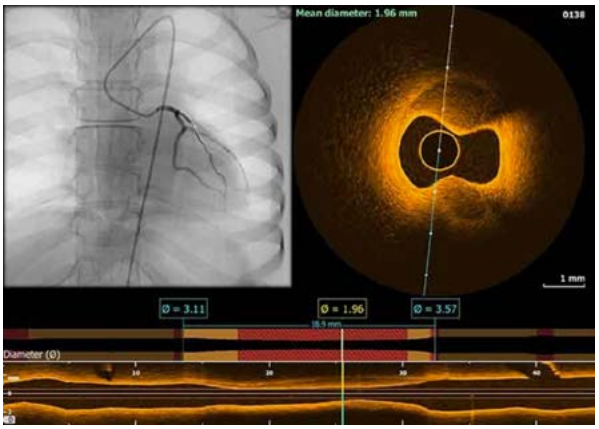

ANNUAL REPORT 2021

mentice

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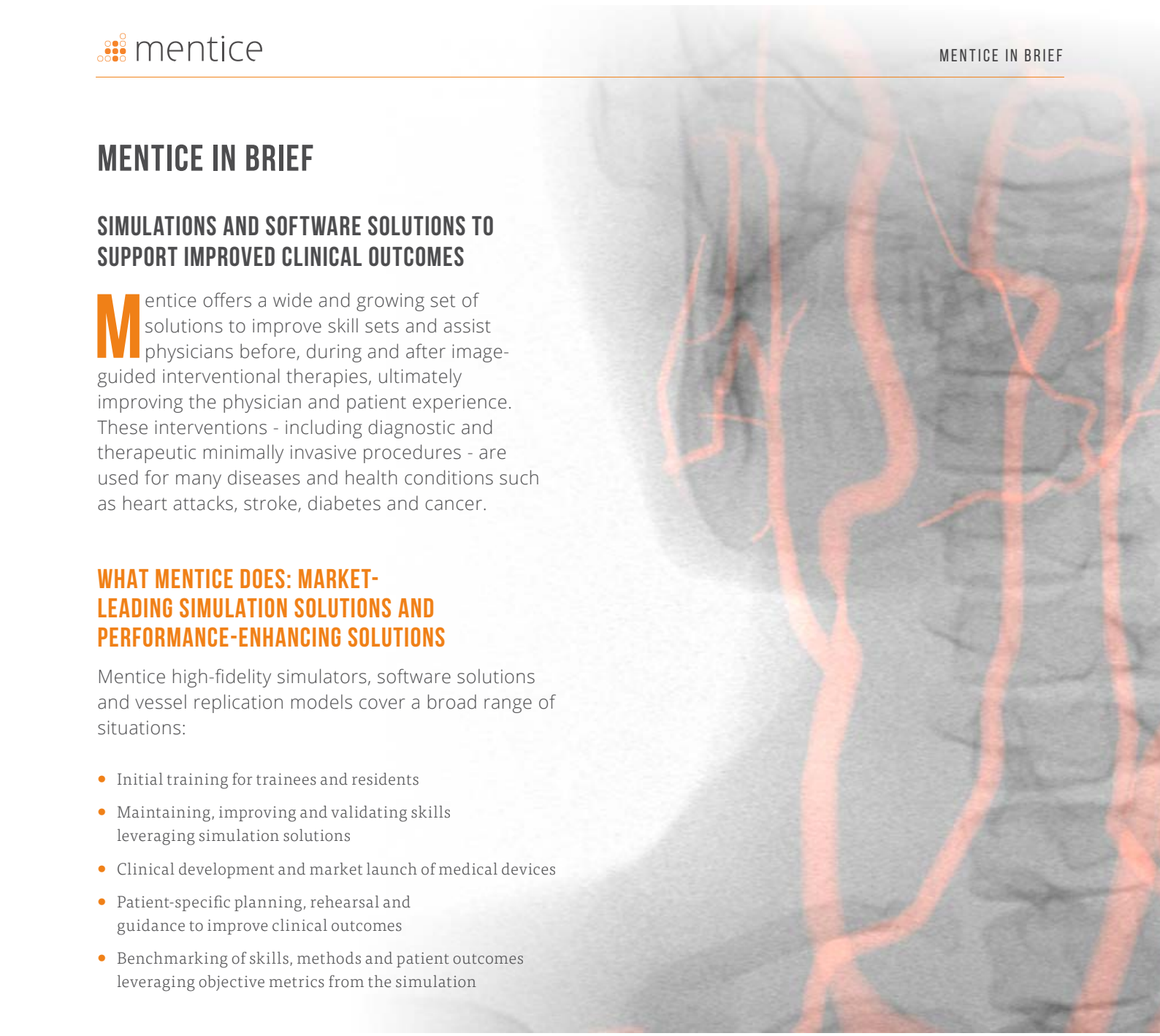
MENTICE IN BRIEF

SIMULATIONS AND SOFTWARE SOLUTIONS TO SUPPORT IMPROVED CLINICAL OUTCOMES

Mentice offers a wide and growing set of solutions to improve skill sets and assist physicians before, during and after image-guided interventional therapies, ultimately improving the physician and patient experience. These interventions - including diagnostic and therapeutic minimally invasive procedures - are used for many diseases and health conditions such as heart attacks, stroke, diabetes and cancer.



WHAT MENTICE DOES: MARKET-LEADING SIMULATION SOLUTIONS AND PERFORMANCE-ENHANCING SOLUTIONS

Mentice high-fidelity simulators, software solutions and vessel replication models cover a broad range of situations:

- Initial training for trainees and residents
- Maintaining, improving and validating skills leveraging simulation solutions
- Clinical development and market launch of medical devices
- Patient-specific planning, rehearsal and guidance to improve clinical outcomes
- Benchmarking of skills, methods and patient outcomes leveraging objective metrics from the simulation

WHY MENTICE EXISTS: ADDRESSING GLOBAL HEALTHCARE CHALLENGES WITH EVERY PATIENT IN MIND

In collaboration with its partners, Mentice passion is to offer solutions that provide positive impact for physicians and patients in the clinical community.

With a rapidly aging population in the world, coupled with an expectation to be able to stay healthy and active, the requirement for availability of treatment solutions for all non-communicable diseases such as cardiovascular diseases is rapidly increasing. By utilizing solutions from Mentice, healthcare providers can effectively acquire, maintain and share skills for new and innovative interventional techniques and therapies, while also making sure that each intervention is performed in the best way possible, from technical skills acquisition, device and patient selection, step by step procedural planning, workflow management, all the way through to performing simulated procedures in the operating room.

Ultimately, the company's solutions are used by physicians to support their mission to save lives. Mentice solutions support the intended reduction of pain and time in the hospital by allowing more patients to get the optimal minimally invasive care.

SIGNIFICANT EVENTS 2021

- **CONSOLIDATED** Mentice position as the gold standard for product training and rollout in the medical device industry. Clear worldwide market dominance within our specialty area and substantial growth within this segment
- **AWARDED** ISO 9001 certification
- **LAUNCHED** Sim Agility, the new flexible and mobile solution from our Vascular Simulations business
- **EXPANDED** approach to the market for interventional robotics systems with solutions available for both training and R&D activities, with Mentice as the preferred virtual simulation provider of Corindus globally.
- **PARTNERED** with Siemens Healthineers in China to include Mentice simulators with every sale of a Corindus CorPath GRX robotic system in the region over the next three years – a key part of their strategy to roll out robotic surgery solutions in greater China.
- **INTEGRATED** the Vascular Simulations and EQIP acquisitions from 2020 into the company's business and product portfolio – with the flow systems doubling its order intake for 2021 compared to 2020
- **STRONG** collaboration with several medical societies, including the German Societies for Radiology, Neuroradiology, Cardiology, the Brazilian Neuroradiology and Norwegian Stroke societies and the European Bifurcation Club which resulted in an exclusive endorsement of Mentice products for the adoption of advanced technical skills in the field of interventional cardiology.
- **GREW** the organization by 10% and reorganized it into a more scalable territory structure with regional sales and support entities for the Americas, EMEA and APAC – readying the company for continued growth.
- **INCREASED** the overall number of large medical device industry clients and with the four largest clients investing more than 15 MUSD/year in the company's solutions and services
- **CONTINUED** strong uptake in the market of the VIST® G7/ G7+, Mentice latest flagship simulation platform

MULTI-YEAR OVERVIEW

ESTABLISHED GLOBAL INNOVATOR AND THE ONLY SOLELY FOCUSED VENDOR WITH AMBITIONS TO INTEGRATE ITS SOLUTIONS VERTICALLY IN THE FIELD OF IMAGE GUIDED INTERVENTIONAL SOLUTIONS

EVERY PHYSICIAN AND PATIENT SHOULD HAVE ACCESS TO THE MOST INNOVATIVE DECISION SUPPORT SOLUTIONS

MENTICE HAS THE MISSION TO IMPROVE OPERATIONAL EFFICIENCY AND PATIENT OUTCOMES BY INTRODUCING INNOVATIVE SOLUTIONS THAT ACCELERATES ACQUISITION OF SKILLS

MULTI-YEAR OVERVIEW

Group's Financial Development in brief		2021	2020	2019	2018	2017
Net sales	TSEK	185,064	137,503	149,370	157,048	108,966
Earnings before tax (EBT)	TSEK	-21,271	-18,586	-26,235	13,835	5,328
Total Assets	TSEK	261,904	245,271	187,140	130,586	93,819
Average number of employees	st	99	90	82	69	52
EBITDA %	%	1.3	-3.0	-8.6	13.2	8.7

A WORD FROM THE CEO

MENTICE HAS ENJOYED A YEAR OF CONSISTENT GROWTH AND MANAGED MARKET ACTIVITY KEEPING OUR BUSINESS OBJECTIVES ON TRACK, DESPITE THE CONTINUOUS TURBULENCE CAUSED BY THE PANDEMIC.

2021 continued to challenge us as a MedTech community, and also as individuals aiming to balance the new norms, navigate between working from home and maintaining the focus on our mission. As we are almost on the other side of the pandemic, we are proud of being able to successfully navigate these global and personal challenges to adapt to market needs and deliver our results. Thank you to my colleagues, customers and clinical partners who continuously challenge and rely on us to develop and deliver innovative solutions to ultimately improve the patient outcomes.

Obviously, just as the world is starting to get through the pandemic, we are now facing new challenges in 2022 with the Russian invasion of Ukraine. This represents a terrible moment in history for all of us and our thoughts are with the Ukrainian people. As this crisis will have significant effect on global supply and the world economy, we need to be well prepared for the year ahead.

Mentice does not and will not conduct business in Russia or Belarus during these times and our business will not be directly impacted by this situation. Whilst it is devastating, our thoughts are with all those around the world who are affected by war.

Against this background, I am very pleased to present the Mentice Annual Report 2021 and I look forward with great optimism to where our journey of providing market leading performance solutions to the MedTech Industry and physicians will take us in 2022.

TOPLINE GROWTH EXCEEDING 35%

We achieved a strong performance in sales despite continued low levels from the hospital market due to the impact of the pandemic on global healthcare. By proactively addressing the imbalance in cost levels in the early part of the year, we achieved strong recovery in the fourth quarter and positive EBITDA for the full year.

We are pleased to have welcomed close to 70 new and converted competitive clients in 2021 across our segments globally for Mentice. These clients have been generated from all our business areas and now include customers for our Physical SIM offering (Vascular Simulations).

Going into the early part of 2022, we can see a positive change of attitude and access to hospitals across the world is improving. We expect our hospital-related business to move back to more normal levels during 2022.

Our Strategic Alliances collaboration has of course been impacted by the lack of access to hospitals, but during 2021 we continued to move our positions with both Philips Healthcare and Siemens Healthineers generally, and more specifically with Siemens Healthineers Robotic Solutions' subsidiary Corindus. At the end of 2021, Corindus, Siemens and Mentice announced that Corindus would combine every sale of a Corindus GRX to the Chinese market with a Mentice system. Before the publication of the Annual Report 2021 Mentice received the first order for this combined program (March 16th, 2022), details of which can be found under the Investor tab on our website.

> "We are pleased to have welcomed close to 70 new and converted competitive clients in 2021 across our business areas globally for Mentice. Which now includes clients for our Physical SIM offering (Vascular Simulations).

MARKET CONDITIONS

The recent consolidation of the medical simulation market has shown us that Mentice position is becoming stronger and even more unique with Mentice being the only, solely IGIT-focused provider in the global market.

We have a leading marketing, sales and support organization backed by a technology organization of over 60 people. This is evident in our Medical Device Industry business activities where we have for many years been able to match our customers' product and timeline expectations. The simulation market generally tends to focus on basic training and academic application. In contrast, Mentice clear focus is to provide solutions for all levels of experience related to the needs of physicians in daily clinical practice. Mentice has increased its market share in the medical device business area for IGIT and strengthened its position significantly over the last five or so years, leading us now to believe that our market share could approach or even exceed 60%. Overall, we can see that we are expanding the definition of what we refer to as our market and we have a clearly defined path for Mentice continued market development. Our purpose is to expand vertically and broaden our offering with the aim of providing clinically relevant solutions to all healthcare professionals in the area of Image guided interventional therapies.

PRODUCTS

On the product side, there is a strong focus on increasing our ability to deliver value at scale. Since last year, we have created new solutions for self-guided and AR/VR assisted training for advanced ultrasound, which has made it possible to run our existing virtual simulation cases remotely through a web browser, and expanded our Mentice Live cloud platform with results and imaging collection, automatic software updates, and data analytics. We anticipate that this will enable multiple new use cases going forward and it will lower the barrier to entry for the use of simulation in a clinical setting. We also continue to add to our suite of interventional training modules and technology for patient-specific simulation, while continuously refining our virtual and physical hardware platforms and angio suite integration capabilities.

ORGANIZATIONAL DEVELOPMENT

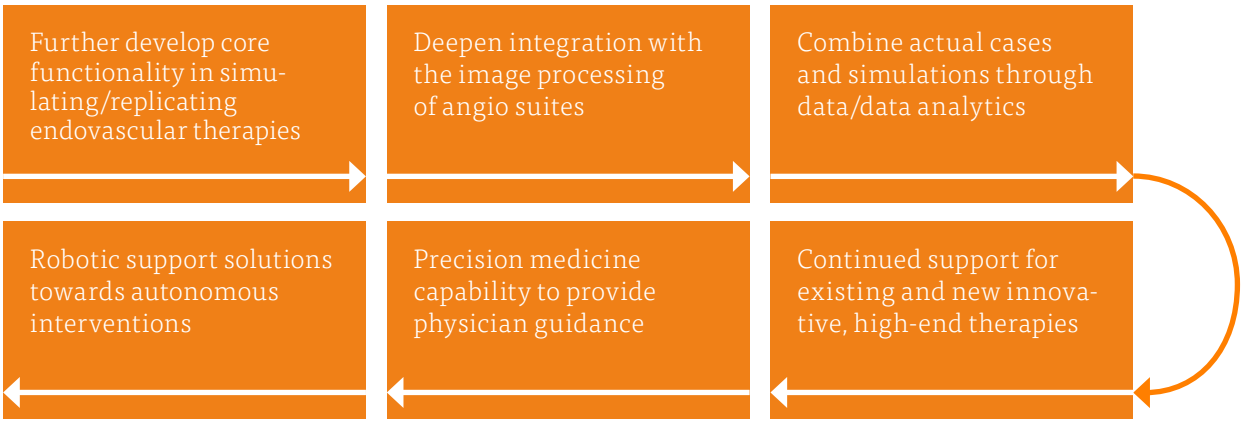
During 2021 we implemented a regional structure for sales & marketing, dividing our business between the Americas, EMEA and APAC regions. This led to three new management positions, which were filled by Thanos Karras (VP Americas), Kjell Asserlind (VP EMEA) and most recently, Pontus Appelqvist (VP APAC). Matar Dakhil (eVP) continues to coordinate our industry activities. During the year, Martin Harris assumed the role of Marketing VP in addition to being VP of Strategic Alliances. In early 2022, Jan Grund Pedersen joined Mentice, taking on the VP role for our Strategic Alliances activities, allowing Martin to focus solely on our marketing activities.

We have grown our technology and product organization to around 60 market-leading qualified engineers and developers. During the second half of 2021, we were pleased to welcome Gunilla Andersson to Mentice as our CFO. Gunilla is now building a new organization for our finance and business controller divisions to further support our growth plans. Our total number of employees has increased to 104 compared to 95 (95 included 7 people from VSI following its acquisition in the fourth quarter of 2020).

SUMMARY AND KEY DIRECTION FOR MENTICE IN 2022 AND BEYOND

We have earlier in this report acknowledged the shortfall in the Healthcare Systems-related business for 2021 due to the pandemic and are pleased to note that despite this the company managed to generate 35% growth for our top-line sales. Our growth was fuelled by the medical device business area where we also can note that the acquisition of the Vascular Simulations (Physical SIM) product line has further improved our business and competitive position both for the virtual and physical simulation-related market, since this unique offering allowing different levels of learning for different platforms is currently only provided by Mentice. We have also communicated our ambition to move further into the physician guidance and decision tools space which is our next step for our development (see page 46). This will come from a combination of organically developed solutions and externally acquired technologies. We are encouraged by the success of our previous acquisition of Medical Simulation Corp (2017) that has clearly helped us to increase our footprint in the Americas region. It increased its share from about 30% of our business some five years ago to over 50% of our total order intake for the two most recent years. Furthermore, our most recent acquisition of Vascular Simulations Inc has enabled us to demonstrate our ability to rapidly commercialize with the doubling of the order intake year over year and we now have begun the process of rolling out these products to the rest of the world in 2022. This of course encourages us to continue with our plans to complement our organic growth with relevant acquired technologies.

MENTICE'S KEY DIRECTION IN 2022 AND BEYOND



For a more comprehensive description of Mentice's development focus in 2022 and beyond, see page 47. For more information on Mentice's clinical performance solutions, see the section on page 46.

Mentice is uniquely positioned with its leading organization, world class customers, and outstanding offering as a basis for continued growth, and development of our market, coupled with our ambition to continue to provide the most innovative offering to support our market needs. Through continuous optimization of our business operations, direct innovative developments, and acquisitions, we will ensure Mentice will be able to deliver on our mission and goal of improving operational efficiency and patient experience.

Gothenburg in April 2022,

Göran Malmberg

CEO, Mentice AB (publ)

BUSINESS AREA MEDICAL DEVICE INDUSTRY (MDI)

The Medical Device Industry business area consists of world-renowned manufacturers of medical devices and diagnostic imaging applications, into which Mentice adaptable simulation solutions are integrated to meet their specific needs. The business area includes solutions for training, sales and marketing, research, and pre- and post-procedural evaluation. This is currently Mentice largest business area and represents 75% of the company's global net sales in 2021. Mentice overall strategy in this business area is expanding laterally to additional clinical areas and divisions of the company's existing customers, including sales, support, regulatory and research and development of new medical devices.

AN EVOLVING BUSINESS AREA

Mentice simulators, software, and services are used in its industry customers' sales and marketing divisions firstly to promote new medical devices and secondly to educate interventional physicians on their safe and proficient use before treating real patients. Being able to practice to proficiency in a safe and patient-free environment before using new medical devices on patients is a key factor in minimizing the risk of unexpected device and procedural outcomes. Device proficiency is especially important during the crucial evaluation, rollout, and implementation of a new therapy and/or a new medical device. Mentice is meeting the increased demand for ultraportable solutions that can be used directly by the medical device manufacturers' sales staff in the field, by further developing a number of portable solutions based on the VIST® Mini technology and cloud-based applications. Mentice estimates that these systems can be sold typically in larger volumes compared with VIST® G7, since they can be used by the sales team directly in hospitals during sales and promotional events, impacting a much larger audience.

WORLD'S MOST IMPORTANT & INNOVATIVE DEVICE INDUSTRY CUSTOMERS

As a majority of Mentice customers in the medical device industry are companies which spearhead bringing new therapies and associated medical devices to the market, this is one of the core areas for modern technology development and deployment. These companies are often 50-500 times the size of Mentice. A structured internal and external learning process is of great importance for these companies when they launch new medical devices, to drive large-scale adoption of their products without compromising procedure quality or patient safety. Some of the market-leading companies that have been leading the global MedTech innovation space whilst partnering with and relying on Mentice for many years, are Abbott, Medtronic, Stryker Neurovascular, Boston Scientific, Edwards Life Sciences, Johnson & Johnson, BD/Bard, and Terumo, to name just a few.

RESEARCH AND DEVELOPMENT USE

Research and development use cases represent valuable applications of the company's technology, and some of the regulatory bodies, such as the FDA, already accept the use of simulation in their guidelines to enable evaluation of medical equipment during development and clinical testing. Mentice saw this space develop further during 2021, including the approval by FDA of the use anatomical flow models for the assessment of new aortic graft devices. Typically, R&D represents between 10–15 percent of the budget of the company while clinical trials, quality, and regulatory issues make up around 5–10 percent.

SINCE ANNUAL REPORT 2020

During 2021, Mentice solutions were widely adopted in physical flow models enabling real device implantation for procedural accuracy: software-only applications supporting further lightweight solutions for its customers to broaden their and the company's reach. There also has been a clear market trend towards Echo-based imaging modalities to support and reduce the reliance on x-ray (fluoroscopy) to reduce radiation and improve visualization.

MDI INTERVIEW WITH FRED GUNDERMAN

Fred Gunderman is the senior vice president of the US for Balt, a world leader in the design and manufacture of physician-inspired interventional neuroradiology devices. He has more than thirty-five years of experience in endovascular care and nearly twenty years in neurovascular care.

Fred has a clinical background in endovascular interventions and has had industry positions in technical support, physician training, clinical oversight, and commercial operations.

Can you explain what the medical device industry does, and how the industry is responsible for the patient experience and outcome?

F: Breakthroughs in medicine today are increasingly the result of collaboration between industry and the medical community. More frequently, physicians come with an idea to the industry, and as a result of that collaboration get funding for additional research and development capabilities to deliver a solution to a therapy that is more likely to become a standardized treatment.

People in the medical device industry are here for similar reasons as the physicians and healthcare workers, they want to help people. We want to deliver a therapy that makes a difference. Regulatory bodies confront the industry with multiple recurrent requests for information and documentation on therapies, to support the industry in delivering therapies known to have efficiency, efficacy, and good outcomes.

Training a physician on interventions is a critical requirement. For a new device approved on the market, training is more than the nuances of the device. You must deliver training on everything from additional considerations of pre-, peri-, and post-procedure, to education and training regarding the device's setup, initial access, and delivery.

What are the greatest challenges for the device industry when it comes to endovascular procedures?

F: The challenge is very dependent on the device itself: Are you developing a device superior to the one currently on the market, or a breakthrough device that supersedes the existing technology? The new device may be a part of a new therapy not delivered through endovascular measures before, that previously only been treated in the form of an open surgical procedure. These scenarios are significant challenges for the industry.

Feasible and viable testing of a new device is critical to success. However, relevant testing is contingent upon the knowledge that you have about the procedure. This requires collaboration with the medical community to determine the parameters for testing. Once the function of the device is established, developing the device becomes easier. The next challenges are: How can you simulate performance in humans? Does the device work as designed or intended? The regulatory requirements for market access are complex.

Finally, just because a company has built a better device or a breakthrough technology, does not necessarily ensure clinical or market success in the hands of the entire clinical community treating the disease. Multiple factors come into consideration, such as the clinicians experience, the novelty of the device, and understanding what the device is capable of and what needs to be trained about the device in order to fully prepare for market launch and first cases.

What is your perspective on device adoption, procedural proficiency, and assessment?

F: Ultimately the physicians are responsible for delivering the best possible care that they can, which also means being educated in that regard. There is a correlation between proper device training and market success of a device. Regulatory bodies like the FDA mandate safe and effective use training for devices, from how the instructions for use are written, all the way through to how we follow the first patient use post-market in a post-market analysis.

This must be reported on annually: How is the device performing? What complications are occurring? What is done to mitigate for those complications? Are the complications significant?

In addition, when introducing a product into the market you must consider who is to be the user of the device. There can be multiple types of users for the device, from different clinical backgrounds, disciplines, and with various experiences. As a result, there are several factors to consider such as: Do we need to introduce imaging training in the midst of our launch to make it most safe and effective? The same holds true for peri-procedural medications and for patient selection. The onus is upon the device company to deliver this training for two reasons: One, FDA mandates it. Two, it is going to increase clinical adoption.

It is essential for the physicians to know how the device can support therapies that have many unique variables per patient, such as in the treatment of neurovascular or peripheral vascular diseases. Being able to show physicians how a device performs in different anatomies, by providing simulation models from real cases where patients have been successfully treated, can play a significant role in the safe and effective use of a device.

How are you making sure that physicians are using the devices or even performing the procedures in an optimal way?

F: Communication; When the industry collaborates with physicians properly, we ask a lot of questions such as: What do you do now? What is the best possible scenario? What do you want to know when introduced to a new device? When do you feel comfortable to move from training to treating a real patient? The answers you get when you engage physicians in that format are incredibly valuable.

Training needs to be flexible and robust to cover all training needs and make sure that every single aspect of the patient's treatment continuum gets addressed. This is only possible when planned for early, and proper tools to deliver that training are developed.

What would you say is essential for a health system to think about when taking on mechanical thrombectomy (Ischemic Stroke caused by a blood vessel clot) procedures?

F: There is great data on the outcomes of mechanical thrombectomy. The data published in the New England Journal of Medicine in 2015 is some of the best outcome data in a particular treatment realm of any device. Achieving similar results is the goal. For a new hospital

to accomplish similar results it takes a certain amount of baseline training, not only clinically, but also technically/tactically on how to use the devices, but also training on identifying the right patient for care. Training everyone in the continuum of care that is looking to expand mechanical thrombectomy must be considered.

It is important to note that industry via flow models can train physicians on the specific use of devices and the peri-procedural implications of a device. However, medical societies such as the Society of Neurointerventional Surgery (SNIS), work to establish fellowship training standards and have published standards of operating care (SOP) and baseline recommendations for mechanical thrombectomy. [1]

What role would you say virtual simulation and physiological flow systems would have in identifying or solving some of these perceived challenges that you mentioned?

F: Globally, it is still a challenge to treat ischemic stroke due to the lack of neuro-interventionalists in many countries. Patients that live in proximity to a high-volume stroke center get very proficient treatment. Patients living far away from the nearest stroke center, are faced with the challenge of time to treatment which has been noted to impact outcomes. Therefore, enhanced training can be very helpful in low-volume hospitals. Education can start with didactic training, while watching real case series associated with the endovascular approach to every patient. In an ideal world, training could cover all steps from case planning using imported patient data, selecting devices and tools, to performing the procedure on the virtual patient. In addition, using the simulator in the angio suite creates an immersive environment and a hands-on experience where the clinicians can get accustomed to all the devices and tools. The availability of this type of simulation training can allow physicians in lower volume centers to gain experience to supplement their patient volumes and in turn increase their skill set.

Could you give an example of a physician who has used one of Mentice simulators and what the experience was?

F: There was an episode in the early years of training using a physiological flow system for ischemic stroke. The purpose of the episode was to deliver training on nuances of device deployment, delivery, imaging, etc. The simulated case had a very difficult arch associated with it. We watched several difficult passes throughout that day, but ultimately all users got better at navigating that arch.

Months later, we went to see a very tenured physician to explore a new device. Upfront I apologized for the difficulty of the arch, based on the feedback we had received previously. He did not react, he simply took the catheter, put it into the arch, and within seconds he was in the carotid. That was a compelling observation. Maybe that arch, that level of difficulty, is exactly the type of training that we must deliver.

What would you say your experience has been, from junior to senior physicians when it comes to utilization of simulation?

F: There are several different scenarios where simulation can make a difference. First during early training i.e., during fellowships, as this is an opportunity to increase the amount of hands-on experience. The simulated flow system enables hands-on training with real patient anatomies, real devices and catheters, and improves the understanding of the devices.

The second scenario is when introducing a relatively new device and there is an upcoming case with a challenging anatomy. The anatomy is determined to be difficult prior to the procedure and images can be used to create a 3D-model anatomy to practice on before the device is deployed in the patient. The physiological flow system can be helpful in a situation like this as it enables patient-specific rehearsal.

What is needed to mandate simulation in clinical practice?

F: Mandates in medicine typically require published standards involving consensus from multiple sources, including medical societies and formal medical training programs. This will likely be required to mandate simulation.

Where would you see the best use case in the future of simulation?

F: Simulation has the potential to be part of the full device development and use lifecycle. From prototyping, development, testing, and device utilization to continuous learning and adoption. It may require additional curriculum development and methodologies that are adopted and then taught.

When there is consistency in the models used between the development of the device to the actual use of the device, safe and effective use can be better. Consistency in the method of training and models used, is likely to be all tied together. Simulation has the potential to impact the way physicians are initially trained and achieve proficiency, and possibly better patient outcomes. Every aspect of physician training can contribute to better treatment.

[1] **Standards Endovascular therapy of acute ischemic stroke: report of the Standards of Practice Committee of the (Society of NeuroInterventional Surgery)** Correction Journal of NeuroInterventional Surgery 2012;4:286: https://jnis.bmj.com/content/4/4/

BUSINESS AREA HEALTHCARE SYSTEMS (HCS)

Mentice healthcare systems business area includes the company's efforts to have its solutions adopted as part of hospitals' daily clinical practice. The areas the company's solutions focus on are skills acquisition, continuous professional development, maintenance of skills, planning, rehearsal, and physician guidance related solutions. A particular area of focus is hospitals with continuous physician efficiency programs as a primary concern, as well as hospitals searching for opportunities for workflow improvement.

FROM INITIAL TECHNICAL SKILLS & MEDICAL DEVICE ADOPTION TO HIGH-RISK & HIGH-COST PROCEDURAL MANAGEMENT

Hospitals traditionally use simulation mainly for education, training, accrediting medical students and post-graduate junior physicians in specialty training, immersive complication management training, and academic research. The business area is currently dominated by academic institutions and university hospitals in Europe, the US, Japan, and China, of which the addressable global market able to be targeted is estimated to be between 40-60,000 operating rooms (angio suites). For medical students and physicians undergoing education in their specialty, exploring multiple types of procedures and techniques under controlled yet realistic conditions is key for acquiring the practical skills needed. Mentice simulation solutions enable not only standard elective procedures to be performed but also advanced patient scenarios with added complications. This makes simulation a great educational tool in the clinical environment to offset the need for training on patients.

SOLUTIONS FOR LEARNING & ASSESSMENT, FROM JUNIOR PHYSICIANS THROUGH TO EXPERIENCED AND PRACTICING PHYSICIANS

While students need to learn how to perform procedures and improve their skill sets, it is of vital importance for experienced physicians to keep their hard-earned practical skills fresh and updated over time by continuously performing procedures. Studies show that the case volume for a physician is a significant factor when it comes to the risk of procedural complications. There are also substantial differences in complication rates based on the rated skill of the physician. Mentice systems for initial learning, accreditation, device and procedural adoption all the way through to sharing the most experienced of wisdom in the operating room, can help hospitals ensure that their physicians are at the right proficiency level to ascertain the optimal patient outcomes. As minimally invasive procedures are becoming the preferred treatment of choice, the number of new treatments and devices are rapidly growing, along with the increasing need for continuous proficiency-based learning for all practicing physicians.

OPTIMIZING PRE-PROCEDURE PLANNING TO ENSURE AN OPTIMAL OUTCOME

Mentice solutions and advanced technology make it possible to import real patient data, which enables hands-on mission rehearsal. This supports healthcare professionals in their pre-procedure planning as they can gain a better

understanding of every individual patient anatomy and what the optimal treatment option is. By utilizing simulation, physicians can rehearse before the procedure and prepare for the unexpected in a completely safe environment. In addition to the obvious medical benefit for the patient outcome, Mentice solutions are proving to be important tools when aiming for a more efficient and less costly patient experience. Intensive care, readmissions, and hospitalization following complications are some of the most labor-intensive and costly parts of today's healthcare systems. If these measures can be reduced by increasing procedural efficiency, the use of hospital resources can be more effectively deployed on a regional, national, and global scale. As the global population ages, this is a growing challenge that needs to be addressed all over the world. Onboarding of new staff and maintaining proficiency of existing teams need to be efficient working practices to meet the increasing demand for staff satisfaction.

ANGIO SUITE INTEGRATION IS LEADING THE WAY

Mentice has identified the integration of its products into angio suites (a.k.a. cath labs or interventional operating rooms) required to perform image-guided interventions as an optimal path to increase its presence in the healthcare system business area. The global installation base of angio suites is estimated to be between 40,000-60,000. Around 3,600 new angio suites were installed or replaced in 2018 and the number is growing. Mentice believes that every new or replacement angio suite ultimately should be accompanied by a Mentice system. To gain traction in the imaging market place, Mentice is collaborating with the world's leading angio suite providers: Siemens Healthineers and Philips Healthcare. Leveraging these partnerships - not only for combined system sales but also for innovative development - is keeping Mentice on track to have its solutions utilized in daily clinical practice. Read more about these strategic partnerships on pages 25-26.

HCS INTERVIEW WITH GLORIA SALAZAR

We had the opportunity to speak to the Chief of Vascular Interventional Radiology at the University of North Carolina at Chapel Hill, and Chair for the Women's Clinical Council at Society of Interventional Radiology (SIR) USA, Associate Professor Gloria Salazar, MD, FSIR. The purpose of this article is to identify and understand current clinical challenges within Interventional Radiology with a focus on Women's Health.

Who is Dr. Gloria Salazar?

G: I am the Chief of Vascular Interventional Radiology at the University of North Carolina at Chapel Hill, and a practicing physician for twelve years. I have been working with women's health my entire career, starting as a fellow who trained with several experts in my area. I learned from the early innovators in the field of Uterine Artery Embolization (UAE) and have strived to further this specialty and, in turn, pass on the knowledge to new generations. When I moved my practice to Mass General Hospital, I developed a multidisciplinary fibroid clinic with gynecologists to focus on the complete patient work-flow: from the onset of the clinical diagnosis to recovery and providing a better quality of life for the patient.

Women's health is a subject that I am very passionate about, and I have taken an educational role in the women's health community and the national society of Interventional Radiology- SIR. UAE has been in place for over thirty years, and we have learned a lot about what patients benefit the most from the procedure and refined the techniques. Given the abundant data of UAE compared to surgical alternatives, in the year 2022, we know exactly what to expect in terms of clinical outcomes and the benefits it offers to our patients.

What is Uterine Artery Embolization (UAE), and why is UAE an optimal procedure for women with certain symptoms?

G: UAE has been extensively researched within the Interventional Radiology (IR) portfolio, and there have been randomized comparative trials with alternative treatments such as open surgery, i.e., hysterectomy and myomectomy. Therefore, research supports the fact that UAE is a great treatment option for patients experiencing heavy bleedings as well as bulk-related symptoms due to fibroids. The treatment is also suitable for patients who experience other symptoms that affect the quality of life, such as fatigue and sexual dysfunction. Through thirty years of research, we can provide to the global interventional radiology community with a non-surgical procedure (minimally invasive vs open surgery), that preserves the uterus instead of removing it.

"What the last couple of years have taught me is that the treatment decision is a joint decision between patient and physician: what is the patient looking for in terms of outcome? This is called "shared medical decision making".

In my clinical practice, women are introduced to the different treatment alternatives and can choose an option based on their lifestyle. One specific example comes from my experience with the Hispanic patient population. Even though they tend to have large fibroids, and large uteruses due to fibroids, these women still prefer not to remove the uterus. In this population, culture is the main reason for not undergoing hysterectomy. Secondly, to maintain their femininity. These aspects of women's health seem to have been forgotten during studies and trials, even though they are particularly important factors for patients to include in their decision-making.

For the young patients visiting my practice who wish to become pregnant and undergo UAE, I present statistics from the most recent trials comparing myomectomy and UAE (the FEMME trial).[1] The results showed a slightly higher percentage of women getting pregnant after the UAE procedure, even though the study was not designed to prove so. When patients look at these studies, they see percentages and wonder: Why should I have a myomectomy? Why should I not get a UAE? From a patient perspective, there is a lot of data to analyze and there are a lot of options. The best approach for the patient is to look at the safety profile for each procedure and enable them to choose and be fully informed about their options.

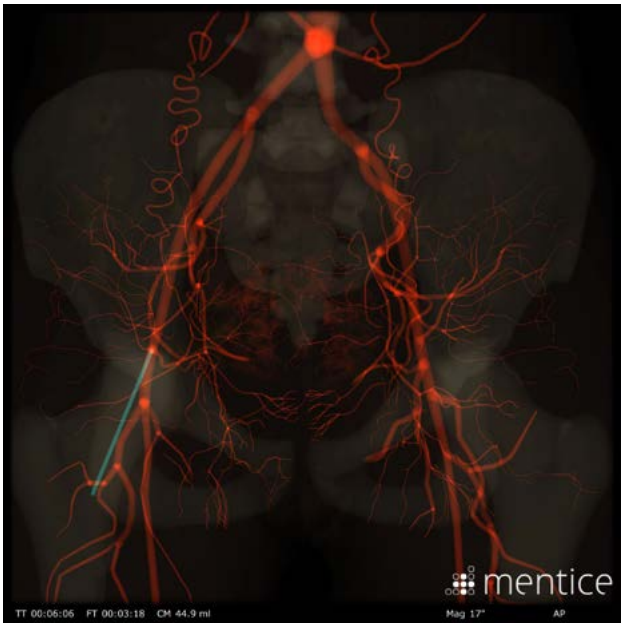
What are the greatest challenges for patient awareness? What are the greatest challenges concerning UAE?

G: As the chair for the Women's Clinical Council at SIR, I am looking at these types of challenges. UAE is a great and comparable procedure to other alternatives, the problem is patient awareness. There is an article by Dr. Claire Kaufman in the Endovascular Today January 2022 issue, specifically addressing this challenge. [2] I was a guest editor for Endovascular Today where we devoted a whole issue to women's health including UAE, PAD, and other areas. [3] There are still gaps in Women's Health within the United States, and it is important to highlight and discuss these issues. SIR performed an evaluation where the results showed that many women in the US are unfamiliar with UAE and believe that removing the uterus is the only option.

There is a great need for education and to raise patients' awareness. Developing shared medical decision tools to provide the patient with all the treatment options is an essential step in the right direction. Increasing awareness is something we must work with as a society, together with the primary care and family physicians. Patient advocacy campaigns will also be important, and to get the patients who have undergone a UAE to speak-up and attest to the fact that there is an alternative to removing the uterus. It is great that the awareness is increasing at a governmental level in the US, as there is a new law about to be implemented with a focus on the research and awareness of fibroids.

When it comes to patterns of patient care, the US differs from other countries. The primary care physicians take on a lot of women's health care cases. The primary care physicians are overwhelmingly busy which makes it difficult for them to keep up with all the new developments within treatments for specific conditions such as fibroids.

Another factor for consideration is the patient's access to an Interventional Radiologist. Some IR practices may encounter challenges in reaching out to these patients who require alternative treatments for fibroids, depending on their locations (rural vs. urban areas).



What could be done to create additional awareness?

G: SIR is currently working on identifying and prioritizing the needs of different patient populations.

Given that hysterectomy is a major surgery and associated with potentially major complications, it should not be the only option offered for women. Today we know more about the impact of hysterectomy on women's mental health. Women undergoing hysterectomy for benign conditions are prone to develop mental health issues after the procedure. To make a difference, we must prioritize this topic as a public health issue.

Another important perspective that needs to be considered, relates to how fibroids affect the quality of life beyond medical needs. As such, the functional status of women today is different from fifty years ago; women are now working, and many are single mothers raising families on their own. A symptomatic fibroid can hinder the ability of women to work because of bleeding issues, and the pain can make you nonfunctioning as a mother.

What is the socio-economic impact on society of women's health with regards to the symptoms you mentioned earlier?

G: While cancer is a major issue in society and will continue to be so until we can find a cure, there are also benign conditions that have a significant negative impact on society. According to available data there is a huge negative economic impact and a high number of workdays missed, and this data is only based on fibroids. There are single moms with debilitating fibroids that cannot afford not to work, they must work to provide for their families. A condition like this has a huge impact on women's quality of life and society.

Current gaps in women's health research, and the lack of treatment awareness and adoption of UAE has the potential to also impact maternal mortality around the world. UAE could help decrease maternal mortality, as a tool to treat postpartum hemorrhage but still, patients are not being referred to this procedure in the emergency-setting, even in the US.

To address this gap, there is a current focus on multi-disciplinary efforts required to access all valuable research from the gynecologists' perspective and work together to identify priorities for action. This approach is currently being evaluated by medical societies and leaders in the field.

What true value has simulation brought to you in terms of proficiency and adoption of UAE?

G: I believe simulation has an important role in this context, enabling physicians to stay proficient. There are two ways to increase access to UAE: increase the training of IRs that already know the basics of the procedure and, provide onboarding training for physicians in countries where they lack the basic knowledge of UAE. Two years ago, SIR ran an outreach program in El Salvador. The purpose was to train physicians in Central America, where there are only one or two IRs per country. With the right proctoring from senior experts, simulation can play an important role in increasing the adoption and proficiency of UAE. The best way to move forward is to help build these IR teams around the world.

There are three areas of use where simulation has been valuable. First, it can easily be incorporated into resident and training programs as an onboarding toolkit. It is very useful to implement simulation before the training physicians treat real patients, and it benefits the learning curve. Simulation training will increase the preparedness for treating real patients. Through performing a procedure on the simulator with expert guidance – your knowledge will have multiplied. It is important to note that simulation does not replace real training, but rather should be used to accelerate proficiency and mitigate patient procedural complications.

The second area of use is advanced training, either to learn new innovative procedures or to practice different approaches for complex interventions. I have been practicing for over ten years, and simulation can help junior physicians to reach that level faster. The best example I can cite in this category relates to the increased use of transradial approach in IR, where historically physicians have been utilizing transfemoral access for arterial interventions and had to switch to a different technique.

The third area of use, which I am most excited about, is team training. Simulation enables physicians to rehearse and prepare for the unexpected. Some examples include high-risk anesthesia IR cases, multidisciplinary response for traumas and post-partum bleeding patients. Team-training with simulators can help teams be prepared for time-sensitive emergencies, maintain proficiency, and increase personnel confidence. Team-training on the simulator allows us to discuss and reflect on different approaches, and ultimately improve patient outcomes.

[1] McPherson, K., Manyonda, I., Lumsden, M.A., Belli, A.M., Moss, J., Wu, O., Middleton, L. and Daniels, J., 2014. A randomised trial of treating fibroids with either embolisation or myomectomy to measure the effect on quality of life among women wishing to avoid hysterectomy (the FEMME study): study protocol for a randomised controlled trial. Trials, 15(1), pp.1-11.https://doi.org/10.1186/1745-6215-15-468

[2] Kaufman, C. S. 2022. Improving Access to UFE: What Are the Barriers? Endovascular Today. https://evtoday.com/articles/2022-jan/improving-access-to-ufe-what-are-the-barriers

[3] Salazar, G., Garcia-Reyes, K., 2022. Women's Vascular Health in Focus. Endovascular Today. https://evtoday.com/articles/2022-jan/womens-vascular-health-in-focus

BUSINESS AREA STRATEGIC ALLIANCES (SA)

MENTICE CHANNEL INTO DAILY CLINICAL PRACTICE

One of Mentice long-term strategic focus areas is the unique integration with leading imaging and robotics companies such as Siemens Healthineers, Philips Healthcare and Corindus Vascular Robotics. Mentice's entry into several innovative new areas such as integration into the detailed imaging process is to support device development and planning. It is helping to build additional trust with its Medical Device Industry partners. The unique integration of Mentice Virtual Reality, and notably the adoption of its Physical Flow Model (simulators) in the angio suites in 2021, has put the company in a leading position, partnering with Siemens Healthineers and Philips Healthcare. By continuing the OEM integration of its solutions with Laerdal, the world's premier general medical simulation company, Mentice continues to provide an end to end set of solutions within IGIT simulation solutions, covering the entire healthsystem workflow. These are solutions that cover the entire learning flow from basic technical skills training to procedural adoption, angio suite learning and robotics. In view of the ongoing pandemic and limited access to real patient learning, Mentice solutions have highlighted an even greater need than before to learn in a safe, patient-free environment to ensure that all levels of physicians have continuous access to learning solutions. During 2021, Mentice became the preferred global VR simulation partner of Corindus Vascular Robotics, which includes the strategic bundling agreement in China announced in December 2021.

DEEPER INTEGRATION AND FURTHER ADOPTION

Mentice solutions have further pushed the boundaries in several areas within its integrated offerings and in health systems directly. By providing the most advanced anatomical software applications and leading hardware solutions, the Strategic Alliances and joint customers aimed to reduce the learning curves on real patients by adopting the Mentice VIST® Virtual Patient and Physical Flow models during 2021. Based on its efficient technology for creating simulation modules from real patient data, Mentice provides physicians with digital visualization of the patient's brain, heart, and circulatory system. From junior physicians learning new procedures and equipment proficiency to senior physicians preparing for high-risk procedures, the integrated Strategic Alliance solutions uniquely offer physicians the ability to immerse themselves in their daily clinical practice without the risk of harming real patients.

COVID-19 UNDERLINES A CLEAR NEED TO TEST, PRACTICE, AND LEARN ON MENTICE VIRTUAL PATIENT

During 2021, the pandemic continued to provide the greatest challenge of this generation as well as highlighting the need for more digitally innovative solutions. Mentice advanced virtual offering enabled its customers to continue to develop new technologies and adopt new devices and clinical procedures. A key addition in 2021 was the joint activities with Corindus and its CorPath GRX Vascular Robotic system. This is a very exciting area where Mentice solutions are being used to support Corindus' market activities to meet the increasing need for robotics adoption by learning on virtual patients.

While the pandemic prevented several publicity events to promote the integrations, field sales and marketing activities continued the successful global promotion. Mentice Strategic Alliances added a number of high-profile customers by combining the integration of imaging equipment with Mentice solutions. Physicians have been using the integration to continue their trainees' educational journey and for immersive complications management training.

MARKET TRENDS & DEVELOPMENTS

The collaboration between Mentice and its Strategic Alliances deepened into broader areas during 2021. While the market has seen bundling agreements with Siemens China, Corindus Vascular Robotics preferred supplier activities, and several joint commercial activities in healthcare systems, this area is actually only just beginning due to the pandemic and limited market access. Mentice will stay true to its commitment of continued investment into this space and is looking forward to an exciting 2022.

SA INTERVIEW WITH KASHIF IKRAM

Kashif Ikram MSc. MA. MBA is a MedTech industry expert, and we reconnected with Kashif as a follow-up from his article in the 2020 Mentice Annual Report – What has changed in the past year? Kashif has twenty-six years of working with renowned companies such as Zimmer Biomet, Edwards Lifesciences, Medtronic, and Siemens Healthineers, and he has vast experience and knowledge within the field. Kashif is the former EMEA Head of Corindus Vascular Robotics (a Siemens Healthineers' company) and is currently Vice President at C-RAD AB (Sweden).

What has been the greatest impact you have seen with simulation over the past year?

K: The past year has been like no other in living memory with the pandemic affecting all our lives and especially those of our healthcare professionals. We have all become even more thankful for the professionals who strive every day to keep us healthy. Our thoughts also go out to those who have been unable to meet with or have lost loved ones and friends.

As the day-to-day focus shifted, the pandemic brought physicians additional challenges in terms of maintaining skills and learning new methods such as robotic-assisted vascular interventions. At the beginning of the pandemic, hospital managers wanted their physicians to be close to their hospitals and reduce travel to a minimum. It was no longer possible for physicians to travel to exhibitions, congresses, or teaching centers. The portability of the simulator was now key, and systems were brought to the physicians enabling virtual simulation training and learning in a safe environment. Using simulation, physicians could attack a problem multiple times and try different approaches. The procedure level could be scaled up from simple to complex, and physicians suddenly had the means to pause, contemplate, and reflect. Simulation-based training has been appreciated among the physicians who have tried it. The legacy of this pandemic could be that it guided people to become more comfortable with working in the digital space faster than anticipated.

Why simulation-based training?

"Pilot simulation training is a great benchmark for us to compare with medical simulation. Simulation in the aviation industry has enabled pilots to train in a safe environment and has made air travel safer for all of us. Simulation-based training in the medical environment can enhance skills, knowledge, and confidence of the physicians and their staff, which in turn should lead to better patient outcomes and thus potentially reduce costs for the healthcare systems."

What are your thoughts on continuous and proficiency-based learning in a safe environment?

K: Starting with proficiency-based learning (PBL), I am a great fan of the work of Prof. Anthony Gallagher [1] and multiple others who have investigated the psychology of learning and human factors and proposed a progressive training approach combined with simulation. The important aspect of PBL focuses on the acquisition of skills after the knowledge has been attained. During PBL, cognitive and psychomotor learning takes place and there is observable and measurable progression up the learning curve. After all, football fans do not become expert players simply from watching their local professional team play each week. Training needs to be part of a carefully crafted curriculum and should take place in multiple sessions over a set longer period, rather than in one short period. Using this paradigm, training becomes uniform, potentially less costly, and studies have shown that skills acquired from virtual reality training in a medical setting are transferable to the operating room. [2]

I am a keen motorcyclist, and it is not uncommon for motorcyclists that live in areas with colder climates to partake in training rides or even a refresher course in the spring to re-awaken their riding skills. Does the "continuous" or regular training make motorcyclists safer on the road and more proficient? I would like to think so. Pilots are also accustomed to continuous training at regular intervals, though more importantly with the addition of re-certification requirements. Based on these examples, physicians returning to the simulation training suite at regular intervals does not seem to be a bad idea and should therefore be encouraged. However, it would need to be managed by the appropriate organization, such as a medical or surgical society (of that discipline) and contain relevant learning modules developed by experienced clinical experts. Implementing appropriate assessment would also be required, perhaps anonymized recordings that are reviewed by independent experts (or even AI) based on a prepared scoring system.

Where do you see simulation technologies have the greatest impact in the future?

K: Simulation will play an important role in the future of several areas. For example, as multiple vascular robots are launched, each with its own user interface, the VIST® Virtual Patient simulator will help physicians adapt to each new interface. Resulting in a safer technology adoption with fewer errors. In addition, as seen in the field of Surgical Robotics, a training simulator is now provided built-in to the robot. The built-in simulator will provide angiography and vascular robotics companies with a competitive advantage, as it creates new opportunities for clinical teams to improve their performance and operational efficacy. Hospitals that have access to the VIST® Virtual Patient can further use it to plan cases and for extensive training. With the new ability for hospitals to upskill their physicians and to offer more complex procedures to the population, this could create a disruptor in the hospital market. To help improve outcomes and reduce costs, medical societies can set standards of continuous learning and assessment.

From a long-term perspective I see simulation technologies developing further using machine learning and AI and utilizing real-time angiographic imaging to become a digital assistant to the clinician, constantly monitoring the procedure, providing real-time insights and valuable information to the clinician as well as helping the nurses to prepare and plan. The objective would be to reduce the cognitive load for the clinicians and nurses. I am looking forward to seeing how these various threads develop in the future.

[1] Prof. Anthony Gallagher: https://pubmed.ncbi.nlm.nih.gov/?term=Gallagher+AG&cauthor_id=25211267

[2] Seymour N, Gallagher A, Roman S, et al. Virtual reality training improves operating room performance: results of a randomized, double-blinded study. Ann Surg. 2002;236:458–464. [PMC free article] [PubMed] [Google Scholar]

BUSINESS MODEL: PERPETUAL (CAPEX) TO SUBSCRIPTION AND RECURRING REVENUE (OPEX)

More and more customers are demanding the possibility to deploy use of the Mentice hardware and software modules without adding capital expenditure to their balance sheet. In 2019, Mentice implemented a sales model adding the possibility for customers to rent the hardware and subscribe to the software on a yearly basis.

By changing from perpetual licenses to a subscription and annual fee based structure for a larger share of its customer base, Mentice expects to eventually achieve more stable cashflows with lower impact from seasonal variations. As this business model also includes implementing annual updates of the company's software modules, the customers can also be offered a greater value than before.

Group segments	System sales		Software licences		Support and Service		Total Group	
TSEK	2021	2020	2021	2020	2021	2020	2021	2020
Sales for capital expenditure	78,570	63,177	39,756	28,484	24,631	11,090	142,957	102,751
Recurring revenue	7,056	3,148	35,051	31,604	-	-	42,107	34,752
Total	**85,626**	**66,325**	**74,807**	**60,088**	**24,631**	**11,090**	**185,064**	**137,503**

Mentice divides its sales into three operating segments; system sales, software licences and support and service. The split between perpetual and recurring revenue on these segments can be seen in the above table.

The System sales grew 24% on perpetual and 124% on the rental in the year 2021. The Software licenses sales grew close to 40% on perpetual and 11% on the subscription in the year while Support and Service including development project revenue more than doubled.

ADDRESSING THE CLINICAL CHALLENGES FACING HEALTHCARE PROFESSIONALS TODAY

A rapidly aging population, rising healthcare costs, and increasingly complex procedures are some of the key challenges facing global healthcare today.

Minimally invasive procedures are becoming the preferred treatment of choice for patients with vascular disease, leading to an increasing demand for sophisticated and innovative safe learning solutions and methods to ensure proficient procedural adoption.

This ongoing and rapid transition to minimally invasive procedures is also leading to more advanced but time-consuming procedures. One specific opportunity is where the experienced physicians are required to train and onboard new operators, however, the time and resources available for this are scarce.

The requirements for optimal training and procedural experience are important aspects for all physicians, in order to ensure proficiency of new techniques and procedures. While managing different procedural complexity and staff satisfaction.

The Medical Device Industry plays a key role in continuously developing new medical devices to meet the growing demand for new treatment methods, while driving an increased need for training to ensure safe and proficient use of these new devices.

There is a saying within the market that 80% of procedures are done by 20% of the physicians which implies that high-volume hospitals and their high volume operators get the majority of patient cases. When it comes to acute and complex procedures, patients are transferred from low-volume procedural centers, to centers of excellence, creating an increased demand on high-volume hospitals. As healthcare systems aspire to improve their efficiency, the growth in patient volumes, severity, and complexity of procedures can strain resources. Studies have shown that in times of strain the quality of care might degrade, leading to worsening of patient outcomes. Solutions to support hospitals in times of capacity constraints are needed to help improve patient outcomes. [3]

PROFICIENCY VARIATIONS AMONGST PHYSICIANS

Based on the concept of "the more you train to proficiency, the better you become", studies have identified large discrepancies in the consistency of physician proficiency. As this is not a new phenomenon, patients are rarely aware of the level of procedural experience of their practicing physician.

The figure below is an example that illustrates the large variance in patient outcomes among hospitals, highlighting the importance of the physician experience. Over half of the advanced procedures in the study were performed by physicians with insufficient skillsets and experience. [2]

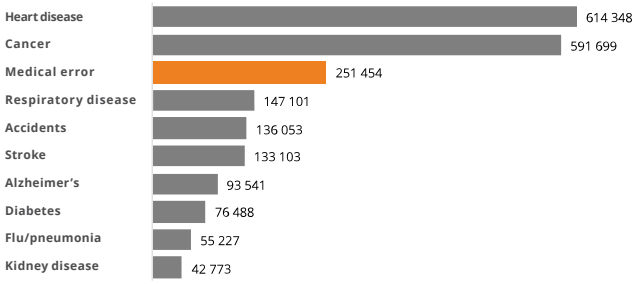
MEDICAL ERRORS

Whilst Mentice is fully aware of the potential negativity surrounding the subject of medical errors, it is indeed an important subject to ensure healthcare evaluates current practices and identifies areas of improvement. A study from 2016 showed that medical errors were the third most common cause of death in the US, causing more than 250,000 deaths per year [1]. Although these numbers vary depending on the source and country, the BMJ results from 2016 led medical experts to urge the government in the USA to act on these numbers by providing funding. Nonetheless, unfortunate cases of medical error still seem to slip under the public radar as a cause of death. While cancer and heart disease as an example receive considerable attention in the media, medical error is often excluded from the list - even though it is the third largest cause of death - and researchers, physicians, and patients stressing the issue find themselves fighting an uphill battle.

SOLUTIONS TO SUPPORT HEALTHCARE PROFESSIONALS ARE NEEDED

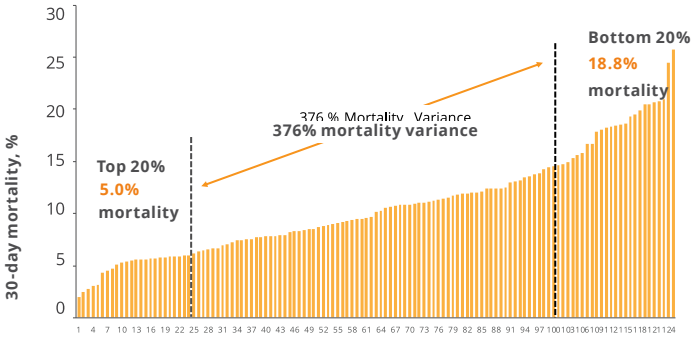
As focus intensifies on improving patient outcomes, providing effective and patient-centered care, and delivering high quality training, there is growing pressure to improve educational and quality programs within healthcare systems. Mentice solutions will continue to address the current clinical challenges of the global community and meet the current and future needs of its HCS, MDI and SA partners, to make sure that they have an innovative simulation platform for providing the patient with the best experience possible.

Causes of deaths in the United States, 2013



1) National Center for Health Statistics, Johns Hopkins Medicine, National Center for Biotechnology Information, 2016.

Variance in mortality rates (reports from hospitals in Illinois, USA)



2) Based on 125 reports from hospitals in Illinois, US

CLINICAL CHALLENGES INTERVIEW WITH THE BRAZILIAN SOCIETY OF NEURORADIOLOGY (SBNR)

The Brazilian Society of Neuroradiology (SBNR) is the first Medical Society in the world to build a national curriculum with interventional simulation implemented. We got the opportunity to discuss and understand the rationale with the executives of the society and founders of this initiative:

Prof. Dr. Carlos Clayton Macedo de Freitas, Interventional Neuroradiologist at Hospital das Clínicas, São Paulo State University, Brazil, and Vice President of SBNR.

Prof. Dr. Michel Frudit, Interventional Neuroradiologist at Hospital São Paulo, São Paulo Federal University, Brazil, and former President of SBNR.

Prof. Dr. Francisco Mont'Alverne, Interventional Neuroradiologist, General Hospital of Fortaleza, Brazil, and former President of SBNR.

To standardize interventional neuroradiology training in Brazil, SBNR has developed and implemented a simulation-based program consisting of hands-on training, remote proctoring, and online classes. The program became available to all society fellows in 2021.

What is SBNR, what do you do? What is the vision and mission of SBNR?

C: SBNR has two basic missions: To educate and support physicians in their daily practice. We are a society linked with the Brazilian College of Radiology. All SBNR members and fellows come from three different specialties: neurosurgery, neurology, and radiology.

M: Since no other societies are focusing on interventions, SBNR represents the majority of all interventionalists. There are certain challenges between the different clinical specialties that we want to solve to ensure the best patient care. We are fighting in a good way to bring the majority of the interventionists to this society.

F: In Brazil, we have almost 270 interventional neuroradiologists, and 70% of them are certified by SBNR. To practice interventional neuroradiology in Brazil, you must be evaluated by our society and authorized to perform an intervention.

C: In 2019 we built a new educational platform and created a proficiency-based curriculum. When developing a training program, it is important to combine theory with practical experience. Simulation is great in this context, as it enables hands-on procedural training in a safe and patient-free environment. Our program is based on three pillars: knowledge, skill, and attitude.

To develop practical skills and get the hands-on training you need access to cases. We started to implement our curriculum during the burden of the ongoing Covid-19 pandemic. Suddenly the hospitals had a high percentage of covid patients, and there was a lack of real patient cases for the traditional 'master-apprentice' training methodology within radiology. How can you implement a new curriculum without patient cases? We discussed potential solutions with Mentice Renan Cancissu (LATAM Business Manager), which resulted in us creating a remote course for different centers that was proctored online.

What did the learning environment for trainees look like in Brazil before simulation was implemented?

F: About sixteen training centers (University Teaching Hospitals) in Brazil oversaw the training of interventional neuroradiologists. We found that the procedural training volumes differed between all the training centers, and the education had a very heterogeneous structure. Not only from a pedagogical point of view, there was no homogenous theoretical program.

Furthermore, we found that the structure of interventional neuroradiology training was a global issue. We began to question ourselves: how can we implement homogeneous training in Brazil? How can we ensure that the trainee graduates with a high level of proficiency in the most essential areas of their interventional specialty?

To solve these educational challenges, we built a new curriculum with a lot of focus on hands-on skill training related to each competence. When we decided to develop a structure for the practical part of the training program, we decided to involve Virtual Patient simulation. The old training model (still the standardized global practice) was "see one, do one, teach one". We wanted to develop a new model: "observe one, train on the simulator, then treat a patient", with the final goal to transform the training model into "never treat a patient without having trained on the simulator".

The focus is specifically on virtual simulation, as it enables us to get more precise metrics. It can be used to define the proficiency of a trainee and provide valuable data on when that trainee is ready to perform a real patient procedure, assessed in accordance with Entrustable Professional Activities (EPAs).

It is a challenge to determine when a trainee is ready to treat a real patient, especially since our judgment is by nature - based on our professional experience and emotions. Instead, it is important that the trainee is assessed rationally and fairly based on scientific evidence. The minimal level threshold validated and formulated to measure the trainee and to ensure high quality and proficiency of the interventional procedure is key.

Simulation helps us solve the educational challenges for fellow training and allows us to get precise metrics in terms of the development of each trainee.

C: We need to be able to measure the proficiency and knowledge of the trainee, to know when he or she is ready to perform a real procedure. From my experience, some trainees need more time to develop their skills. This provides an unfortunate burden on the trainee, the senior physicians, the team, and everyone involved in the fellowship programs. When we developed the curriculum, one of our main focuses was the assessment of proficiency. In the patient-free and safe learning environment of simulation, it is possible to quickly identify, improve, or even correct potential technical skillset limitations of the trainees.

How do you ensure that all physicians have a high supply of patients that provide a natural increase in experience and in turn ensure optimal procedural outcomes?

C: It is challenging since these areas are an active part of our function as a society. We need to analyze all centers to see how many cases each fellow has done per year. The training volume of trainees must increase, it is impossible to proficiently treat e.g., an aneurysm in the brain if you only get to treat one per year. If we add a simulator to each center, we could increase virtual patient training volumes and thus improve the level of proficiency among fellows.

M: Several centers lack a proper training program for their fellows, and we cannot certify a center under these terms. We are trying to make connections between the centers, and potentially move the fellows between them so that they get the possibility to train other procedural variances.

Simulation allows us to teach the fellows all the procedural steps, what equipment and devices are needed, and everything that is important to know before performing a real procedure on a patient.

This is a very impressive commitment from SBNR to the clinical community in Brazil. What was the defining moment that made you decide to act for change in the national educational system?

C: It all began in 2019 when we analyzed the data that we received from all sixteen training centers in Brazil (today there are twenty-two centers). When we went through the data, we discovered the educational heterogeneity that existed in all these centers. Each center taught their fellows in their own way, which meant that there were sixteen different approaches to teaching. As SBNR, we are responsible for certifying new INRs in Brazil, and the certificate is signed by the government's minister of education.

Imagine the situation that occurred when sixteen centers, each with their own educational strategy, sent their fellows to us for certification by the end of the fellowships. The fellows were evaluated with a three-step test, and the test result and proficiency levels varied greatly since they all had received different types of training. The fellows were not to be blamed here.

In 2019 we started receiving data, and more than thirty experts in education and Interventional Neuroradiology met in Sao Paulo for discussions. In 2020 we finished the curriculum, and in 2021 we began to implement the platform.

Today we have another level of fellow training in Brazil. The twenty-two centers are now collaborating, and we have monthly meetings with all the fellows where we discuss a chosen topic. We work as one group now, which is fairer for the fellows. The platform enables us to share knowledge and new information effectively and to increase the proficiency level among the centers. As a uniformed team, it enables us to offer a higher quality of treatment to the patients and to ultimately improve the patient experience and outcome.

What has the main impact been from the implemented simulation training?

M: People have started to realize the importance of simulation as an educational tool.

F: I would say that we can divide the impact of educational changes into three parts. First, we have the cultural aspect. We are all part of the same team now and are working towards the same goal. We have realized that we are facing the same challenges, which is essential for a functioning society.

The second aspect is that we as a society can promote more equal training in Brazil. The heterogeneity is lower. It is clear that we are moving towards the same goal and are communicating in the same language in terms of training.

The third aspect is that we now can ensure a more fair evaluation of the fellows ensuring the right proficiency level to pass. By using the simulator and measuring certain metrics, we are now able to see improvements among the fellows.

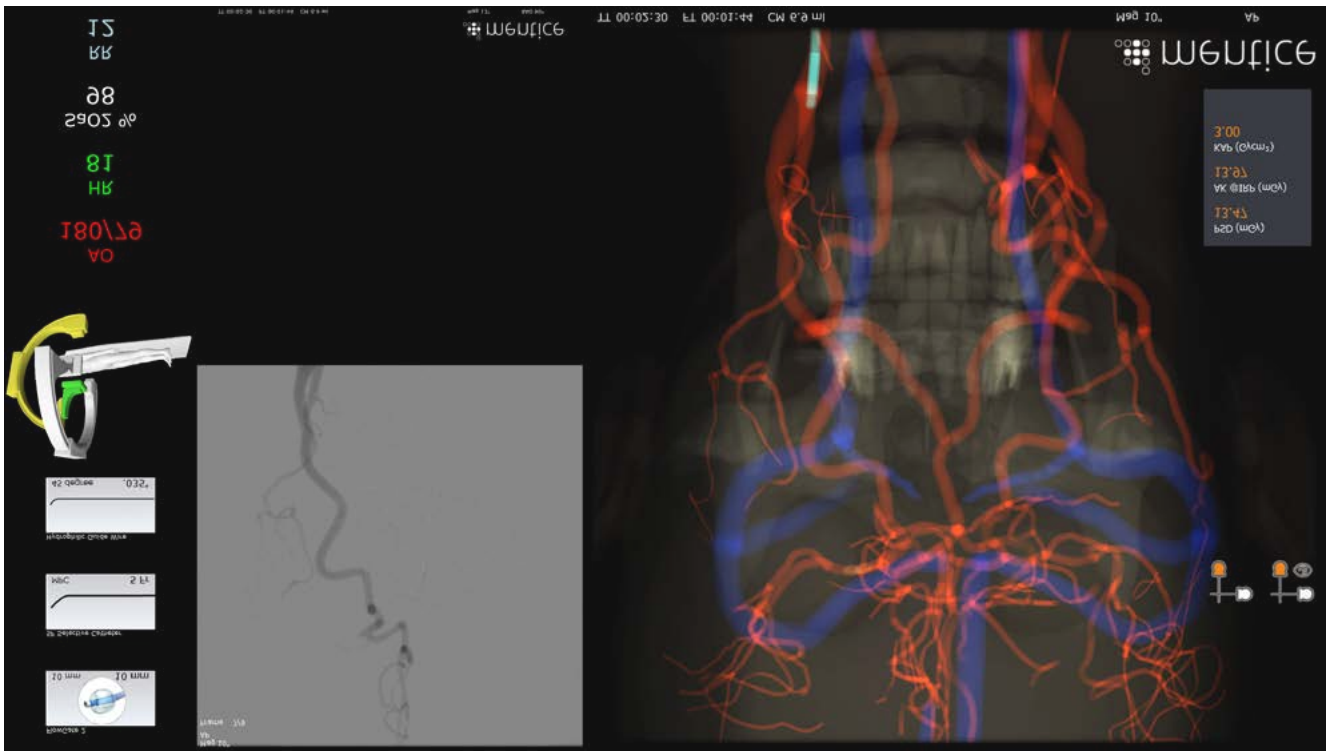
It is also important to mention that not all training aspects have improved: Why is that? We are testing some hypotheses right now. We must have a program in place to ensure that the simulator is used correctly and that the learning objectives are achieved.
The course supervisor is vital in this setting.

What does the future of simulation and interventions look like?

M: I believe that the use of simulation will increase a lot, together with artificial intelligence in the future. We will learn with simulation, and when we upload a case in the simulator, all the treatment possibilities will be there, because the system will have figured it out before us.

C: I see a benefit of using the simulator for adoption and continuous proficiency-based learning of vascular robots, as we see that some centers in the world are transitioning into robotic-assisted interventions. For the upcoming year, the focus will be on increasing the usage of simulation training for complex procedures and complications, as these are the situations you learn most from.

F: In the future, it could be an advantage to implement simulation in daily clinical practice to support decision making, case planning, and mission rehearsal by using real patient data sets in advanced software applications such as Mentice simulation.



SIMULATION SOLUTIONS SUPPORTING PROFESSIONALS AND THE MEDTECH INDUSTRY BEST PRACTICE

Mentice helps healthcare professionals and the MedTech industry to meet their ambition to improve healthcare and patient outcomes worldwide. Mentice simulation-based learning provides a radiation-free environment for mastering medical devices and procedures while reducing 'on patient' learning.

A SCIENTIFICALLY PROVEN TRAINING METHOD

Simulation offers an immersive and interactive learning environment where qualified and/or objective feedback is provided in real-time. This type of learning has been scientifically proven to be more efficient than traditional educational options. [1] A study conducted in 2010 tested physicians' skill levels on an objective (virtual reality) simulation-based system and found that hands-on training experience is highly correlated with the ability to master the real-life environment when treating real patients. [2]

Additionally, the study showed that simulation-based training not only serves as a tool to accelerate the learning curve, it also more effectively reinforces skillsets, which enables physicians to maintain their clinical performance after the skill peak has been reached. Moreover, simulation-based training increases procedural access, it is cost efficient, scalable, and repeatable. Simulation makes it possible to design a curriculum exposing learners to safe hands-on experience in real clinical settings, using real devices and practicing on real cases and challenges. This type of training offers unlimited simulated patient volumes and enables autonomous technical skills to be obtained safely through repetition. A curriculum-based simulation program can turn the required training into an effective and comprehensive structure, enabling trainee proficiency levels to be monitored and assessed. The related projected benefits of simulation include reduced clinical error rates, an ability to radically reduce the learning curve, and an overall lower cost of training.

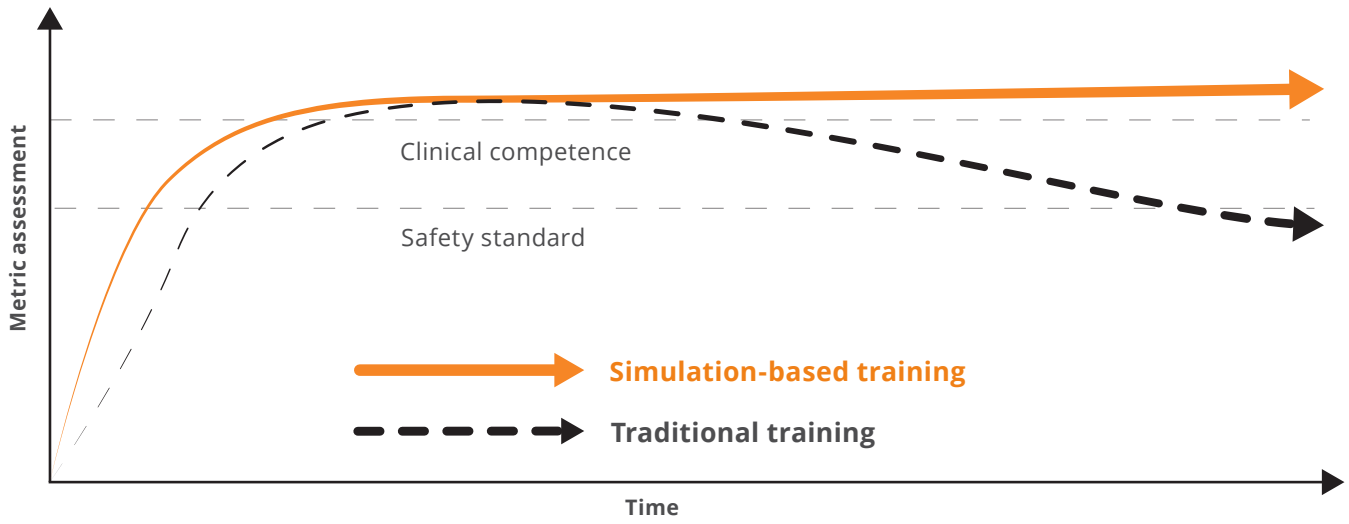
UTILIZING MENTICE SOLUTIONS TO ACQUIRE, RETAIN, PLAN FOR, AND ENHANCE PROCEDURAL SKILLS

Mentice offers high-tech simulation solutions for the medical sector with a focus on the rapidly growing market for image-guided interventional procedures. Mentice simulators are used for education, training, and to ensure that new devices and procedures are adopted safely and proficiently. In essence, the company offers "flight simulations" for physicians and clinical staff to provide the team with a highly realistic experience. By developing and offering these innovative learning and quality improvement tools, Mentice believes that its solutions can be leveraged to improve physicians' procedural skills as well as to support procedural and medical device proficiency, ultimately leading to a better patient experience and outcome.

[1] Dong Y, Suri HS, Cook DA, et al. Simulation-based objective assessment discerns clinical proficiency in central line placement: a construct validation. CHEST Journal, the Official Publication of the American College of Chest Physicians. 2010;137 (5):1050 – 1056.

[2] Anthony G. Gallagher, Gerald C. O'Sullivan, Fundamentals of Surgical Simulation: Principles and Practice

The skill acquisition curve of clinical competence



CLINICAL CHALLENGES INTERVIEW WITH JENS FLENSTED LASSEN

Prof. Jens Flensted Lassen, MD, Ph.D., Interventional Cardiologist, Clinical Director of Ischemic Heart Diseases, Department of Cardiology Odense University Hospital, during the last twenty years experienced team leader of 75% of the angio suites in Denmark, and one of the founders of the European Bifurcation Club.

Who is Professor Jens Flensted Lassen?

J: I am an Interventional Cardiologist (IC) and chair professor of Cardiology at Odense University Hospital, Odense, Denmark, and one of the founders of the European Bifurcation Club. During the past twenty years, I have been involved in the training and education of a significant part of all ICs in Denmark, with a special focus on technical skills. During the last thirty years, I have been a part of the development of IC both in Denmark and internationally.

What is Interventional Cardiology? Why is it optimal for treating patients with heart and vascular conditions?

J: IC has a very important impact on the health of patients with coronary artery disease, especially in the acute setting where we save a lot of patients. It is one of the greatest improvements we have seen in the last twenty years in this field. The one-year mortality rate from ST-elevation myocardial infarction (heart attack) has declined from 30% to 2-4% in regions where the final step is the coronary vessel stenting procedure done acute in a cath lab.

Patients in the past with coronary artery diseases underwent coronary artery bypass grafting which is a huge procedure involving a heart and lung machine. Recovering from this type of procedure was lengthy. For most patients, this type of procedure can today be replaced by balloon angioplasty and stenting. This type of intervention takes approximately one to one and a half hours, and the patient can almost leave the hospital right after the procedure. This is a major improvement in the treatment of ischemic heart disease. It is a technically demanding procedure that requires trained staff and trained operators.

It is important to ask ourselves: How do we make sure that this technique is used in the right way, to ensure the optimal result for the patient?

What type of symptoms would a patient have before being referred to a consultant cardiologist?

J: It depends on the type of cardiologist. Mostly it is chest pain, effort angina, or loss of breath during exercise. These symptoms are very broad, but mostly cover the risk of having a narrowing in a coronary artery.

If you have a narrowing of the artery, you do not get the amount of oxygen and nutrition you need for exercising. The human body can raise its heart rate during exercise, and the heart rate is a muscle contraction of the heart, which needs oxygen and energy.

What is the lifestyle expectation after a successful intervention?

J: If the patient arrives at the hospital in time and in a stable condition, there is a very positive expectancy on the life after a procedure. It will not reduce your expected life range, since factous other than the intervention come into play here. It is also preventive activities that are very important to introduce on top of the treatment such as lowering cholesterol levels, regular exercise, a healthy diet and lifestyle, no smoking etc.

Are there any challenges when it comes to access to interventional cardiology?

J: The access to this type of care is good. However, there are still geographical differences and inequalities.

The procedure itself is not that expensive, it is the setup that is extremely expensive. From a global perspective, access is limited. Important to highlight is the limited possibilities to train operators in many parts of the world.

Are there any gender differences between patients within interventional cardiology?

J: Looking into the epidemiological background, there seem to be fewer women than men that get this type of interventional procedure.

All over the world women are shorter than men, and what is fascinating is that their hearts are smaller. The diameter of women's arteries in the coronary is smaller than in

men. This is remarkable if you go back to the mathematics behind flow profiles in tubes. If you have a smaller vessel, much less atherosclerosis is needed to impair the flow.

There are also technical differences between the genders. Since women's coronaries are smaller, it requires more technical effort into making a proper stent result.

There has been extensive research on these topics in the Nordic countries, initiated by the European Society of Cardiology (ESC). ESC has subcommittees and groups working specifically on gender differences concerning access to healthcare services within cardiology.

I have been working a lot with out-of-hospital cardiac arrests and how to increase the chance of survival. One interesting aspect is that more men than women survive an out-of-hospital cardiac arrest if the arrest happens at home and if they live with a partner. If it occurs outside the home environment, in the community, on a railway station, in a supermarket etc., there is no difference between the genders at all.

Women have a longer life expectancy than men and outlive their partners. An old woman is, therefore, more likely to live alone and if she has a heart attack at home she is not likely to survive.

Men tend to get more examinations than women.

What are your thoughts on the future of interventional cardiology procedures to ensure that there is a continuously high level of good procedural outcomes?

J: An interesting question in the context of gender and geographical differences. When treating a patient with a technical intervention and placing a device, there is a risk for a device biology interaction: How will the human body accept and react to the stent that is an alien object?

Presently, we are simply happy if the procedure is successful, which is what we measure in all our quality assurance programs. There is no evaluation of the final quality though, just that the stent was placed successfully. Why is that interesting? This means that the training on how to do proper technical stenting is based on the physician on call or in the lab that day, with the help of the staff.

A poor technical implementation may correlate strongly with problems in the long run. These long-time post-procedural complications is one important issue to work with.

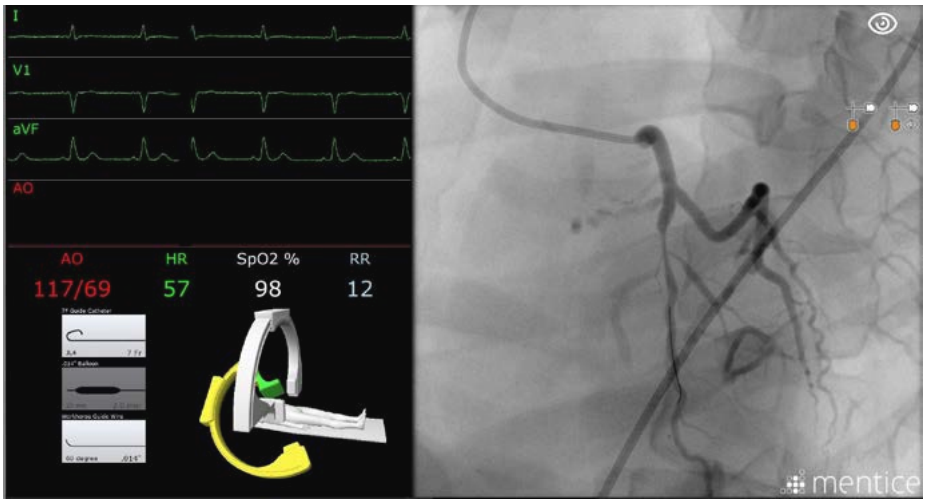
We need to ask ourselves: are we trained enough? Are we doing everything in a proper way? Do we have systems to evaluate our proficiency? How do we educate new ICs?

What does the training look like for interventional cardiologists?

J: Stenting requires a "three-dimensional mindset" for orientation, good tactile perception, good hand-eye coordination, and multitasking skills. It is a very complex setup. In the past when we were to train in a patient-free environment, we mostly used silicone tubes. In the silicone tubes, it was possible to see what you were doing with the stents, but you missed the training of everything that goes on besides the stenting itself and the mental aspects. The concept of team training in this setting is great, and I especially like the idea of developing a training environment that is as close to the real-world experience as possible. How we have traditionally been trained, is through a fellowship: following a mentor, being trained and supervised, being exposed to cases, being evaluated, and so on. Further down the line, a few fellows get skilled enough to earn a final position in the team. That is it. Since there is no recertification or retraining, once the fellow has qualified for the team, there is no further discussion. The same goes for the adoption of a new technique. There is no real training, just learning by doing. I believe that there is room for a lot of improvement here.

What are your thoughts on the European Bifurcation Club activities and the interest in simulation training?

J: Bifurcation stenting is a high-risk procedure. One of



the purposes of EBC is to educate and train physicians on the proper way of stenting within bifurcation.

The most challenging area within coronary procedures, with the highest need for training, is bifurcations.

Simulation training within mentorships and fellowships has usually been with silicon tubes in a "dry training simulation". Never in a total setup (like Mentice's solutions) that simulate the situation in the cath lab, or with the ability to virtually simulate a bifurcation stenting. To have these simulation solutions available now is fantastic. From my perspective and role in the EBC, this is a huge leap forward in promoting the most essential training platform within bifurcation stenting.

How did the European Bifurcation Club decide to recommend Mentice's simulation for bifurcation stenting?

J: There are different methods of treating a bifurcation lesion, and they all have pros and cons. It is difficult to predict the result of a procedure when at the beginning of it. We have conducted several clinical trials to figure out which method is best in which situation. Clinical trials have clarified what works and not, so we have therefore gained insight into what to recommend. These recommendations are published in consensus documents. However, there is a huge gap between what is recommended to do and what is possible for the operator during a procedure. How do we best transfer theoretical knowledge to real-life procedures? This is where training has an important role.

For many years EBC has hosted live sessions in conferences and has an annual meeting dedicated to discussing new complication management techniques with colleague experts. This knowledge is then used to build clinical trials.

A great environment for training the whole cath lab staff is to use a simulator where the tactile feeling is as close to the real experience as possible, within the angio suite, and running different patient scenarios. This is a safe and patient-free learning environment where the team can train repeatedly. Simulation training enables recertification and brings fellows to a higher level of proficiency before they can start treating real patients. The main reason why the EBC is so pleased with Mentice's simulators is that they enable this type of immersive team training in the angio suite. It was not possible with the old school training in silicon tubes. Mentice's simulators are close to reality and provide that hands-on experience within the actual working environment, with all the equipment, devices, and your team. I expect that team training will improve a lot in the future, both for the fellows, but also for the senior physicians. High and low-volume hospitals will have great use of simulation training, as they can increase their virtual patient volumes with the help of simulation.

What do you think is needed to make simulation training more standardized or accepted in the clinical community?

J: We need to share the information we have discussed in this article with your existing installation base that have your simulators and the healthcare authorities.

The quality assurance systems we have in Western countries, do not evaluate the result of the procedure, nor evaluate the cost of the patient. I believe there is a need for and willingness for enormous improvement of the quality assurance systems in the future.

From a political point of view, if you put effort into these types of improvements, you will not see the result until five years later. Therefore, there is no real driver for these projects and no reason for anything to change. In my opinion, we have a huge responsibility as professionals within the clinical community to take the lead in this discussion.

Is there anything you would like to add?

J: I believe that most ICs want to train, but they have not previously had the opportunity to do so close to the procedures. Now, these training possibilities are available.

One of my mentors and a very close friend of mine was happy when he got to perform a procedure on a Mentice simulator in Brussels this year (2022). He was very thrilled and he explained that it was such a great experience to have the same tactile feeling in his hands and to see the screen, and to see the balloon react in the way it should when he inflated the device.

EBC

TREATMENT RANGE AND BENEFITS OF MINIMALLY INVASIVE "IMAGE-GUIDED INTERVENTIONAL THERAPIES" (IGIT)

Mentice specializes in the replication of image-guided interventional procedures, an increasingly common method that can be used instead of traditional open surgery for the treatment of cardiovascular diseases and other common diseases related to the cardiovascular system.

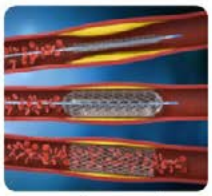
MINIMALLY INVASIVE PROCEDURES WITH A BROAD TREATMENT RANGE

Diseases that are treated with image-guided interventional procedures include cardiovascular, neurovascular, and peripheral vascular diseases, including cancer, respiratory diseases, and diabetes. These so-called "image-guided interventional procedures" (a.k.a. endovascular procedures) are performed under live X-ray (fluoroscopy) using medical devices such as catheters, wires, or balloons which are usually inserted via the groin, the arm, or the wrist. As the medical devices have been provided with unique markers, they are visible on the X-ray monitor, but the organs and blood vessels are only visible when a contrast medium (a type of dye) is introduced through the catheter. Medical devices specific to the procedure are steered through the blood vessels with the help of the catheter to the area requiring treatment e.g. a blocked blood vessel.

A wide range of different diagnostic or treatment modalities can then be delivered directly to the affected region of the body. After a minimally invasive procedure, the patient can often be discharged the same day, whereas the corresponding open surgery can keep the patient at the hospital for several weeks and usually involves a much higher risk of complications, a higher cost, and extra time needed for rehabilitation.

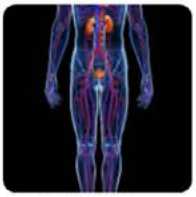
A SUMMARY OF THE CLINICAL DISEASES AT THE CORE OF MENTICE MISSION

- Occluded vessels blocked by plaque
- Expanded blood vessel Aneurysms risk of rupturing
- Embolization – Cutting of blood supply to Tumors and internal bleeding
- Heart Rhythm to control the heart chamber contractions
- Structural Heart to amend heart chamber & valve deficiencies and ensure correct function


Improving vessel flow


Blood flow to the ***Brain***


Correct ***Heart*** function


Body; Aorta, Kidneys, Liver, Uterus, Legs, etc.

AND THE BENEFIT FOR THE PATIENT, PHYSICIAN, AND HOSPITAL

- No patient age limit
- No incisions
- Shorter hospital stay
- Less pain & anesthesia
- Lower risk of complications
- Shorter recovery time

HOW MENTICE SOLUTIONS WORK TO SUPPORT SAFE PROCEDURAL LEARNING

Image-guided interventional procedures are ideally practiced in a high-fidelity virtual simulator or Physical Flow Model environment that realistically reflects the real clinical environment. Real clinical instruments are introduced in a haptic or physical flow model simulation unit that provides real-time feedback to the operator at the same time as a fully realistic visualization of the procedure is presented in real-time.

BUSINESS SEGMENTS

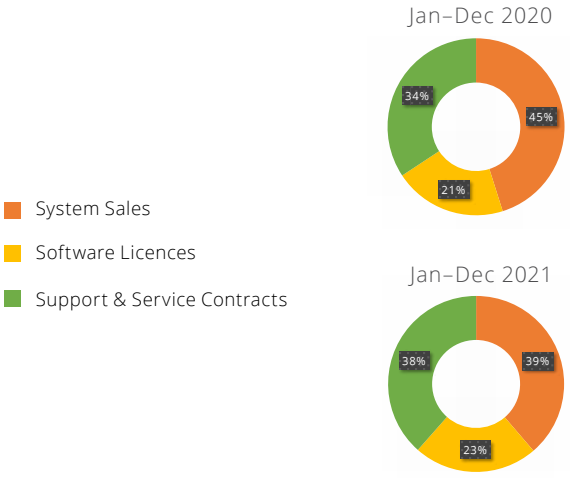
Mentice business model is to sell software and hardware simulation solutions that replicate the human anatomy, and medical devices that together provide a platform that educates, trains, and improves physicians' technical and team skills. A previous prerequisite for Mentice business model was that an initial sale of the company's simulation system should take place, but now, although system sales are key to Mentice business model, the company has expanded its offering into the software-only space. Combining the initial system sale and software-only solutions, it forms the basis of the Mentice offering and provides several different opportunities for Mentice to expand its revenue streams. When the initial solution has been delivered, the business model relies on the company's ability to maintain and refine its customer relations. Strong customer relations and thorough knowledge of customer needs are necessary elements to enable additional sales through the up-selling of products and services.

SALES OF SIMULATION SYSTEMS AND PLATFORMS

Typical sales to Mentice clients address distinctly different markets with the same focus on the patient: (i) the Medical Device Industry (MDI), (ii) healthcare providers (HCS) and (iii) strategic alliance partners (SA).

- Sales to a new Medical Device Industry customer usually start with a client asking Mentice to perform a custom development of a solution to include the clients' specific device and training objectives, often in conjunction with a key market activity. The availability of a customer-specific solution then drives the sale of systems and or software-only applications. Mentice 20+ years of building relationships and continuously delivering new and innovative solutions is a large part of upselling and cross-departmental selling within its key industry client base.

- Sales to healthcare providers generally focus on procedural experience, device adoption, planning, and team training. Typically, these solutions are "off-the-shelf" products sold in their standardized form. These clients often acquire several simulators and modules, which need both installation and training services. Sales attributable to the company's basic system, i.e. the simulator unit, only constitute one third of total sales. The remaining part is attributable to aftermarket transactions through sales of modules and procedural software applications, as well as service and support.



Net sales per product TSEK	Jan–Dec 2021
System sales	78,570
Software licenses	39,756
Support & Service contracts	66,738
Total	**185,064**

- Sales to strategic alliance partners are typically aimed at the imaging industry and their customers' (the healthcare providers) education and imaging equipment adoption needs. This is the foundation for gaining access to the operating room and developing further solutions to become part of daily clinical practice. This segment also focuses on Mentice Robotics-related area by providing solutions for research and development, marketing, sales, in-servicing, and adoption of the Robotic system – ultimately replacing the need for exclusive on-patient learning by utilizing Mentice Virtual and Physical simulation solutions.

SOFTWARE SALES

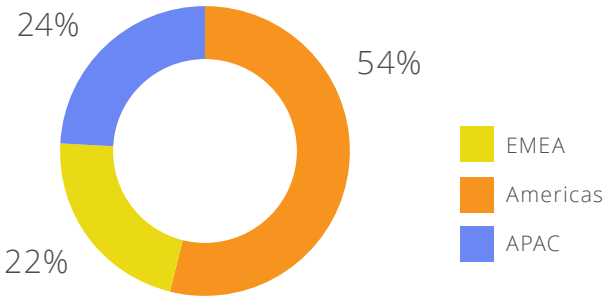
Mentice is a software and solutions company with about 85% of its engineering resources focused on software development. Currently 61% of the company's total business is generated from software, rentals, services and maintenance. Traditionally, Mentice has sold its software as training modules in the form of perpetual licenses costing between USD 15,000-28,500. In 2019, Mentice initiated a migration from perpetual licenses to a subscription model including an annual fee-based structure with the intention of moving sales into an annual recurring revenue (ARR) structure.

SERVICE AND SUPPORT CONTRACTS

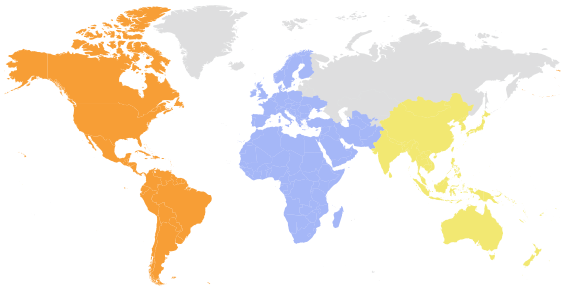
While relationships with clients are established when systems are sold, the company's client relationships are enhanced during the implementation and training process: with services provided post-sale. All new sales include a 12-month warranty and base support contract. Clients are encouraged to sign up for a customized annual support contract to help them regularly monitor progress to support the successful utilization of their investment. Mentice includes its research and development services for the MedTech Industry medical device product roll-out. The company's scalable R&D platform enables continuous new solutions to be developed to further increase its innovative general product offering.

ESTABLISHED OPERATIONS IN ALL MAJOR MARKETS

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



Net sales per geographic market TSEK	Jan–Dec 2021
EMEA	41,801
APAC	50,560
Americas	92,703
Total	**185,064**



BUSINESS REGION REVIEW

Mentice initiated a regional structure in January 2021 to provide a larger degree of autonomy and the ability to act more effectively in each region. The company welcomes an increasingly strong position in the Medical Device industry, a clear migration to in-the-department-use for the Healthcare Systems (hospital) market, and overall positive development of the relationships with our Strategic Alliances partners. Below is the review per respective region:

BUSINESS REGIONS: AMERICAS

The Americas region represents about 50% of Mentice total net sales as well as order intake. It also represents an important base for our global device industry since a large amount of these manufacturers are US-based corporations. For 2021 our year-over-year order intake increased by 23% and the amount for net sales increased by 60%. As described for our overall business, but especially true for US-based hospital business that was impacted by an environment of business shutdowns, travel restrictions, and budget controls during the pandemic.

Thanos Karras,
General Manager Americas

REVIEW OF THE BUSINESS AREAS:

MEDICAL DEVICE INDUSTRY (MDI)

- Mentice solutions have become the gold standard for the US-based medical device industry with an especially strong position in specific therapy areas such as structural heart devices and neurovascular devices.
- The synergistic effects between Mentice virtual and physical simulations solutions have been demonstrated in 2021, where we have experienced significant growth in Physical SIM (flow models). Companies like Stryker, Microvention, Balt, and Medtronic extended their investment in Mentice solutions for physical and virtual simulators and helped drive the growth of the Vascular Simulations product portfolio five-fold.
- One important component of our support for the Medical Device industry clients is the provided service for managed warehousing and logistics. Companies such as Abbott, Stryker, Bard, Terumo, and others trust Mentice to manage warehousing and logistics for their simulators driving double-digit growth for our recurring revenue in 2021.
- We are experiencing increased consolidation and increased overall sales among our largest clients such as Abbott, Edwards Lifesciences, Stryker Neurovascular, and Medtronic, and at the same time, we see considerable growth in new accounts and our simulation solutions provide stability for opportunities for continued growth.
- In 2021 we generated over 15 new clients in the Americas region for the Medical Device business area alone.

STRATEGIC ALLIANCES (SA)

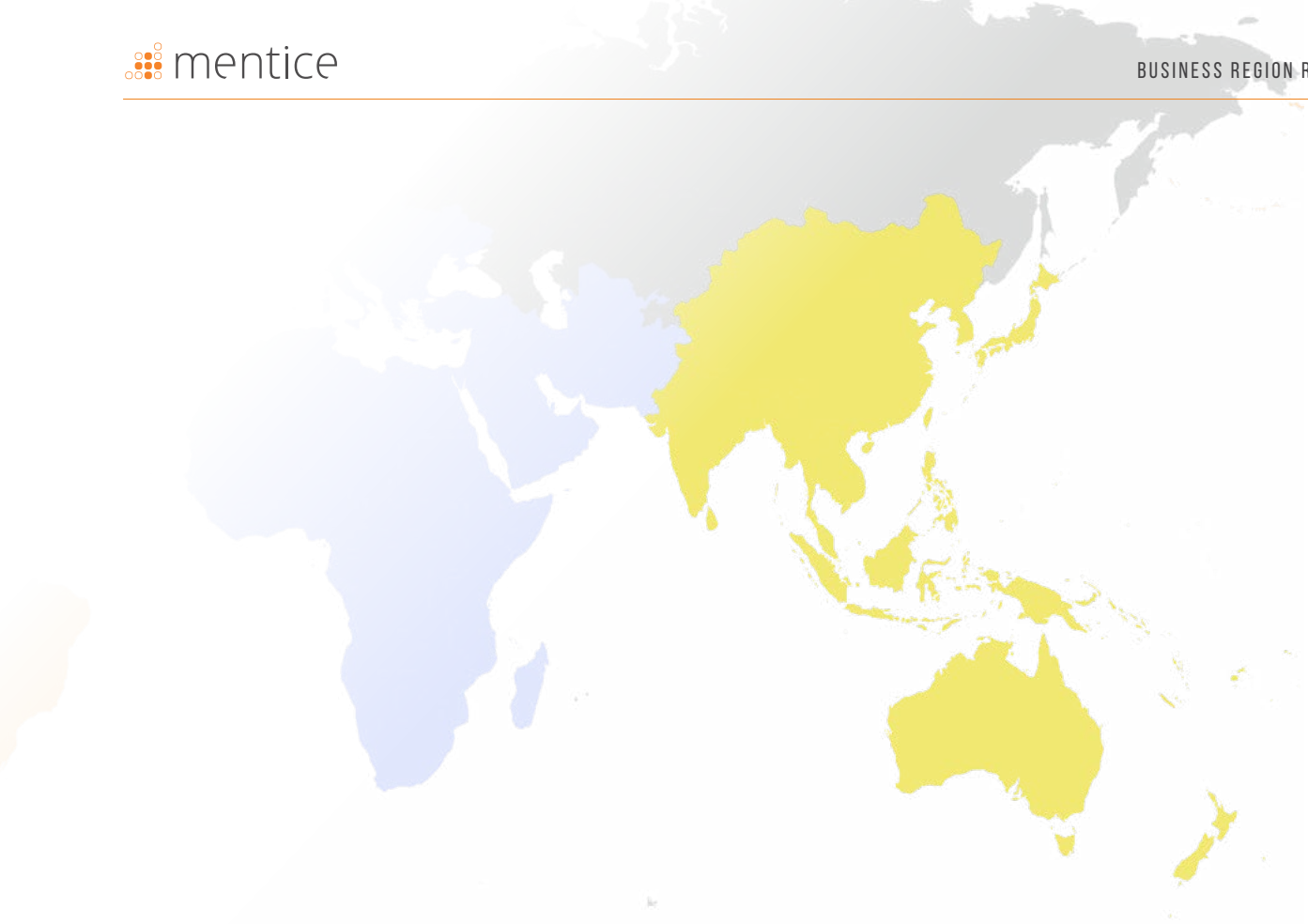
During 2021, Mentice Americas extended several collaboration activities with our strategic alliance partners during 2021. This can be summarized in the following:

- Increasing interest for the robotic-assisted solutions for interventional applications where our partnership with Siemens Healthineers and Corindus Vascular Robotics has underlined Mentice as the preferred simulation supplier. Siemens Healthineers & Corindus North America are now standardized on the Mentice platform for all application areas including R&D, sales, marketing, and clinical product training.
- Our field activities with both Philips Healthcare and Siemens Healthineers have continued to develop during the year and Mentice is an important part of their go-to-market activities leveraging Mentice solutions for sales, marketing, product, and user training.
- During the year we have also installed our technology in key reference sites and training sites for both Philips Healthcare and Siemens Healthineers. Examples of this would be Houston Methodist, St Michaels Toronto(CA), Cleveland Philips training center, and Siemens Healthineers Intra Cardiac Echo national education reference sites.

HEALTHCARE SYSTEMS (HCS)

Despite the continuation of the pandemic resulting in radically reduced amount elective procedures, deallocation of investment funds, and budgetary restrictions, we have continued to develop a large number of opportunities during 2021. Highlights related to healthcare systems:

- 9 out of the top 10 Hospitals in the United States are using Mentice simulation technology in 2021. (Top Hospitals defined by Newsweek https://www.newsweek.com/best-hospitals-2021/united-states)
- An agreement was signed with the Brigham & Women's Hospital and the Department of Interventional Radiology, to help train new residents and fellows on low-volume interventions.
- Jefferson University Hospitals implemented Mentice technology to provide residents and fellows access to low-volume interventions.
- Johns Hopkins implemented a curriculum-based program for new residents as phase I of a multi-phase strategy that intends to introduce simulation to the daily clinical practice.
- Houston Methodist. Signed a multi-year reference site agreement with cardiovascular surgery to accelerate simulation innovations and explore ways to introduce simulation in the daily clinical practice.
- St Michael's Hospital, Toronto. Signed a collaboration agreement with St. Michael's Hospital and Dr. Vitor Mendes Pereira for advancing the use of simulation in neurointerventions and exploring the impact of case rehearsals on patient outcomes.
- Adoption of simulation by SBNR. Established a collaboration agreement with the Brazilian Society of Neuroradiology (SBNR), with SBNR endorsing Mentice simulation for specialist training.
- Established a Neurointerventional Scientific Advisory Board. Members are world-renowned experts in the field of neurointerventions including Dr. Vitor Pereira, Dr. Adam Arthur, Dr. David Fiorella, and Dr. Mayank Goyal.



BUSINESS REGIONS: APAC

Pontus Appelqvist,
General Manager APAC

The APAC regions represent about 25% of Mentice total net sales (27.3%) as well order intake (25%). For 2021 our year-over-year order intake increased by 13.4% while the amount for net sales increased by 35.5% compared to the previous year. As described for our overall business, the hospital business was impacted by an environment of business shutdowns, travel restrictions, and budget controls during the pandemic. Due to the pandemic, we have generally not been able to travel within the region. However, in the countries where we have a direct presence (China, Japan, and India) we can see relevant development for the hospital, industry, and our strategic alliance partners.

MEDICAL DEVICE INDUSTRY (MDI)

- In China, we appreciate the continued expansion of our customer base with examples such as Beijing WeMed, Shanghai Heartcare, and Shanghai New Medical expanding the use of our lifecycle solutions for the medical device arena.
- Boston Scientific Japan (BSJ) uses the Mentice platform to train nurses and technicians to improve the understanding of what happens in the angio suite during the procedure and the physicians work flow. By using our solutions, the nurses and technicians can learn about the procedure and get a better understanding of the physician's perspective, while also being more prepared for each step of the procedure and potential challenges.
- Kanazawa Medical Center (KMC) – Supported by Abbott.
- KMC performs an annual Open Hospital Event every year where the public can visit the hospital and talk with the doctors and staff. Senior physicians are explaining the heart procedures that they perform to patients and their families. Patients and their families get to learn how their diseases were treated and how their lives were saved thanks to these new innovative treatment methods.
- With Medtronic Japan, Mentice has been involved in a teaching hospital project to recruit new physicians to the Neurosurgery department. Using the Mentice simulators, Medtronic demonstrated cases at these recruiting events to increase the interest and attractiveness of Neuro intervention.

STRATEGIC ALLIANCES (SA)

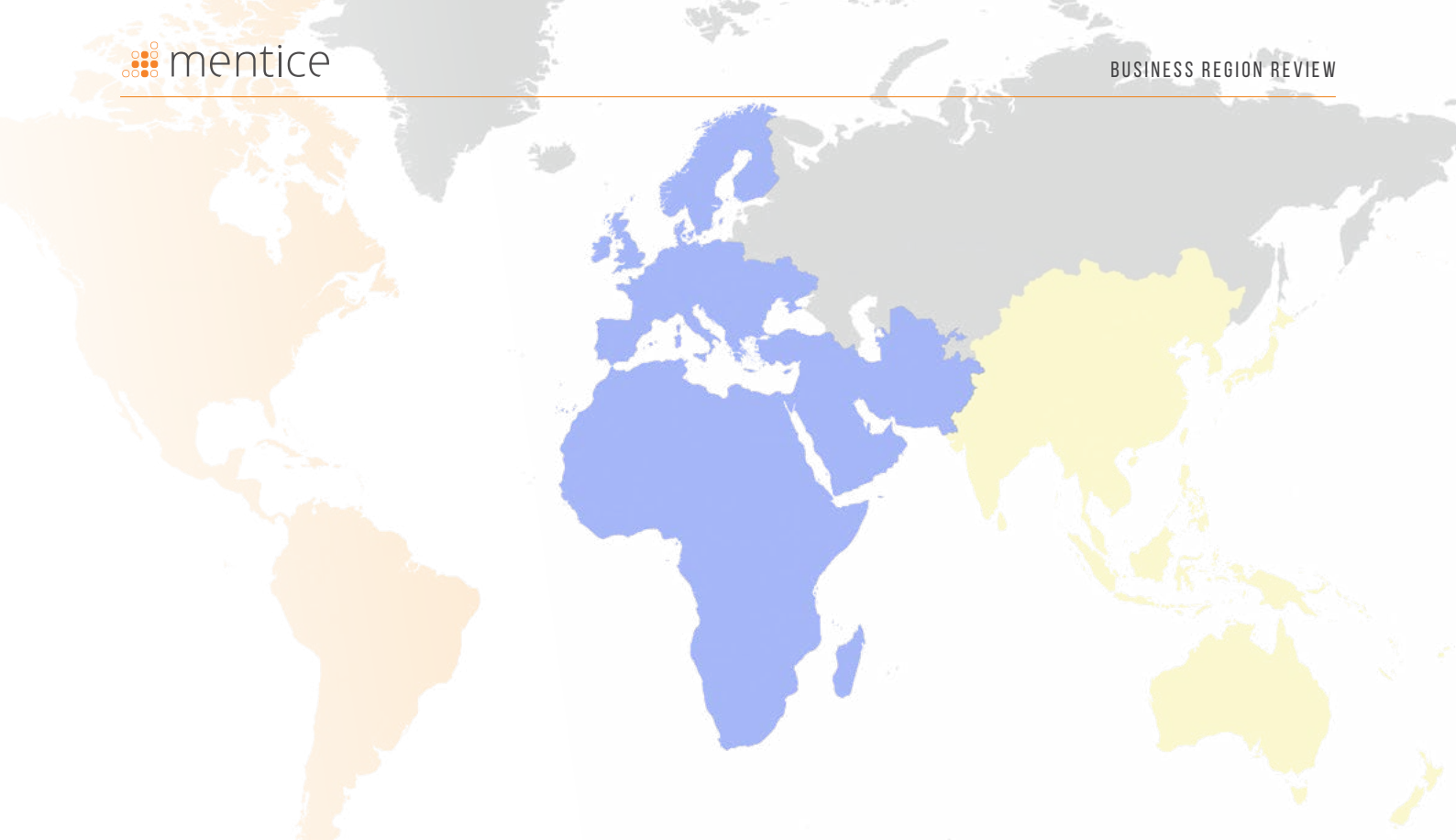
- 27th December 2021, Siemens Healthineers China, announced their inclusion of Mentice VIST® Virtual Patient simulator with the sale of every Corindus CorPath GRX Robotic PCI system (CorPath GRX) in China on an initial 3-year agreement. This was followed by a formal purchase order received in March 2022 for 10 systems targeted for Corindus installations to be performed in 2022 and early 2023.
- WeMed Robotics China, an up-and-coming Robot vendor in China acquired our Mentice VIST® solutions for R&D and promotional purposes.
- Boston Scientific Japan training center in Tokyo acquired the Mentice Philips link to their in-house angio suite to provide their customers with immersive and realistic learning.

HEALTHCARE INDUSTRY (HCS)

Despite the continuation of the pandemic resulting in radically reduced amount elective procedures, deallocation of investment funds, and budgetary restrictions, we have continued to develop a large number of opportunities during 2021. Highlights related to healthcare systems:

- Mentice sold its first Replicator PRO Package in APAC, which provides local manufacturers of medical equipment with more advanced tools to support their work with R&D and prototyping, which ultimately benefits patients.
- Mentice received the first major order in India from the Tamil Nadu Medical Center (TNMC) as a multi-year commitment to supply solutions for training relating to multiple interventional specialties. Furthermore, Mentice received its first order from the Apollo Hospital group, a well-established private hospital group known for their world-class delivery of care, delivering care at and above world-leading providers at cost levels significantly below the standard levels for care.
- Mentice received 14 new hospital clients in the region distributed between China, Hong Kong, Japan, India, and South Korea.

In combination with the Siemens Healthineers partnership in China, Mentice is an official member of the Chinese Medical Education Federation and China Stroke Association and look forward to developing joint educational activities to support improved learning, focusing on the rural areas to lessen the high-risk procedures in the major University Hospitals



BUSINESS REGIONS: EMEA

The EMEA regions represent about 25% of Mentice total net sales (22.6%) as well order intake (25%). For 2021 our year-over-year order intake increased by 25.6% while the amount for net sales was at the same level as the previous year. As described in our overall business, the hospital business was impacted by business shutdowns, travel restrictions, and budget controls during the pandemic.

Kjell Asserlind,
General Manager EMEA

MEDICAL DEVICE INDUSTRY (MDI)

- Industry uptake during Q3-4 resulted in additional sales and increased event support requests where the region performed on and above levels before the pandemic.
- Generated 8 new and competitive converted clients for the Medical Device Industry in EMEA.
- Experienced overall expansion within Abbott Vascular where they are expanding their fleet of systems overall, expanding into new geographical areas, and are investing in new solutions and projects to support their marketing activities in the region.
- Increased demand in EMEA for online training where we can offer users a cloud-based and multisite environment where they can interact directly with the simulation and receive a realistic experience previously only possible in a physical setting.
- Recognized as the leading supplier for the EMEA- based medical device industry market with a broad base of clients across specialties within image-guided interventions.
- Generally an increased demand for our interventional ultrasound solutions supporting both structural heart and electrophysiology solutions.

STRATEGIC ALLIANCES (SA)

Continued integration activities with Siemens Healthineers and Philips Healthcare. Closer collaboration with Corindus Vascular Robotics in their ambition to develop the European market for the Corindus Corpath™GRX interventional robotic system.

- First combined sale where Corindus includes a Mentice VIST® simulator together with a CorPath GRX Robotic PCI system.
- The Interventional Neuroradiology department at Hospital Recht den Isar (TUM) expands the use of Mentice products when introducing the Corindus CorPath GRX robot with Mentice SIM Agility.
- Philips adoption of our solutions moved into our Physical SIM product line to support real fluoroscopy-based testing.
- Norwegian Stroke project in collaboration with Laerdal AS and the Norwegian Ministry of health where Mentice and Laerdals solutions are used to implement a nationwide program for efficient stroke treatment. An increased focus on technical skills and workflow to ensure patients also in geographically challenged areas, to provide safe care for this important and lifesaving treatment.

HEALTHCARE INDUSTRY (HCS)

- ICENI Center Colchester UK, major tender win and the first UK site for our premium Virtual SIM solution: VIST® G7+ and the VIST® LAB.
- Large tender win in Romania with our distributor UMF Simulation Center Iasi.
- Investment in local sales representatives in France resulted in immediate gains with a major successful order from Foch Hospital in Paris.
- Mentice supported the 3rd consecutive German Stroke School, in collaboration with NeuroRAD and the German Society for Neuroradiology, DGNR - to continue our support for continuous learning. (https://www.dgnr.org/de-DE/307/german-stroke-school-2021)
- The German Society for Interventional Radiology, DeGIR implemented curriculum-based simulation courses for Interventional Radiology education using Mentice solutions. This focus ensures that all trainees in Germany have the opportunity to learn in a safe environment on Mentice solutions (https://www.degir.de/de-DE/8972/virtuelle-degir-simulator-kurse/)

SOLUTIONS FOR DAILY CLINICAL USE

TRANSFORMING MENTICE FROM A SIMULATION COMPANY TO A PROVIDER OF CLINICAL PERFORMANCE SOLUTIONS

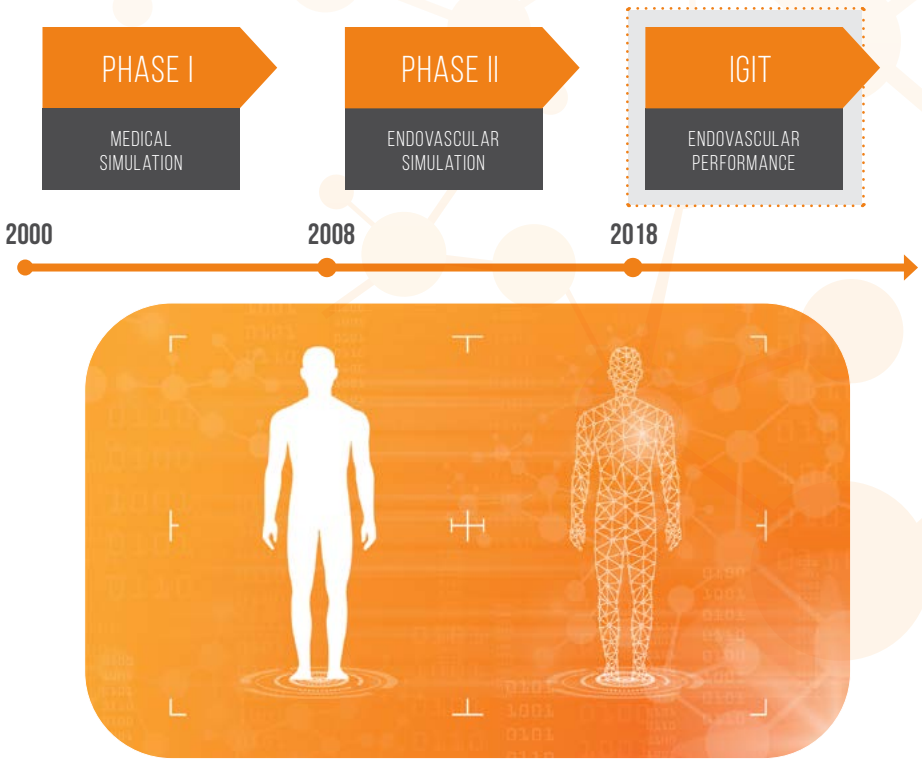
Since the company's inception, Mentice has driven innovation to climb up the medical simulation ladder. After its transition from being a broad-based provider of medical simulation, through specialization and solely focusing on simulation solutions for training on image-guided interventional therapies, Mentice has over the past years targeted day-to-day use in medical departments. The company's goal in this third phase is to offer high-level decision-support solutions to physicians by offering to further develop its procedural planning solutions on a virtual or physical replica of the same patient anatomy for solutions relevant before, during, and after a clinical procedure.

MENTICE AT THE FOREFRONT OF THE NEXT GENERATION OF MEDICAL SIMULATION & DECISION SUPPORT SOLUTIONS

The company's aim for this phase is to be able to offer a unique way to support medical professionals' decision-making, by offering new tools that further support its existing offering such as preoperative planning and preparation in a realistic simulation of the actual patient's anatomy.

In doing so, Mentice is transitioning from a simulation and education-oriented company towards a company that offers a complete spectrum of solutions for improving performance and outcomes within the image-guided interventional specialties. The company believes that this will revolutionize the way clinicians learn, practice, and optimize their work in the clinical setting, and that training and planning will ultimately develop into being a natural part of every procedure.

New technologies such as artificial intelligence, machine learning, big data, and robotics will revolutionize the healthcare sector in the same way as they are currently revolutionizing many other areas. Mentice is working towards maintaining its leadership in the field when it comes to enhancing its solutions platform with the latest technologies, and the company strives to develop new applications that will generate great value for its clients. For example, Mentice has in the last years developed and is currently testing new techniques for fast and automated image segmentation and data analysis, augmented and virtual reality, as well as mobile and cloud-based computing and services.



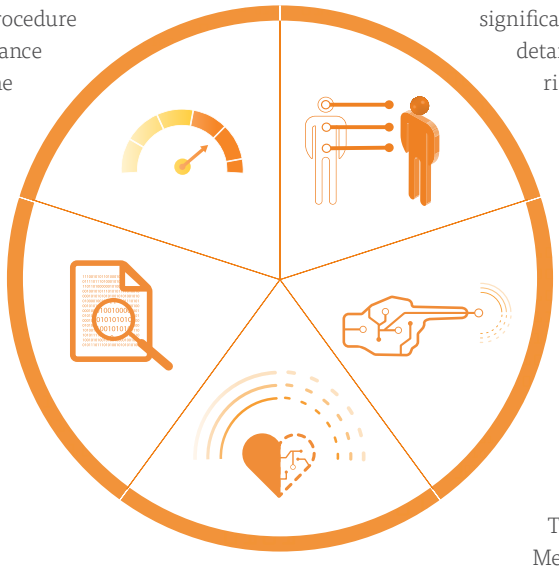
NEW PRODUCT OUTLOOK

LEVERAGING ROBOTICS, AI, AND MACHINE LEARNING TO REACH NEW SEGMENTS

There are several areas of development in which Mentice is active and which will significantly improve value for all of its clients, both medical device clients as well as healthcare clients. Mentice focus is on continuously developing the necessary infrastructure within its product, research, and development organizations to support these new categories of products, and last year the company released its first products within these new areas. More are planned for 2022.

BENCHMARKING

The ability to provide objective feedback directly from the simulation session is a core component of Mentice offering. As an example, the company's systems measure every interaction between the operator, the clinical device and the anatomy as well the decisions the operator makes during the procedure. These measurements provide Mentice with the ability to assess the overall performance of the procedure performed and also to compare performance between communities of users. The company intends to leverage the value of this technology in every image-guided interventional procedure where the proficiency of the operator - or the ability to follow a certain standard - impacts outcome. Mentice new VIST® G7/G7+ hardware allows a new level of accuracy in this regard, and last year's developments on the Mentice Live cloud platform now make it possible to monitor and assess highly detailed performance data on connected systems around the world.



RAPID SEGMENTATION

The access to high-quality 3D anatomy models is a prerequisite for preoperative planning. The time required to create such models varies and greatly impacts the usability of planning and decision support solutions. This is especially true for acute procedures, where the ability to instantly create a simulation model is an absolute requirement. Mentice has invested significant time in this technology area, and the detailed complexity encountered in transferring real human anatomy into its platform is testament to the engineering work being performed. The company is approaching the point where it is ready to realize the first commercial applications where the direct link between daily clinical challenges and simulation becomes a reality.

ROBOTICS AND EXPERT GUIDANCE

Through its strategic alliance activities, Mentice has continued to move into the area of expert guidance systems for robotics within the endovascular and interventional fields. Mentice interaction with the world's largest imaging companies continues to strengthen, and several innovative "first of their kind" projects are underway both on the technical and commercial side.

DATA ANALYTICS

Mentice ambition is to provide assessment and accreditation services for clients where such data analysis in combination with actual clinical data can add significant added value. In 2021, the company added the capability to log real clinical cases by integrating its previous myIRlog acquisition into the Mentice Live portfolio. This enables physicians to record their procedures over time and analyze areas of consideration.

PREOPERATIVE PLANNING

Mentice has provided solutions for preoperative planning for over a decade, but new treatments and imaging techniques necessitate a whole new level of functionality and accuracy. For example, the introduction of advanced interventional procedures for heart valves requires simultaneous real-time simulation of highly realistic x-ray and ultrasound images, movements and blood flows in the heart, and of how the valves will interact with complex clinical devices. This year, Mentice has improved its solutions in this space both for physical and virtual simulation, and the company's dedicated ultrasound simulators have been in high demand from medical device clients active in the structural heart space.

mentice

POWERFUL AND VERSATILE SIMULATORS FOR IMAGE GUIDED INTERVENTIONS

Mentice simulation ecosystem is divided into four categories: simulators, flow systems, planning solutions, and online services. These Mentice solutions are widely recognized for their functionality, stability, and clinical realism on a level above other competitors on the market. A brief presentation of the most important products follows below.

The VIST® simulator product line is the largest of the company's four product categories, and it includes a wide and growing range of procedural training modules, sold as both subscription and perpetual software applications. At present, there are over 50 clinical procedural training modules and around 650 virtual patient cases available.

VIST® G7 AND G7+

The high-fidelity endovascular simulator for physicians and medical professionals. The VIST® G7/G7+ is the flagship and the latest generation of image-guided interventional therapy simulators. Using HapticRealism technology to bring unmatched force feedback range and accuracy, Mentice has created the optimal environment for proficiency-based training, patient-specific simulation, and objective skills assessment.

In its patented top configuration (VIST® G7+), the system allows for simultaneous manipulation of up to five medical devices in parallel for advanced interventional techniques such as bifurcation stenting, balloon-assisted coiling, and dual buddy wires. Combining the VIST® G7/G7+ with the VIST® Virtual Patient integrated with leading angio suites goes one step further in providing the most realistic simulation for interventional procedures on the market.

VIST® LAB

The VIST® Lab is a stationary simulation solution, combining realism, ergonomics, and ultimate flexibility. It is the optimal solution for centers where realistic workflow and team training are important.

VIST® Lab mimics the real angio suite environment, providing a full-body mannequin (with left and right femoral, radial, and subclavian approaches), a 4K-UHD screen (fluoro, cine, and vitals), and an HD touch screen (controls).

Apart from being used in a stationary setup, the VIST® Lab can also be converted into one (or two) fully functional portable VIST® G7/G7+ systems.

VIST® VIRTUAL PATIENT LINK

VIST® Virtual Patient offers a seamless integration of the VIST® G7/G7+ with world-leading angiography systems to create a unique, safe, immersive, and radiation-free simulation environment, based on real-life patient images and located right where physicians work on a daily basis.

The VIST® Virtual Patient enables the real operating room to be turned into a procedure and medical device skill center to be used during idle time. It enables users to get up to speed with a new X-ray system and its latest features, explore new clinical techniques and procedures, or refine processes to improve outcomes.

VIST® ULTRASOUND TRAINERS

The VIST® Ultrasound & Echo Trainers are Mentice portable ultrasound simulation solutions, combining realism and ultimate flexibility. These trainers provide the optimal solution for acquiring fundamental echocardiography skills through self-learning and under expert guidance, be it through Trans-esophagus Echo (TEE) or Intra-cardiac Echo (ICE). Echocardiography is an essential part of novel and highly complex interventional procedures for structural heart disease and electro- physiology. The VIST® Ultrasound Trainers meet the increasing need for training with a cost-effective and mobile solution.

Based on real patients' anatomies, the solution offers the most sophisticated real-time ultrasound simulation in the market. Users can practice hands-on under expert guidance and test their echocardiography skills both in obtaining and interpreting views.

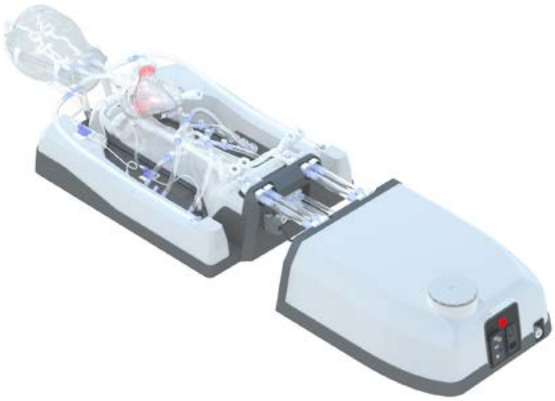
TRAINING MODULES AND PROCEDURES

A procedural training module is a software solution that can be used stand-alone or enabled by a Mentice simulation hardware device. Different software modules and cases allow medical professionals to practice multiple complex procedures across a wide range of specialties. The main specialties that Mentice caters to are interventional cardiology, cardiac rhythm management, electrophysiology, interventional radiology, interventional neuroradiology, and vascular surgery, practiced by hundreds of thousands of specialist physicians globally. Many of the procedures performed in these specialties are used to treat patients suffering from some of the world's most common and deadliest diseases, such as heart attacks, stroke, diabetes, and cancer.

Mentice offers medical device-specific training modules, which means they are tailored to the products of a specific medical device manufacturer, and some are standardized, so they focus more on procedural skills irrespective of which medical device is used. The company's training module portfolio represents the world's most comprehensive collection of image-guided interventional procedures, with support for over 50 procedures to date. The training modules are grouped into a number of distinct procedural areas, with each area containing a number of procedures normally performed by the same physicians. They include much of what the physicians will encounter on a daily basis in real life, from routine cases to very rare anatomies and challenging, unexpected complications that need to be mitigated.

FLOW SYSTEMS WITH UNSURPASSED DEVICE PERFORMANCE AND BEHAVIOR

Mentice flow system technology provides a realistic physical environment for performing and testing interventional procedures, as they replicate device performance and behavior very similarly to that of an actual clinical case. In addition, customized silicone vessels duplicating the actual anatomy and pathology of individual patients can be uniquely manufactured and used for procedural pre-planning or design of novel medical devices.



REPLICATOR PRO

Replicator PRO is an advanced endovascular replication system that physically simulates valvular, vascular, and neurovascular disease states with matched physiological flows.

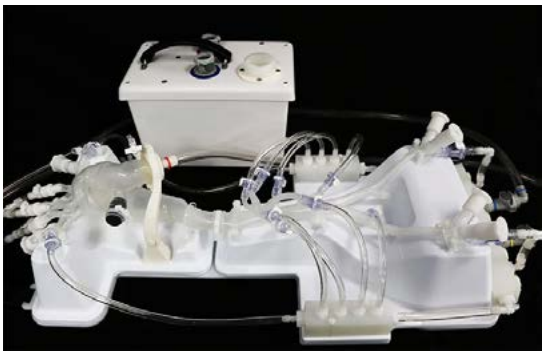
With flow powered by a realistically beating 3D heart, the entire model delivers a life-like hemodynamic performance across a broad range of blood pressures, heart rates, and cardiac outputs that can be manipulated via a tablet.

This yields a versatile patient model that provides true tactile feedback when utilizing interventional devices. It has specific use cases for developing and testing novel clinical devices early in the R&D phase of the medical product lifecycle, especially for structural heart procedures.

SIM AGILITY

Simplified for travel, fit for training – SIM Agility is designed to easily simulate a variety of neurovascular disease states like aneurysms, ischemic strokes, AVMs, and more. While the system provides optimized tactile feedback, its design is also simplified to be more quickly accessible and convenient for operators.

With full system setup within 5-10 minutes, SIM Agility ensures an easily repeatable and reliable resource for key training and demonstration events. Countless professionals have gathered critical data from SIM Agility during replication while undergoing angiography. This data has proven to be impactful in decision-making around device development and clinical trials.



SIM CORE

Simplified for travel, fit for training – SIM Core is designed to replicate aortic and thoracic pathologies for the replication of endovascular procedures. The system provides optimized tactile feedback, but its design is simplified to be more quickly accessible and convenient to operators with custom configurations for EVAR, TEVAR, and more.

PRECISION MEDICINE AND PROCEDURE PLANNING

Mentice introduced the concept of patient-specific simulation to the market 15 years ago. The company has continued to develop the technology ever since, with commercial solutions currently available for neurovascular and vascular interventions. However, in the wake of access to drastically improved medical imaging, and recent advances within image analysis and machine learning, completely new possibilities are surfacing and Mentice is leading the way once again.

PRECISION MEDICINE

Mentice platform for precision medicine is an approach for case preparation and treatment that takes individual anatomical variability for each person into account. This allows physicians to accurately plan for real cases, predict which treatment strategies will work best for a particular person or group of people, and prepare for different scenarios that may occur during the course of a procedure. This is in contrast to a one-size-fits-all approach, in which standardized treatment strategies are developed for the average person, with less consideration for the differences between individuals.

The concept of "precision medicine" has been part of interventional medicine for a long time. However, it is only recently that technology has become available to allow for precision medicine to take on an expanded role in day-to-day activities. Mentice believes this is an area that will see continued rapid expansion, driven by advances in software-driven diagnostics and decision support, as seen in robotic surgery.

The ability to quickly create individualized virtual and physical simulation models will allow physicians to better understand the patient's anatomy and to evaluate treatment strategies, clinical device choices, optimal imaging angles, and more, before the real procedures. The collective information from many such cases can be used as an important tool by hospitals, healthcare systems and medical device manufacturers when evaluating which technique or device is best suited for which patient population.

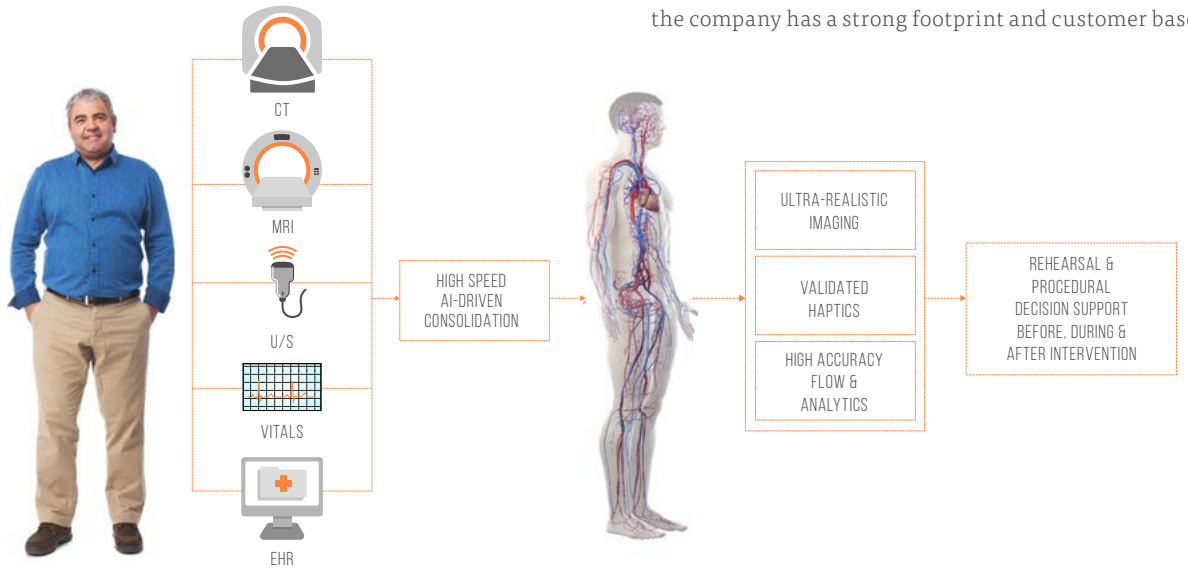
MENTICE VASCULAR TWIN®

The concept around Mentice Vascular Twin® is an ongoing development of a solution that will allow users to explore, test, and validate clinical procedures on a fully realistic, virtual or physical replica of the real patient. This concept will further help Mentice clients improve their return on investment in the company's family of products. The intention is to maximize safety, quality, and outcome, while further reducing harm to and the cost of care for the actual patient.

The Mentice Vascular Twin® concept is particularly helpful as a tool to perform a dry-run of a procedure that is about to be performed the same or the next day. It can therefore be used as a tool for physicians and their clinical staff to discuss strategy and choice of clinical instruments before the treatment is actually performed. This patient-specific simulation creates an environment where the clinical team can have an interactive dialogue to prepare and customize a procedure which is the most appropriate for the specific patient.

These solutions can also be used to import real patients into the simulator after the real case has been completed, for debriefing and education purposes. This is expected to significantly accelerate the growth of the Mentice patient case library.

During 2021, the company developed an infrastructure on its Mentice Live cloud platform to support this type of online case library, and made significant advances in making the vision of creating digital "copies" of a patient's vasculature - where those digital models can be used for a multitude of purposes - a reality. Mentice will first roll out this complete solution set within the neurovascular discipline, where the company has a strong footprint and customer base.

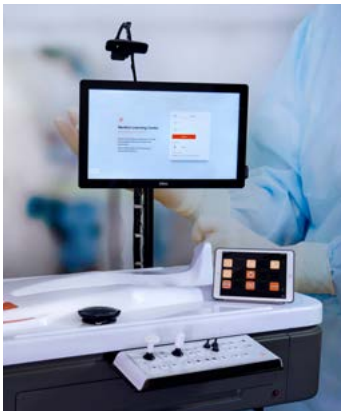


CLOUD-BASED SIMULATION SOLUTIONS AND SERVICES

Mentice has introduced a range of solutions to make it possible for trainers and learners to easily work together in a flexible, online learning environment. Additionally, the Mentice Live online platform is undergoing rapid expansion and will also serve to connect the company's full ecosystem of products to comprehensive training programs, following the learners all the way from their basic initial e-courses to their first real cases in the operating room, as well as to support a range of services such as advanced simulation analytics, storing simulation cases online, and running simulation in the cloud.

MENTICE® LIVE

Currently, little infrastructure exists to complement the traditional trainee apprenticeship model typically used in hospitals with modern training methods that are safer and more efficient. Mentice Live offers such a holistic approach to physician training and performance improvement. For the first time, educational and improvement programs can now provide comprehensive training ranging from learning the basics, through safe and targeted hands-on exercises on simulators, all the way to the first real patients in the angio suite.



The Mentice Live Learning Center allows users to build complete training curricula for institutions, nation-wide initiatives, professional societies and medical device companies, and furthers endovascular excellence across the field. It creates a complete training experience by integrating elements of hands-on simulation, on-line didactic e-learning, and in-person proctored cases. At the same time, learners are monitored to make sure that they are exhibiting a steady skill level progression, and that they are ready for the next step. In a nutshell, interventional training can now finally be done from A to Z. Furthermore, the Mentice Live Remote Connect add-on allows tele training and tele proctoring capabilities to be added for one-on-one proctoring or large virtual class rooms, enabling users to connect to a Mentice learning experience from any device - anytime and anywhere.

PROCEDURE LOGBOOK

Mentice Live Logbook, originating from an acquisition in 2020, was integrated with Mentice online platform during 2021, so that physicians can now directly log information about their first real cases as part of their training and development programs using one unique Mentice Live account. In addition to recording and maintaining procedural volumes, the procedural logbook also offers healthcare providers data monitoring services, providing insight into quality metrics and opportunities for improvement. By enriching the company's image-guided interventional performance solutions with the possibility to connect to real case data, it's now possible to monitor the true outcome of improvement programs in close to real-time.

MOBILE APPLICATIONS

As part of the online infrastructure, Mentice offers a broader mobile platform for customization aimed at the medical device industry and remote learning. Mentice has delivered a number of these projects and the primary use case is to provide a highly effective tool for sales organizations.

The mobile platform is valuable in creating interactive real-time exploration of anatomy and interventional procedures, using rendered 3D anatomy, fluoroscopy and other imaging modalities and simplified on-screen catheter controls to simulate the angio suite environment. Furthermore, all Mentice mobile apps can readily be connected to industry-specific device handles via Bluetooth or be combined with an ultra-portable VIST® Mini device in order to use real medical devices while completing cases.

AR/VR APPLICATIONS

In line with its activities in the mobile space, Mentice has launched and is continuously developing solutions for AR/VR. Customers benefit from the advantages inherent in these platforms when it comes to visualization, user guidance and remote collaboration.

AR/ VR applications assist in understanding complex 3D anatomies and how clinical devices interact with the anatomy in complex patient cases. A unique aspect of Mentice technology is that the AR/VR headsets can establish a "live" interface with Mentice VIST® simulators as an input device for controlling the clinical devices, providing a very realistic environment both in terms of visual and haptic acuity, where the devices and anatomy interaction from the simulation can be dynamically visualized in the coupled AR/VR headset.

BOARD OF DIRECTORS' REPORT

The Board of Directors and the CEO of Mentice AB (publ), corporate registration number 556556-4241 hereby submit the following annual accounts and consolidated accounts for the 2021 financial year. The English version of this report is a translation and if anything differs between the Swedish version and the English translation – the Swedish version is the official version.

GENERAL BUSINESS OPERATIONS

Mentice is a company that develops, sells, and markets products and services in the field of medical simulation, focusing particularly on image-guided catheter-based technology for vascular intervention such as cardiology, neurology, vascular surgery, and radiology and in this field Mentice is the global market leader. Mentice AB is the parent company of the group (Mentice) and conducts similar operations as the group.

All information in the report relates to both the parent company as well as the group unless otherwise stated. Mentice's products enable simulation of endovascular practice in a simple, realistic, and efficient way, offering the possibility to conduct realistic training in a safe environment without risking the safety of patients. There is a rapid development of new treatment methods in the healthcare sector, especially regarding non-invasive methods, and the need for physicians and other staff to safely acquire and maintain their knowledge and skills is central to controlling costs and quality in the healthcare sector.

The purpose of Mentice's solutions is to support the healthcare 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.

Mentice AB has its base in Gothenburg and has about 56 employees that work at the head office in Gothenburg, with group common functions within sales, marketing, development, production, HR and finance. Mentice AB includes sales and service units for the markets Europe and Asia. Mentice AB has a branch in Germany, Mentice also has a subsidiary in Delaware, USA with sales and service units for the American market in Chicago. Mentice also has a unit for research and development in Denver, Colorado, USA. With the acquisition of the business Vascular Simulations in October 2020, the company also has business in Stony Brook, NY. Mentice SA, our subsidiary in Switzerland is under liquidation, Mentice K.K. our subsidiary in Japan serves the Japanese market as well as southeast Asia for sales and support. Mentice International Trading (Beijing) Co, Ltd is the subsidiary in China, our sales and service organization supporting the Chinese market and the company also has a footprint in Singapore since April where the Vice President for the region APAC is located.

The share of Mentice is listed since 18th of June 2019 on the First North Premier Growth Market Stockholm and is traded under the symbol MNTC. Number of shares and votes is 24,768,850 at the end of 2021.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In the beginning of 2021, the company was rewarded ISO 9001 certification. The company has developed and implemented a quality management system in order to improve its overall performance, maintain a high level of quality and strong customer service and offer a solid foundation for initiatives in sustainable development. On the 13th of January 2021, the company announced changes to its organization. Several new key positions were created, aimed at improving Mentice regional presence in the market with the creation of an Asia Pacific (APAC) region and one Europe and Middle East (EMEA) region, in addition to the previously established Americas region.

During the year the Sim Agility, a new flexible and mobile solution from our Vascular Simulations business was launched. Furthermore, we also released a significant update to the Mentice TEE Trainer (Transesophageal echocardiography Trainer), which will offer 5 additional cases and pathologies, including functional tricuspid regurgitation, dilated anatomies and AR/VR. The solution is created from real patient anatomies, and it offers the most sophisticated ultrasound simulation in the market and the only one with real-time synchronized 2D echo, 3D echo, and MPR.

The collaboration with Siemens Healthineers in China that was presented during December is an important step for Mentice where Corindus Vascular Robotics China will bundle every sale of their Corindus robot with a Mentice system that will be sold in the country. This is a breakthrough for our collaboration with Siemens Healthineers and Corindus, and we believe that this will impact us positively not only in China but also in the rest of the World. This later led to the first order in connection to the appointed Siemens Healthineers reseller, formally announced on the 16th of March 2022.

RESEARCH AND DEVELOPMENT AND ACTIVITIES

Mentice develops both the software- and hardware solutions at development sites in Gothenburg, Sweden, Denver, Colorado, USA and Stony Brook, New York, USA. Most of the company's development efforts targets software application development of both Mentice standard and customer specific projects and products. Of the total

operating expenses for the Group of SEK 152.6 (121.6) million, research and development cost accounted for SEK 46.0 (38.6) million, corresponding to 30.1 (31.7) percent. During the year, development expenses of SEK 16.9 (22.1) million. were capitalized as intangible assets.

PRODUCTION

Mentice's endovascular simulator systems consist of Mentice's proprietary simulator platform, combined with standard hardware such as laptops and monitors. The production of Mentice's simulators is outsourced to contract manufacturers while standard items can be purchased from multiple sources. Mentice also uses suppliers to adapt and modify customers surgical instruments and add sensors to match specific sales orders. The production of the standardized simulator is currently handled by Montex AB. Montex AB is responsible for assembling, testing, and delivering complete simulation systems to Mentice. Montex AB manufactures the simulator based on detailed engineering and production instructions developed by Mentice. Mentice has delegated the coordination of material purchases and workflow with sub-suppliers to Montex AB. The production and each respective responsibility are covered by contracts.

FUTURE DEVELOPMENT AND OUTLOOK

Mentice has a positive view on the company's potential to continue its successful development and thereby achieve the communicated goals for growth and profitability (30–40% average annual net sales growth in the short to medium term (next 3-5 years) and 30% EBITDA marginal in the medium term (next 4-5 years). A selection of important areas/factors that the company expects will contribute to this development follows below:

Strategic Alliances

In 2021, Mentice deepened its collaborations with the company's three strategic partners Siemens Healthineers, Philips Healthcare and Laerdal. During quarter 4 the cooperation with Siemens Healthineers China and Corindus was presented- Corindus China has decided to deliver one Mentice's system together with every Corindus robot sold in the country.

By extending the integration with their systems (including cath labs) and conducting joint marketing and sales activities, there is a potential for Mentice to continue to broaden its customer base in this area in the following years.

Implementation of a subscription-based business model

By changing from perpetual licenses to a subscription and annual fee base structure for a larger share of its customer base, Mentice expects to achieve more stable cashflows with lower impact from seasonal variations. As this business model also includes implementing annual updates of the company's software modules, the customers can also be offered a greater value than before. See note 3 in this annual report for more information.

Launch of new products

During 2021, Mentice has developed an infrastructure on its Mentice Live cloud platform to support an online procedural case library. Whilst making significant advances in the vision of creating digital "copies" of a patient's vasculature and automating 3D vessel extraction from CT or MRI images, where such digital models can be used for a multitude of purposes in reality. Mentice has intention to launch a first version of this complete solution first within the neurovascular discipline in 2022. On Mentice Physical SIM platform, Mentice launched their new portable solution SIM Agility with realistic anatomical vasculature, blood replicants and real to life flow pulsation to provide a platform for the MedTech Industry and physician medical device adoption. Also during 2021, Mentice launched the initial Augmented and Virtual Reality (AR/VR) platform, the first integrated simulation solution for physicians to train on transseptal puncture (access into the chambers of the heart) in an augmented environment.

Development of the company's solutions in advanced decision support for image-guided interventions

Mentice sees the opportunity to develop and offer solutions in decision support for image-guided treatments as the next phase in the company's development. This includes usage of patient specific simulation before, during and after a procedure to achieve improved efficiency, precision and thus improved treatment outcomes and lower healthcare costs. The first commercially available product in this area (VIST®CASE-IT) was launched in 2012, enabling the creation of simulation cases from existing patient anatomies with just a few clicks.

INFORMATION ABOUT RISKS AND UNCERTAINTIES

The major part of the group's current sales is based on sales to clients in the medical device industry where the use of Mentice's simulators are mainly related to marketing and training in relation to launches and safe implementation of new medical devices. Mentice sees the largest potential for growth in the Healthcare Systems business area, where Mentice currently has a smaller percentage of its total sales compared to the medical device industry. Substantial growth in this area is reliant on mandates and regulatory change. Mentice is an active opinion leader in these issues and the goal of the company is to show that increased use of simulation leads to improved quality and safety in the proficient healthcare. The VP of Marketing conducted a presentation on the virtual main stage at the European Congress of Radiology held in Vienna Austria and talked with the panel on the development of the use of virtual simulation and what it takes to standardize the use of virtual simulation.

BOARD OF DIRECTOR'S REPORT, CONT.

In order to continue to drive growth, Mentice must constantly demonstrate that the use of simulation leads to increased safety for patients as well as healthcare personnel and, of course, reduced time to market for new products and to improved quality. The world's aging population and new innovative minimally invasive treatment methods for patients of all ages are a driving force for improvement which also drives the use of the products and solutions of Mentice. Changes in the care reimbursement structure, where care providers' remuneration is based on quality and results, rather than volume, is another incentive for the use of the products of Mentice. New proposals and stricter regulations for introducing new products and technologies are also likely to increase the need for training and certification, which is in line with Mentice's strategy.

The operations of the company are exposed to risks as a result of the products being marketed in different countries. Thus, future earnings may be affected by several factors, including tax or financial regulations affecting the company as well as changes in a country's political or economic conditions. In addition, the general demand for medical devices is affected by a variety of macroeconomic factors and trends, such as pandemic, war, inflation, deflation, recession, trade barriers, import or export license requirements, currency fluctuations and changes in the purchasing power for those paying for healthcare. Mentice is dependent on qualified personnel in different positions. The ability to keep existing personnel as well as recruit new people to different positions is key for the future development of the company. If key persons leave or Mentice is unable to recruit qualified personnel this can have a negative impact on the business as well as result and financial position. The sales of Mentice are in the currencies EUR and USD, and the main costs related to the business is mainly in SEK and USD. Consequently, Mentice is exposed to risk related to fluctuations in these currencies rates and can negatively impact the profit and financial position of the company.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Mentice AB uses forward exchange contracts to manage currency risk. The forward exchange contracts are used for commercial hedging of risks in connection with receivables from customers and are placed in accordance with the company's foreign exchange policy, in connection with orders. All management of forward contracts are made by the parent company. Other exchange rate risks are not hedged. The operations of Mentice are of such nature that the company is exposed to credit risk when selling to customers. In connection to sales to new customers or customers who are considered to have higher risk exposure, only advances or letters of credit are used.

Financial risks and risk management are further described in Note 22.

SUSTAINABILITY INFORMATION

Mentice is a global company with operations worldwide. It is therefore obvious for Mentice to work for diversity and equality, which for example can be seen by the fact that the company has 21 nationalities employed in the group. Mentice's operations comply with local regulations as well as national and international ethics rules. Mentice has a Code of Conduct policy, and all employees get training every year. Mentice also strives to minimize the use of resources in production and to achieve continuous environmental improvements. Mentice expects its suppliers to do the same. Mentice strives to have a positive impact on the countries in which the company operates, and Mentice follows the OECD's Transfer Pricing guidelines, which work for a fair allocation of the company's taxes between the countries in which it operates.

Mentice believes that part of its success depends on the culture, experience and approach that characterizes the organization, and the company strives continuously to maintain an environment free from discrimination which means a consensus with regards to equality and diversity for the entire business of Mentice. The company also works actively to increase the number of women among its employees in typical male positions. Mentice works actively to improve the situation in healthcare where high workloads and outdated working methods are often a cause of burnout and insufficient quality of the delivered healthcare. The company is convinced that a better structure for training and continuous improvement, including an open dialogue on improvement, will radically improve the working environment as well as quality and results.

THE EFFECT OF COVID-19 ON MENTICE'S BUSINESS OPERATIONS

The company has during 2021 been affected by Covid 19 and its wave two, three and four, all with different names as Delta and Omicron – and after a closed hospital customer market we saw the market open up during September, October and November and then to close again in December. The visible impacts of Covid 19 were the travel restrictions as well as the complete lockdown of market activities that involved physical meetings. As an effect of this the costs related to travel and events were considerably lower during the first half year of 2021. The company used digital tools and replaced meetings in person with virtual and presentations over internet. Furthermore, the company has continued to offer its clients additional technology for Mentice installations, which allows for remote solutions and support, and more importantly the ability for customers to continue to engage with their clients when using their simulation systems. Mentice has during 2021 and beginning of 2022 been facing the impacts from component deficiency for components that impacted our deliveries for our hardware systems, and to secure the

deliveries we have bought these components on the spot market increasing the price on them significantly, but the total purchase amount for these components is small.

The Covid-19 situation has influenced the sales figures for the hospital business area of the company, but the company has not noticed any significant change in attitude within the Medical Device Industry business area growing with 45.7 % in order intake during 2021. Within Strategic Alliances, the collaboration agreement with Corindus China was presented during days in between Christmas and the new year. Generally, with the temporary pause of elective procedures both during 2020 and 2021 in the world, there is a significant pent-up demand for training for both postgraduates and attendings since there are significantly fewer opportunities to gain actual clinical experience in the traditional on-the-job fashion. This is a strong argument for increased use of simulation as a supplement for lack of clinical experience. As investments in solutions from Mentice are long-term commitments, which are expected to deliver substantial value and benefits to the customer over time, the company is convinced that the Covid-19-related effect on its sales figures are temporary, and that it will vanish when the global situation normalizes.

FINANCIAL DEVELOPMENT

RESULT

Net sales for the full year amounted to SEK 185.1 (137.5) million, an increase of 34.6% compared to last year. Out of total net sales SEK 20.1 (5.0) million refers to net sales from acquired business. The net effect of exchange rates (mainly weaker USD) is SEK -6.8(3.1) million equivalent to 3.2% reduction of net sales. Other income was SEK 5.2 (13.4) million related to exchange rate variances in operating assets and liabilities. Gross profit including other income for the full year was SEK 155.1 (117.5) million after deduction of raw materials and consumables used. This is a gross margin in percent of net sales of 83.8% for 2021 and 85.5% for 2020, impacted by the other income for Covid related income included in other income 2020. Operating expenses amounted to SEK 152.6 (121.6) million and increase of 25% mainly driven by SEK 9.7 (2.3) million from acquired business, capitalization of development costs SEK 16.9 (22.3) million, variable commission to sales-people SEK 13.5 (7.6) million (including an error of SEK 2.3 million that should have been recorded in 2020) and other on off items of SEK 2.3 million further described under note 1. The costs is also impacted of the higher amount of employees added during 2021 and the furlough and general ambition to reduce costs during the pandemic. EBITDA for the full year amounted to SEK 2.5 (-4.1) million corresponding to an operating margin of 1.3 (-3.0) %.

Depreciation and amortization together amounted to SEK -22.2 (14.1) million including write-down of capitalized development costs of SEK -2.2 million. Operating income (EBIT) came in at SEK -19.7(-18.2) million. Net financial items were SEK -1.5 (-0.4) million and tax SEK -7.9 (5.5) million mainly due the change in assessment of utilization of tax losses carry forward and deferred tax on parent company depreciation on asset goodwill. Net result for the year was SEK -29.2 (-13.1) million.

ASSETS AND WORKING CAPITAL

The Groups total assets amounted to SEK 261.9 (245.3) million. IFRS 16 has affected total assets by SEK 14.1 (11.7) million. Tangible assets increased to SEK 14.1 (8.0) million and intangible assets increased to SEK 106.0 (101.4) million. Accounts receivable increased to SEK 68.3 (29.5) million and cash and cash equivalents per December 31, 2021, was SEK 12.7 (48.8) million. Working capital per December 31, 2021, was SEK -1.1 (28.5) million. Parent company total assets amounted to SEK 234.0 (244.1) million. Tangible assets increase to SEK 3.2 (2.3) million and intangible assets decreased to SEK 98.9 (103.3) million. Accounts receivable increased to SEK 35.4 (22.3) million and cash and cash equivalents per December 31, 2021, was SEK 5.0 (41.4) million. Working capital per December 31, 2021, was SEK -1.4 (29.5) million.

EQUITY

The equity for the Group per December 31, 2021, decreased to SEK 136.9 (163.3) million. The result for the year decreased equity by SEK 29.2 million. The equity ratio was 52.3 (66.6) % per December 31, 2021. Parent company equity per December 31, 2021 was SEK 132.3 (163.6) million. The result for the year decreased equity by SEK 31.3 million. The equity ratio was 56.5 (67.0) % per December 31, 2021.

CASH FLOW

The cashflow for the group as per 31st of December 2021 is an outflow of -36.8 (1.6) million. The cash flow from operating activities before changes in working capital was 0.7 (-3.9) million and the net change in working capital -5.1 (30.5) million, consisting of increase in inventory of -3.1 (3.0) million and net change of operating receivables and operating liabilities of -2.7 (31.4) MSEK. This outflow is mainly explained by the higher sales to medical device industry customers with longer payment terms during quarter 3 and quarter 4 2021, where these accounts receivables fall due during quarter 1 2022. Also 2021 the company invested in -25.9 (-25.0) million in tangible and intangible assets. The cash position at end of the year was 12.7 (48.8) million. The budgeted forecast for cash flow for the coming 12 months shows positive cash position in all months for the year 2022. The company also has an overdraft facility of SEK 20 million.

MULTI-YEAR OVERVIEW

Group's Financial Development in brief		2021	2020	2019	2018	2017
Net sales	TSEK	185,064	137,503	149,370	157,048	108,966
Earnings before tax (EBT)	TSEK	-21,271	-18,586	-26,235	13,835	5,328
Total Assets	TSEK	261,904	245,271	187,140	130,586	93,819
Average number of employees	st	99	90	82	69	52
EBITDA %	%	1.3	-3.0	-8.6	13.2	8.7

Parent Company's Financial Development in brief		2021	2020	2019	2018	2017
Net sales	TSEK	132,723	103,361	117,375	112,437	84,048
Earnings before tax (EBT)	TSEK	-26,081	-22,507	-33,917	11,635	-3,868
Total Assets	TSEK	234,003	244,087	210,008	155,197	126,302
Average number of employees	st	59	55	46	40	37
EBITDA %	%	-9.1	-15.9	-24.5	12.8	-1.3

EBITDA is defined as EBIT with add-back for depreciation and amortization on tangible and intangible assets.

PROPOSAL FOR PROFIT APPROPRIATION

The following equity is at the disposal of the Annual General Meeting in SEK

Other Paid in Capital	144,750,058
Retained Earnings	-35,316,089
Net result for the Year	-31,275,390
Total	**78,158,579**

The Board of Directors proposes that the non-restricted equity is allocated as follows:

To be carried forward	78,158,579

The financial reports were approved for issuance by the Board of the Parent Company on April 5th 2022

Regarding the company's results and financial position, please refer to the following income statement and balance sheets, together with the accompanying notes to the financial statements.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Mentice is a Swedish public limited liability company. Prior to the listing on Nasdaq First North Premier Growth Market, the Company's corporate governance was based on Swedish law and internal rules and instructions. With the listing on Nasdaq First North Premier Growth Market, the Company is complying with Nasdaq First North's Rule Book for Issuers and applies the Swedish Corporate Governance Code (the "Code"). Nasdaq First North Premier is not a regulated market, however, application of the Code is a formal listing requirement imposed by the Nasdaq exchange.

A warrant incentive program for employees was implemented in May 2019 which follow the Code. The warrants program 2019/2024 consists of 1,429,922 warrant rights where each warrant entitles the holder to subscribe for one new share at a price of 66.50 SEK in April 2024. A premium has been payed that corresponds to the market value of the warrant calculated using the Black & Scholes formula. As the market value has been paid, the program has no effect on the company's result for the period or its financial situation. Se further information in note 5.

OWNERSHIP STRUCTURE

According to Monitor's register of shareholders Mentice had a total of 1.854 shareholders by December 31, 2021, an increase with 49.5 % against last year. The 10 largest owners of Mentice AB (publ) per 31 of December 2021 is shown in the table below.

Largest shareholders (source Euroclear 2021-12-31 and analysis) Name	Number of shares	Shareholding in %
Karin Howell-Bidermann	8,690,980	35.1
Bure Equity AB(publ)	3,644,059	14.7
Handelsbanken Microcap Sverige	1,800,000	7.3
Fjärde AP fonden	1,345,109	5.4
Medical Simulation Corporation	1,191,074	4.8
Berenberg Funds	932,391	3.8
TIN Fonder	712,847	2.9
Göran Malmberg	711,670	2.9
Andra AP Fonden	432,620	1.7
Avanza Pension	390,079	1.6
10 largest shareholders in total	**19,850,829**	**80.1**
Others	4,918,021	19.9

At the Annual General Meeting of Mentice AB (publ) conducted at 6th of May 2021, it was resolved that for the period until the next Annual General Meeting and on one or more occasions, the Board of Directors is authorized to issue a maximum of 2,476.885 shares, corresponding to 10% of the total number of shares and votes in the company.

ANNUAL GENERAL MEETING

According to the Swedish Companies Act (2005:551), the general meeting of shareholders is the company's highest decision-making body. At the general meeting, the shareholders exercise their voting rights in key issues, such as changes to the articles of association, the election of the board of directors and auditors, adoption of the income statement and balance sheet, discharge from liability of the board of directors and the CEO, the appropriation of profit or loss after approval from the Board. The Annual General Meeting must be held within six months from the end of the financial year. In addition to the Annual General Meeting, extraordinary general meetings may be convened. According to the articles of association, notices convening the general meetings are to be published in the Swedish National Gazette (Post- och Inrikes Tidningar) and by making the notice available on the Company's website. Information regarding the notice shall at the same time be advertised in the financial newspaper Dagens Industri.

To attend and vote at the general meeting, either in person or through a proxy, shareholders must be registered in the share register kept by Euroclear Sweden AB six business days prior to the meeting and register their participation

to the Company no later than on the date specified in the notice convening the meeting. This date cannot be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth business day prior to the meeting. Shareholders who wish to have a specific matter brought before the general meeting must submit a written request to the company's board of directors. Such request must normally have been received by the board of directors no later than seven weeks before the general meeting. No extra general meetings have been conducted during 2021.

ANNUAL GENERAL MEETING 2021

The last annual general meeting was conducted on the 6th of May 2021, through a procedure of postal voting in accordance with law (2020:198) of temporary exceptions to ease the fulfilment of general meetings in companies and associations. At the meeting it was decided to re-elect the board members Lawrence D. Howell, Denis Gestin, Gösta Johannesson, David J Ballard, Eola Änggård Runsten and Johann Koss. Lawrence D. Howell was elected Chairman of the Board. A resolution was passed to adopt board fees in total of 970.000 SEK, of which 100,000 to the board member Johan Koss, 170,000 SEK to each of the Gösta Johannesson, Eola Änggård Runsten and David J Ballard, and 360,000 SEK to Denis Gestin.

For the chairman of the audit committee a fee of 40,000 SEK and to each of the other members of the audit committee 20,000 SEK and for the chairman of the remuneration committee 40,000 SEK and to each of the other members 20,000 SEK, The appropriation of profits were approved with no dividend was approved.

It was also resolved that for the period until the next Annual General Meeting and on one or more occasions, the Board of Directors is authorized to issue a maximum of 2,476.885 shares, corresponding to 10% of the total number of shares and votes in the company.

ANNUAL GENERAL MEETING 2022

The Annual general meeting will be held on Wednesday the 27th of April 2022, at 15.00 at the headquarters of Mentice, Odinsgatan 10 in Gothenburg. Shareholders who wish to participate in the Annual General Meetings shall be registered in the share register kept by Euroclear Sweden AB no later than Tuesday the 19th of April 2022.

NOMINATION COMMITTEE

According to the Code, the Company must have a nomination committee, the duties of which shall include the preparation and drafting of proposals regarding the election of members of the board of directors, the chairman of the board of directors, the chairman of the general meeting and auditors. The nomination committee shall also propose fees for board members and the auditor, and, if applicable, rules of procedures for the next nomination committee. At the Annual General Meeting held on 17 April 2019, it was resolved to adopt instructions and rules of procedure for the nomination committee according to which the nomination committee shall consist of the chairman of the board of directors and three ordinary members representing the three largest shareholders per the end of the third quarter each year. For the year 2021 this is Lawrence D. Howell as chairman and representing Karen Howell, Sophie Hagströmer representing Bure and Anna Sundberg representing Handelsbanken fonder. Nomination committee was published on the website at least six months before the Annual General Meeting.

REMUNERATION COMMITTEE

The Board of directors did at the statutory board meeting on 27th of May 2020 appoint a remuneration committee. The purpose of the remuneration committee is to assist the board of Mentice in matters relating to remuneration. The areas of responsibility for the committee are defined in the rules of procedure for the board of directors and the remuneration committee own rules of procedure and instruction. The members of the committee is Lawrence Howell (chairman of the committee) and board members, Denis Gestin and Gösta Johannesson.

AUDIT COMMITTEE

The board of directors of Mentice appointed an audit committee at the statutory board meeting on 27 May 2020. The Audit Committee's area of responsibility is defined in the audit committee's rules of procedure and instructions. The purpose of the audit committee's work is to assist the board of Mentice in matters relating to financial reporting, auditing, and risk management. The audit committee is a preparatory body, and the board has the overall responsibility for audit-related issues. The audit committee consists of three board members: Eola Änggård Runsten (chairman of the audit committee), David J Ballard and Johann Koss.

The Audit Committee shall in particular monitor (i) the audit of the Annual Report and the consolidated financial statements, (ii) transactions with related parties, important accounting principles and important correspondence between the company's auditors and management, (iii) the effectiveness of the company's internal controls regarding financial reporting, (iv) the company's routines concerning comments on the company's accounts, internal control and auditing, (v) the scope, focus and quality of auditing work, including follow-up of the audit performed, (vi) budgeted and actual auditing expenses, (vii) the auditors' recommendations, conclusions, observations and proposals after an audit has been performed, (viii) the auditor's impartiality and independence and in this connection pay particular attention to whether the auditor provides the

company with other services than auditing work and (ix) assist in the drawing up of proposals for adoption by the Annual General Meeting regarding election of an auditor.

THE BOARD OF DIRECTORS

After the general meeting of the shareholders, the board of directors is the highest decision-making body of the Company. According to the Swedish Companies Act, the board of directors is responsible for the organization and management of the company's affairs, which means that the board of directors is responsible for, among other things, establishing targets and strategies, securing procedures and systems for monitoring of set targets, continuously assessing the Company's financial position, and evaluating the operational management. Furthermore, the board of directors is responsible for ensuring that proper information is given to the shareholders of the company, that the company complies with laws and regulations and that the company develops and implements internal policies and ethical guidelines.

Moreover, the board of directors is responsible for ensuring that annual reports and interim reports are prepared in a timely matter. The board of directors also appoints the Company's CEO. The members of the board of directors are elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the company's articles of association, the board of directors shall consist of no less than three and no more than ten board members without any deputy board members. Currently, the board of directors consists of six ordinary board members elected by the general meeting, who are presented in the section "Board of directors, senior executives and auditors". According to the Code, the chairman of the board of directors is to be elected by the general meeting. The role of the chairman is to lead the board of directors' work and to ensure that the work is carried out efficiently, and that the board of directors fulfils its obligations. The board of directors adheres to written rules of procedure which are revised annually and adopted at the statutory board meeting. The rules of procedure regulate, among other things, the procedures of the board of directors, tasks, decision-making within the company, the board of directors' meeting agenda, the chairman's duties, and allocation of responsibilities between the board of directors and the CEO. Instruction for financial reporting and instructions for the CEO are also adopted in connection with the statutory board meeting. The board of directors' work is also carried out based on an annual briefing plan which fulfils the board of directors' need for information. The chairman and the CEO maintain, alongside the board meetings, an ongoing dialogue on the management of the company.

THE BOARD'S WORK

The board of directors meets according to a pre-determined annual schedule and in addition to the statutory board meeting, at least six ordinary board meetings shall be held between each Annual General Meeting. In addition to these meetings, extra meetings can be arranged for processing matters which cannot be referred to any of the ordinary meetings.

The meetings are normally physical meetings at the headquarters of Mentice in Gothenburg. If for practical reasons the meetings can also take place via digital platforms and in special cases as per capsulam.

The Chairman leads and organizes the Board's work. A proposed agenda and decision data regarding the items to be addressed at the meeting are sent ahead of each meeting. The proposed agenda is drawn up by the CEO in consultation with the Chairman. Items presented to the Board are for information purposes, discussion, or decision. Decisions are only taken following discussion and after all members present have been given the opportunity to be heard. One of the meetings held during the year is focused on strategic questions. At the end of most of the board meetings the board of directors decides to discuss issues with only the Board of directors present, hence the executive management does not attend.

At the autumn of 2021, the Board evaluated its work by doing a self-evaluation procedure where each Board member assesses a large number of statements about the Board's role and function, the Board meetings, Board material, Board members, the Chairman of the Board and the CEO. The board members also weighted the importance of each statement for the boards work and the company's long term value growth. The responses were compiled by independent third parties and compared with the benchmark index of listed companies in the Nordic region. The evaluation is a part of constantly developing the board work and the next evaluation will be done on a regular basis.

MANAGEMENT TEAM AND CEO

For information on the persons of the management team, including shares in the company, see annual report page 53 and the company web (www.mentice.com) Mentice management team consist of 10 members including the CEO and it has competences and experience from research and development, quality assurance, marketing, production and sales in the field of medical simulation.

The role of the CEO is subordinate to the board of directors and the CEO's main task is to carry out the Company's ongoing management and the daily activities of the Company. The rules of procedure of the board of directors and the instructions for the CEO stipulate which matters the board of directors shall resolve upon, and which matters that fall within the CEO's area of responsibility. Furthermore, the CEO is responsible for preparing reports and necessary information for decision-making prior to board meetings and presents the material at board meetings together with the CFO.

EXTERNAL AUDIT

The auditor of the company is elected by the annual general meeting for the period up to the end of the next annual general meeting. The auditor examines the annual report and the bookkeeping of the company, and the governance performed by the Board of Directors and the CEO. The auditor gives an auditor's report to the general meeting for each accounting year. The auditor also reports once a year to the board of directors all findings from the performed audit and the assessment of the internal controls of the company. At the general meeting on the 6th of May 2021, KPMG AB was re-elected, which appointed Fredrik Waern as auditor in charge up until next general meeting. At the annual general meeting it was also resolved that the fees to the auditor should be paid in accordance with normal charging standards and approved invoice. The total fee paid to the auditor of the company for the financial year 2021 amounted to SEK 840 thousand, of which the full amount was related to the audit assignment.

INTERNAL CONTROL

The overall purpose of the internal control is to ensure that the strategies and objectives of the company can be implemented within the business and to ensure that the financial reporting has been prepared in accordance with applicable laws, accounting standards and other requirements imposed on listed companies. The board of director's responsibility for the internal control is governed by the Swedish Companies Act, the Swedish Annual Reports Act and the Code. In the rules of procedure for the board of directors, the instruction for the CEO and the instruction for financial reporting, all of which have been adopted by the board of directors, the allocation of the roles and responsibilities have been stated in order to contribute to an effective management of the Company's risks. The board of directors also has the task to monitor the Company's financial position, to monitor the effectiveness of the Company's internal control and risk management, to be informed about the audit of the annual report and consolidated financial statements, and to review and monitor the auditor's impartiality and independence. In addition to the above-mentioned controls, the Company also continuously carries out quality controls of its suppliers and its partners in order to ensure that they meet the requirements set out by the Company.

Continuous risk assessments are carried out in connection with strategic planning, forecasting work and specific risk sessions in order to identify, quantify and relate to how identified risks can be managed and, if possible, be limited. The presentation of the identified risks shall, as a minimum, be submitted to the board of directors once per year.

In the beginning of 2021, the company was rewarded ISO 9001 certification. The company has developed and implemented a quality management system in order to improve its overall performance, maintain a high level of quality and strong customer service and offer a solid foundation for initiatives in sustainable development

mentice

MANAGEMENT TEAM

GÖRAN MALMBERG

GROUP CEO & PRESIDENT

Education: Master of Science in Mechanical Engineering from Linköping Technical University, Sweden.

Joined Mentice: 2008

Professional background: CEO/President for Mentice since 2008. Over 25 years of experience from international management, sales and marketing of high tech products for various industries such as manufacturing, automotive, industrial products, Med-tech/ healthcare. Prior to Mentice, Göran held several board and executive management positions for Swedish and international corporations such as PTC (Parametric Technology Corporation), Auto-trol Technology, Opticore/Autodesk and Programator/Cap Gemini.

Holdings: 711,670 shares and 357,480 warrants held directly and indirectly through company.

HENRIK STORM

CHIEF TECHNICAL OFFICER

Education: Master of Science in Electrical Engineering and Licentiate Degree in Applied Mathematics from Chalmers University of Technology.

Joined Mentice: 2014

Professional background: More than 15 years of experience in many fields of technology development and management , ranging from software (including video compression, image processing, biometric matching algorithms) to hardware (silicon development and manufacturing, PCB design, electronic packaging and testing, mobile device integrations). Henrik worked at Summus, Inc. (Raleigh, NC) in the US from 1998 to 2001, and manager of the Swedish Summus development branch from 2001 to 2004. He held various positions at Fingerprint Cards, (Gothenburg, Sweden) from 2004 to 2014, including Vice President Customer Projects, with responsibility for building and managing the company's engineering resources in the US, Japan, Korea, Taiwan and China, along with the customer project manager team in Sweden.

Holdings: 40,848 shares and 43,330 warrants.

MATAR DAKHIL

EXECUTIVE VP OF MEDICAL DEVICE INDUSTRY

Education: MSc Mechanical Engineering (RWTH Aachen, Germany), Executive MBA Hult Business School (London, UK)

Joined Mentice: 2005

Professional background: Matar has over 20 years of experience within the medical device industry, 10 of which in the area of interventional cardiology. Before joining Mentice, Matar held various business development, senior sales and marketing positions in Europe (Berlin) and throughout Asia Pacific (including Penang, Malaysia, Tokyo, Japan and Shanghai, PR China). He was responsible for Mentice's Asia Pacific business from 2005 to 2007, based in Singapore, before relocating to Europe in early 2008.

Holdings: 147,833 shares and 43,330 warrants.

EDWARD FALT

VP OF PRODUCT AND STRATEGY

Education: M.Sc. Engineering Physics at Chalmers University of Technology.

Joined Mentice: 2008

Professional background: Edward has been with Mentice since 2008 and has been part of the management team since 2016. Since 2019, Edward has been responsible for product management globally. Prior to Mentice, Edward worked as an engineer, consultant and programmer in the pharmaceutical industry, and has also worked at the Swedish Defense Agency's research institute.

Holdings: 20,000 shares and 43,330 warrants.

PONTUS APPELQVIST

VP & GM REGION APAC

Education: MSc Computer Science and Engineering (Chalmers University of Technology, Gothenburg, Sweden)

Joined Mentice: 2021

Professional background: Pontus has over 20 years of experience within the simulation and Virtual Reality industry and a strong track record of driving new technologies to market. Before joining Mentice, Pontus has held several senior sales and marking positions in Singapore and Tokyo, Japan at companies such as Opticore AB, Autodesk Inc. and EON Reality.

Holdings: 0 shares and 0 warrants.

GUNILLA ANDERSSON

CHIEF FINANCIAL OFFICER

Education: Degree of Bachelor of Science in Business Administration and Economics – Specialization Accounting, University of Gothenburg.

Joined Mentice: 2021

Professional background: Gunilla joined as CFO and has been part of the management team since. Prior to joining Mentice, Gunilla held several positions of CFO in IMI Hydronics and Papyrus Optigroup as the latest.

Holdings: 3,000 shares and 0 warrants.

MARTIN HARRIS

VP OF MARKETING AND BUSINESS DEVELOPMENT

Education: NVQ 3/ BTEC 3 in Business Administration from DDI Business School, Chester, UK.

Joined Mentice: 2006-2013, 2015

Professional background: Heading the Strategic Alliances division since 2017. Previous background focused in the areas of Sales, IT and Teaching.

Holdings: 2,000 shares and 34,483 warrants.

MARIA THILMANN

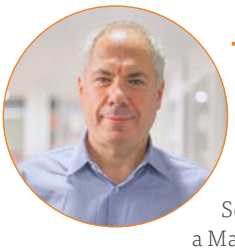
VP OF HUMAN RESOURCES

Education: Master of Human Resources from Gothenburg University, Sweden.

Joined Mentice: 2019

Professional background: 20 years of experience from management in Human Resources within different segments and countries.

Holdings: 464 shares and 2,000 warrants.



THANOS KARRAS

VP & GM REGION AMERICAS

Education: Thanos received his MBA from the Kellogg Graduate School of Management and holds a Master of Engineering degree in Computer Science from the University of Florida.

Joined Mentice: 2019

Professional background: Thanos joined Mentice early January and brings exceptional healthcare industry experience with over 20 years background from the medical arena with senior positions both from GE Imaging, Siemens Healthcare and most recently from Sectra.

Holdings: 0 shares and 20,000 warrants.

KJELL ASSERLIND

VP & GM EMEA/CIS REGION

Education: Mechanical Engineering degree, Diploma in Higher Marketing and Basic Economics from Gothenburg University, Sweden.

Joined Mentice: 2014

Professional background: 20+ years in international IT high-tech sales, marketing and management with companies like, Financial Technologies, Nasdaq OMX, Xdin, Silicon Graphics and Sun Microsystems.

Holdings: 0 shares and 43,330 warrants.

mentice

BOARD OF DIRECTORS

LAWRENCE D. HOWELL

CHAIRMAN

Member of the board since: 2011

Education: Law degree from University of Virginia Law School. Bachelor in History from University of Virginia. Member of Virginia State Bar Association.

Lonnie Howell has held multiple executive positions in the banking and investment sector since the late 1970s, most recently as Chief Executive Officer of EFG International, a listed bank holding company. Between 1995-1997, Lawrence was CEO of the predecessor, EFG Bank, and Chief Executive Officer of EFG Bank Zurich 1997-2005. Lawrence worked for Coutts & Co. International Private Banking 1989-1995. From 1995 to 1997, Lawrence was CEO of the predecessor entity, EFG Bank, and Chief Executive Officer of EFG Bank Zurich from 1997 to 2005. Lonnie was also with Coutts & Co. International Private Banking from 1989 until 1995, where he was Head of Americas based in New York and responsible for clients domiciled in the Americas as well as for the bank's offices in the USA, the Bahamas, Bermuda, Cayman Islands and Latin America. Prior to 1993, he was Head of Americas and Asia in Zurich and New York. From 1986 to 1989, Lawrence spent three years at Citibank Switzerland as Vice President in charge of Swiss Ultra High Net Worth clients. From 1985 to 1986 he was with McKinsey & Co. in New York consulting on insurance, retail banking and private banking.

Lonnie embarked his career at Citibank in 1978 as internal legal counsel for the International Private Banking Division. Thereafter, from 1981 to 1984 he was Chief of Staff for the Head of Private Banking for Europe, Middle East and Africa (JP Cuoni).

Holdings: 8,690,980 shares held by spouse Karin Howell Bidermann. 54,000 shares through fully owned subsidiary Gulf Offshore Limited.

Independent: Independent in relation to the company and its management, but not in relation to major shareholders.

EOLA ÄNGGÅRD RUNSTEN

Member of the board since: 2020

Education: B.Sc from Stockholm School of Economics.

Eola Änggård Runsten has held executive management positions in several companies. She is currently an independent advisor and holds board positions in Sdiptech, ILT AB and ACQ Bure. Prior assignments include CFO at AcadeMedia AB (publ), CFO EQT Management Sarl, Group Head of Human Resources EQT Partners, and other positions within SEB, Affibody AB, Alfred Berg, and Handelsbanken, and currently, a management consultant in her own company.

Holdings: 2,400 shares.

Independent: Eola is independent in relation to the company, its management and major shareholders.

JOHANN KOSS

Member of the board since: 2015

Education: MBBS from the University of Queensland. MBA from Rotman School of Management at the University of Toronto.

Johann Koss is an internationally recognized social entrepreneur who has been widely acknowledged for his work in promoting the use of sport and play as a tool for positive childhood development. He founded Right To Play in 2000, dedicating himself to growing it into an influential international nongovernment organization and a leader in the Sport for Development and Peace movement. Currently, the organization operates in more than 20 countries reaching over one million children each week, and has of 2014 had an annual budget of $48 million. The organization is supported by 650 staff worldwide and 16,000 volunteer Coaches.

Johann has received a number of awards for his philanthropic service and leadership. Most recently, he received the Order of Canada from the Governor General, the order is the cornerstone of the Canadian Honours System, recognizes outstanding achievement, dedication to the community and service to the nation. Before founding Right To Play, Johann was an Olympic speed skater and is considered to be one of the greatest winter Olympians of all time. In 1994 he made world headlines when he won three gold medals in the Lillehammer Olympic Games, in his home country of Norway.

Holdings: 0 shares and 0 warrants.

Independent: Independent in relation to the company and its management, and in relation to major shareholders.

DAVID J. BALLARD

Member of the board since: 2019

Education: M.D., F.A.C.P., M.S.P.H., Ph.D., M.B.A., trained at the Mayo Clinic following completion of undergraduate degrees in chemistry and economics and graduate degrees in epidemiology (M.S.P.H and Ph.D.) and in medicine from the University of North Carolina (UNC) where he was a Morehead Scholar, North Carolina Fellow and junior year Phi Beta Kappa inductee. He completed an MBA with honors (Beta Gamma Sigma) at the UNC Kenan-Flagler Business School in May 2021.

David is a global healthcare executive with demonstrated abilities for improving healthcare value and organizational financial performance while providing international thought leadership. Prior to joining Mentice, David was Consultant and founding Head of the Mayo Section of Health Services Evaluation, Professor of Medicine and Epidemiology at Emory University, and Senior Vice President and Chief Quality Officer of Baylor Scott and White Health, the largest health care system in Texas.

He was recognized by Becker's Hospital Review for many years as one of 50 experts leading the field of patient safety and is a past President of the International Society for Quality in Health Care. Widely recognized as a global scholar in healthcare quality and value, his two books on healthcare quality leadership received Shingo Awards for their contributions to operational excellence in healthcare.

He received in 2008 the Distinguished Alumnus Award of the UNC School of Medicine and the corresponding recognition in 2019 of the UNC Gillings School of Global Public Health. He served for a decade on the boards of Baylor Scott and White The Heart Hospital, a highly innovative health care system-physician joint venture hospital, and of the Baylor Scott and White Health and Select Medical long-term care and rehabilitation services joint venture.

He co-founded in May 2020 Concentric Health Alliance, a supply chain company dedicated to the timely provision of low cost and high-quality Personal Protective Equipment, for which he serves as Chief Clinical Officer (https://www.concentrichealthalliance.com/about), serves as an Advisor for Pascal Metrics (the world's leading health care harm measurement company dedicated to improving patient safety and operational efficiency), and is a member of the UNC Chancellor's Global Leadership Council.

Holdings: 15,905 shares and 238,320 warrants.

Independent: Independent in relation to the company and its management, and in relation to major shareholders.

DENIS GESTIN

Member of the board since: 2019

Education: BA in Marketing at EDC Paris Business School.

Denis Gestin has over 30 years of experience in the management and commercial development of medical technologies companies. He began his career at Ela Medical Inc. (Livanova), and later joined St. Jude Medical where he most recently was President of the International Division (OUS) and was instrumental in the development of the company from $600 million to close to $6 billion. He then became Senior VP of Global Commercial Integration after the merger with Abbott Laboratories.

Denis serves as Chairman of the board in Holistick Medical, France, for Endo Tools Therapeutics and is board member of CathVision.

Holdings: 0 shares and 0 warrants.

Independent: Independent in relation to the company and its management, and in relation to major shareholders.

GÖSTA JOHANNESSON

Member of the board since: 2019

Education: B.Sc. in Business Administration and Economics at Uppsala University and AMP at Wharton business school.

Gösta Johannesson, is Senior Advisor at Bure Equity. Gösta has been working with investments more than 20 years. Prior to Bure, Gösta was a Partner at Provider Partners between 2000-2013 were he negotiated and completed several M&A deals and financing rounds. He has also held several senior positions at Öhman Fondkommission and Handelsbanken Markets.

Gösta has a broad experience of different industries and has been board member in several companies. He is currently chairman of the board of XVIVO Perfusion, deputy chairman of Interflora, board member of Yubico, Scandinova and others.

Holdings: 10,000 shares held indirectly through company.

Independent: Independent in relation to the company and its management, but not in relation to one major shareholders.

FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT

TSEK	Note	Jan–Dec 2021	Jan–Dec 2020
Net Sales	2.3	185,064	137,503
Other Income	4	5,155	13,376
		190,219	**150,879**
Raw materials and consumables used		-35,148	-33,398
Other External Costs	6, 20	-47,191	-40,248
Personnel Costs	5, 20	-105,426	-81,304
Depreciation of Tangible Assets	12	-4,287	-3,655
Amortization of Intangible Assets	11, 23	-17,889	-10,487
		-209,941	**-169,092**
Operating Income (EBIT)		**-19,722**	**-18,213**
Financial Income		4	1,306
Financial Expenses		-1,553	-1,679
Net Financial Items	7	**-1,549**	**-373**
Earnings before tax (EBT)		**-21,271**	**-18,586**
Tax	8	-7,920	5,494
Net result for the Year		**-29,191**	**-13,092**
Net result for the Year attributable to:			
Shareholders Parent Company		-29,191	-13,092
Earnings per share	9		
Basic (SEK)		-1.18	-0.54
Diluted (SEK)		-1.18	-0.54

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TSEK	Note	Jan–Dec 2021	Jan–Dec 2020
Net result for the year		-29,191	-13,092
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Items that may be reclassified to profit or loss			
Translation differences on translation of foreign operations		2,827	-1,980
Other comprehensive income for the year		**2,827**	**-1,980**
Total comprehensive income for the year		**-26,364**	**-15,072**

CONSOLIDATED BALANCE SHEET

TSEK	Note	Dec 2021	Dec 2020
Assets			
Goodwill	11	42,291	42,291
Patents	11	17,945	20,162
Internally developed Intangible Assets	11	45,766	38,914
Tangible Assets	12	14,091	7,970
Rights-of-use Assets	13	14,062	11,221
Deferred Tax Assets	8	13,966	20,576
Total Non-current Assets		**148,121**	**141,133**
Inventories	15	9,195	5,769
Accounts Receivables	14	68,324	29,481
Prepaid Costs and Accrued Income	16	17,895	16,493
Other Receivables		5,672	3,642
Cash and Cash Equivalents	17	12,697	48,753
Total Current Assets		**113,783**	**104,138**
Total Assets		**261,904**	**245,271**
Equity and Liabilities			
Share Capital		1,238	1,236
Other Paid in Capital		144,760	144,760
Retained Earnings		-9,111	17,255
Total Equity Attributable to Parent Company Shareholders	18	**136,887**	**163,251**
Long term Liabilities			
Leasing liabilities long-term	19	10,086	6,368
Total Long-term Liabilities		**10,086**	**6,368**
Accounts Payable	21	8,997	16,763
Tax liabilities	8	319	166
Other Liabilities		3,602	2,829
Current leasing Liability		4,618	5,142
Accrued Expenses and Deferred Income	20	97,395	50,752
Total Current Liabilities		**114,931**	**75,652**
Total Equity and Liabilities		**261,904**	**245,271**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TSEK	Share Capital	Other Paid in Capital	Translation Reserve	Retained Earnings	Total equity
At 1 January 2020	**1,207**	**91,231**	**61**	**32,266**	**124,765**
Transactions with owners in their capacity s owners					
Issue of shares	29	50,009			50,038
Issue of shares not registered		3,520			3,520
Profit for the year				-13,092	-13,092
Other comprehensive income for the year			-1,980		-1,980
Total comprehensive income for the year			**-1,980**	**-13,092**	**-15,072**
Closing balance at 31 December 2020	**1,236**	**144,760**	**-1,919**	**19,174**	**163,251**
At 1 January 2021	**1,236**	**144,760**	**-1,919**	**19,174**	**163,251**
Transactions with owners in their capacity s owners					
Issue of convertible/warrants					
Issue of shares	2			-2	0
Issue of shares not registered					0
Profit for the year				-29,191	-29,191
Other comprehensive income for the year			2,827		2,827
Total comprehensive income for the year			**2,827**	**-29,191**	**-26,364**
Closing balance at 31 December 2021	**1,238**	**144,760**	**908**	**-10,019**	**136,887**

CONSOLIDATED STATEMENT OF CASH FLOWS

TSEK	Note	Jan–Dec 2021	Jan–Dec 2020
Operating activities			
	27		
Earnings before tax		-21,271	-18,586
Adjustment for Non-cash items		22,367	15,214
Income tax paid		-434	-498
Change in trade receivables and other current assets		-39,425	10,671
Change in inventories		-3,138	2,988
Change in trade payables and other current liabilities		36,771	20,745
Cash flow from operating activities		**-5,130**	**30,534**
Investing activities			
Acquisitions of equipment	12	-9,049	-3,275
Acquisitions of business, net cash effect	10	-	367
Capitalisation of internally developed intangible assets	11	-16,853	-22,063
Cash flow from investing activities		**-25,902**	**-24,971**
Financing activities			
Amortization of lease liability	13	-5,783	-3,978
Cash flow from financing activities		**-5,783**	**-3,978**
Cash flow for the year		-36,815	1,585
Opening cash balance		48,753	48,041
Translation difference on cash and cash-equivalents		759	-873
Cash and bank balances at year-end		**12,697**	**48,753**

PARENT COMPANY INCOME STATEMENT

TSEK	Note	Jan–Dec 2021	Jan–Dec 2020
Net Sales	2, 3	132,723	103,361
Capitalised expense for development	11	16,456	22,063
Other Income	4	5,159	8,622
		154,338	**134,046**
Raw materials and consumables used		-23,618	-23,273
Other External Costs	6, 20	-67,068	-63,170
Personnel Costs	5, 20	-75,776	-63,998
Depreciation of Tangible Assets	12	-881	-497
Amortization of Intangible Assets	11	-20,840	-5,526
		-188,183	**-156,464**
Operating Income (EBIT)		**-33,845**	**-22,418**
Financial Income		9,600	1,220
Financial Expenses		-1,836	-1,309
Net Financial Items	7	**7,764**	**-89**
Result after Financial items		**-26,081**	**-22,507**
Corporate tax	8	-5,194	5,411
Net result for the Year		**-31,275**	**-17,096**

PARENT STATEMENT OF COMPREHENSIVE INCOME

TSEK	Note	Jan-Dec 2021	Jan-Dec 2020
Net result for the year		-31,275	-17,096
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Items that may be reclassified to profit or loss			
Other comprehensive income for the year, net of tax			
Total comprehensive income for the year		**-31,275**	**-17,096**

PARENT COMPANY BALANCE SHEET

TSEK	Note	Dec 2021	Dec 2020
Assets			
Intangible and Tangible Assets			
Goodwill	11	34,093	42,759
Patents	11	19,016	21,636
Internally developed Intangible Assets	11	45,766	38,914
Tangible Assets	12	3,158	2,334
Financial Assets			
Shares in Group Companies	26	41,656	41,656
Receivables from Group Companies	19	13,476	2,679
Deferred Tax Assets	8	7,966	13,123
Total Non-current Assets		**165,132**	**163,100**
Inventories	15	6,541	4,801
Accounts Receivables	14	35,400	22,309
Prepaid Costs and Accrued Income	16	6,887	9,274
Other Receivables		15,075	3,215
Cash and Cash Equivalents	17	4,968	41,388
Total Current Assets		**68,871**	**80,987**
Total Assets		**234,003**	**244,087**

PARENT COMPANY BALANCE SHEET

TSEK	Note	Dec 2021	Dec 2020
Equity and Liabilities			
Restricted Equity			
Share Capital		1,238	1,236
Fund for development costs		52,914	45,750
Non-restricted Equity			
Share premium reserve		144,750	144,760
Retained Earnings		-35,316	-11,058
Net result for the Year		-31,275	-17,096
Total Equity	18	**132,311**	**163,592**
Long term Liabilities			
Liabilities to Group Companies	19	31,449	28,966
Total Long-term Liabilities		**31,449**	**28,966**
Accounts Payable	21	7,978	15,797
Tax liabilities	8		-
Other Liabilities		3,805	1,422
Accrued Expenses and Deferred Income	20	58,460	34,310
Total Current Liabilities		**70,243**	**51,529**
Total Equity and Liabilities		**234,003**	**244,087**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Restricted Equity		Non-restricted Equity			
TSEK	**Share Capital**	**Fund for Development Costs**	**Share Premium Reserve**	**Retained Earnings**	**Net Result for the Year**	**Total Equity**
At 1 January 2020	**1,207**	**27,894**	**91,230**	**23,962**	**-17,160**	**127,133**
Proposed appropriation of profits				-17,160	17,160	
Transactions with owners in their capacity as owners						
Issue of shares	29		50,009			50,038
Issue of shares no registered			3,521			3,521
Profit for the year		17,856		-17,860	-17,096	-17,100
Other comprehensive income for the year						0
Total comprehensive income for the year				**0**	**-17,096**	**-17,096**
Closing balance at 31 December 2020	**1,236**	**45,750**	**144,760**	**-11,058**	**-17,096**	**163,592**
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						
Registration of issue of shares	2			-2		0
Profit for the year		7,164	-10	-7,160	-31,275	-31,281
Other comprehensive income for the year				0		0
Total comprehensive income for the year				**0**	**-31,275**	**-31,275**
Closing balance at 31 December 2021	**1,238**	**52,914**	**144,750**	**-35,316**	**-31,275**	**132,311**

PARENT COMPANY STATEMENT OF CASH FLOW

TSEK	Note	Jan–Dec 2021	Jan–Dec 2020
	27		
Operating activities			
Earnings before tax		-26,081	-22,507
Adjustment for Non-cash items		12,242	6,143
Income tax paid		-254	-215
Change in trade receivables and other current assets		-21,723	29,038
Change in inventories		-2,187	-19
Change in trade payables and other current liabilities		21,178	9,757
Cash flow from operating activities		**-16,825**	**22,197**
Investing activities			
Cash flow from investing activities			
Acquisitions of equipment	12	-1,709	-1,266
Acquisitions of business, net cash effect	10	0	367
Capitalisation of internally developed intangible assets	11	-16,456	-22,063
Acquisition of financial assets		-1,430	0
Cash flow from investing activities		**-19,595**	**-22,962**
Financing activities			
Share options		-5	0
Cash flow from financing activities		**-5**	**0**
Cash flow for the year		-36,420	-765
Opening cash balance		41,388	42,152
Translation difference on cash and cash-equivalents		0	1
Cash and bank balances at year-end		**4,968**	**41,388**

NOTES TO THE FINANCIAL REPORTS

NOTE 1 • Accounting Policies

The annual report and the consolidated statements have been approved by the Board of Directors and the CEO on 5 April 2022. The consolidated income statement, consolidated statement of comprehensive income, balance sheet and the parent company income statement and balance sheet will be adopted at the annual meeting at 27th of April.

The consolidated accounts have been prepared with the assumption of the going concern. Assets and liabilities are valued on a historical basis, with the exception of some financial assets and liabilities measured at the lowest of acquisition value and fair value. The below stated principles has, with the exceptions described, applied consistently för all periods that is presented in the consolidated financial reports. The accounting principles for the group has also been applied consistently for all companies of the group. No new or changed accounting principles or interpretations came into effect in 2021 or within 2022 that would be expected to have a substantial impact on the Group

Compliance with standards and legislation

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU.

Furthermore, the Swedish Council for Financial Reporting's (Rådet för finansiell rapportering) recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied. The parent company annual report have been prepared in accordance with annual account act (1995:1554) and in accordance with recommendation RFR2 Accounting for legal entities from the council of financial reporting. The parent company applies the same accounting principles as the group except in the cases listed below under the section "Parent Company's accounting principles".

Measurement bases applied during the preparation of the financial statements

Assets and liabilities are recognized at the historical acquisition cost apart from derivative instruments, which are measured at fair value.

Functional currency and reporting currency

The Parent Company's functional currency is the Swedish Krona (SEK), which is also the official reporting currency for the Parent Company and the Group. This means that the financial statements are presented in Swedish Krona (SEK). All amounts are rounded off to the nearest thousand.

Classification etc.

Fixed assets, long term liabilities and accruals in all essentials, comprise amounts that are expected to be recouped or paid later than twelve months after the balance sheet date.

Current assets and short-term liabilities in all essentials, comprise amounts that are expected to be recouped or paid within twelve months from the balance sheet date, with exceptions to accrued revenue that is reported in the balance sheet as a consequence of our subscription-based business model can be liabilities within 3.5 years.

Assumptions when presenting the parent company's and consolidated financial statements

Preparing financial statements pursuant to IFRS requires the company to make estimates and assessments as well as for the management to make assumptions that influence the application of the accounting principles and the recognized amounts for assets, liabilities, income, and costs. The areas which include a high degree of assessment, which are complex or such areas where assumptions and estimates are of considerable importance for the consolidated financial statements are stated in respective notes. In the fourth quarter the consolidated accounts include items of non-recurring nature, for the quarter or for the full year or both. In total the profit for the year was impacted negatively with SEK 4.6 million.

MSEK	
Raw materials and consumables used	1.0
Conversion of commission to seller	2.3
Reserve for US sales tax	1.3
Total effect on EBITDA	**4.6**

Projects activated in the balance sheet can with reasonable certainty be expected to generate economic benefits in the foreseeable future. Assets are written off in a linear manner during the estimated usage period. Assessment of possible write-down of goodwill and patents are done each year through calculating the recoupment value of cashflow generating units for the assessment of a possible need for write-down of goodwill and patents, several assumptions of future conditions and estimates have been made. When making these impairment calculations a WACC of 22.1% and the forecast in the business plan for the group is used. Assets for research and development are assessed separately per project and for 2021 impairment was done with SEK 2.2 million due to change in scope for the development project.

Consolidation policies

Subsidiaries

In the consolidated accounts is included the parent company Mentice AB (publ), the fully owned subsidiary in America, Mentice Inc, the fully owned subsidiary in Switzerland, Mentice SA, the fully owned subsidiary in China, Mentice MBJ and the fully owned subsidiary in Japan, Mentice KK. The acquisition last year in quarter 4 of Vascular Simulations was done as an asset deal.

The following exchange rates have been used in the financial statements:

	Average exchange rate		Exchange rate on balance day	
Currency	2021	2020	2021	2020
AED	2.5643	2.4901	2.7026	2.2400
BRL	1.5906	1.8167	1.5856	1.5715
CAD	6.8453	6.8603	7.0636	6.3996
CHF	9.3845	9.7979	9.8546	9.2541
CNY	1.3307	1.3329	1.4186	1.2537
EUR	10.1449	10.4767	10.2269	10.0375
GBP	11.8022	11.7981	12.0179	11.0873
JPY	0.0781	0.0861	0.0785	0.0792
USD	8.5815	9.2038	9.0437	8.1886

Source: Sweden's Riksbank

Principles of consolidation and business combinations

Subsidiaries are recognized according to the acquisition method, whereby assets and liabilities are recognized at fair value according to an acquisition analysis. The difference between the cost of the subsidiary's shares and the fair value of the acquired assets, liabilities taken over and contingent liabilities constitutes goodwill on consolidation. Subsidiaries' financial reporting is included in the consolidated financial statements as from the acquisition date until the date when the controlling interest ceases. Intra-group receivables and liabilities, income and expenses, and unrealized profits or losses arising from intra-group transactions are eliminated in their entirety in the presentation of the consolidated financial statements. Unrealized losses are eliminated in the same manner as unrealised profits, but only where no need for write down is to be considered.

Translation differences arising in currency translations of foreign operations are recognized in the statement of total comprehensive income and is accumulated as a separate component of equity, called translation reserve.

Foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rate prevailing on the date of the transaction. Functional currency is the currency of the primary economic environment in which the companies operate. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate applicable on the balance sheet date.

Exchange rate differences that arise in translation are recognised in profit/loss for the year. Non-monetary assets and liabilities are recognised at historic acquisition value translated to the exchange rate at the time of the transaction. Non-monetary assets and liabilities that are recognised at fair value are translated to the functional currency at the exchange rate prevailing at the time for the fair value measurement. At the balance sheet date, the fair value of outstanding forward exchange contracts was 0 (215) TSEK, which is recognised as an income or cost in the income statement. Hedge accounting is not applied.

Revenue and performance obligations

Revenue is measured based on the payment that is specified in the agreement with the customer. The Group recognises the revenue when the control of a product or service has been transferred to the customer. Information about the character and time for fulfilling the performance obligations in agreements with customers and associated revenue accounting principles are summarised below.

Revenue from sales of simulators and software

Revenue from system sales, i.e., simulators and software licenses, are recognised as revenue on delivery, when the control has passed to the buyer. Revenue from sales of software licenses as subscription model is recognised over the licence or subscription period, normally one year.

Revenue from sales of services

Revenue from service and support agreements are recognised over the period the support agreement cover, normally one year.

Revenue from consultancy assignments

Revenue from customised consultancy assignments, which run over time, are recognised as revenue based on the actual hours spent.

Segmental reporting

An operating segment is a component of a group that engages in business activities from which it may earn income and for which discrete financial information is available. An operating segment is followed up further by the CEO of the company to evaluate revenue as well as to be able to allocate resources to the operating segment. See note 3 for further description of the division and presentation of operating segments.

Financial income and expense

The group's financial income and expense include interest income on bank balances and receivables and interest-bearing securities, interest expenses on loans, income from dividends, exchange-rate differences, unrealized and realized profits from financial investments and derivative instruments used in financial operations

Leasing agreements

In accordance with IFRS 16, right-of-use such as rental agreements for premises and equipment is recognized as an asset in the balance sheet and a lease liability is recognized, which represents an obligation to make future lease payments related to the right-of-use. The company defines short-term leases as contracts whose remaining lease term is less than 12 months, and these contracts are not defined as right-of-use assets and cost are included during the period the assets is used. If the underlying asset has a value below SEK 50 thousand the exception smaller leases are used and the cost is included direct into the income statement.

Taxes

Income taxes are comprised of current tax and deferred tax. Income taxes are recognized in profit or loss of the period, except where the underlying transaction is recognized in other comprehensive income or in shareholders' equity, where the associated tax effect is recognized in the same place in other comprehensive income or shareholders' equity.

Current tax is tax that is to be paid or recovered in respect of the current year, applying tax rates in applying tax rates determined or in practice at the date of balance sheet. In the countries where the parent company and subsidiaries conduct business and generates taxable income and is tax that is paid or received in the year 2021. Current tax also includes adjustments to the current tax, attributable to previous periods. Deferred tax assets pertaining to deductible temporary differences and unused tax losses carry forward are only recognized to the extent that it is probable that they will be utilized. Deferred tax is stated in its entirety, pursuant to the balance sheet method, for all temporary differences that arise between the taxable value of assets and liabilities and their carrying amounts in the consolidated accounts. Tax losses carry forward is included in deferred tax assets when it is probable to use in the foreseeable future and the value of deferred tax on losses is reduced when it is deemed not probable to use them. In December 2021 SEK 5.2 million of the accrued tax losses carry forward asset was expensed referring to the parent company as a result of changing the probability for usage.

Corporate tax on dividend if applied is recognised at the same time that the dividend is booked to liabilities.

Intangible assets

Research and development

Expenses for development, where results from research or other knowledge are applied to attain new or improved products or processes, are recognized as an asset in the statement of financial position, if the product or the process is technically and commercially usable and the company has sufficient resources to complete the development and, thereafter, use or sell the intangible asset. The recognized value includes all directly attributable expenses, e.g. for materials and service, payments to employees, registration of a legal right, depreciation of payments and licenses, borrowing expenses pursuant to IAS23. Other expenses for development are recognized in profit or loss for the year as cost when they are incurred. In the statement of financial position, recognized development expenses are entered at acquisition value minus accumulated depreciations and any impairments.

Estimated useful life:

- research and development assets are 5 years

Other intangible assets

Other intangible assets that are acquired by the Group comprise patents and goodwill and are recognized at acquisition value minus accumulated write-offs and depreciation (see below).

Straight-line amortization is applied in the income statement over intangible assets estimated useful life unless the useful life is indefinite.

- The estimated useful life of other intangible

assets are 10-20 years, mainly patents.

Tangible fixed assets
Tangible fixed assets are recognized in the group at acquisition value after deductions for accumulated depreciation and any impairment. The acquisition value includes the purchase price as well as expenses directly attributable to putting the asset into place and condition to be used as intended according to the purpose of the acquisition. Borrowing expenses that are directly attributable to purchase, design or production of assets that take a substantial period of time to get ready for intended use or sale are included in the assets' cost of acquisition. Depreciation according to plan of property, plant and equipment is based on a determined useful life. Straight-line depreciation is applied over the assets' estimated useful life.

Estimated useful life:

- tangible fixed assets are 5 years

Write-downs of intangible and tangible assets
Each time a report is to be published, an assessment is made as to whether there is any indication of a decrease in the value of the group's tangible and intangible assets. Any impairment requirement regarding goodwill and other intangible assets not amortized on an ongoing basis is tested annually or more often if there are indications that the asset may have decreased in value. If this is the case, the group makes an assessment of the asset's recoverable amount. The recoverable amount is either the asset's fair value, with a deduction for selling expenses, or the value in use, whichever is the higher. The value in use is the present value of all payments received and made which are attributable to the asset during the period it is expected to be used in the business, with the addition of the present value of the net realizable value at the end of the useful life of the asset.

When making these impairment calculations a WACC of 22.1% and the forecast in the business plan for the group is used.

Assets for research and development are assessed separately per project and for 2021 impairment was done with SEK 2.2 million due to change in scope for the development project.

Inventory
Inventories are measured at the lower of the acquisition cost and net sales value. The acquisition cost for inventories is estimated by applying the first in, first out method (FIFO) and it includes expenses that are incurred during acquisition of stock assets and their transport to their current location and condition. The risk of obsolescence is also considered here.

Trade accounts receivables and other receivables
Trade accounts receivables are recognized in the balance sheet as and when the invoice is sent. Deductions are made for doubtful receivables which are assessed individually. Impairment of trade accounts receivable is recognized in operating expenses. Other assets are recognized in balance sheet based on the company assuming the risk for the assets.

Financial assets and liabilities
A financial asset or a financial liability is recognized in the balance sheet when the company becomes a party to the contractual provisions of the instrument. A financial asset is removed from the balance sheet when the contractual rights are realized or expire or when the company loses control over them. The same applies to part of a financial asset. A financial liability is removed from the balance sheet when the contractual obligation is fulfilled or in some other way expires. The same applies to part of a financial liability. Receivables and liabilities in foreign currency are measured at the closing day exchange rate. Exchange rate differences on operating receivables and liabilities are included in the operating result and exchange rates on financial receivables and liabilities are included in financial net. Financial assets and liabilities are valued at cost with the exception of financial instruments which are valued to market value and any changes to the value is reported in the income statement.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, immediately available bank balances and other money market instruments with an original duration of less than three months.

Trade accounts payables
Trade accounts payables are recognized in the balance sheet as and when the invoice is received.

Governmental grants
Government grants relate to financial contributions from government agencies received in exchange for Mentice meeting certain conditions. Grants that are attributable to the result are reported as prepaid income in the balance sheet and are recognized as income so that they meet the cost to which the support relates to. In 2021, governmental support amounting to SEK 0 (6,161) thousand was received, which in its entirety has been reported in the income statement. During the Covid-19 pandemic, Mentice received support related to government redundancy programs during 2020. Of the total amount of support received, SEK 0 (4,755) thousand has been received in the USA and the remaining SEK 0 (1,406) thousand has been received in Sweden.

Earnings per share

Calculation of earnings per share is based on the Group's net income for the year attributable to the Parent Company shareholders and on the weighted average number of shares outstanding during the year.

Warranty program
There is one outstanding warrants program directed at the company's employees. Employees who have wished to participate in the warrants program have paid a premium corresponding to the market value of the warrant calculated pursuant to Black & Scholes' formula. As the market value has been paid, there is no effect on the company's net income for the period or on its financial position. The warrants program is further described in the note 5.

Contingent liabilities
A contingent liability is recognized when there is a possible commitment stemming from events that have occurred and whose occurrence is confirmed only by one or more uncertain future events or when there is a commitment which is not recognized as a liability or provision due to the fact that it is not likely that an outflow of resources will be required

The parent company's accounting principles
The parent company has prepared its annual reporting in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR2 Accounting for Legal Entities. Statements issued by the Swedish Financial Reporting Board regarding listed companies are also applied. RFR2 regulate that within the annual report for the legal entity, the parent company must apply all IFRS, and statements adopted by the EU as far as possible within the framework of the Annual Accounts Act, the Insurance Act and with regard taken to the relationship between accounting and taxation. The recommendation specifies which exceptions and additions to IFRS that should be made.

Differences between the accounting principles for the group and the parent
The differences between the Group's and the Parent Company's accounting policies are stated below. The accounting principles stated below for the Parent Company have been applied consistently in all periods presented in the Parent Company's financial reports

Leasing
The parent company does not apply IFRS16 in accordance with the exception found in RFR2. As a lessee, the parent company recognizes leasing fees as a cost on a straight-line basis over the lease period, and thus rights of use and leasing liabilities are not recognized in the balance sheet.

Classification and presentation
The income statement and balance sheet are presented for the parent company according to the structure in the Swedish Annual Accounts Act, the statement of changes in equity and the cashflow statement are based on the IAS1 Presentation of Financial Statements and the IAS7 Statement of Cash Flows. The differences compared to the Group's financial reports that are reflected in the parent company's income statement and balance sheet, are mainly accounted for by equity.

Subsidiaries
Participations in subsidiaries and joint venture agreements are recognised in the parent company according to the acquisition value method. This means that acquisition costs are included in the reported value of the holding in subsidiaries. Testing of the value of subsidiaries is carried out when there is an indication of a decrease in value.

Tax
Appropriations including deferred tax liabilities are recognised in the parent company in the consolidated financial statements however, appropriations are divided into deferred tax liabilities and equity. In the income statement for the parent company, no division is made, in a comparable way, of part of the appropriations to deferred tax expense.

Goodwill
The parent company is depreciating the asset goodwill, the group does not.

NOTE 2 • Revenue

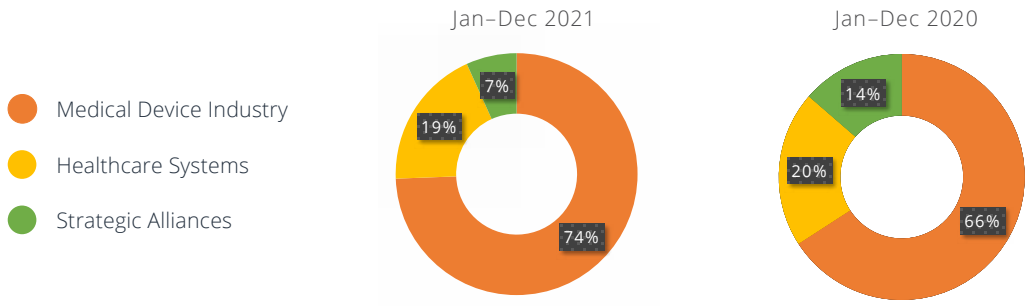
The Mentice Group distributes its income from agreements with customers in three components, product groups, geographical markets and business areas.

Distribution of net sales

Net sales per product group TSEK	Group		Parent company	
	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
System sales	78,570	63,177	46,754	56,239
Software licenses	39,756	28,484	24,193	20,953
Support & Service contracts	66,738	45,843	61,776	26,169
Total	**185,064**	**137,504**	**132,723**	**103,361**

The company's largest customer is 12.1 (11.6)% of the Group's total net sales, which is 22,315 (16,001) TSEK. Net sales are reported under the business area Medical Device Industry.

Group Net sales per business area is reported in below table



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

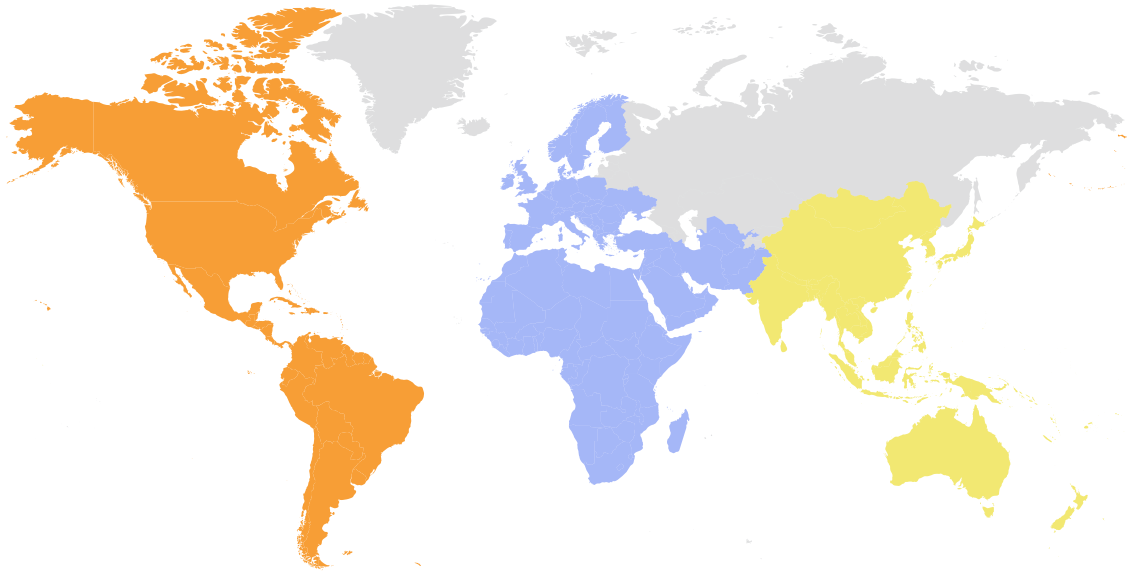
The **Medical Device Industry** business area consists of global providers of products where Mentice's adaptable simulation solutions can be integrated to fit specific needs. The business area includes solutions for training, sales and marketing, research, and clinical evaluations.

The business area for **Healthcare systems** includes the efforts aimed at teaching entities in academic and university hospital settings, as well as its efforts aimed at healthcare entities. The latter is focused on solutions for continuous professional development, maintenance of skills and planning, rehearsal and physical guidance.

Strategic Alliances refers to the integration of Mentice solutions in leading cath lab systems from leading suppliers Siemens Healthineers, Philips Healthcare and Laerdal.

NOTE 2 • Revenue, cont.

NET SALES PER GEOGRAPHIC MARKET



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

Net sales per geographic market TSEK	Jan–Dec 2021	Jan–Dec 2020	Change
EMEA	41,801	42,253	-1.1%
APAC	50,560	37,309	35.5%
Americas	92,703	57,941	60.0%
Total	**185,064**	**137,503**	**34.6%**

CONTRACT BALANCES

As for contracts with customers where deliveries are in the future the balance for assets and liabilities is outlined in the table below

Contract balances TSEK	Group		Parent company	
	Jan-Dec 2021	Jan-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Agreement Assets	6,892	12,738	744	7,083
Agreement Liabilities	68,250	36,980	38,209	23,985

Contract assets primarily relate to the right for the group to get compensation from work executed but not invoiced at the date of the balance sheet and is mainly consultancy work.

Contract liabilities primarily relate to advances in payment received from the customer, which mainly relate to consultancy work and service commitments.

NOTE 3 • Operating Segments

The operation of the group is divided into operating segments on the basis of what parts of the business the company's chief operating decision maker follows up, a so-called "management approach"

Mentice business is organised so that Group management follows up sales and gross income that the Group's various revenue flows generate. AS Group management follows up the sales and gross margin of the business and make decisions regarding the distribution of resources on the basis of the goods the Group develops and sells, these constitute the Group's segments within Mentice referred to as product groups.

The following segments have been identified:

- **SYSTEM SALES** – SALES AND RENTAL REVENUES FROM HARDWARE
- **SOFTWARE LICENCES** – SALES OF LICENCES BOTH PERPETUAL AND SUBSCRIPTION MODEL
- **SERVICE** – SALES OF SUPPORT, DEVELOPMENT AND OTHER SERVICE CONTRACTS

Group segments

TSEK	System sales		Software licences		Service		Total Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Sales for capital expenditure	78,570	63,177	39,756	28,484	24,631	11,090	142,957	102,751
Recurring revenue	7,056	3,148	35,051	31,604	-	-	42,107	34,752
Total	**85,626**	**66,325**	**74,807**	**60,088**	**24,631**	**11,090**	**185,064**	**137,503**
Raw materials and consumables used	-30,770	-23,777	-798	-378	-1,374	-697	-32,942	-24,852
Gross profit	54,856	42,548	74,009	59,710	23,257	10,393	152,122	112,651
Gross profit %	64.1%	64.2%	98.9%	99.4%	94.4%	93.7%	82.2%	81.9%

NOTE 4 • Other Income

	Group		Parent company	
TSEK	2021	2020	2021	2020
Exchange Rate Profits on Receivables/ Liabilities of an Operating Character	5,300	7,215	5,301	7,214
Other	-145	6,161	-145	1,406
Total	**5,155**	**13,376**	**5,156**	**8,620**

Other income includes support given from state related to redundancy aid during the Covid 19 pandemic.

In 2021 Mentice repaid 145 of the received support in Sweden during 2020 and SEK 4,755 thousand has been received in the USA and the remaining SEK 1,406 thousand in Sweden.

NOTE 5 • Employees, personnel costs and renumeration to senior executives

Costs for renumeration to employees

TSEK	Group		Parent company	
	2021	2020	2021	2020
Salaries and other renumeration	85,697	65,361	54,039	44,889
Pension costs	9,458	7,615	4,335	3,724
Social security payments	16,167	14,702	13,932	12,316
Capitalised expense for development	-16,853	-22,063	-	-
	94,469	**65,615**	**72,306**	**60,929**

Average number of employees

TSEK	Total		whereof men	
	2021	2020	2021	2020
Sweden	56	54	37	39
Germany	1	1	1	1
India	1	-	1	-
Singapore	1	-	1	-
Total parent	59	55	40	40
USA	34	30	25	25
China	4	3	4	3
Japan	2	2	2	2
Total subsidiaries	40	35	31	30
Total group	**99**	**90**	**71**	**70**

The average number of employees is defined at the average of four (4) measurement points over the year.

Gender distribution in the management team

Percent	Share of women			
	Group		Parent company	
	2021	2020	2021	2020
Board	17%	17%	17%	17%
Other senior executives	18%	29%	18%	29%

NOTE 5 • Employees, personnel costs and renumeration to senior executives cont.

Salaries and other remuneration distributed between board/CEO and other employees

TSEK	Board/CEO		Other employees		Total	
	2021	2020	2021	2020	2021	2020
Parent company	5,435	5,038	48,604	39,858	54,039	44,889
Whereof variable renumeration	(–)	(–)	(–)	(–)	(–)	(–)
Subsidiaries	0	393	43,839	36,022	43,839	36,415
Whereof variable renumeration	(–)	(–)	340	(–)	340	(–)
Total	**5,435**	**5,431**	**92,443**	**75,880**	**97,878**	**81,304**
Whereof variable renumeration	(–)	(–)	340	(–)	340	(–)

Salaries and other remuneration distributed between senior executives and other employees

TSEK	Senior executives		Other employees		Total	
	2021	2020	2021	2020	2021	2020
	11 persons	8 persons				
Group						
Salaries and other renumeration	19,438	13,365	66,259	51,996	85,697	65,361
Whereof variable renumeration	4,701	2,604	6,550	3,600	10,651	6,204
Total	**19,438**	**13,365**	**66,259**	**51,996**	**85,697**	**65,361**
Social security expenses	6,463	4,981	19,162	17,336	25,675	22,317
(whereof pension costs)	(2,002)	(1,400)	(7,456)	(9,014)	(9,458)	(7,615)

NOTE 5 • Employees, personnel costs and renumeration to senior executives cont.

Incentive program

TSEK	2021	2020
Outstanding in the beginning of the period	345,568	354,810
Granted during the period	(–)	(–)
Forfeited during the period	(–)	(–)
Exercised during the period		-9,242
Expired during the period	(–)	(–)
Outstanding at the end of the period	**345,568**	**345,568**
Exercisable at the end of the period	(–)	(–)

A warrant incentive program for employees was implemented in May 2019. The warrants program 2019/2024 consists of 1,429,922 warrant rights where each warrant entitles the holder to subscribe for one new share at a price of 66.50 SEK in April 2024. A premium have been paid that corresponds to the market value of the warrant calculated using the Black & Scholes formula. As the market value has been paid, the program has no effect on the company's result for the period or its financial situation.

The board

During the year, SEK 970 (970) thousand in board fees has been paid out to the board. Gösta Johannesson received SEK 170 (170) thousand, Denis Gestin SEK 360 (360) thousand, David J Ballard SEK 170 (170) thousand, Eola Änggård Runsten SEK170 (170) thousand and Johann Koss SEK 100 (100) thousand. There was no fee paid out to the chairman of the board, Lawrence D Howell. Fees have also been paid out for work in the audit committee with SEK 40 thousand to the chairman and SEK 20 thousand per member and fee to remuneration committee is SEK 40 thousand to the chairman and SEK 20 thousand per member. The fee to Denis Gestin is divided to remuneration for board work and consultant fee for consulting activity.

Chief executive officer

Chief executive officer Göran Malmberg has received remuneration of 4,465 TSEK (4,461) in total during the financial year, of which SEK 0 (0) thousand in variable remuneration.

NOTE 6 • Remunerations to auditors

TSEK	Group		Parent company	
	2021	2020	2021	2020
KPMG				
Audit	840	480	840	480
Other commissions	-	-	-	-
Michael Richter Inc				
Audit	386	450	-	-
Other commissions	-	-	-	-

Audit assignments refer to statutory audit of the annual report, the consolidated financial statements, the accounting records as well as the administration of the board of directors and the chief executive officer as well as review and other audits conducted according to agreement or contract. This includes other tasks that are up to the company's auditors to perform as well as advice and other assistance as a result of observations made during the audit or the implementation of such other duties.

NOTE 7 • Net Financial Items

TSEK	Group		Parent company	
	2021	2020	2021	2020
Interest Income and Similar Profit/Loss Items				
Interest Income	4	9		
Exchange Rate Gains		1,297	233	1,220
Reversal of write-down of financial asset			9,367	0
Total	**4**	**1,306**	**9,600**	**1,220**
Whereof Subsidiaries			9,367	1,220
Whereof Others				
Interest Costs and Similar Profit/Loss Items				
Interest Costs	-539	-540	-591	-207
Exchange Rate Losses	-1,014	-1,133	-1,245	-1,102
Other Financial Expenses		-6		
Total	**-1,553**	**-1,679**	**-1,836**	**-1,309**
Whereof Subsidiaries	-139		-498	-271
Whereof Others	-435		-1,338	-1,038

Reversal write-downs refers to long term receivable subsidiary in USA

NOTE 8 • Taxes

TSEK	Group		Parent company	
	2021	2020	2021	2020
Current Tax Expense (-) Tax revenue (+)				
Tax expense for the year	-393	-286	-37	-31
Deferred Tax Expense (-) Tax revenue (+)				
Deferred tax attributable to temporary differences	-2,370	-177	-	-
Deferred tax on losses carry forward	-5,157	5,957	-5,157	5,442
Total recognised Tax expense in the income statement	-7,920	5,494	-5,194	5,411

The total tax deficit included in the balance sheet for the group is SEK 69.5 million consisting of SEK 38 million for the parent and SEK 31.5 million for Mentice Inc. Accrued tax assets have been recognised with SEK 14.0 (20.6) million for the group and SEK 8.0 (13.1) million for the parent.

Reconciliation of recognised tax and effective tax rate

TSEK	Group		Parent company	
	2021	2020	2021	2020
Profit / Loss before tax	-21,271	-18,586	-26,081	-22,507
Tax according to parent company applicable tax rate	4,382	3,829	5,373	4,636
Effect of other tax rates in foreign subsidiaries	-870	45	-	-
Non-deductible expense	-302	-317	-267	-1,987
Tax exempt income		857	1,930	2,014
Assessment and use of tax losses carry forward	-11,130	1,080	-12,229	748
Effective tax recognised	-7,920	5,494	-5,194	5,411
	-37.2%	29.6%	-19.9%	24.0%

NOTE 8 • Taxes, cont.

Change in Deferred Tax in Temporary Differences and Loss Carry-forwards

Group

TSEK	Balance as of 1 Jan 2021	Recognised in Profit/Loss for the Year	Recognised in other Comprehensive Income	Recognised in Changes in Equity	Acquisition/ Divestment of Business	Balance as of 31 Dec 2021
Tangible/Intangible Assets	-45	-1,785				-1,830
Inventory	-186	265		186		265
Other Receivables	97					97
Deferred Income	143					143
Capitalization of Loss Carry-forwards	20,566	-6,007		732		15,291
	20,575	**-7,527**	**0**	**918**	**-**	**13,966**

Group

TSEK	Balance as of 1 Jan 2020	Recognised in Profit/Loss for the Year	Recognised in other Comprehensive Income	Recognised in Changes in Equity	Acquisition/ Divestment of Business	Balance as of 31 Dec 2020
Tangible/Intangible Assets	20	-65				-45
Inventory		-186				-186
Other Receivables	–	97				97
Deferred Income	166	-23				143
Capitalization of Loss Carry-forwards	15,629	5,957	-1,020			20,566
	15,815	**5,780**	**-1,020**	**–**	**–**	**20,575**

Parent company

TSEK	Balance as of 1 Jan 2021	Recognised in the Income Statement	Recognised in Other Comprehensive Income	Recognised in Changes in Equity	Balance as of 31 Dec 2021
Other	670				670
Capitalization of Loss Carry-forwards	12,453	-5,157			7,296
	13,123	**-5,157**	**-**	**-**	**7,966**

NOTE 8 • Taxes, cont.

Parent company

TSEK	Balance as of 1 Jan 2020	Recognised in the Income Statement	Recognised in Other Comprehensive Income	Recognised in Changes in Equity	Balance as of 31 Dec 2020
Deferred Income	386	284			670
Capitalization of Loss Carry-forwards	7,296	5,157			12,453
	7,682	**5,441**	**–**	**–**	**13,123**

NOTE 9 Earnings per share

TSEK	Basic	
	2021	2020
Earnings per Share	-1.18	-0.54

TSEK	After dilution	
	2021	2020
Earnings per Share	-1.18	-0.54

Earnings per Share

Profit/Loss for the Year Attributable to the Parent Company's Ordinary Shareholders

TSEK		2021
Profit/Loss for the Year Attributable to the Parent Company's Shareholders		-29,191
Profit/Loss Attributable to the Parent Company's Ordinary Shareholders		**-29,191**

	2020
Profit/Loss for the Year Attributable to the Parent Company's Shareholders	-13,092
Profit/Loss Attributable to the Parent Company's Ordinary Shareholders	**-13,092**

Weighted Average Number of Ordinary Shares

Thousands of Shares	2021	2020
Weighted Average Number of Ordinary Shares during the Year, Basic	24,764,261	24,285,974
Weighted Average Number of Ordinary Shares during the Year, After Dilution	24,764,261	24,285,974

NOTE 10 • Acquisition of operation

During 2021 no new acquisitions have been announced or concluded but on October 1 2020, Mentice announced that the acquisition of the substantial assets from Vascular Simulations Inc (Vascular Simulations). The purchase price amounted to 5.6 million USD (approx. 48 million SEK) with a possible additional purchase price of maximum 0.4 million USD (approx. 3.5 million SEK). The purchase price will be paid with a directed new shares issue in Mentice AB. Vascular Simulations is in Stony Brook, (NY, USA) and has developed an ultra-realistic and hemodynamic replicated environment for endovascular therapies since 2011. The acquisition comprised the significant assets in Vascular Simulations as well as most of the company's personnel, where Vascular Simulations functions as a separate business unit within Mentice.

On October 8, Mentice signed an agreement to acquire all assets in the Jacksonville, Florida-based healthcare technology company EQIP for 180,000 USD (approx. 1.6 MSEK) with a possible additional purchase price of up to 70,000 USD (approx. 0.6 MSEK). 50% of the purchase price will be paid through newly issued shares and 50% through cash payment. EQIP is a health technology start-up in the field of cloud services and data analytics. Its flagship online service, myIRlog™ (www.myIRlog.com), currently provides US based health providers and physicians with the possibility to easily and securely, log and track a wide range of interventional radiology procedures. To date, myIRlog™ has logged over 120,000 cases performed by close to 1,000 interventional radiologists.

The acquisitions have had the following effect on the Group's assets:

Group

TSEK	Carrying amount		Total
	Vascular Simulations Inc	Eqip Inc	
Intangible assets	11,000,000	–	11,000,000
Tangible assets	693,000	–	693,000
Cash	1,320,000	–	1,320,000
Short term liability	1,872,113	–	1,872,113
Net identifiable assets	14,885,113		14,885,113
Goodwill	40,101,319	2,061,145	42,162,464
Purchase price	52,800,022	1,906,470	54,706,492

NOTE 11 • Intangible Assets

Group

TSEK	Internally Developed Intangible Assets	Acquired Intangible Assets	Acquired Intangible Assets	Total
	Development Expenses	Patents	Goodwill	
Accumulated Acquisition Value				
Opening Balance 2020-01-01	27,225	13,845	919	41,989
Internally Developed Assets	22,063			22,063
Other Investments		11,401	41,694	53,095
Closing Balance 2020-12-31	**49,288**	**25,246**	**42,613**	**117,147**
Opening Balance 2021-01-01	49,288	25,246	42,613	117,147
Internally Developed Assets	16,853			16,853
Closing Balance 2021-12-31	**66,141**	**25,246**	**42,613**	**134,000**
Accumulated Depreciation and Impairment				
Opening Balance 2020-01-01	-7,027	-3,089	-138	-10,254
Depreciation for the Year	-3,347	-1,995	–	-5,342
Write-down for the Year			-184	-184
Closing Balance 2020-12-31	**-10,374**	**-5,084**	**-322**	**-15,780**
Opening Balance 2021-01-01	-10,374	-5,084	-322	-15,780
Adjustment opening balance 2021-01-01				
Depreciation for the Year	-7,798	-2,218		-10,016
Write-down for the Year	-2,203			-2,203
Closing Balance 2021-12-31	**-20,375**	**-7,301**	**-322**	**-27,998**
Carrying Amount				
As of 2020-01-01	20,198	10,756	781	31,735
As of 2020-12-31	38,914	20,162	42,291	101,367
As of 2021-01-01	38,914	20,162	42,291	101,367
As of 2021-12-31	45,766	17,945	42,291	106,002

NOTE 11 • Intangible Assets, cont.

Parent Company

TSEK	Internally Developed Intangible Assets	Acquired Intangible Assets	Acquired Intangible Assets	Total
	Development Expenses	Patents	Goodwill	
Accumulated Acquisition Value				
Opening Balance 2020-01-01	27,225	15,720	919	43,864
Internally Developed Assets	22,063			22,063
Other Investments		11,000	42,162	53,162
Closing Balance 2020-12-31	**49,288**	**26,720**	**43,081**	**119,089**
Opening Balance 2021-01-01	49,288	26,720	43,081	119,089
Internally Developed Assets	16,456			16,456
Closing Balance 2021-12-31	**65,744**	**26,720**	**43,081**	**135,545**
Accumulated Depreciation and Impairment				
Opening Balance 2020-01-01	-7,027	-3,089	-138	-10,254
Depreciation for the Year	-3,348	-1,997	-	-5,345
Write Down for the Year			-184	-184
Closing Balance 2020-12-31	**-10,375**	**-5,086**	**-322**	**-15,783**
Opening Balance 2021-01-01	-10,375	-5,086	-322	-15,783
Adjustment opening balance 2021-01-01				
Depreciation for the Year	-7,400	-2,618	-8,666	-18,684
Write Down for the Year	-2,203			-2,203
Closing Balance 2021-12-31	**-19,978**	**-7,704**	**-8,988**	**-36,670**
Carrying Amount				
As of 2020-01-01	20,198	12,631	781	33,610
As of 2020-12-31	38,914	21,636	42,759	103,305
As of 2021-01-01	38,914	21,636	42,759	103,305
As of 2021-12-31	45,766	19,016	34,093	98,875

NOTE 12 • Tangible Assets

TSEK	Group		Parent company	
	Inventories	Total	Inventories	Total
Acquisition Value				
Opening Balance, January 1, 2020	17,076	17,076	5,270	5,270
Purchases	3,275	3,275	1,266	1,266
Reclassifications to Tangible Assets	1,225	1,225	-	-
Disposals	-319	-319	-	-
Write-down	-303	-303	-	-
Exchange rate differences	-689	-689	-	-
Closing Balance, December 31, 2020	**20,265**	**20,265**	**6,536**	**6,536**
Opening Balance, January 1, 2021	20,265	20,265	6,536	6,536
Purchases	9,639	9,639	1,709	1,709
Disposals	-210	-210	-209	-209
Exchange rate differences	1,334	1,334	-	-
Closing Balance, December 31, 2021	**31,028**	**31,028**	**8,036**	**8,036**
Depreciation				
Opening Balance, January 1, 2020	-9,184	-9,184	-3,707	-3,707
Depreciation for the Year	-3,655	-3,655	-496	-496
Disposals	198	198	-	-
Exchange Rate Differences	346	346	-	-
Closing Balance, December 31, 2020	**-12,295**	**-12,295**	**-4,203**	**-4,203**
Depreciation				
Opening Balance, January 1, 2021	-12,295	-12,295	-4,203	-4,203
Depreciation for the Year	-4,287	-4,287	-882	-882
Disposals	206	206	207	207
Exchange Rate Differences	-561	-561	-	-
Closing Balance, December 31, 2021	**-16,937**	**-16,937**	**-4,878**	**-4,878**
Carrying Amount				
As of 2020-01-01	7,892	7,892	1,563	1,563
As of 2020-12-31	7,970	7,970	2,334	2,333
As of 2021-01-01	7,970	7,970	2,334	2,333
As of 2021-12-31	14,091	14,091	3,158	3,158

NOTE 13 • Rights-of-use Assets

Group

TSEK	Rights-of-use Asset
Acquisition Value	
Per January 1, 2020	21,942
Closing Balance, December 31, 2020	**21,942**
Opening Balance, January 1, 2021	21,942
New contracts	11,628
Terminated contracts	-11,353
Closing Balance, December 31, 2021	**22,217**
Depreciation	
Opening Balance, January 1, 2020	-5,361
Depreciation for the Year	-5,361
Closing Balance, December 31, 2020	**-10,722**
Opening Balance, January 1, 2021	-10,722
Depreciation for the Year	-6,221
Terminated contracts	8,788
Closing Balance, December 31, 2021	**-8,155**
Carrying Amount	
Per 2020-01-01	16,581
Per 2020-12-31	11,220
Per 2021-01-01	11,220
Per 2021-12-31	14,062

NOTE 14 • Trade accounts receivable

TSEK	Group		Parent company	
	2021	2020	2021	2020
Accounts receivable -trade	68,324	29,481	35,400	22,309
Total	**68,324**	**29,481**	**35,400**	**22,309**
Age structure - trade accounts receivable				
Not due	42,385	20,054	25,151	15,374
Due 1-31 days ago	12,099	1,804	5,688	573
Due 32-62 days ago	7,305	857	533	553
Due 63-92 days ago	1,656	131	2	0
Due > 92 days ago	4,879	6,634	4,027	5,809
Total	**68,324**	**29,481**	**35,400**	**22,309**
Trade accounts receivable per region				
EMEA	12,793	6,328	11,036	6,164
USA	33,776	8,086	3,986	1,173
APAC	21,755	15,067	20,378	14,971
Total	**68,324**	**29,481**	**35,400**	**22,309**

NOTE 15 • Inventories

TSEK	Group		Parent company	
	2021	2020	2021	2020
Finished Products and Goods for Resale	9,195	5,769	6,541	4,801

The Parent company's cost of raw materials and consumables used includes impairment of inventories of 447 (0) TSEK

NOTE 16 • Prepaid Expenses and Accrued Income

TSEK	Group		Parent company	
	2021	2020	2021	2020
Rent	970	1,663	970	866
Leases	10	10	10	10
Insurance	411	305	83	300
Accrued Income	6,892	12,738	744	7,083
Additional Prepaid Expenses	9,612	1,777	5,080	1,015
Total	**17,895**	**16,493**	**6,887**	**9,274**

NOTE 17 • Cash and bank equivalents and bank overdraft facility

TSEK	Group		Parent company	
	2021	2020	2021	2020
The following components are included in cash and cash equivalents:				
Cash and Bank Balances	12,697	48,753	4,968	41,388
Total according to statement of financial position	**12,697**	**48,753**	**4,968**	**41,388**

Utilized overdraft facilities as of the balance sheet date amounted to 0 MSEK (0) in the group and 0 MSEK (0) in the parent company. The amount granted on overdraft facilities in the group amounts to 20 MSEK (0) and in the parent company to 20 MSEK (0).

NOTE 18 • Equity

SHARE CAPITAL

There is only one type of share, all shares have the same rights.

On December 31, 2021, the registered share capital encompassed 24,768,850 ordinary shares.

Holders of ordinary shares are entitled to dividends that are established after the event and the shareholding gives the right to vote at general meetings with one vote per share.

OTHER CAPITAL CONTRIBUTIONS

Refers to shareholders' equity that is contributed when subscribing for issues of new shares.

RETAINED EARNINGS AND PROFIT/LOSS FOR THE YEAR

Retained earnings and profit/loss for the year comprise restricted equity and non-restricted equity.

RESTRICTED EQUITY

Restricted equity comprises, apart from share capital, fund for self-generated development expenses.

The fund is reduced in step with the activated expenses being written off or impaired.

NON-RESTRICTED EQUITY

Non-restricted equity comprises the previous year's retained earnings.

Share Classes

Thousands of Shares	2021	2020
Ordinary Shares		
Issued as of January 1	24,728	24,147
Rights Issue	41	581
Issued as of December 31	**24,769**	**24,728**

NOTE 19 • Other long-term liabilities and long-term liabilities to Group companies

TSEK	Group		Parent company	
	2021	2020	2021	2020
Long-term liabilities				
Liabilities to Group Companies			31,449	28,966
Other Long-term Liabilities	10,086	6,368		
	10,086	**6,368**	**31,449**	**28,966**

Other long-term liabilities in the group refers to long term part of lease liabilities see further information in note 23 and liabilities to group companies refers to liabilities to subsidiaries in Switzerland, China and Japan.

Receivables from Group companies				

The parent company has net receivables from the subsidiary Mentice INC in the amount of 13 476 (2 679) SEK.

NOTE 20 • Accrued Expenses and Deferred Income

TSEK	Group		Parent company	
	2021	2020	2021	2020
Deferred service revenue	21,070	11,335	10,539	7,788
Deferred income and accrued expenses	60,024	27,646	34,369	16,197
Accrued holiday pay	6,432	5,765	6,104	5,405
Accrued sales bonus	3,905	-	1,600	-
Accrued social security charges	5,414	4,320	5,298	4,320
Other	550	1,686	550	600
	97,395	**50,752**	**58,460**	**34,310**

NOTE 21 • Measurement of financial assets and liabilities at fair value and categorisation

Group

2021	Carrying amount			Fair value			
TSEK	Measured at fair value via profit/loss	Measured at amortised acquisition cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Accounts Receivable		68,324	68,324				68,324
Other Current Receivables		5,672	5,672				5,672
Cash and Cash Equivalents		12,697	12,697				12,697
	-	**86,693**	**86,693**	-	-	-	**86,693**
Financial Liabilities							
Accounts Payable		8,997	8,997				8,997
Lease liabilities		14,704	14,704				14,704
Other Current Liabilities		3,602	3,602				3,602
	-	**27,303**	**27,303**	-	-	-	**27,303**

Group

2020	Carrying amount			Fair value			
TSEK	Measured at fair value via profit/loss	Measured at amortised acquisition cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Accounts Receivable	215	29,266	29,481		215		29,481
Other Current Receivables		3,642	3,642				3,642
Cash and Cash Equivalents		48,753	48,753				48,753
	215	**81,661**	**81,876**	-	**215**	-	**81,876**
Financial Liabilities							
Accounts Payable		16,763	16,763				16,763
Lease liabilities		11,510	11,510				11,510
Other Current Liabilities		2,829	2,829				2,829
	-	**31,102**	**31,102**	-	-	-	**31,102**

For assets and liabilities valued at cost this value is essentially consistent with fair market value.

NOTE 21 • Measurement of financial assets and liabilities at fair value and categorisation, cont.

Parent company

2021	Carrying amount			Fair value			
TSEK	Measured at fair value via profit/loss	Measured at amortised acquisition cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Accounts Receivable		35,400	35,400				35,400
Other Current Receivables		15,075	15,075				15,075
Cash and Cash Equivalents		4,968	4,968				4,968
	-	**55,443**	**55,443**	-	-	-	**55,443**
Financial Liabilities							
Liabilities to Group Companies		31,449	31,449				31,449
Accounts Payable		7,978	7,978				7,978
Other Current Liabilities		3,805	3,805				3,805
	-	**43,232**	**43,232**	-	-	-	**43,232**

Parent company

2020	Carrying amount			Fair value			
TSEK	Measured at fair value via profit/loss	Measured at amortised acquisition cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets							
Accounts Receivable	215	22,094	22,309		215		22,309
Other Current Receivables		3,215	3,215				3,215
Cash and Cash Equivalents		41,388	41,388				41,388
	215	**66,697**	**66,912**	-	**215**	-	**66,912**
Financial Liabilities							
Liabilities to Group Companies		28,966	28,966				28,966
Accounts Payable		15,797	15,797				15,797
Other Current Liabilities		1,422	1,422				1,422
	-	**46,185**	**46,185**	-	-	-	**46,185**

NOTE 22 • Financial Risk and Risk Management

Maturity Structure Financial Liabilities – Undiscounted Cash Flows

Group

2021 TSEK	Nominal Amount Original Currency	Currency	Nominal Amount Original Currency	Total	< 1 month	1-3 months	3-6 months
Accounts Payable	8,997	SEK	8,997	8,997	8,997		
Total	***8,997***		***8,997***	***8,997***	***8,997***	***0***	***0***

2020 TSEK	Nominal Amount Original Currency	Currency	Nominal Amount Original Currency	Total	< 1 month	1-3 months	3-6 months
Accounts Payable	16,763	SEK	16,763	16,763	16,763	–	–
Total	***16,763***		***16,763***	***16,763***	***16,763***	***–***	***–***

Parent Company

2021 TSEK	Nominal Amount Original Currency	Currency	Nominal Amount Original Currency	Total	< 1 month	1-3 months	3-6 months
Accounts Payable	7,978	SEK	7,978	7,978	7,978	-	-
Total	***7,978***		***7,978***	***7,978***	***7,978***		

2020 TSEK	Nominal Amount Original Currency	Currency	Nominal Amount Original Currency	Total	< 1 month	1-3 months	3-6 months
Accounts Payable	15,797	SEK	15,797	15,797	15,797	–	–
Total	***15,797***		***15,797***	***15,797***	***15,797***	***–***	***–***

NOTE 22 • Financial Risk and Risk Management, cont.

Through its operations, the Group is exposed to various kinds of financial risks.

- Market risk
- Currency risk
- Credit risk

MARKET RISK

Market risk is the risk that the fair value of, or future cash flow from, a financial instrument varies due to changes in market prices. Market risks are divided into three types by IFRS, currency risk, interest rate risk and other price risks. The market risks that primarily affect the Group consist of currency risks.

CURRENCY RISK

Currency risk is the risk that the value of assets and liabilities varies due to changes in exchange rates.

Exchange 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 risks associated to purchases and sales in foreign currency.

The Group's external sales are made exclusively in the currencies EUR and USD.

In the parent company, 70% of the external sales are in EUR, and the majority of costs are in SEK.

The external sales conducted in the US subsidiary is exclusively in USD. The inflow is matched against the subsidiary's outflow, which is comprised of costs that are also exclusively in USD.

SENSITIVITY ANALYSIS

To manage the currency risk, the Group's goal is to minimise the effect of short-term fluctuations on the Group's result.

The Group's currency management policy is to all of the time hedge 60 percent of the total order value in EUR current.

The Group uses futures to hedge its currency risk, where the majority of contracts are due within 3 months of the balance sheet date. Long-lasting currency exchange rate changes will however have an impact on the consolidated result.

A general increase in value of 5 percent for SEK versus USD is estimated to have a negative impact of SEK 0.3 (3) million on the Groups operating result before tax for the financial year 2021.

CREDIT RISKS IN ACCOUNTS RECEIVABLE

The Group's exposure to credit risk is mainly attributable to accounts receivable. The situation of existing customers is also monitored continuously, in order to identify warning signs at an early stage.

When monitoring customer's credit risk, customers are grouped according to their credit properties, their geographical location, industry and trading history with the Group and the existence of any previous financial difficulties.

Accounts receivable are spread across a large number of customers, and no customer represents a significant portion of the total. Neither are trade accounts receivable concentrated to a specific geographical area. The Group therefore assesses that the concentration risk is limited.

The Group has not reported any customer loss reserves or customer losses.

NOTE 23 • Leasing Agreements

TSEK	Duration
Gothenburg, Sweden	March 31, 2025
Chicago, USA	June 30, 2025
Denver, USA	December 31, 2025
Stony Brook, USA	June 30 2023
MKK, Tokyo	May 31 2024
MBJ, Beijing	December 31 2023

	Rented premises	
TSEK	2021	2020
Group		
Right-of-use Assets	22,217	21,942
Accumulated depreciation	-8,155	-10,722
	14,062	**11,220**

Leasing Liabilities Included in the Group - Consolidated Balance Sheet

	Rented premises	
TSEK	2021	2020
Group		
Short-term	4,618	5,142
Long-term	10,086	6,368
	14,704	**11,510**

NOTE 23 • Leasing Agreements, cont.

Amounts Included in the Result

TSEK	2021	2020
Group		
Depreciation right-of-use asset	-6,221	-5,361
Interest on leasing liabilities	-435	-540
Leasing cost for short-term leases	-	-676
Leasing cost regarding low value assets	-61	-
	-6,717	**-6,577**

Mentice's cash flow has been affected by IFRS 16 as described below as of 31 December

TSEK	2021	2020
Group		
Amortisation of lease liability	-5,783	-3,978
Interest on leasing liabilities	-435	-540
Leasing cost for short-term leases	-	-676
Leasing cost regarding low value assets	-61	-
	-6,279	**-5,194**

Duration analysis of leasing agreements, presenting the undiscounted leasing fees to be paid after the balance sheet day

TSEK	2021	2020
Parent company		
Within one year	2,123	3,205
Between one and two years	2,823	801
Between two and three years	2,809	-
Between two and three years	691	-
	8,455	**4,006**
Total lease expense in the parent company	**3,331**	**3,479**

NOTE 24 • Pledged Assets and Contingent Liabilities

Group

TSEK	2021-12-31	2020-12-31
Pledged Assets		
In the form of Assets Pledged for Own Liabilities and Reserves		
Corporate Mortgage	21,500	11,500
	21,500	**11,500**
Total Pledged Assets	***21,500***	***11,500***

Parent company

TSEK	2021-12-31	2020-12-31
Pledged Assets		
Corporate Mortgage	21,500	11,500
Total Pledged Assets	**21,500**	**11,500**
Contingent Liabilities		
Guaranteeing Security	1,671	
Total Contingent Liabilities	***1,671***	

The parent company is guaranteeing security for the American subsidiary rental office for the Chicago office.

NOTE 25 • Appropriation of Retained Earnings

The following equity is at the disposal of the Annual General Meeting in SEK

Other Paid in Capital	144,750,058
Retained Earnings	-35,316,089
Net result for the Year	-31,275,390
Total	**78,158,579**

The Board of Directors proposes that the non-restricted equity is allocated as follows:

To be carried forward	78,158,579

NOTE 26 • Group Companies

Holdings in Subsidiaries

	The Subsidiary's Registered Office, Country	Corporate Identity Number	Carrying Amount	Ownership, %	
				2021-12-31	2020-12-31
Mentice INC	Chicago, Illinois, US	EIN 36-4355601	19,011	100.0%	100.0%
Mentice KK	Tokyo, Japan	0104-01-113133	101	100.0%	100.0%
Mentice SA	Lausanne, Switzerland	CH-550-100855-0	22,066	99.9%	99.9%
Mentice International Trading	Beijing, China	91110105MA01HUNX9Y	478	100.0%	100.0%

Parent Company

TSEK	2021-12-31	2020-12-31
Accumulated Acquisition Values		
At the beginning of the year	82,154	82,154
Holdings in New Subsidiary	–	–
Closing balance 31 December	***82,154***	***82,154***
Accumulated Depreciation		
At the beginning of the year	-40,498	-40,498
Impairments for the Year	–	–
Closing balance 31 December	***-40,498***	***-40,498***
Recognised Value on 31 December	**41,656**	**41,656**

NOTE 27 • Specifications for the Cash Flow Statement

TSEK	Group		Parent company	
	2021	2020	2021	2020
The Following Components are Included in Cash and Cash Equivalents:				
Cash and bank balances	12,697	48,753	4,968	41,388
Total according to the Balance sheet	**12,697**	**48,753**	**4,968**	**41,388**

TSEK	Group		Parent company	
	2021	2020	2021	2020
Interest Paid and Dividends Obtained				
Revived interest	4	9	0	-
Interest paid	-104	-4	-104	-3
	-100	**5**	**-104**	**-3**

TSEK	Group		Parent company	
	2021	2020	2021	2020
Adjustments for Items not Included in the Cash Flow				
Depreciation	19,956	14,142	19,364	6,023
Unrealised Exchange rate Differences	211	747	-605	54
Write down of fixed assets		325		
Write-down of Inventory		-	447	-
Write-down of intangible Assets	2,200		2,200	-
Realised gains from sales of tangible fixed assets				66
Reversal write-downs			-9,367	
Total	**22,367**	**15,214**	**12,039**	**6,143**

The change in the lease liability during the year amounted to 3,194 TSEK (-3,938 TSEK). Opening balance for the year was 11,510 TSEK (15,448 TSEK), amortization of the lease liability for the year amounted to -5,783 TSEK (-3,978 TSEK) and non-cash items amounted to 8,977 TSEK (40 TSEK). The closing balance for the year was 14,704 TSEK (11,510 TSEK).

Non-cash items are presented in the below table:

TSEK	2021	2020
New leases	11,628	
Terminated contracts	-2,117	
Interest	435	540
Exchange rate differences	-969	-500
	8,977	**40**

NOTE 28 • Events after the Closing Date

- Mentice sees the news and the continuous development of the war in Ukraine with sadness and concern for the people of Ukraine. Our business is though so far not seeing impact on our order intake or sales as this region is not currently a part of the market for Mentice. We see some impact due to the increase of costs for freight and components.
- A new member of the management team starting 14th of February - we welcome Jan Grund Pedersen as VP Strategic Alliances and business development to Mentice.
- Mentice receives the first order of 10 systems on the agreement for cooperation with Siemens Healthineers China on the 14th of March.

NOTE 29 • Information about the Parent Company

Mentice AB is a Swedish registered limited company with registered office in Gothenburg. The address of the head office is Odinsgatan 10, Gothenburg, Sweden.

The consolidated financial statements for the period 1 January 2021 – 31 December 2021 consist of the parent company and its subsidiary, jointly called the Group.

CERTIFICATION OF THE BOARD

The Board and the Chief Executive Officer hereby certify that the annual report has been prepared in accordance with good accounting standards in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards described in the Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

The annual report and the consolidated accounts present a fair view of the parent company and the Group's financial position and result. The Board of Director's Report for the parent company and the Group present a fair view of the development of the parent company's and the Groups' business operations, position and result and describes import risks and factors of uncertainty that the parent company and the companies in the Group are exposed to.

The annual report and the consolidated accounts have, as stated above, been approved for publication of the board and the Chief Executive Officer on April 5, 2022. The consolidated accounts' consolidated income statement and total result and consolidated balance sheet for the Group and the parent company's result and balance sheet will be subject to a vote on the annual general meeting on April 27, 2022.

Göteborg, April 5 2022

Lawrence D Howell
Chairman of the Board

Göran Malmberg
Chief Executive Officer

David J Ballard
Member of the Board

Denis Gestin
Member of the Board

Eola Änggård Runsten
Member of the Board

Gösta Johannesson
Member of the Board

Johann Koss
Member of the Board

We submitted our Auditor's Report on April 6th, 2022.

KPMG AB

Fredrik Waern

Authorised Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders
of Mentice AB, corp. id 556556-4241

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of Mentice AB for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 44-103 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

BASIS FOR OUR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so. The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

– Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Mentice AB for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

– has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

– in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Göteborg, April 6 2022

KPMG AB

Fredrik Waern

Authorized Public Accountant

FINANCIAL CALENDAR

ANNUAL GENERAL MEETING	APRIL 27, 2022
INTERIM REPORT JAN–MAR 2022 (Q1)	APRIL 27, 2022 AT 8:30
INTERIM REPORT APR–JUN 2022 (Q2)	JULY 21, 2022 AT 8:30

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

INTELLECTUAL PROPERTY RIGHTS AND OTHER FORMS OF PROTECTION

Mentice holds 53 individual patents protecting both system and software in 21 different patent families. Most patents last for more than 10 years. Some of the most recently added patents are presented below.

SYSTEMS AND METHODS FOR ROUTING A VESSEL LINE SUCH AS A CATHETER WITHIN A VESSEL

A method for choosing the best catheter and path to reach a particular point in a patient blood vessel anatomy.

SYSTEMS AND METHODS FOR ENDOVASCULAR FLUID INJECTION SIMULATIONS

A system for realistically simulating the haptic effects of fluid injections (such as for example contrast) in an endovascular training environment. This patent was allowed in January 2021, and will be issued in April 2021.

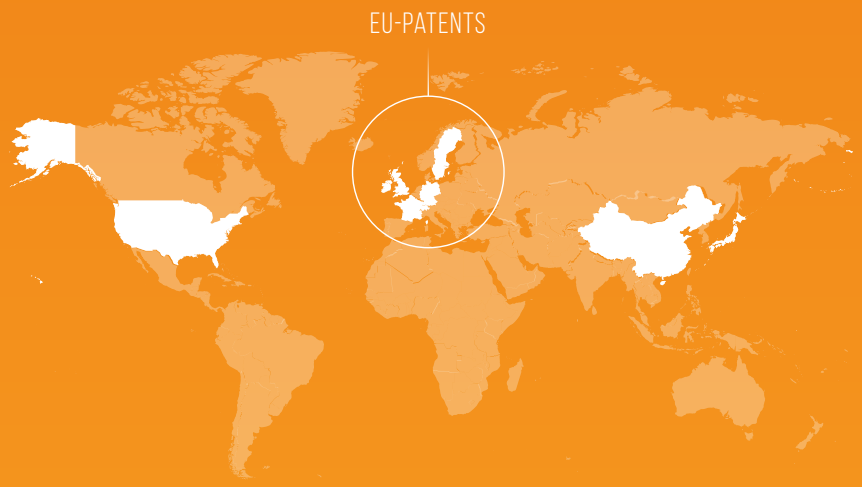
CARDIAC SIMULATION DEVICE

Describing a cardiovasculature simulator system suitable for training, evaluation of, and testing medical devices.

PENDING PATENT APPLICATIONS

In addition to its granted patents, Mentice has several pending patent applications, such as new method for catheter selection, objective and systematic assessment of skills, and enhanced cardiac simulation devices.

SUMMARY OF MENTICE PATENT PORTFOLIO



United States	18 Reg./1 Pending	2021–2036
European Patent	7 Reg./3 Pending	2022–2026
China	5 Reg./1 Pending	2025
Japan	3 Reg./3 Pending	2022–2034
Sweden	3 Reg.	2022

Germany	4 Reg.	2022–2025
Switzerland	3 Reg.	2020–2025
United Kingdom	3 Reg.	2022–2025
France	3 Reg.	2022–2025
PCT	2 Reg./2 Pending	2034

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