



Q3 INTERIM REPORT
JULY - SEP 2022



CONTINUOUS STRONG DEMAND FROM THE HOSPITAL MARKET

- Continued overall growth for the first nine months, mainly driven by Hospital and Strategic Alliances while Medical Device Industry remains on the same level as last year while remaining to be the largest contributor.
- Larger order received for Ultrasound solutions during the quarter further articulating the opportunity within the Echocardiography market.
- Executive team consisting of 5 standing members, furthermore, a consolidation of VIST software development to Gothenburg and a short-term freeze of hiring and consultants in order to increase efficiency and improve earnings.

END OF THE REPORTING PERIOD

- Significant order from Acandis (Germany) for the Ankyras solution marking the first order for Ankyras technology received just after the quarter end.
- In the beginning of October, Mentice received a grant from Vinnova (The Swedish Innovation Agency). The project is within the scope of Eureka TASTI (European Community) and will span over 3 years with a total grant value of 3 MSEK for Mentice.

THIRD QUARTER (JULY- SEPTEMBER 2022)

- Order intake amounted to 50.2 (51.8) MSEK.
- Order book by the end of the period was 113.9 (83.6) MSEK.
- Net sales amounted to 51.1 (38.7) MSEK.
- Earnings before depreciation and amortization (EBITDA) totaled -1.9 (-0.6) MSEK.
- Net income for the period amounted to -7.7 (-7.2) MSEK.
- Earnings per share (EPS) was -0.30 (-0.29) SEK.
- Cash flow from operating activities totaled -4.0 (-7.7) MSEK.

NINE MONTHS (JANUARY- SEPTEMBER 2022)

- Order intake amounted to 161.9 (131.8) MSEK.
- Net sales amounted to 149.3 (117.4) MSEK.
- Earnings before depreciation and amortization (EBITDA) totaled -15.5 (-9.6) MSEK.
- Net income for the period amounted to -32.8 (-25.0) MSEK.
- Earnings per share (EPS) was -1.31 (-1.01) SEK.
- Cash flow from operating activities totaled -11.0 (-12.5) MSEK.

COMMENTS BY THE CEO

We have now completed three quarters in 2022 with consistent delivery on orders and revenue characterized by a strong rebound of our hospital business, growing business from strategic alliances partners while our medical device industry has delivered on par with the previous year. Overall, for the first three quarters, we are delivering 27% above last year for net sales and 23% above last year for order intake.

For Net Sales in the quarter, we delivered 32% above the same period last year where Medical device is 25% above, hospitals 45.5% and strategic alliances 98.3% above same period last year.

The underlying demand for our products is strong in all geographies and business areas but considering the uncertainty for the global financial market we have for the time being to direct our focus to short-term profitability and cash flow.

We have implemented a program, where we are (i) pausing further hiring, (ii) reducing the use of external consultants to a minimum and (iii) consolidating our VIST software development to Sweden. These changes are made to faster get to profit and positive operational cashflow. Regardless, we are confident we can continue to achieve our ambition for topline growth.

Furthermore, we have focused the Executive Team to 5 standing members being CEO, CFO, CTO, Executive VP Upstream Marketing and VP Downstream Marketing. We will continue to drive our sales from our three regions supported by our corporate functions for Technology, G&A and Marketing. We believe this will provide a clearer and more agile leadership structure allowing us to be even more market and client focused.

During the quarter we received an order for echocardiography solutions for a value exceeding 6 MSEK and during the beginning of October we announced the first order received for Ankyras solutions. This order, to a value of 9 MSEK, represents a 3-year deal where the Ankyras will be used to support the Acandis Neurovascular product portfolio. This commitment from Acandis is a very important step in the further commercialization of Ankyras, initially focused on the European market, while we have initiated the process for FDA approval in the United States.

REGIONS

For the first three quarters we experience growing order intake from both the EMEA and the APAC regions with increase of the hospital as well as the strategic alliances-based business. For the Americas we are ahead of last year's performance but not quite at the level we expected, but it should be noted that the Americas region performed very strongly during 2021, so we believe that some of this is a consequence of the great 2021.

SEGMENTS

Both for the third quarter and the year-to-date 2022 we see a continued encouraging performance for system sales, and we see a continued transition from perpetual to time based licenses (SaaS) for software.



We also note that we are continuously improving our gross margin and for the third quarter was 86.6% (86.3%) and for the year to date 83.5%, the latter is an improvement from 82.1% for the same period last year.

The demand for our Physical Simulation line of products continue to increase mainly in the neurovascular arena but also for peripheral and cardiovascular applications. We are also excited about the ability to include Ankyras in the portfolio, initially focusing on the neurovascular market, where the combination of virtual and physical simulation together with precision medicine solutions from Ankyras present a unique combination of solutions relevant for our industry clients as well as for our hospital clients.

BUSINESS AREAS

We see continued large demand for the solutions we provide to the Medical Device Industry. During the year we have participated in 4-5 of the world's largest medical congresses in the interventional space where we clearly see how our technology is being embraced by industry players and the demand for our solution within our main clinical areas continues to be very strong,

Understanding that the Medical Device Industry is driven by timelines for product launches, regulatory approvals and more, we can note that our overall level of performance has almost tripled in size since 2019 from about 60 MSEK in orders received to the 167 MSEK we received for the full year 2021. We feel confident in the continued development of this market where our growth is based both on market shares gained and overall growth of this market.

CONT. BUSINESS AREAS

The third quarter is behind last year in order intake and for the first nine months we are just below the same period last year, but our view is that this is not changing our long term trend where we see consequent continuous growth, while growth level for the full year 2022 will be more moderate compared to the growth in 2021.

With the Hospital market we see that the demand for our products is strong in most parts of the world. After the first 9 months of 2022 our hospital-based business has already reached a level of 53% above the 2021 full years order intake. This clearly acknowledges that we now are back to a state of normal for our hospital market after two years in a pandemic impacted market.

For Strategic Alliances relationships we have seen a positive development during 2022. This first related to the Siemens China decision to bundle every Corindus GRX sales with the sale of a Mentice system, but we have also seen broader acceptance for our echocardiography solutions from the imaging industry expanding our reach to imaging manufacturers but also to their clients (hospitals). After 9 months in 2022 we have received 24 MSEK worth of orders, which is a 75% increase compared to our full year performance for 2021.

RECURRING REVENUE

In the third quarter we note that the recurring revenues increased by 136% to 13.3 (5.6) MSEK compared to last year. For the first nine months the growth is 105% resulting in 35.8 (17.4) MSEK. We note that the recurring revenue for the last four quarters now is 42 MSEK, an increase of 4 MSEK compared to the second quarter 2022.

MARKET ASSESSMENT

The geopolitical situation is impacting us directly and as well indirectly when affecting our client's businesses. Clients experience logistic challenges, component, and material supply challenges as well as general delays in dialogues with authorities or regulatory bodies.

To support our own business, we have a larger buffer and inventories for both components and finished products. We will have to be prepared for longer lead times and generally significantly increased cost levels for both logistics and personnel resources, whilst this is high increases in percent the impact is small in SEK.

We acknowledge that the current state of the financial market has changed significantly over the last 12 months, and we therefore are shifting our focus to achieving profitability for positive operating cashflow.

Over the last 4 years we have in principle doubled our level of order intake and revenue. We have during this period captured competitive market share for virtual simulation and we have also redefined our market space by adding both Physical Simulation (Vascular Simulations acquisition October 2020) and most recently adding precision medicine with the Ankyras acquisition in June of 2022.

With this we are clearly expanding our serviceable available market beyond the virtual simulation market for endovascular therapies, which was our definition of our market just some years back.

We are entering into a new competitive environment where we largely have left the traditional simulation competitors behind us, and we now compete with niched players either in a specific technology or specialty. We will need to continue to leverage our relative size, our network of clients and our market image and strong brand name.

SUMMARY

With the structure of our new organization the aim is to improve our productivity and revenue per individual leveraging, as examples sales automation and on-line sales, more software-oriented product mix and better leveraging of our sales channels.

We have a strong belief in what we do, and we see large opportunities across our different markets, products, and customer categories. The hospital market remains the holy grail where we believe that ultimately every Cath lab should have access to Mentice technology for both training, planning and providing support before, during and after a procedure.

Gothenburg in October 2022,

Göran Malmberg

CEO, Mentice AB (publ)

KEY FIGURES

	Jul-Sep 2022	Jul-Sep 2021	Change	Jan-Sep 2022	Jan-Sep 2021	Change	RTM*	Full year 2021
Order intake, MSEK	50.2	51.8	-2.9%	161.9	131.8	22.9%	235.8	205.6
- whereof Medical Device Industry	26.2	43.2	-39.3%	100.3	107.5	-6.7%	160.1	167.3
- whereof Healthcare systems	12.5	5.9	112.9%	37.4	17.3	116.6%	44.5	24.4
- whereof Strategic Alliances	11.5	2.6	335.4%	24.3	7.0	244.9%	31.2	13.9
Order book (end of period). MSEK	113.9	83.6	36.3%	113.9	83.6	36.3%	113.9	87.1
Net sales. MSEK	51.1	38.7	32.1%	149.3	117.4	27.2%	217.0	185.1
Sales. MSEK	53.1	39.7	33.7%	154.4	119.3	29.4%	225.3	190.2
Gross margin. %	86.6%	86.3%		83.5%	82.1%		82.1%	80.1%
Operating income before depreciation (EBITDA). MSEK	-1.9	-0.6		-15.5	-9.6		-3.4	2.5
EBITDA-margin. %	-3.8%	-1.7%		-10.4%	-8.2%		-1.6%	1.3%
Income before tax (EBIT). MSEK	-7.4	-6.5		-31.1	-24.3		-28.0	-21.3
Income for the period. MSEK	-7.7	-7.2		-32.8	-25.0		-37.0	-29.2
Earnings per share. SEK	-0.30	-0.29		-1.31	-1.01		-1.48	-1.18
Cash-flow from operations. MSEK	-4.0	-7.7		-11.0	-12.5		-3.7	-5.1
Cash at the end of the period. MSEK	27.5	11.4		27.5	11.4		27.5	12.7
Equity/Asset ratio. %	50.9%	57.0%		50.9%	57.0%		50.9%	52.3%
Number of employees at the end of the period	109	106		109	106			104

*RTM = rolling twelve months.

FINANCIAL PERFORMANCE

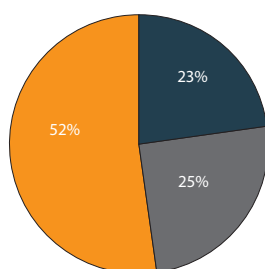
ORDER INTAKE PER BUSINESS AREA

Order intake during the third quarter decreased by 2.9% to 50.2 (51.8) MSEK. For the Medical Device Industry, we have a decrease of 39.3% in the quarter, mainly due to large order values moving between quarters differently between years.

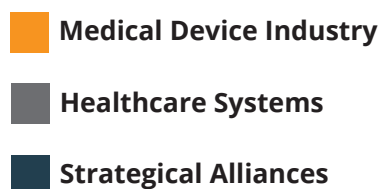
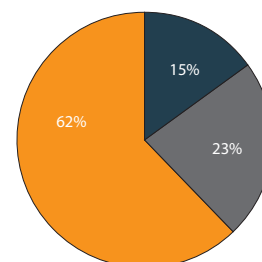
Order intake for the three quarters was in total 161.9 (131.8) MSEK an increase by 22.9%, slightly below our financial target for growth,

Order intake per business area TSEK	Jul-Sep 2022	Jul- Sep 2021	Variance	Jan- Sep 2022	Jan- Sep 2021	Variance	Full year 2021
Medical Device Industry	26,236	43,243	-39.3%	100,288	107,527	-6.7%	167,338
Healthcare Systems	12,496	5,870	112.9%	37,370	17,254	116.6%	24,358
Strategic Alliances	11,499	2,641	335.4%	24,289	7,042	244.9%	13,948
Total	50,231	51,754	-2.9%	161,947	131,823	22.9%	205,645

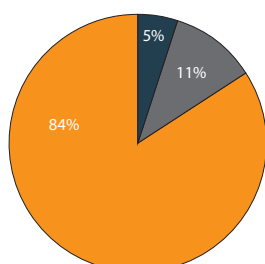
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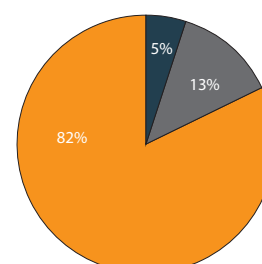
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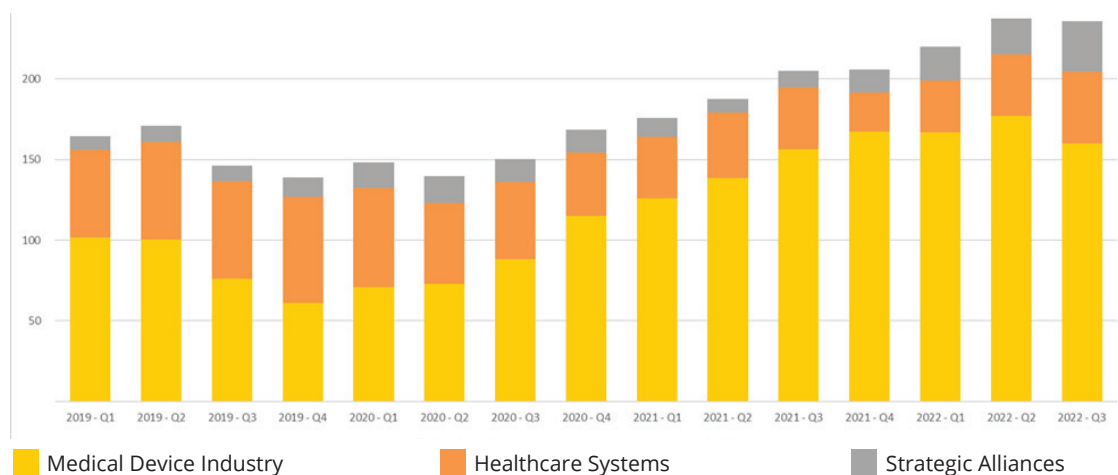


Jan-Sept 2021



FINANCIAL PERFORMANCE, CONT.

ORDER INTAKE PER BUSINESS AREA ROLLING FOUR QUARTERS (MSEK)

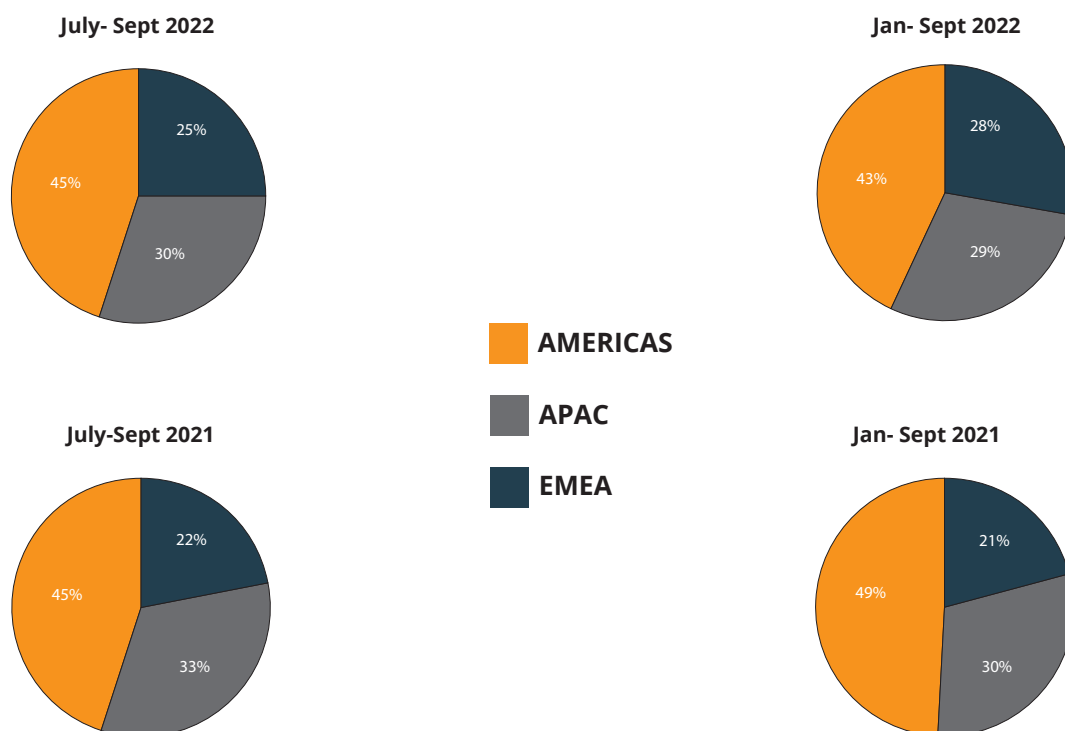


ORDER INTAKE PER REGION

Order intake per region show a small decline for the third quarter and 22.9% growth for the first nine months, and show that EMEA continues its growth both in the quarter and for the year. APAC has a decline for the quarter but they are up by 21.3% for the first nine months. Also, the Americas region had a small decline in the quarter and is slightly above last year with exchange rates in their benefit.

Order intake per region TSEK	Jul-Sep 2022	Jul-Sep 2021	Variance	Jan-Sep 2022	Jan-Sep 2021	Variance	Full year 2021
EMEA	12,785	11,453	11.6%	45,331	27,620	64.1%	51,599
APAC	14,912	16,976	-12.2%	47,724	39,355	21.3%	51,112
Americas	22,534	23,325	-3.4%	68,892	64,848	6.2%	102,933
Total	50,231	51,754	-2.9%	161,947	131,823	22.9%	205,645

FINANCIAL PERFORMANCE, CONT.



ORDERBOOK

The orderbook closed at 113.9 (83.6) MSEK after the third quarter, which represents growth of 36.2% and where 39.8 MSEK is related to revenue for 2022. The orderbook represents orders received but not yet delivered.

Out of the total orderbook per September 30, 24.8 MSEK is for systems and software perpetual, and 3.3 MSEK for software subscription that will be delivered and recognized as net sales in 2022 and 31.2 MSEK for 2023 and onwards. 32.2 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 10.0 MSEK is development contracts with customers that will be delivered during 2022 and 12.4 MSEK during 2023.

NET SALES

The group's net sales consists 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, and sales in this dimension is referred to as Segments.

Mentice also 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) and for three business areas, Medical Device Industry, Healthcare and Strategic Alliances.

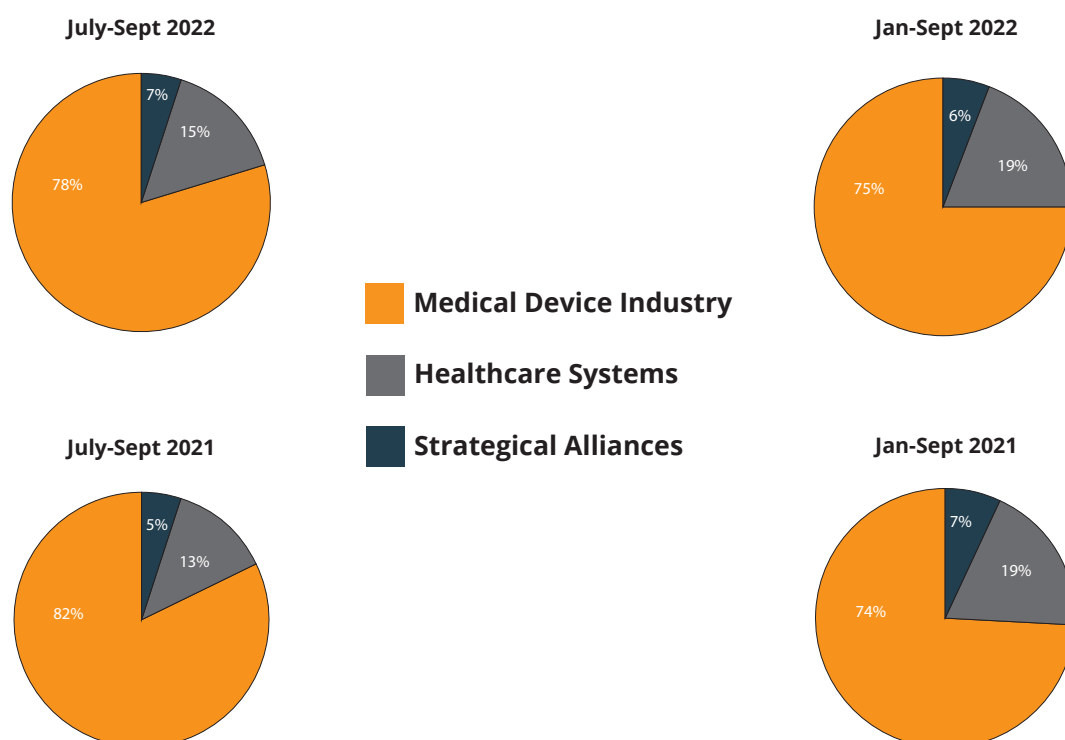
FINANCIAL PERFORMANCE, CONT.

NET SALES PER BUSINESS AREA

Of the net sales for the third quarter 39.8 (31.6) MSEK came from the business area Medical Device Industry, 7.5 (5.1) MSEK came from Healthcare Systems and 3.7 (1.9) MSEK from the business area Strategic Alliances. We continue to see the mix shift towards more Healthcare systems and Strategic Alliances vs Medical Device Industry sales as the pandemic releases its grip on the hospital market.

Of the net sales for the first nine months 112.2 (87.3) MSEK came from the business area Medical Device Industry, 27.9 (22.1) MSEK came from Healthcare Systems and 9.2 (7.9) MSEK from the business area Strategic Alliances.

Net sales per business area TSEK	Jul-Sep 2022	Jul-Sep 2021	Variance	Jan-Sep 2022	Jan-Sep 2021	Variance	Full year 2021
Medical Device Industry	39,831	31,642	25.9%	112,200	87,332	28.5%	139,161
Healthcare Systems	7,485	5,144	45.5%	27,851	22,115	25.9%	31,576
Strategic Alliances	3,738	1,885	98.3%	9,199	7,929	16.0%	14,327
Total	51,055	38,671	32.0%	149,251	117,376	27.2%	185,064



FINANCIAL PERFORMANCE, CONT.

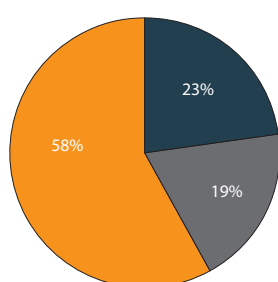
NET SALES PER REGION

Net sales grew in EMEA and Americas but is decreasing in APAC, mainly due to the slow recovery from the pandemic. Overall, EMEA and Americas exceed our growth target for the quarter and EMEA is the only region to exceed our growth target for the nine months period.

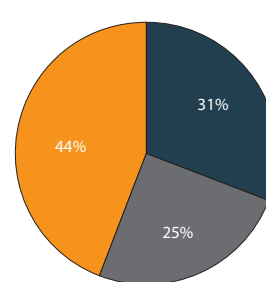
Net sales grew the fastest in EMEA and this is clearly connected to the fast recovery of the Healthcare market in the regions. EMEA is now 31% of net sales for the first nine months.

Net sales per region TSEK	Jul-Sep 2022	Jul-Sep 2021	Variance	Jan-Sep 2022	Jan-Sep 2021	Variance	Full year 2021
EMEA	11,904	8,705	36.8%	46,158	25,904	78.2%	41,520
APAC	9,541	10,010	-4.7%	37,000	34,795	6.3%	50,561
Americas	29,610	19,956	48.4%	66,092	56,677	16.6%	92,983
Total	51,055	38,671	32.0%	149,251	117,376	27.2%	185,064

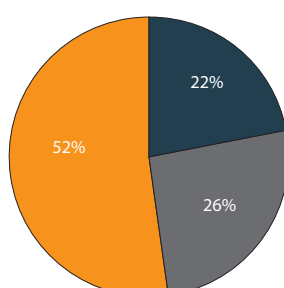
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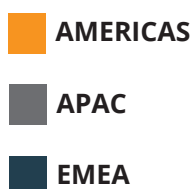
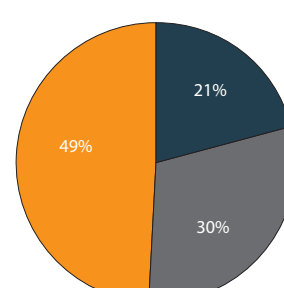
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July-Sept 2021



Jan-Sept 2021



FINANCIAL PERFORMANCE, CONT.

NET SALES PER BUSINESS SEGMENT

Out of the net sales for the third quarter 22.9 (15.9) MSEK came from system sales for capex, where net sales is recognized in full upon delivery of the system. Another 4.5 (1.8) MSEK came from recurring system sales where net sales are recognized over time for rental of systems.

6.0 (7.2) of total net sales came from software licenses sales for capex, where net sales are recognized upon delivery of software together with the system.

Furthermore, recurring software licenses 8.8 (3.8) MSEK and refers to software licenses sold as subscription model where net sales is recognized over time. Both Accessories & spare parts as well as service net sales is recognized at delivery and came in at 8.9 (10.0) MSEK.

The first nine months show growth at 27% and for all business segments except Software licenses capex.

Net sales per business segment TSEK	Jul-Sep 2022	Jul- Sep 2021	Variance	Jan- Sep 2022	Jan- Sep 2021	Variance	Full year 2021
System sales, CAPEX	22,943	15,874	44.5%	61,876	46,372	33.4%	78,398
System sales, recurring	4,503	1,789	151.7%	12,115	4,305	181.4%	7,056
Software licenses, CAPEX	5,995	7,197	-16.7%	18,553	25,824	-28.2%	37,739
Software licenses, recurring	8,767	3,824	129.2%	23,670	13,136	80.2%	19,267
Accessories & spare parts	3,188	4,735	-32.7%	12,240	10,962	11.7%	16,834
Service	5,658	5,252	7.7%	20,797	16,777	24.0%	25,770
Total	51,055	38,671	32.0%	149,251	117,376	27.2%	185,064

FINANCIAL PERFORMANCE, CONT.

OTHER INCOME

Other income was 2.0 (1.0) MSEK for the quarter and 5.1 (2.0) MSEK for the first nine months. 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 third quarter was 44.3 (33.3) MSEK and 124.7 (96.4) MSEK for the first nine months. Gross margin was at 86.6% for the third quarter, compared to 86.3% for the same period previous year. The gross margin for the first nine months was 83.5% compared to 82.1% 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.

OPERATING RESULT (EBITDA) AND OPERATING MARGIN

Operating income before depreciation, EBITDA, was -1.9 (-0.6) MSEK. This corresponds to an operating margin of -3.8 (-1.7) % for the third quarter. Corresponding figures for the first nine months are -15.5 (-9.6) MSEK with operating margins of -10.4 (8.2) %. The EBITDA decrease was mainly driven from higher costs in the quarter.

OTHER EXTERNAL COSTS

Other external costs totaled -15.1 (-9.6) MSEK during the third quarter which equals an increase of 57.7% compared to same period last year. For the first nine months, the costs are -45.6 (-32.4) MSEK. The main components of the deviation for the third quarter are cost for travel, marketing and less capitalization costs for consultant used for development vs last year.



FINANCIAL PERFORMANCE, CONT.

PERSONNEL COSTS

Personnel costs during the third quarter were -33.1 (-25.5) MSEK which equals an increase of 29.8%. For the first nine months personnel costs came in at 99.6 (75.6) MSEK, an increase of 31.9%.

The increase is volume related higher variable compensation to sales personnel and the rest is due to the increase of average number of employees between the years, 108 in 2022 vs 93 in 2021 an increase of 16%, salary increase of 4% and wage inflation of about 4% mainly in the US.

Personnel costs include capitalized costs for development with 1.3 (1.6) MSEK for the third quarter and 4.4 (6.7) MSEK for the first nine months. The total number of employees at end of the quarter were 109 (106) compared to 104 at end of the year 2021.

CAPITALIZED EXPENSES FOR DEVELOPMENT COSTS

Capitalized expenses for development costs during the third quarter totaled 1.7 (3.5) MSEK and for the first nine months 6.2 (14.1) 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 third quarter totaled -0.1 (-0.7) MSEK and for the first nine months -0.5 (-0.6) 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 -0.4 (-0.7) MSEK, mainly due to deferred tax on amortization of asset goodwill in the parent company. Net income for the period was -7.8 (-7.2) MSEK. Earnings per share was -0.30 (-0.29) SEK for the third quarter.

For the first nine months tax on income for the period came in at -1.8 (-0.7) MSEK and net income for the period was -32.8 (-25.0) MSEK and earnings per share was -1.31 (-1.01) SEK.

CASH FLOW

Cash flow from operations before changes in working capital was -2.6 (-0.8) MSEK for the third quarter and for the first nine months -16.7 (-11.0) MSEK. Cash flow from changes in working capital for the quarter was -1.4 MSEK compared to -6.9 MSEK same quarter last year. The changes in working capital are mainly attributable to decrease in other operating receivables and positive cash flow from other operating liabilities. The first nine months cash flow from operating activities was -11.0 (-12.5) MSEK and cash flow from changes in working capital was +5.8 (-1.8) MSEK.

During the second 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 27.5 (11.4) MSEK. The group's total assets amounted to 322.8. (244.3) MSEK. IFRS 16 affected total assets by 14.5 (16.2) MSEK. Accounts receivable increased during the period to 76.8 (40.4) MSEK and increased with 8.5 MSEK compared to the yearend position. Inventories amounted to 11.3 (7.0) MSEK. Current liabilities were 143.7 (87.7) 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 third quarter totaled -1.5 (-5.1) MSEK. Of the investments, -1.7 (-3.5) MSEK refers to the capitalization of development costs. The remainder refers to investments in tangible assets relating to new hardware devices for internal use but also for rental.

As per the balance sheet date 30 September 2022, the group carried a payable in the amount of 10.4 MSEK for the remaining purchase price for the assets in Ankyras.

ANKYRAS ACQUISITION

On the 30th of June the closing of the acquisition of the assets related to the software solution Ankyras from the Spanish corporation Galgo Medical SL with a total purchase price of 2.775 MEUR or 29 MSEK at exchange rate at 9th of June. The first part of the purchase price 1.8 MEUR was paid on 30th of June and the remaining possible additional purchase amount of 0.975 MEUR will be paid in January 2023 and or July 2023. The acquisition is related to precision medicine software solutions for the area of minimally invasive neuro interventional therapies, specifically for planning of aneurysm treatment in the brain.

The full purchase price allocation is not completely established yet as the remaining purchase price is due in 2023 and can only be stated completely in amount based on certain commitments made by the seller, but the draft allocation indicates 1,549 MEUR for patents, 0.499 MEUR for trademark and the remaining 0.702 MEUR in goodwill.

PARENT COMPANY

The parent company is an operating company. Net sales for the parent company amounted to 95.7 (76.7) MSEK for the first nine months. 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 -34.6 (-30.9) MSEK, impacted by the 10.1 MSEK profit liquidating group company in Switzerland.

SHARE CAPITAL

The total number of shares as of September 30, 2022 after the direct issue of shares were 25,568,850 (24,762,714) 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 September 2022 Gestin received 0.6 (0.4) MSEK.

As at the balance sheet date 30 September 2022, the group 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 solutions is to support the health-care professionals in their mission to; ensure all patients have an optimal outcome, improve cost-effectiveness, and generally, offer opportunities for the healthcare sector to better utilize its resources.

RISKS

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

This affects changes in exchange rates and interest rates, as well as liquidity, financing, and credit. Currency risk also arises when translating foreign net assets and earnings into Swedish kronor. Mentice overall goal is to avoid as far as possible financial risk taking, which can arise through changes in exchange rates, interest rates and market prices, as well as liquidity, financing, and credit risks. Exchange rate risk is divided into translation exposure and transaction exposure. Translation exposure refers to the exposure of net assets for foreign subsidiaries. Transaction exposure refers to the risks associated to purchases and net sales in foreign currency.

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

In the parent company, 52% (70%) of the external sales are in EUR, and 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 1.731 shareholders by September 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	34.0%
Bure Equity AB (publ)	3 761 659	14.7%
Handelsbanken Microcap Sverige	1 924 700	7.5%
Fjärde AP fonden	1 664 804	6.5%
Medical Simulation Corporation	1 191 074	4.8%
Berenberg Funds	932 391	3.7%
TIN Fonder	812 847	3.2%
Göran Malmberg	711 670	2.8%
Andra AP Fonden	446 620	1.8%
Avanza Pension	384 236	1.5%
10 largest shareholders total	20 520 981	80.3%
Others	5 047 869	19.7%
Total number of shares	25 568 850	

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 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 describe 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, October 25, 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
Magnus Nilsson	Board member
Göran Malmberg	CEO





Review report

To the Board of Directors of Mentice AB
Corp. id. 556556-4241

Introduction

We have reviewed the attached balance sheets of Mentice AB's group and its parent company as of 30 September 2022 and associated reports on financial results, change in equity and change in cash flow during the nine-month period then ended as well as a summary of significant accounting policies and other supplementary disclosures. The Board of Directors and the Managing Director are responsible for the preparation and true and fair presentation of this financial information (interim report) in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this financial information (interim report) based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the attached financial information (interim report) does not, in all material respects, give a fair presentation of the parent company and the group's financial position as of 30 September 2022 and of its financial results and cash flow during the nine-month period then ended in accordance with IAS 34.

Göteborg 25 oktober 2022

KPMG AB

Johan Kratz
Authorized Public Accountant

CONSOLIDATED INCOME STATEMENT

TSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Net sales	51,100	38,671	149,296	117,377	185,064
Other income	1,992	1,048	5,075	1,952	5,155
Sales	53,092	39,719	154,371	119,329	190,219
Raw materials and consumables used	-6,842	-5,288	-24,616	-20,964	-35,148
Other external costs	-15,059	-9,552	-45,572	-32,372	-47,191
Personnel costs	-33,116	-25,518	-99,637	-75,563	-105,426
Depreciation of tangible assets	-2,422	-2,234	-6,848	-4,380	-4,287
Depreciation and write-down of intangible assets	-2,908	-2,915	-8,252	-9,791	-17,889
	-60,347	-45,507	-184,925	-143,070	-209,941
Operating income (EBIT)	-7,255	-5,788	-30,554	-23,741	-19,722
Financial income	186	-	190	3	4
Financial expenses	-301	-733	-689	-608	-1,553
Net financial items	-115	-733	-499	-605	-1,549
Earnings before tax (EBT)	-7,370	-6,521	-31,053	-24,346	-21,271
Tax	-376	-710	-1,755	-647	-7,920
Net result for the year	-7,746	-7,231	-32,808	-24,993	-29,191
Net result for the year attributable to:					
Shareholders parent company	-7,746	-7,231	-32,808	-24,993	-29,191
Earnings per share					
Basic (SEK)	-0.30	-0.29	-1.31	-1.01	-1.18
Diluted (SEK)	-0.30	-0.29	-1.31	-1.01	-1.18

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Net result for the year	-7,746	-7,231	-32,808	-24,993	-29,191
Other comprehensive income					
Items that will not be reclassified to profit or loss					
-	-	-	-	-	-
Items that may be reclassified to profit or loss					
Translation difference on translation of foreign operations	1,629	721	3,695	1,093	2,827
Other comprehensive income for the year. net of tax	1,629	721	3,695	1,093	2,827
Total comprehensive income for the year	-6,117	-6,510	-29,113	-23,900	-26,364

CONSOLIDATED BALANCE SHEET

TSEK	30 September 2022	30 September 2021	Full year 2021
Assets			
Goodwill	49,567	42,668	42,291
Patents	33,178	18,664	17,945
Trademarks	5,442	-	-
Internally developed intangible assets	45,368	47,047	45,766
Tangible assets	15,048	13,180	14,091
Right-of-use assets	14,530	16,402	14,062
Deferred tax assets	13,910	20,913	13,966
Other financial assets	62	-	-
Total non-current assets	177,105	158,874	148,121
Inventories	11,348	7,006	9,195
Accounts receivables	76,817	40,393	68,324
Prepaid costs and accrued income	25,034	22,633	17,895
Other receivables	4,962	4,071	5,672
Cash and cash equivalents	27,525	11,360	12,697
Total current assets	145,686	85,463	113,783
Total assets	322,791	244,337	261,904
Equity and liabilities			
Share capital	1,278	1,236	1,238
Other paid in capital	201,191	144,760	144,760
Retained earnings	-38,224	-6,645	-9,111
Total equity attributable to parent company shareholders	164,245	139,351	136,887
Long term liabilities			
Leasing liabilities long-term	9,546	12,574	10,086
Total long-term liabilities	9,546	12,574	10,086
Accounts payable	9,693	8,860	8,997
Tax liabilities	78	254	319
Other liabilities	3,504	3,968	3,602
Current leasing liability	5,331	4,666	4,618
Accrued expenses and deferred income	130,394	74,664	97,395
Total current liabilities	149,000	92,412	114,931
Total equity and liabilities	322,791	244,337	261,904

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



TSEK	Share Capital	Other Paid in Capital	Translation reserve	Retained Earnings	Total equity
At 1 January 2021	1,236	144,760	-1,919	19,174	163,251
Transactions with owners in their capacity as owners					
Profit for the year				-24,993	-24,993
Other comprehensive income for the year			1,093		1,093
Total comprehensive income for the year			1,093	-24,993	-23,900
Closing balance at 30 September 2021	1,236	144,760	-826	-5,819	139,351
Transactions with owners in their capacity as owners					
Issue of shares	2			-2	0
Profit of the year				-4,198	-4,198
Other comprehensive income for the year			1,734		1,734
Total comprehensive income for the period			1,734	-4,200	-2,464
Closing balance at 31 December 2021	1,238	144,760	908	-10,019	136,887
At 1 January 2022	1,238	144,760	908	-10,019	136,887
Transactions with owners in their capacity as owners					
Issue of shares	40	56,460			56,500
Payment of share options		-29			-29
Profit for the year				-32,808	-32,808
Other comprehensive income for the year			3,695		3,695
Total comprehensive income for the year			3,695	-32,808	-29,113
Closing balance at 30 September 2022	1,278	201,191	4,603	-42,827	164,245

CONSOLIDATED STATEMENT OF CASH FLOWS



TSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Operating activities					
Earnings before tax	-7,370	-6,521	-31,053	-24,346	-21,271
Adjustment for non-cash items	4,676	6,006	14,749	14,047	22,367
Income tax paid	-11	-286	-556	-380	-434
Change in trade receivables and other current assets	2,718	-7,252	-6,422	-16,312	-39,425
Change in inventories	-971	-906	-1,451	-1,100	-3,138
Change in trade payables and other current liabilities	-3,117	1,252	13,648	15,586	36,771
Cash flow from operating activities	-1,370	-7,707	-11,085	-12,505	-5,130
Investing activities					
Acquisition of tangible assets	341	-1,533	-639	-6,722	-9,049
Capitalization of internally developed intangible assets	-1,702	-3,543	-6,210	-14,095	-16,853
Acquisition of business, net cash impact	-	-	-19,224	-	-
Cash flow from investing activities	-1,361	-5,076	-26,073	-20,817	-25,902
Financing activities					
Payment of share options	-29	-	-29	-	-
Issue of shares	-	-	60,000	-	-
Transaction costs	-	-	-3,500	-	-
Payment of loan	-	-	-	-	-
Amortization of lease liability	-1,648	-2,467	-5,245	-4,494	-5,783
Cash flow from financing activities	-1,677	-2,467	51,226	-4,494	-5,783
Cash flow for the year	-7,113	-15,250	14,068	-37,816	-36,815
Opening balance of cash and bank balances	33,413	26,309	12,697	48,753	48,753
Translation difference on cash and cash-equivalents	1,225	301	760	423	759
Cash and bank balances at end of period	27,525	11,360	27,525	11,360	12,697

PARENT COMPANY INCOME STATEMENT



TSEK	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Full year 2021
Net sales	27,535	24,341	95,696	76,697	132,723
Capitalised expense for development	1,713	3,543	6,210	14,095	16,456
Other income	3,989	384	10,007	1,370	5,159
	33,236	28,268	111,912	92,162	154,338
Raw materials and consumables used	-8,375	-1,728	-42,368	-13,139	-23,618
Other external costs	-10,682	-17,407	-33,714	-45,417	-67,068
Personnel costs	-18,630	-17,301	-62,398	-56,337	-75,776
Depreciation of tangible assets	-239	-182	-777	-646	-881
Depreciation and write-down of intangible assets	-5,207	-2,597	-15,054	-7,383	-20,840
Exchange losses on operating receivables and liabilities	-2,387	-	-2,387	-	-
	- 45,521	-39,215	-156,698	-122,922	-188,183
Operating income (EBIT)	-12,285	-10,947	-44,785	-30,760	-33,845
Financial income	4,414	-	14,718	257	9,600
Financial expenses	-4,331	-337	-4,486	-399	-1,836
Net financial items	83	-337	10,232	-142	7,764
Result after financial items	-12,202	-11,284	-34,554	-30,902	-26,081
Earnings before tax (EBT)	-12,202	-11,284	-34,554	-30,902	-26,081
Tax					-5,194
Net result for the year	-12,202	-11,284	-34,554	-30,902	-31,275

PARENT COMPANY BALANCE SHEET

TSEK	30 September 2022	30 September 2021	Full year 2021
Assets			
Intangible and tangible assets			
Goodwill	34,869	42,622	34,093
Patents	33,949	19,677	19,016
Trademarks	5,442	-	-
Internally developed intangible assets	45,368	47,721	45,766
Tangible assets	3,273	3,246	3,158
Financial assets			
Shares in group companies	19,591	41,656	41,656
Receivables from group companies	9,602	8,053	13,476
Deferred tax assets	7,966	13,123	7,966
Other financial assets	62	-	-
Total non-current assets	160,122	176,098	165,132
Inventories	9,770	5,430	6,541
Accounts receivables	49,694	25,680	35,400
Current receivables from group companies	5,457	-	-
Prepaid costs and accrued ancome	8,125	4,846	6,887
Other receivables	4,299	3,573	15,075
Cash and cash equivalents	19,167	4,674	4,968
Total current assets	96,512	44,204	68,871
Total assets	256,634	220,302	234,003
Equity and liabilities			
Restricted equity			
Share capital	1,278	1,236	1,238
Fund for development costs	49,983	52,070	52,914
Non-restricted equity			
Other paid in capital	201,181	144,757	144,750
Retained earnings	-63 660	-34,473	-35,316
Net result for the year	-34,554	-30,902	-31,275
Total equity	154,228	132,688	132,311
Long term liabilities			
Liabilities to group companies	1,479	31,886	31,449
Total long-term liabilities	1,479	31,886	31,449
Accounts payable	8,214	7,508	7,978
Tax liabilities	39	-	-
Current liabilities to group companies	15,668	-	-
Other liabilities	1,805	1,641	3,805
Accrued expenses and deferred income	75,201	46,579	58,460
Total current liabilities	100,927	55,728	70,243
Total equity and liabilities	256,634	220,302	234,003

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

TSEK	Restricted equity		Non-restricted equity	Retained earnings	Net result for the year	Total equity
	Share capital	Fund for development costs	Share premium reserve			
At 1 January 2021	1,236	45,750	144,760	-11,058	-17,096	163,592
Proposed appropriation of profits				-17,096	17,096	
Transactions with owners in their capacity as owners						
Issue of shares			-10	10		
Issue of shares not registered						
Profit for the year		2,102		-2,178	-30,902	-30,978
Other comprehensive income for the year						
Total comprehensive income for the year			-30,902	-30,978		
Closing balance at 30 September 2021	1,236	47,852	144,750	-30,332	-30,902	132,604
At 1 January 2022	1,238	52,914	144,750	-35,316	-31,275	132,311
Proposed appropriation of profits				-31,275	31,275	-
Transactions with owners in their capacity as owners						
Issue of shares	40		56,460			56,500
Payment of share options			-29			-29
Profit for the year		-2,931		2,931	-34,554	-34,554
Other comprehensive income for the year						
Total comprehensive income for the year				-	-34,554	-34,554
Closing balance at 30 September 2022	1,278	49,983	201,181	-63,660	-34,554	154,228

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 licenses and Service and we also added accessories and spare parts separately, however, 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 and rental revenues including accessories and spare parts from hardware
- Software licenses - sales of licenses both perpetual and subscription model
- Service - sales of support, development, and other service contracts

First half TSEK	System sales				Software licenses		Service		Total Group	
	System sales		Accessories & spareparts		Software licenses		Service			
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Sales for capital expenditure	61,876	46,372	12,240	10,962	18,553	25,824	20,767	16,777	113,466	99,935
Recurring revenue	12,115	4,305	-	-	23,670	13,136	-	-	35,785	17,441
Total	73,991	50,676	12,240	10,962	42,223	38,960	20,767	16,777	149,251	117,376
Raw materials and consumables used	-19,079	-16,016	-5,157	-4,487	-	-	-380	-462	-24,616	-20,964
Gross profit	54,912	34,661	7,084	6,475	42,223	38,960	20,416	16,316	124,635	96,412
Gross profit %	74.2%	68.4%	57.9%	59.1%	100%	100%	98.2%	97.2%	83.5%	82.1%

Based on what has been mentioned above, note 3 from the annual report of 2021 will be adjusted according to the table above. See page 28.

NOTES, CONT.

BASES OF VALUATION APPLIED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Assets and liabilities are recognized at historical cost with the exception of currency derivatives, which are measured at fair value. As per September 30, 2022, the total actual value of forward contracts was SEK 0.2 (-0.0).

ASSESSMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

Preparation of the financial statements in compliance with IFRS requires the company's management to make assessments, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income, and expenses. Actual outcomes may deviate from these estimates and assessments. Assumptions are reviewed on a regular basis. Changes to estimates are recognized 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 analyze the group's performance. Investors should view these alternative key performance indicators as a complement to the financial statements prepared in accordance with IFRS.

NOTES, CONT.

DEFINITION OF KEY PERFORMANCE INDICATORS REPORTED

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

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

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

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

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

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

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

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

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

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



FINANCIAL TARGETS, SHORT TO MEDIUM TERM

REVENUE GROWTH

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

PROFITABILITY

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

DIVIDEND POLICY

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

CHANGE IN REPORTING OF NET SALES

A review has been carried out of how our net sales has been distributed between our business areas, geographic markets, and business segments. This review was done based on more consistent analysis and is securing consistency in the numbers. The table named Old reporting show the previous way we reported these sales while the table named New reporting shows the figures after adjustments. Our business segments, we started to report in accordance with IFRS 8 in our annual report 2021, and we have broken out Accessories and spare parts, which earlier was reported as Service. The software development is now a part of Service while it was earlier reported as software licenses. Support as a subscription service is being moved from service to software licenses, recurring. Furthermore, a review has been made of how our metadata connects to the accounting data which is the foundation for the geographic and the business area reporting. This change gives 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	16,171	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	-	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

TSEK	System sales				Software licenses		Service		Total Group	
	System sales		Accessories & spareparts		Software licenses		Service			
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Sales for capital expenditure	22,972	12,871	5,663	2,828	4,896	5,814	9,004	5,742	42,535	27,255
Recurring revenue	3,380	815	0	0	7,170	4,249	0	0	10,550	5,064
Total	26,352	13,686	5,663	2,828	12,066	10,064	9,004	5,742	53,085	32,320
Raw materials and consumables used	8,019	-4,259	-2,383	-1,956	0	0	-157	-167	-10,559	-6,382
Gross profit	18,333	9,427	3,280	872	12,066	10,064	8,847	5,575	42,526	25,938
Gross profit %	69,6%	68,9%	57,9%	30,8%	100,0%	100,0%	98,3%	97,1%	80,1%	80,3%

FULL YEAR 2021

BUSINESS SEGMENTS

TSEK	System sales				Software licenses		Service		Total Group	
	System sales		Accessories & spareparts		Software licenses		Service			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Sales for capital expenditure	78,398	62,300	16,834	2,719	31,739	28,246	25,770	22,327	158,741	115,592
Recurring revenue	7,056	2,341	-	-	19,267	19,570	-	-	26,323	21,911
Total	85,454	64,641	16,834	2,719	57,006	47,816	25,770	22,327	185,064	137,503
Raw materials and consumables used	-23,648	-22,227	-7,920	-1,550	0	-378	1,374	-697	-32,942	-24,852
Gross profit	61,806	42,414	8,915	1,169	57,006	47,438	24,396	21,630	152,122	112,651
Gross profit %	72,3%	65,6%	53,0%	43,0%	100,0%	99,2%	94,7%	96,9%	82,2%	81,9%

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 and China.

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 OCT-DEC 2022
INTERIM REPORT JAN-MAR 2023
ANNUAL GENERAL MEETING
INTERIM REPORT APR-JUN 2023
INTERIM REPORT JUL-SEP 2023

FEBRUARY 3, 2023
APRIL 27, 2023
MAY 11, 2023
JULY 20, 2023
OCTOBER 26, 2023

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

