentice been connected to until now.

Order intake during the second quarter for 2022 was 43% above the last year and during the second quarter we have experienced strong order intake from the hospital market (+81%) as well as from the strategic alliance partners (+71%) compared to the lower levels we have experienced during the pandemic. The order intake from the medical device industry was 41.8 (31.5) MSEK with support from the larger order of 1.93 MUSD received at the end of the quarter resulting in a growth rate of 33% compared to the same quarter last year.

Our level for net sales for the quarter is just below the same period last year 45 (46.4) MSEK For the first half year we are 24.8% above last year. The slower performance in the second quarter is related to a general slower start for the second quarter in the wake of the war in Europe and general uncertainties in the market and is mostly related to the Americas region generating 13.3 (20.9) MSEK 37% lower compared to last year. Our market deliver strong on all areas while we see the seasonal effects impacting us to a higher degree in the North American region.



After this quarter we now have a rolling twelve-month (RTM) level for net sales of about 205 MSEK and a rolling twelve order intake of 237 MSEK. In addition, it should be noted that our order book has increased to almost 110 MSEK where 56 MSEK is scheduled for 2022 positioning us on net sales confirmed at over 80% compared to the full year 2021. Our ambitious target for growth of net sales of over 30% was not met in the quarter. For the first half year we present 24.8% growth but +60% in the first quarter and -3% in the second quarter, creating an imbalance between sales and expenditures and hence the for the quarter. This is in our mind not an abnormal volatility between quarters.

The EBITDA result for the quarter is negative -12.2 (-0.5) MSEK mostly related to high cost of personnel, increasing travel costs as well as lower level of capitalization of development resources during the quarter.

We are investing in personnel for growth and after the second quarter we have 117 people employed compared to 100 for the same time last year. We are aware of the short-term cost impact, but our ambition is to build the organization for the requirements we see for 2023 and forward.

The operational cashflow is -18.3 MSEK in the quarter compared to -8.3 MSEK for the last year. This is a consequence of our result for the quarter, increased

inventory of equipment to improve our capability to deliver combined with further delayed accounts receivables. The operational cashflow for the first 6 months is 2.2 MSEK behind last year -7.0 (-4.8) MSEK.

## BUSINESS AREAS

Our three business areas, Medical Device Industry, Healthcare systems and Strategic Alliances have continued to deliver order intake on or above last year and we are especially noting that healthcare systems have also for the second quarter delivered on levels compared to the time before the pandemic.

For the first half of the year, we have a total growth of 40%, but we are growing with three-digit figures for Healthcare Systems and Strategic Alliances.

## REGIONS

Relating to order intake from our regions we can see that the European region delivered strongest growth and we are pleased to see this is due to strong business from the healthcare systems business area. Asia generates 38% growth and Americas 22% thanks to the larger order from the medical device industry.

## RECURRING REVENUE

For the second quarter we note that the recurring revenues increased by 77% to 12.6 (6.8) MSEK compared to last year. For the first half year comparable growth is 90% resulting in 22.5 (12.0) MSEK. We note that the recurring revenue for the last four quarters now is 37 MSEK, an uplift of 5 MSEK compared with first quarter 2022.

## RISKS

Also, the second quarter is characterized by the uncertain situation for the global market with high levels of inflation, increasing cost levels combined with a volatile financial market. We see continued challenges with material and component supply, unclarity with respect to logistics as well as air travel. In China, we have experienced continued lock-downs due to the pandemic. All these factors are of course impacting us, and we see that the cost impact in the quarter has been higher than we expected and realize that these factors can continue to impact us also going forward.

We always aim to work with assessment and efforts to improve our operational efficiency and assess how we can further improve our business model to compensate for the cost adjustments and the unclarity we see for the near-term future.

## STRONG MARKET

Despite the unclarity we express above, we are confident in the strong demand we see for our products from all business areas and geographical regions and we expect that the business areas for medical device industry will be able to continue to deliver with growth combined with the strong rebound we have experienced for the first half of the year for the healthcare systems market., which in turn also has a positive effect on the strategic alliance business area.

## SUMMARY

For the first half year we have presented a continued strong order intake, and our net sales performance for the first 6 months is at a satisfactory +25% compared to last year and the order book is stronger than ever. With this said we are very pleased with state of our business, orders, and sales however we acknowledge our ambition to continue to work on improving our efficiency, profitability and operational cashflow.

Our current business is characterized by:

- continued strong demand from the medical device industry
- the rebound of the hospital market to normal levels and
- the acquisition of Ankyras and hence further execution on our strategy with respect to precision medicine, providing solutions for the daily clinical practice

The larger medical device industry order we presented during the month of June will have a positive impact on net sales for the second half of this year and we expect to see a continued positive effect for the next years.

We have a positive view of our near and midterm future where we see strong demand for our products knowing that our products can help our clients effectively tackle the challenges providing solutions that help improve competitive edge, productivity and ultimately improving the ability for every patient to receive the optimal care they deserve.

**Gothenburg in July 2022,**

**Göran Malmberg**

**CEO, Mentice AB (publ)**

## KEY FIGURES

	Apr-Jun 2022	Apr-Jun 2021	Change	Jan-Jun 2022	Jan-Jun 2021	Change	RTM*	Full year
Order intake, MSEK	57.3	40.1	42.8%	111.7	80.1	39.5%	237.3	205.6
- whereof Medical Device Industry	41.8	31.5	32.9%	74	64.3	15.2%	177.1	167.3
- whereof Healthcare systems	12.6	7	80.6%	24.9	11.4	118.5%	37.8	24.4
- whereof Strategic Alliances	2.9	1.7	71.1%	12.8	4.4	190.6%	22.3	13.9
Order book (end of period), MSEK	108.9	67.9	60.4%	108.9	67.9	60.4%	108.9	87.1
Net sales, MSEK	45.1	46.4	-2.7%	98.2	78.7	24.8%	204.6	185.1
Sales, MSEK	49.3	46.4	6.6%	104	79.7	30.4%	214.5	190.2
Gross margin, %	84.0%	79.8%		81.9%	80.0%		80.5%	80.1%
Operating income before depreciations, EBITDA, MSEK	-12.2	-0.5		-13.3	-8.9		-2.2	2.5
EBITDA-margin, %	-27.0%	-1.2%		-13.8%	-11.3%		-1.1%	1.3%
Income before tax, EBT, MSEK	-16.7	-5.5		-23.7	-17.8		-27.2	-21.3
Income for the period, MSEK	-17.6	-5.4		-25.1	-17.8		-36.5	-29.2
Earnings per share, SEK	-0.71	-0.22		-1.01	-0.72		-1.47	-1.18
Cash-flow from operations, MSEK	-18.3	8.3		-7	-4.8		-34.5	-36.8
Cash at end of period, MSEK	33.4	26.3		33.4	26.3		33.4	12.7
Equity/Asset ratio, %	53.4%	60.4%		53.4%	60.4%		53.4%	52.3%
Number of employees at the end of the period	117	100		117	100			104

\*RTM = rolling twelve months.

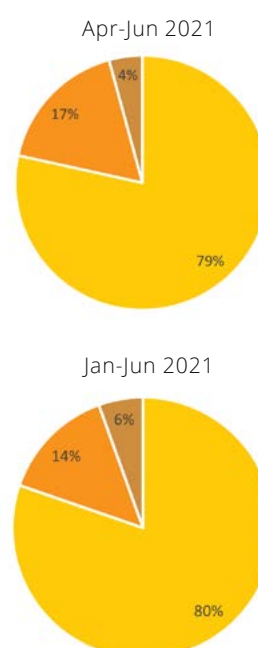
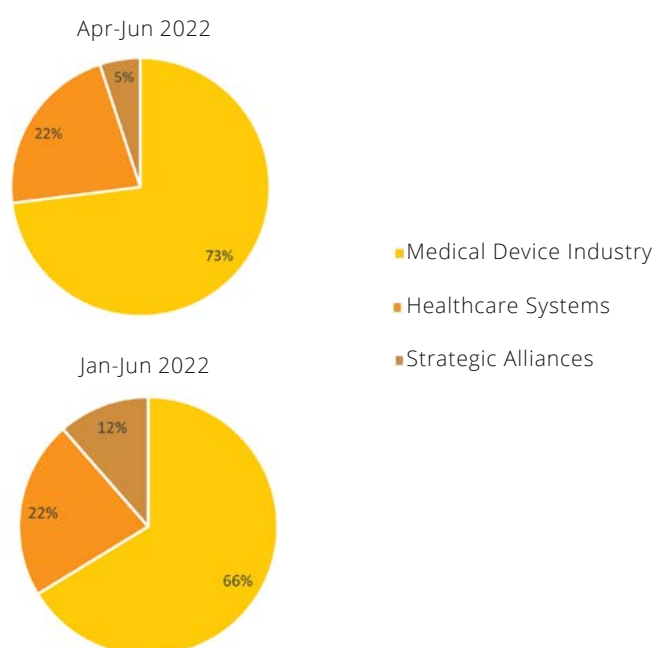
## FINANCIAL PERFORMANCE

### ORDER INTAKE PER BUSINESS AREA

Order intake during the second quarter increased by 42,8% to 57,3 (40,2) MSEK. For the business area Healthcare systems and Strategic Alliances, we now have after two quarters order intake close to or above the full year level for 2021. For the Medical Device Industry, we

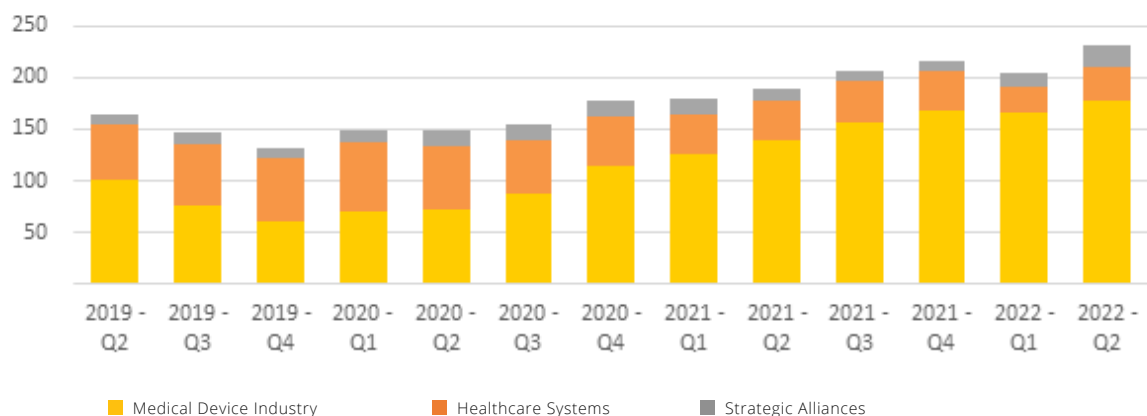
have a strong order intake including the order from the large medical device industry company in total 1,93 MUSD. Order intake for the first half year was in total 111,7 (80,1) MSEK an increase by 39,5%, well within our performance measure for growth.

Order intake per business area TSEK	Apr-Jun 2022	Apr-Jun 2021	Variance	Jan-Jun 2022	Jan-Jun 2021	Variance	Full year 2021
Medical Device Industry	41,845	31,493	32.9%	74,052	64,284	15.2%	167,338
Healthcare Systems	12,557	6,953	80.6%	24,874	11,384	118.5%	24,358
Strategic Alliances	2,907	1,699	71.1%	12,790	4,401	190.6%	13,948
<b>Total</b>	<b>57,310</b>	<b>40,145</b>	<b>42.8%</b>	<b>111,717</b>	<b>80,069</b>	<b>39.5%</b>	<b>205 645</b>



## FINANCIAL PERFORMANCE, CONT.

### ORDER INTAKE PER BUSINESS AREA ROLLING FOUR QUARTERS (MSEK)



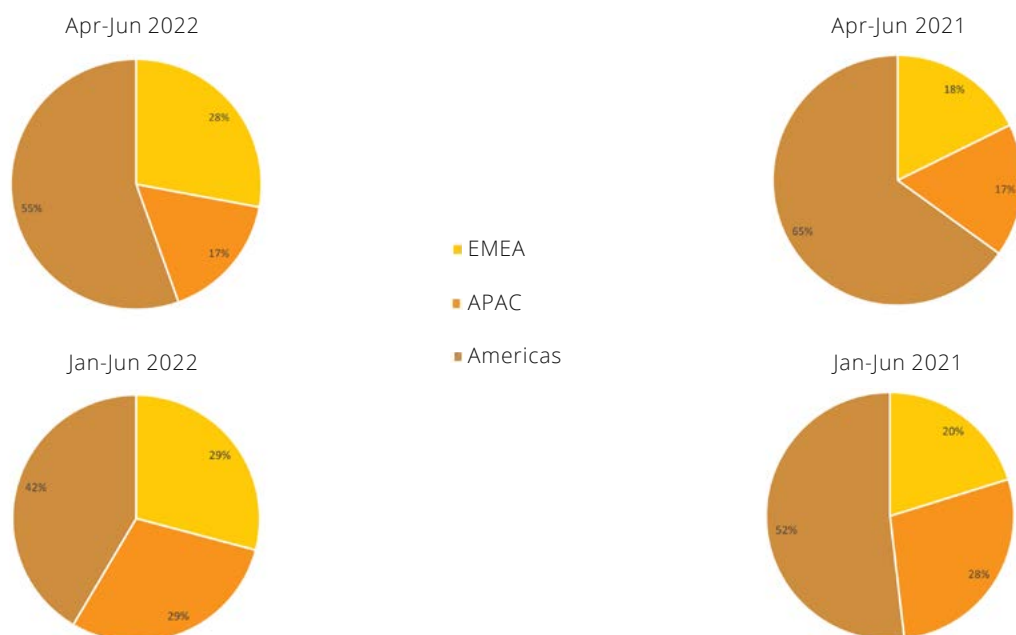
### ORDER INTAKE PER REGION

Order intake per region show that it is EMEA that grow above 100% both for the second quarter and for the first half year. Also, APAC show good growth with close to 40% in the quarter and +47% for the first half year. Also, the Americas region show growth both for the second quarter and the first half year, including the order from the large medical device company but a little bit slower after the strong finish in quarter four last year.

Order intake per region TSEK	Apr-Jun 2022	Apr-Jun 2021	Variance	Jan-Jun 2022	Jan-Jun 2021	Variance	Full year 2021
EMEA	16,004	7,117	124.9%	32,547	16,167	101.3%	51,599
APAC	9,510	6,910	37.6%	32,811	22,379	46.6%	51,112
Americas	31,796	26,118	21.7%	46,358	41,522	11.6%	102,645
<b>Total</b>	<b>57,310</b>	<b>40,145</b>	<b>42.8%</b>	<b>111,717</b>	<b>80,069</b>	<b>39.5%</b>	<b>205 645</b>



## FINANCIAL PERFORMANCE, CONT.



### ORDERBOOK

The orderbook closed at 108,9 (67,9) MSEK after the second quarter, which represents growth of 60,4% and where 56 MSEK is related to revenue for 2022. The orderbook represents orders received but not yet delivered. Out of the total orderbook per June 30, 23,6 MSEK is for systems, and 4,7 MSEK for software subscription that will be delivered and recognized as net sales in 2022 and 24,5 MSEK for 2023 and onwards. 38,3 MSEK refers to deliveries of rental and support agreements that is to be delivered and recognized as revenue of the coming three years and the remaining 12,6 MSEK is development contracts with customers that will be delivered during 2022 and 5,2 MSEK during 2023.

### 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. For the second quarter we take no part of the order from the large medical device company into net sales, hence the difference between order intake and net sales increases in the quarter and first half year.



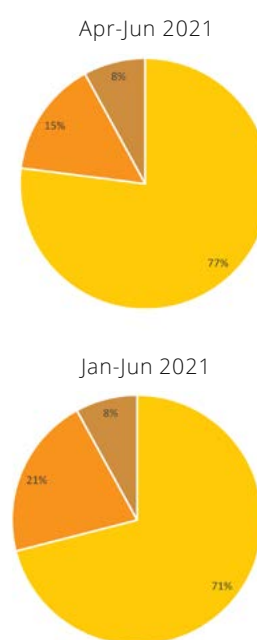
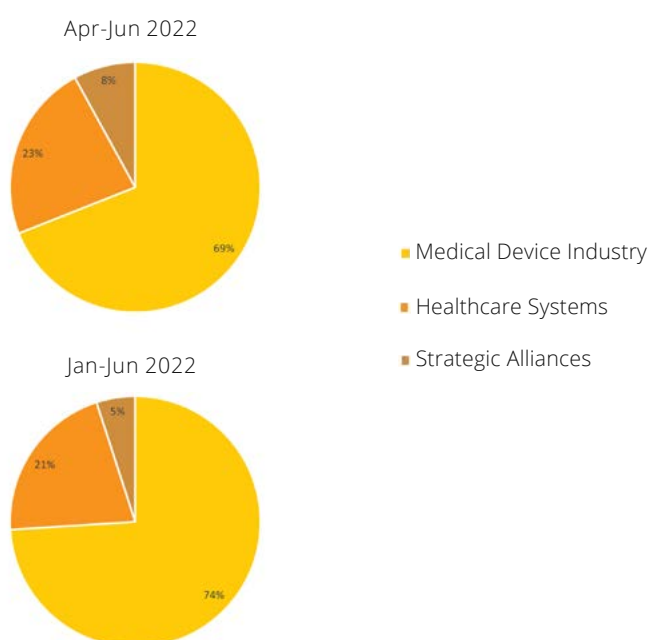
## FINANCIAL PERFORMANCE, CONT.

### NET SALES PER BUSINESS AREA

Of the net sales for the second quarter 31,2 (35,8) MSEK came from the business area Medical Device Industry, 10,5 (6,7) MSEK came from Healthcare Systems and 3,3 (3,9) MSEK from the business area Strategic Alliances.

Of the net sales for the first half year 72,4 (55,7) MSEK came from the business area Medical Device Industry, 20,4 (17,0) MSEK came from Healthcare Systems and 5,5(6,0) MSEK from the business area Strategic Alliances.

Net sales per business area TSEK	Apr-Jun 2022	Apr-Jun 2021	Variance	Jan-Jun 2022	Jan-Jun 2021	Variance	Full year 2021
Medical Device Industry	31,237	35,752	-12.6%	72,369	55,691	29.9%	139,161
Healthcare Systems	10,518	6,739	56.1%	20,366	16,979	20.0%	31,576
Strategic Alliances	3,356	3,894	-13.8%	5,461	6,044	-9.7%	14,327
<b>Total</b>	<b>45,111</b>	<b>46,385</b>	<b>-2.7%</b>	<b>98,196</b>	<b>78,705</b>	<b>24.8%</b>	<b>185,064</b>



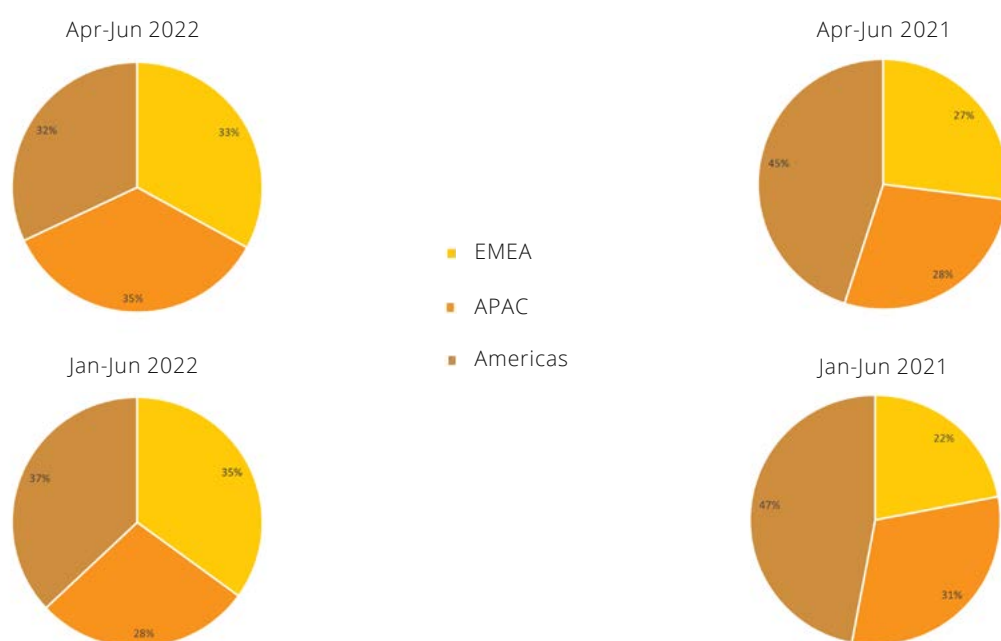
## FINANCIAL PERFORMANCE, CONT.

### 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). Net sales grow in EMEA and APAC but is decreasing in Americas, mainly due to the strong quarter four 2021 and that seasonal variances are the strongest in the US. This is true both for the second quarter as well as the first half year.

Net sales grow the fastest in EMEA and this is clearly connected to the fast recovery of the Healthcare market in the regions. EMEA is now 35% of net sales for the first half year.

Net sales per region TSEK	Apr-Jun 2022	Apr-Jun 2021	Variance	Jan-Jun 2022	Jan-Jun 2021	Variance	Full year 2021
EMEA	14,783	12,349	19.7%	34,254	17,235	98.7%	41,520
APAC	15,971	13,152	21.4%	27,459	24,785	10.8%	50,561
Americas	14,356	20,884	-31.3%	36,483	36,685	-0.6%	92,983
<b>Total</b>	<b>45,111</b>	<b>46,385</b>	<b>-2.7%</b>	<b>98,196</b>	<b>78,705</b>	<b>24.8%</b>	<b>185,064</b>



## FINANCIAL PERFORMANCE, CONT.

### NET SALES PER BUSINESS SEGMENT

Out of the net sales for the second quarter 16,0 (18,0) MSEK from system sales for investment, where net sales is recognized in full upon delivery of the system. Another 4,2 (1,7) MSEK came from recurring system sales where net sales are recognized over time. 7,7 (12,8). of total net sales came from software licenses sales for investment where net sales are recognized upon delivery of system.

Furthermore, recurring software licenses 7,7 (5,1) MSEK and refers to software licenses sold as subscription model where net sales in recognized over time. Both Accessories & spare parts as well as service net sales is recognized at delivery came in at 9,5 (9,3) MSEK. The first half year show growth at 25% and for all business segments except Software licenses,

Net sales per business segment TSEK	Apr-Jun 2022	Apr-Jun 2021	Variance	Jan-Jun 2022	Jan-Jun 2021	Variance	Full year 2021
System sales, CAPEX	15,961	17,275	-7.6%	38,933	30,146	29.1%	78,398
System sales, recurring	4,232	1,701	148.8%	7,612	2,516	202.5%	7,056
Software licenses, CAPEX	7,662	12,813	-40.2%	12,557	18,627	-32.6%	37,739
Software licenses, recurring	7,733	5,062	52.8%	14,903	9,312	60.0%	19,267
Accessories & spare parts	3,439	3,740	-8.0%	9,052	6,568	37.8%	16,834
Service	6,084	5,795	5.0%	15,138	11,538	31.2%	25,770
<b>Total</b>	<b>45,111</b>	<b>46,385</b>	<b>-2.7%</b>	<b>98,196</b>	<b>78,705</b>	<b>24.8%</b>	<b>185,064</b>

## FINANCIAL PERFORMANCE, CONT.

### OTHER INCOME

Other income was 1.5 (-0.2) MSEK for the quarter and 3.1 (1.0) MSEK for the first half year. During the second quarter the company obtained a grant from Swedfund. The rest is related to exchange rate variances in operating assets and liabilities in foreign currencies.

### GROSS PROFIT AND GROSS MARGIN

The gross profit for the second quarter was 37.9 (37.0) MSEK and 80.4 (62.9) MSEK for the first half year. Gross margin was at 84.0% for the second quarter, compared to 79.8% for the same period previous year. The gross margin for the first half year was 81.9% compared to 80.0% last year.

Gross margin in the quarter is impacted by the mix between of products sold and the level of support and service as well as 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, the main impact on the higher margin for the period.

### OPERATING RESULT (EBITDA) AND OPERATING MARGIN

Operating income before depreciation, EBITDA, was -12.2 (-0.5) MSEK. This corresponds to an operating margin of -27.0 (-1.2) % for the second quarter. Corresponding figures for the first half year are -13.5 (-8.9) MSEK with gross margins of -13.8 (11.3) %. The EBITDA decrease was mainly driven from higher costs in the quarter.

### OTHER EXTERNAL COSTS

Other external costs totaled -16.1 (-10.9) MSEK during the second quarter which equals an increase of 48.6% compared to same period last year. For the first half year, the costs are -30.5 (22.8) MSEK and cost for travel accounts to -3.1 MSEK, legal costs -1.6 MSEK due to the acquisition of Ankyras and the related issue of shares. For the first half year travel accounts for -4.5 MSEK and in addition to this we capitalize less costs for consultant used for development vs last year.



## FINANCIAL PERFORMANCE, CONT.

### PERSONNEL COSTS

Personnel costs during the first quarter were -35.4 (-26.5) MSEK which equals an increase of 32.2%. The personnel cost increase is mainly due to the increase of average number of employees between the years 117 in 2022 vs 100 in 2021 an increase of 17%, salary increase of 4% and wage inflation of about 4% mainly in the US. For the first half year personnel costs came in at 66.5 (50.0) MSEK, an increase of 32.9%.

Personnel costs include capitalized costs for development with 1.6 (2.2) MSEK for the second quarter and 3.1 (5.1) MSEK for the first half year. The average number of employees at end of the quarter were 117 (100) compared to 104 at end of the year 2021.

### CAPITALIZED EXPENSES FOR DEVELOPMENT COSTS

Capitalized expenses for development costs during the second quarter totaled 2.2 (4.3) MSEK and for the first half year 4.5 (8.5) MSEK and are mainly related to several ongoing projects. The capitalization is accounted for as external costs if the original cost is for consultants for development and in personnel costs if the original cost is for own employees.

### FINANCIAL ITEMS

Net financial items for the second quarter totaled +0.5 (-0.45) MSEK and for the first half year -0.4 (+0.1) MSEK and are mainly related to exchange rate variances. The net financial items for the quarter included -0.2 (-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 -0.9 (0.0) MSEK, mainly due to deferred tax on amortization of asset goodwill in the parent company. Net income for the period was -17.6 (-5.7) MSEK. Earnings per share was -0.71 (-0.23) SEK for the second quarter.

For the first half year tax on income for the period came in at -1.4 (+0.1) MSEK and net income for the period was -25.1 (-18.2) MSEK and earnings per share was -1.01 (-0.73) SEK.

### CASH FLOW

Cash flow from operation activity before changes in working capital was -10.3 (-0.7) MSEK. Cash flow from operating activities for the period was -18.3 MSEK compared to -8.3 MSEK same period last year and the changes in working capital are mainly attributable to increase in other operating receivables with deduction for positive cash flow from other operating liabilities. The first half year cash flow from changes in working capital was +7.1 (+5.1) MSEK.

During the quarter the company made a direct issue of shares which generated 56.5 MSEK in positive cash flow net of transactions costs of 3.5 MSEK from financing activities and paid the first down payment of -19.2 MSEK for the assets in Ankyras.

### CASH AND FINANCIAL POSITION

Cash at the end of the period was 33.4 (26.3) MSEK. The group's total assets amounted to 319.1 (241.5) MSEK. IFRS 16 affected total assets by 16.2 (8.5) MSEK. Accounts receivable increased during the period to 74.4 (34.2) MSEK, and increased with 6.1 MSEK compared to the yearend position. Inventories amounted to 10.1 (6.1) MSEK. Current liabilities were 132.2 (86.3) 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.

## FINANCIAL PERFORMANCE, CONT.

### INVESTMENTS

Investments during the second quarter totaled -3.1 (9.1) MSEK. Of the investments, -2.2 (-6.4) MSEK refers to the capitalization of development costs. Remaining -0.9 (-2.8) MSEK refers to investments in tangible assets relating to new hardware devices for internal use but also for rental. The group had no significant obligations relating to investments as of June 30, 2022.

### ANKYRAS AQUISITION

All assets with regards to the product Ankyras has been acquired during June 2022. The total price for the assets is 2.75 MEUR and the first payment of 1,8 MSEK was done on the 30th of June. The complete valuation of assets in the acquisition will be completed during the third quarter about consists of customer contracts, patents, and tradename.

### PARENT COMPANY

The parent company is an operating company. Net sales for the parent company amounted to 68.2 (52.4) 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 -22.4 (-19.6) MSEK, impacted by the profit liquidating group company in Switzerland + 10.1 MSEK.

### SHARE CAPITAL

The total number of shares as of June 30, 2022 after the direct issue of shares were 25,568 850 (24,768,850) and the share capital was SEK 1.278 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

Board member Denis Gestin has on a consulting basis acted as an advisor to the company in connection with customer related activities within the medical device industry. During the period January through June 2022, Gestin received TSEK 367 (TSEK 184). As at the balance sheet date 30 June 2022, the company carried a receivable balance in the amount of 3.2 MSEK with Union Capital Asset Management (Taiwan), which is partially owned by Lawrence Howell, chairman of the Board. Above transactions were conducted based on market value.

### 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, improved 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 most of the operating costs are in SEK. Net sales and cost in the US subsidiary are 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 1,791 shareholders by June 30 2022. FNCA is the company's certified advisor.

Largest shareholders (source Euroclear 2022-06-30)		
Name	Number of shares	Shareholding in %
Karin Howell -Bidermann	8,690,980	33.9%
Bure Equity AB (publ)	3,761,659	14.7%
Handelsbanken Microcap Sverige	1,886,000	7.4%
Fjärde AP fonden	1,664,804	6.5%
Medical Simulation Corporation	1,191,074	4.7%
Berenberg Funds	932,391	3.6%
TIN Fonder	812,847	3.2%
Göran Malmberg	711,670	2.8%
Andra AP Fonden	446,620	1.8%
Avanza Pension	394,386	1.5%
<b>10 Largest shareholders total</b>	<b>20,492,431</b>	<b>80.1%</b>
Others	5,076,419	19.9%
<b>Total number of shares</b>	<b>25,568,850</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, July 20, 2022

Mentice AB (publ)

Board member

**Denis Gestin**

Board member

**Gösta Johannesson**

Board member

**Johann Koss**

Board member

**Eola Änggård Runsten**

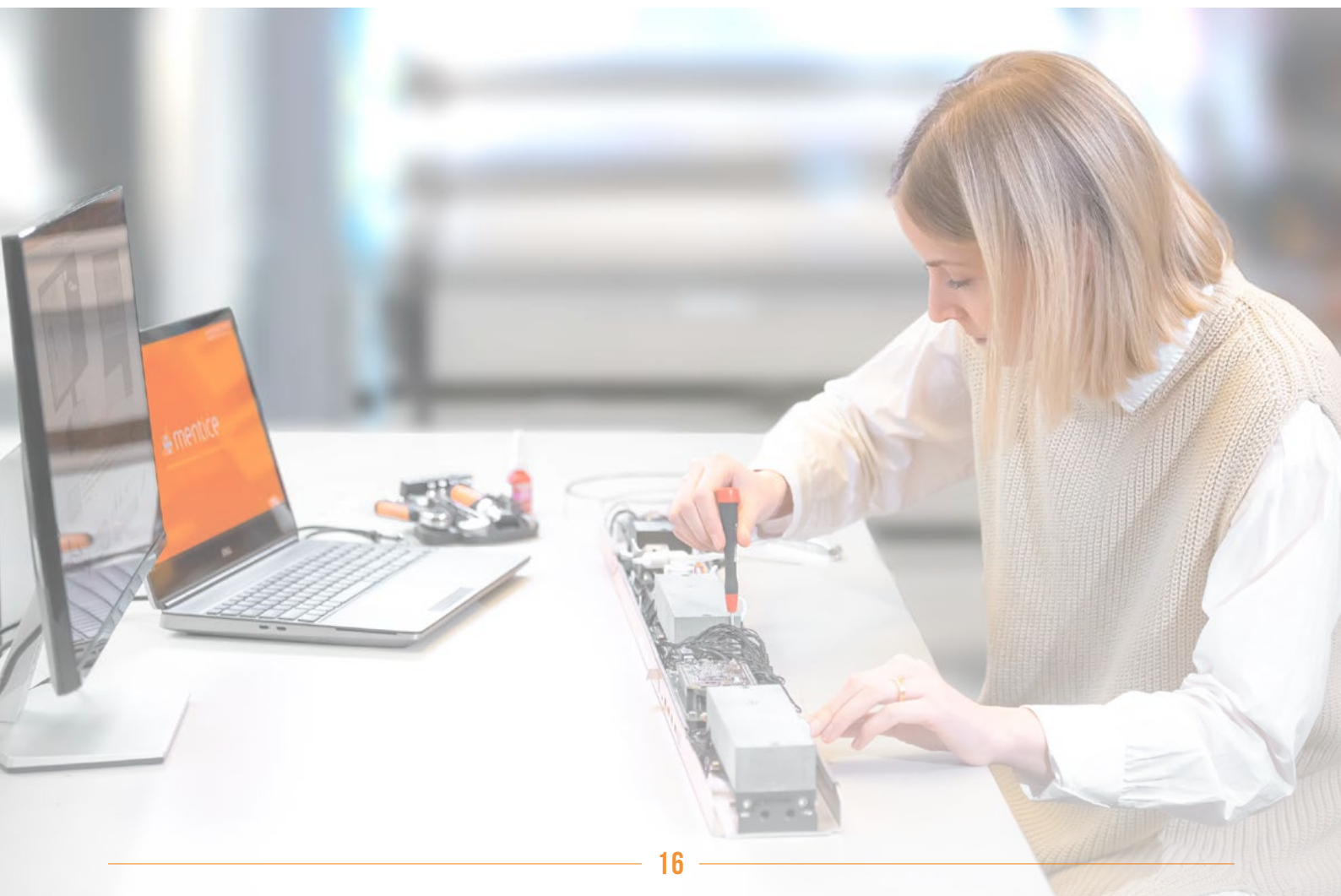
Board member

**Magnus Nilsson**

Board member

**Göran Malmberg**

CEO



## CONSOLIDATED INCOME STATEMENT

TSEK	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
Net Sales	45,111	46,386	98,196	78,706	185,064
Other Income	1,472	-171	3,083	986	5,155
<b>Sales</b>	<b>46,583</b>	<b>46,215</b>	<b>101,279</b>	<b>79,692</b>	<b>190,219</b>
Raw materials and consumables used	-7,215	-9,376	-17,774	-15,758	-35,148
Other External Costs	-16,141	-10,859	-30,513	-22,820	-47,191
Personnel Costs	-35,416	-26,521	-66,521	-50,045	-105,426
Depreciation of Tangible Assets	-2,315	-2,234	-4,426	-4,380	-10,508
Amortization and writedown of Intangible Assets	-2,714	-2,334	-5,344	-4,642	-11,668
	<b>-63,801</b>	<b>-51,324</b>	<b>-124,578</b>	<b>-97,645</b>	<b>-209,941</b>
<b>Operating Income (EBIT)</b>	<b>-17,218</b>	<b>-5,109</b>	<b>-23,299</b>	<b>-17,953</b>	<b>-19,722</b>
Financial Income	2	-254	4	333	4
Financial Expenses	467	-98	-388	-205	-1,553
<b>Net Financial Items</b>	<b>469</b>	<b>-352</b>	<b>-384</b>	<b>128</b>	<b>-1,549</b>
<b>Earnings before tax (EBT)</b>	<b>-16,748</b>	<b>-5,461</b>	<b>-23,684</b>	<b>-17,825</b>	<b>-21,271</b>
Tax	-890	98	-1,379	63	-7,920
<b>Net result for the Year</b>	<b>-17,638</b>	<b>-5,363</b>	<b>-25,063</b>	<b>-17,762</b>	<b>-29,191</b>
Net result for the Year attributable to:					
Shareholders Parent Company	-17,638	-5,363	-25,063	-17,762	-29,191
<b>Earnings per share</b>					
Basic (SEK)	-0.71	-0.22	-1.01	-0.72	-1.18
Diluted (SEK)	-0.71	-0.22	-1.01	-0.72	-1.18

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TSEK	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
<b>Net result for the year</b>	<b>-17,638</b>	<b>-5,363</b>	<b>-25,063</b>	<b>-17,762</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	2,626	-163	2,066	372	2,827
<b>Other comprehensive income for the year, net of tax</b>	<b>2,626</b>	<b>-163</b>	<b>2,066</b>	<b>372</b>	<b>2,827</b>
<b>Total comprehensive income for the year</b>	<b>-15,012</b>	<b>-5,526</b>	<b>-22,997</b>	<b>-17,390</b>	<b>-26,364</b>

# CONSOLIDATED BALANCE SHEET

TSEK	30 June 2022	30 June 2021	Full year 2021
<b>Assets</b>			
Goodwill	61,540	42,668	42,291
Patents	16,823	18,664	17,945
Internally developed Intangible Assets	46,015	46,011	45,766
Tangible assets	15,207	11,702	14,091
Rights-of-use Assets	16,242	8,540	14,062
Deferred Tax Assets	13,633	21,108	13,966
<b>Total Non-current Assets</b>	<b>169,461</b>	<b>148,693</b>	<b>148,121</b>
Inventories	10,131	6,014	9,195
Accounts Receivables	74,415	34,221	68,324
Prepaid Costs and Accrued Income	27,226	22,926	17,895
Other Receivables	4,500	3,311	5,672
Cash and Cash Equivalents	33,413	26,309	12,697
<b>Total Current Assets</b>	<b>149,685</b>	<b>92,781</b>	<b>113,783</b>
<b>Total Assets</b>	<b>319,146</b>	<b>241,474</b>	<b>261,904</b>
<b>Equity and Liabilities</b>			
Share Capital	1,278	1,236	1,238
Other Paid in Capital	201,220	144,760	144,760
Retained Earnings	-32,108	-135	-9,111
<b>Total Equity Attributable to Parent Company Shareholders</b>	<b>170,390</b>	<b>145,861</b>	<b>136,887</b>
<b>Long term Liabilities</b>			
Leasing liabilities long-term	10,232	5,696	10,086
<b>Total Long-term Liabilities</b>	<b>10,232</b>	<b>5,696</b>	<b>10,086</b>
Accounts Payable	13,393	12,641	8,997
Tax liabilities	74	73	319
Other Liabilities	3,926	3,068	3,602
Current leasing Liability	6,293	3,714	4,618
Accrued Expenses and Deferred Income	114,838	70,421	97,395
<b>Total Current Liabilities</b>	<b>138,524</b>	<b>89,917</b>	<b>114,931</b>
<b>Total Equity and Liabilities</b>	<b>319,146</b>	<b>241,474</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				-17,762	-17,762
Other comprehensive income for the year			372		372
<b>Total comprehensive income for the year</b>			<b>372</b>	<b>-17,762</b>	<b>-17,390</b>
<b>Closing balance at 30 June 2021</b>	<b>1,236</b>	<b>144,760</b>	<b>-1,547</b>	<b>1,412</b>	<b>145,861</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>
Issue of shares					
	40	56,460			56,500
Transactions with owners in their capacity as owners					
Profit for the year				-25,063	-25,063
Other comprehensive income for the year			2,066		2,066
<b>Profit for the year</b>			<b>2,066</b>	<b>-25,963</b>	<b>-22,997</b>
<b>Other comprehensive income for the year</b>	<b>1,278</b>	<b>201,220</b>	<b>2,974</b>	<b>-35,082</b>	<b>170,390</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

TSEK	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
<b>Operating activities</b>					
Earnings before tax	-16,748	-5,461	-23,684	-17,825	-21,271
Adjustment for Non-cash items	6,801	4,779	10,073	8,041	22,367
Income tax paid	-314		-545	-94	-434
Change in trade receivables and other current assets	-18,662	1,514	-9,140	-9,060	-39,425
Change in inventories	-230	19	-480	-194	-3,138
Change in trade payables and other current liabilities	10,903	7,448	16,765	14,334	36,771
<b>Cash flow from operating activities</b>	<b>-18,250</b>	<b>8,299</b>	<b>--7,011</b>	<b>-4,798</b>	<b>-5,130</b>
<b>Investing activities</b>					
Acquisition of tangible assets	-945	-2,775	-980	-5,189	-9,049
Capitalization of internally developed intangible assets	-2,212	-6,334	-4,508	-10,552	-16,853
Acquisition of business, net cash impact	-19,224		-19,224		
<b>Cash flow from investing activities</b>	<b>-22,381</b>	<b>-9,109</b>	<b>-24,712</b>	<b>-15,741</b>	<b>-25,902</b>
<b>Financing activities</b>					
Issue of shares	60,000		60,000		
Transaction costs	-3,500		-3,500		
Amortization of lease liability	-2,049	-434	-3,597	-2,027	-5,783
<b>Cash flow from financing activities</b>	<b>54,451</b>	<b>-434</b>	<b>52,903</b>	<b>-2,027</b>	<b>-5,783</b>
<b>Cash flow for the year</b>	<b>13,820</b>	<b>-1,244</b>	<b>21,180</b>	<b>-22,566</b>	<b>-36,815</b>
Opening balance of cash and bank balances	19,295	27,755	12,697	48,753	48,753
Translation difference on cash and cash-equivalents	299	-202	-464	122	759
<b>Cash and bank balances at end of period</b>	<b>33,414</b>	<b>26,309</b>	<b>33,413</b>	<b>26,309</b>	<b>12,697</b>

## PARENT COMPANY INCOME STATEMENT

TSEK	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
Net Sales	33,642	20,558	68,161	52,356	132,723
Capitalised Expense for Development	2,201	6,334	4,497	10,552	16,456
Other Income	4,233	160	6,018	986	5,159
	<b>40,076</b>	<b>37,052</b>	<b>78,676</b>	<b>63,894</b>	<b>154,338</b>
Raw materials and consumables used	-22,857	-6,470	-33,993	-11,411	-23,618
Other External Costs	-11,861	-12,977	-23,032	-28,010	-67,068
Personnel Costs	-22,941	-21,554	-43,768	-39,036	-75,776
Depreciation of Tangible Assets	-239	-182	-239	-182	-881
Amortization and write-down of Intangible Assets	-5,009	-2,477	-10,145	-5,068	-20,840
	<b>-62,907</b>	<b>-43,660</b>	<b>-111,177</b>	<b>-83,707</b>	<b>-188,183</b>
<b>Operating Income (EBIT)</b>	<b>-22,831</b>	<b>-6,608</b>	<b>-32,501</b>	<b>-19,813</b>	<b>-33,845</b>
Financial Income	-37	-179	10,304	475	9,600
Financial Expenses	844	-278	-155	-280	-1,836
<b>Net Financial Items</b>	<b>807</b>	<b>-457</b>	<b>10,149</b>	<b>195</b>	<b>7,764</b>
<b>Result after Financial items</b>	<b>-22,024</b>	<b>-7,064</b>	<b>-22,352</b>	<b>-19,618</b>	<b>-26,081</b>
<b>Earnings before tax (EBT)</b>	<b>-22,024</b>	<b>-7,064</b>	<b>-22,352</b>	<b>-19,618</b>	<b>-26,081</b>
Tax	0	0	0	0	-5,194
<b>Net result for the Year</b>	<b>-22,024</b>	<b>-7,064</b>	<b>-22,352</b>	<b>-19,618</b>	<b>-31,275</b>

# PARENT COMPANY BALANCE SHEET

TSEK	30 June 2022	30 June 2021	Full year 2021
<b>Assets</b>			
<b>Intangible and Tangible Assets</b>			
Goodwill	49,009	42,668	34,093
Patents	17,694	20,338	19,016
Internally developed Intangible Assets	46,015	46,011	45,766
Tangible assets	3,243	3,329	3,158
<b>Financial Assets</b>			
Shares in Group Companies	19,591	41,656	41,656
Receivables from Group Companies	7,180	9,700	13,476
Deferred Tax Assets	7,966	13,123	7,966
<b>Total Non-current Assets</b>	<b>150,697</b>	<b>176,825</b>	<b>165,132</b>
Inventories	8,260	4,932	6,541
Accounts Receivables	47,128	20,198	35,400
Current Receivables from Group Companies	3,007	-	-
Prepaid Costs and Accrued Income	11,016	8,264	6,887
Other Receivables	3,990	2,655	15,075
Cash and Cash Equivalents	29,406	11,144	4,968
<b>Total Current Assets</b>	<b>102,807</b>	<b>47,193</b>	<b>68,871</b>
<b>Total Assets</b>	<b>253,505</b>	<b>224,018</b>	<b>234,003</b>
<b>Equity and Liabilities</b>			
<b>Restricted Equity</b>			
Share Capital	1,278	1,236	1,238
Fund for development costs	55,425	52,070	52,914
<b>Non-restricted Equity</b>			
Other Paid in Capital	201,210	144,760	144,750
Retained Earnings	-69,102	-34,473	-35,316
Net result for the Year	-22,352	-19,618	-31,275
<b>Total Equity</b>	<b>166,459</b>	<b>143,975</b>	<b>132,311</b>
<b>Long term Liabilities</b>			
Liabilities to Group Companies	1,242	29,402	31,449
<b>Total Long-term Liabilities</b>	<b>1,242</b>	<b>29,402</b>	<b>31,449</b>
Accounts Payable	10,625	11,252	7,978
Tax liabilities	39	-	-
Current liabilities to Group Companies	15,463	-	-
Other Liabilities	1,899	1,642	3,805
Accrued Expenses and Deferred Income	57,778	37,647	58,460
<b>Total Current Liabilities</b>	<b>85,804</b>	<b>50,641</b>	<b>70,243</b>
<b>Total Equity and Liabilities</b>	<b>253,505</b>	<b>224,018</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 as owners						
Issue of shares			-10	10		0
Issue of shares not registered						
Profit for the year		2,102		-2,178	-19,618	-19,694
Other comprehensive income for the year						
Total comprehensive income for the year					-19,618	-19,618
<b>Closing balance at 30 June 2021</b>	<b>1,236</b>	<b>47,852</b>	<b>144,750</b>	<b>-30,332</b>	<b>-19,618</b>	<b>143,888</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 as owners						
Issue of shares	40		56,460			56,500
Profit for the year		2,511		-2,511	-22,352	-22,352
Other comprehensive income for the year						
Total comprehensive income for the year					-22,352	-22,352
<b>Closing balance at 30 June 2022</b>	<b>1,278</b>	<b>55,425</b>	<b>201,210</b>	<b>-69,102</b>	<b>-22,352</b>	<b>166,459</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 28.

- 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

First half	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	38,993	30,893	9,102	6,217	12,558	18,627	15,088	11,142	75,681	66,878
Recurring revenue	7,612	2,516	-	-	14,903	9,312	-	-	22,515	11,828
<b>Total</b>	<b>46,545</b>	<b>33,409</b>	<b>9,102</b>	<b>6,217</b>	<b>27,461</b>	<b>27,939</b>	<b>15,088</b>	<b>11,142</b>	<b>98,196</b>	<b>78,706</b>
Raw materials and consumables used	-13,478	-12,542	-4,004	-2,949	-	-	-293	-267	-17,774	-15,758
Gross profit	33,967	20,867	5,099	3,268	27,461	27,939	14,795	10,875	80,422	62,948
Gross profit %	71.0%	62.5%	56.0%	52.6%	100%	100%	98.1%	97.6%	81.9%	80.0%

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

## 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 June 30, 2021, the total actual value of forward contracts was SEK 0.0 (-0.2).

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.

### 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.

### 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 segments. The table named Old reporting show the previous way we reported while the tabel named New reporting show the figures after adjustments. In terms of the segments, we have broken out Accessories and spareparts 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. This change give a better possibility to follow our business in a correct way.

### 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 spareparts	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 spareparts	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 NET SALES

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 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 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 JUL-SEP 2022

INTERIM REPORT OCT-DEC 2022

OCTOBER 26, 2022

FEBRUARY 9, 2023

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



