mentice

Mentice AB (publ)
Annual report

World-leading simulation solutions for medical device adoption and interventional surgical procedures

2024

Contents

ABOUT THE ANNUAL REPORT

The annual report for the financial year 2024 consists of the Director's report (pages 32–35) and the financial statements together with notes and comments (pages 36–56).

INVESTOR RELATIONS CONTACT

Frans Venker, CEO

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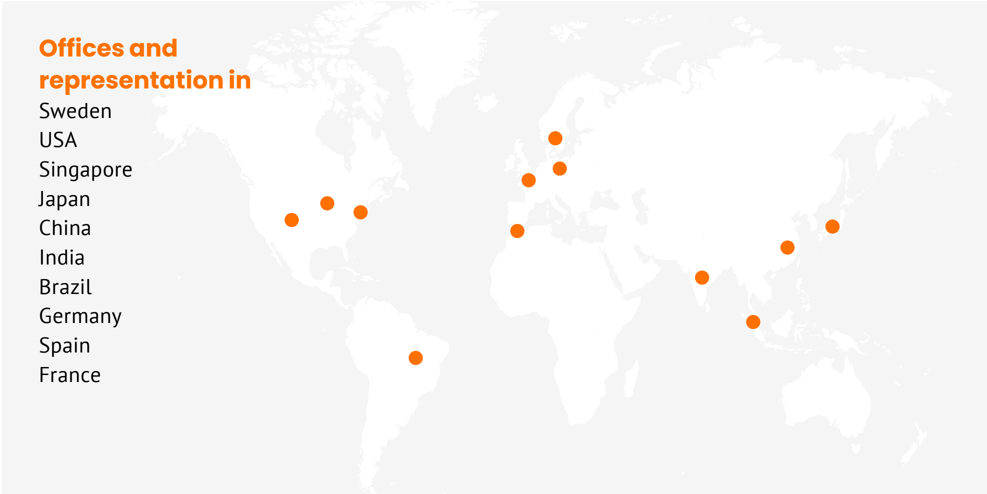
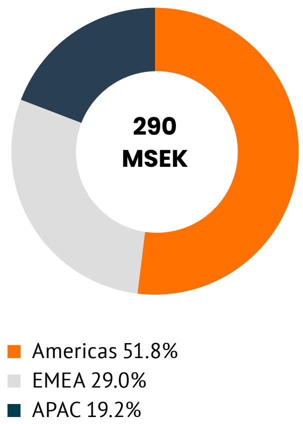
This is a translation of the Swedish original. In case of any inconsistency between the Swedish and English version, the Swedish version shall prevail.



GEOGRAPHIC MARKET



Mentice operates globally in 61 countries

60+
Patents and pending patent applications

3,200+
Systems sold globally

760+
Customers and steadily growing

This is Mentice

Advancing Image-Guided Interventional Therapies (IGIT)*

*Mentice develops advanced simulation solutions for medical device adoption and interventional surgical procedures, enhancing training, planning, and procedural efficiency. The shift toward minimally invasive 'endovascular'** interventions is accelerating, offering safer alternatives to open surgery with reduced risks, shorter hospital stays, and faster recovery times.*

As a global market leader, Mentice empowers healthcare professionals and medtech companies with innovative simulation technologies that enhance procedural skills, optimize device integration, and improve patient safety. Mentice solutions support the development, training, and launch of next-generation medical device innovations.

We specialize in neurovascular, cardiovascular, and peripheral vascular interventions, continuously driving improvements in healthcare outcomes.

These procedures continue to grow as safer, more effective alternatives to conventional open surgeries, offering reduced risks, shorter hospital stays, and faster recovery times for patients.

Image highlights a real cath-lab where endovascular procedures are performed. Mentice solutions support physicians in their clinical practice to optimize medical device and procedural adoption.

* Image-guided Interventional Therapies are medical procedures that use computer-based systems to provide virtual image overlays to help the physician precisely visualize and target the surgical site. This fi eld has been greatly expanded by the advances in medical imaging and computing power over the past 20 years.

** See page 4 for more detailed description of endovascular.

This is Mentice

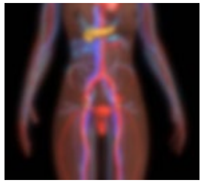
Clinical overview – IGIT – endovascular interventions

Mentice is at the forefront of endovascular interventions

Mentice products and solutions support the following clinical areas of endovascular practices:

Neurovascular - the brain
Treatments for conditions affecting the brain's blood vessels, such as strokes or aneurysms.

Cardiovascular - the heart
Procedures that treat heart and blood vessel diseases, such as heart valve repair and replacements, heart infarcts, cardiac rhythm and atrial fibrillation.

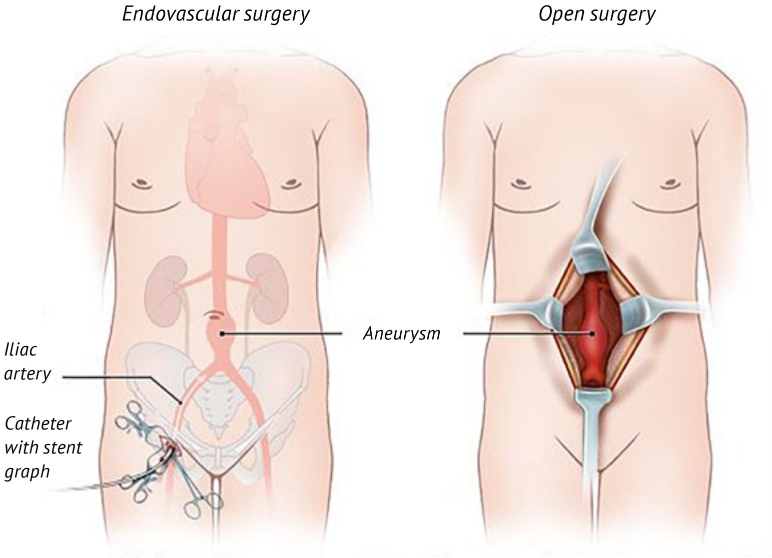


Peripheral vascular - rest of the body
Treatments for blood vessels outside of the heart and brain, addressing conditions like blockages in the legs, abdominal aneurysms and treatment of other main organs of the body.

Endovascular intervention is growing at a rapid pace

Endovascular (IGIT) vs. Open Surgery

Endovascular interventions, using IGIT (image guided interventional therapies), are minimally invasive procedures to diagnose and treat vascular diseases. These are performed under X-ray in a Catheterization Laboratory (Cath Lab). In comparison to traditional open surgical techniques, these less-invasive procedures host several key benefits.



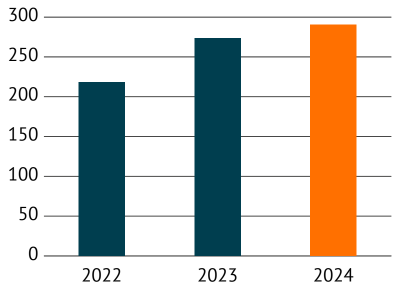
Benefits

- Less pain & anesthesia
- Lower risk of complications
- Shorter recovery time
- Higher patient age limit
- Minimal incision
- Shorter hospital stay

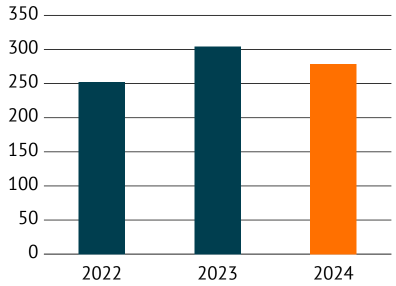
The year in brief

- Net sales amounted to 290.3 (273.6) MSEK, an increase of 6.1%, 5.3% of which is organic.
- Sales in region EMEA 84 MSEK increased with 4.8%, region APAC 56 MSEK increased with 27.6%, region Americas 150 MSEK increase with 0.5%.
- Order intake decreased by 8% and operational cash flow decreased by 17.9 MSEK.

NET SALES, MSEK



ORDERS, MSEK



Summary financial developments

	2024	2023	2022
Net sales, SEK thousand	290,329	273,610	217,954
Profit before tax (EBT), SEK thousand	-13,502	–12	–24,035
Balance sheet total, SEK thousand	323,899	322,527	332,976
Average number of employees	131	116	114
Operating profit , EBITDA, as % of net sales	5.7%	8.8%	–1.8%

Key events

Accelerated market growth

Growth in Mentice continued, with sales increasing just over 6.1% in 2024 compared to the previous year.

*Mentice expanded its global presence in high-growth regions like the Americas and EMEA, increasing adoption of its solutions among MedTech companies and healthcare providers. Virtual Reality simulators remained the top revenue driver, supported by growing demand for physiological flow systems and Ankyras®, which enables comprehensive preparation for complex neurovascular procedures.**

*The year saw several major orders, with the five largest orders ranging between 0.6 – 2.2 MEUR all derived from the top 20 global MedTech Clients**.*

Capital markets day

In March, Mentice hosted its Capital Markets Day in Stockholm, providing investors with key insights into strategic initiatives, market opportunities, and customer perspectives. The event highlighted our growth strategy, technological advancements, and expanding market leadership.

→ ***Watch the recording*** for an in-depth overview of Mentice, its strategic direction, and testimonials from our customers.

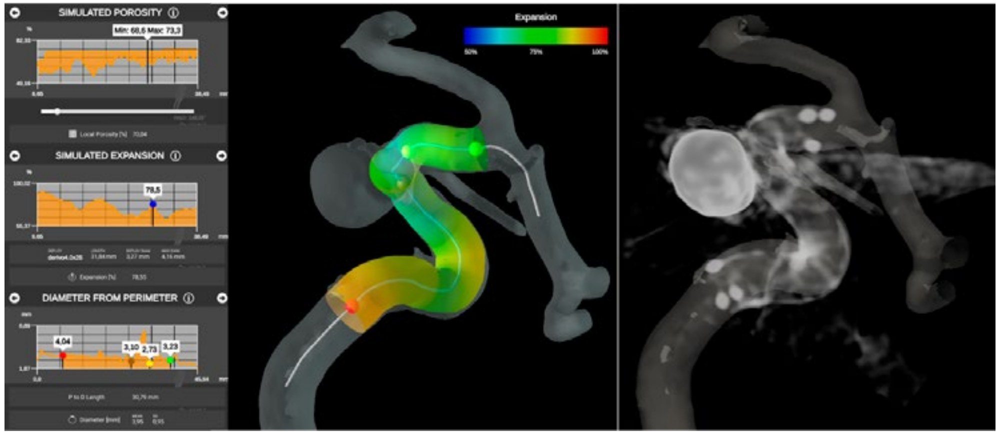
Key product developments during 2024

VIST® & Ankyras® Integration – First-of-its-kind integration enhancing procedural planning and rehearsal.

VIST® Virtual Reality Simulation – Enhanced realism with advanced anatomical modeling and haptic feedback for high-fidelity procedural training.

Physical Simulators –Biomodex acquisition integration, reducing 3D printing timelines and integrating patented Invivotech® vessel density technology for superior simulation.

Ankyras® Decision-Support Software – FDA-cleared, CE-marked, and expanded with new regulatory launches. Increased adoption from competitive accounts, revolutionizing neurovascular intervention planning with precise device selection and placement.



Visual comparison from Mentice Ankyras solution highlighting software generated deployment of a real neurovascular medical device

Launch of revolutionary platform – NV CONNECT, initially targeting the neurovascular market, is a groundbreaking platform that combines advanced training, patient-specific rehearsal, and device integration. It enhances physician confidence and procedural precision, supports real-time performance tracking, and accelerates device adoption while reducing development timelines for medical device manufacturers. See Business Areas, page 13 for more detailed information.

Global medical device customer accounts

Mentice implemented a global structure to strengthen partnerships with leading MedTech companies, driving co-development of innovative solutions, faster product launches, and expanded applications for endovascular procedures, particularly in Electrophysiology and Cardiac Rhythm Management.

New CEO appointment

Mentice appointed Frans Venker as CEO and Group President, effective January 1, 2025. His leadership will drive the next phase of growth and innovation for the company.

** See Page 14 for more detailed information for product and clinical areas.*
*** Mentice definition of a Top 20 Medical Technology company can be found here: https://www.beckershospitalreview.com/innovation/100-largest-medtech-companies.html*

Building on our strengths while focusing on execution

Frans Venker, CEO & President

As I step into my role as CEO of Mentice, I am honored to lead this innovative company with its strong history of driving advancements in Image-Guided Interventional Therapy (IGIT). In reviewing 2024's performance, we achieved solid financial results, demonstrating strength and adaptability, despite growth challenges in our key US market.

Financial performance and market development

For the full year 2024, our revenue grew 6.1% to 290.3 MSEK, with organic growth of 5.3%. While our total order intake decreased by 8% to 278.9 MSEK, we saw a recovery in Q4 with revenue growth of 22.4% and EBITDA reaching 16.6 MSEK. The full-year EBITDA of 16.6 MSEK came in below our target, primarily due to a challenging first half, though our Q4 recovery demonstrated the fundamental strength of our business model and the effectiveness of our cost control measures.

Regional performance showed variations. The Americas region remains our largest market, contributing over 50% of revenue, though growth of only 1% for the year fell short of our expectations. EMEA showed improvement with 0.5% growth, while APAC demonstrated strong momentum with 28% growth.

Our Medical Device Industry (MDI) segment recorded an order intake of 224 MSEK, down 7% from the previous year, though with a recovery in Q4 including several significant orders from leading device companies. Healthcare Systems (HCS) showed momentum, reaching 47 MSEK, up 9%, with growing interest in our training solutions. Strategic Alliances amounted to 8 MSEK. While these alliances are not a primary growth driver, they play a key role in supporting our mid- to long-term innovation efforts. By working closely with our imaging partners, we strengthen our ecosystem, drive collaborative opportunities in the MDI and HCS areas, and ensure alignment with our core objectives.

Leveraging our strengths and driving operational excellence

Mentice strength lies in transforming complex, high-risk procedures into safer, more efficient interventions through advanced simulation technology. Our deep clinical knowledge, technical expertise, and strong relationships with leading medical device companies provide a solid foundation for growth. Through our next-generation platforms like neurovascular (NV) Connect and VIST® Ankyras® integration, we continue to enhance physician training and clinical workflows and improve patient outcomes.

Our Medical Device Industry business remains our primary engine, with opportunities to deepen and widen our customer relationships. However, we see significant untapped potential in the Healthcare Systems segment. To capture this opportunity, we will strengthen our value proposition and relationships with hospitals and clinical service lines, particularly focusing on advanced therapy training and support, while leveraging our strategic partnerships to enhance impact and reach.

"Mentice is a beacon of healthcare transformation. With our industry-leading technology, we have the power to shape the future of Image-Guided Interventional Therapies. It's in our hands to drive this change and make a lasting impact."

To optimize our Healthcare Segment operations, we will continue to focus on streamlining processes, improve team collaboration, and place customers at the center of our approach. This includes clarifying roles and responsibilities while fostering stronger collaboration across our organization - from product development to sales and customer support.

Investing in the future

During 2024, we made significant investments to enhance the realism of our simulation platform and will continue this commitment in 2025. As interventional procedures become more sophisticated, we will expand our platform's capabilities to support these advancements, while actively preparing for emerging technologies such as AI and robotics. These innovations will not only shape the future of medical training but also redefine how procedures are planned and performed. To remain at the forefront of this transformation, we are committed to dedicating the necessary focus and resources to further strengthen our leadership in image-guided interventional therapy.

A promising road ahead

The combination of our industry-leading technology, strong customer relationships, and talented team creates a compelling foundation for the future of Mentice. Interventional procedures and in turn the medical device industry continue to grow rapidly, with today's advanced procedures becoming tomorrow's standard of care. We will work with clear priorities and dedicated focus on execution to strengthen our market position while developing solutions that will shape the future of medical training and patient care.

I want to thank Göran Malmberg for his 17 years of leadership and dedication to Mentice. Under his guidance, Mentice has grown from a pioneering startup to become the global leader in interventional procedure simulation. The strong foundation he built positions us well for our next phase of growth.

With my experience in the IGIT space, I am excited to lead Mentice into its next phase of growth. Together with our talented team, customers, and partners, we will continue driving innovation and creating long-term value for our customers, shareholders, employees, and patients.

Gothenburg, April 2025

Frans Venker, CEO

Mentice position in the market

Driving innovation for efficient and accessible healthcare

Transforming the healthcare landscape

Healthcare challenges in 2024

Western healthcare systems face the ongoing challenge of delivering better care to more people with greater efficiency. Rising life expectancies and new treatments have driven healthcare costs to 11–19% of GDP, with further increases predicted. Cost management remains a critical priority.*

Key to healthcare transformation

Addressing healthcare challenges requires accelerating technology adoption and improving system efficiency and sustainability. Central to this effort is providing effective, patient-specific care while empowering providers to confidently manage the complexities of modern medicine.

Mentice enhances healthcare efficiency and device adoption with advanced interventional procedures.

Market-leading interventional simulation solutions

Mentice simulation technology empowers healthcare providers and medtech companies to deliver minimally invasive therapies more effectively.

- **Mastering complex skills:** Mentice provides a comprehensive platform for acquiring and maintaining expertise in technical skills, device use, team communication, and workflow management.
- **Seamless skill transition:** Solutions bridge training environments and live cath labs, ensuring skills translate effectively to patient care.
- **Supporting device adoption:** Mentice enhances the medical device lifecycle, from awareness and training to global adoption initiatives.

Advancing healthcare efficiency

Mentice solutions address key efficiency challenges in healthcare:

- **Optimized resources:** Simulations improve equipment utilization and minimize procedural waste.
- **Cost savings:** Enhanced efficiency and shorter recovery times enable better resource allocation.
- **Knowledge sharing:** Platforms support rapid adoption of new devices and techniques.
- **Reduced on-patient learning:** Combining simulation with real patient learning reduces procedural times, benefiting all stakeholders.

A win-win for all

Mentice solutions benefit the entire healthcare ecosystem:

- **Healthcare providers:** Enhance efficiency, cut costs, and optimize capacity.
- **Patients:** Enjoy faster recoveries, less pain, and improved outcomes.
- **MedTech industry:** Accelerate device adoption and user proficiency to maximize innovation impact.

Mentice strategic position

In 2024, Mentice solidifies its global leadership in endovascular simulation by addressing the needs of healthcare providers and the medtech industry:

- **Comprehensive solutions:** Support endovascular training from planning to performance across diverse procedures.
- **Global reach:** Impacting healthcare in over 50 countries.
- **Commitment to innovation:** Continuously refining solutions to enhance efficiency and accessibility in healthcare.

* Source: World Bank

Strategic direction

Strategic focus on IGIT expansion

Strategic focus on IGIT expansion

With over 50% global market share in simulation, Mentice is well-positioned to seize growth opportunities in the expanding IGIT market, driven by procedural advancements and new medical device developments. This trend fuels ongoing innovation and medtech product launches.

Mentice actively supports these developments through sales and marketing efforts tied to medical device trials and launches.

VERTICAL PURPOSE AND DEFINITION

- Global market share exceeding 50%
- Steady growth driven by procedural advancements

Mentice vertical positioning & subscription model

As a trusted partner for hospitals and medical technology companies, Mentice enhances market penetration by developing virtual patient environments and immersive simulations that integrate with daily clinical practice. This approach supports both immediate growth in the hospital sector and long-term opportunities in the medical device market, aligning with Mentice vertical strategy.

Mentice is expanding its subscription-based offerings, including system rentals, SaaS, and pay-per-use products such as Ankyras®, to achieve stable and growing revenue streams.

The NV CONNECT platform, the first of its kind, exemplifies this transition with its subscription-based model designed for the medical device industry and healthcare system customers, marking a significant step toward converting Mentice broad customer base into a SaaS model.

Acquisition strategy

Mentice acquisition strategy aims to expand market presence and strengthen its technology leadership in the IGIT space. By leveraging technology, clinical expertise, and customer networks, the company gains greater control over the value chain—from medical device development to procedural adoption. This positions Mentice as a comprehensive provider of IGIT solutions, supporting device innovation and procedural excellence.

Product innovation and development

Mentice remains committed to creating innovative, sustainable, and flexible products.

The company aims to solidify its position as an industry frontrunner by balancing new medical device customization, upselling standardized products, and increasing overall product utilization.

Over the next three years, Mentice plans to enhance simulation realism and explore patient-specific AI applications, expanding its offerings into patient care solutions towards experienced physicians.

Market and environment

Mentice will strengthen collaboration with industry leaders and decision-makers to optimize the clinical benefits of its products for medical device customers. By working closely with key advisors and major clients, Mentice aims to enhance market understanding, drive growth, and effectively position the full value of its offerings.

Mentice strategy: Improve patient outcomes via innovative simulation, technology, and strategic partnerships.

Mentice offering

Supporting physicians in their mission to improve patient outcomes

Mentice is a global leader in Image-Guided Interventional Therapy (IGIT) solutions, offering a unique combination of scientifically validated software and hardware designed specifically for healthcare professionals and the medical device industry. Mentice empowers physicians by providing highly realistic, risk-free simulation training for endovascular procedures, contributing to improved patient outcomes and greater healthcare efficiency.

A growing need for endovascular expertise

Endovascular procedures are crucial for addressing major global health challenges, including cardiovascular diseases, cancer, and neurological conditions. These minimally invasive, image-guided treatments offer fewer complications, faster recovery, and better outcomes than open surgery.

Key applications include:

- **Cardiovascular care:** Angioplasty, stenting, and valvular therapies that treat heart disease and stroke.
- **Cancer treatment:** Tumor ablation and embolization revolutionize care.
- **Neurological advancements:** Thrombectomy and coiling reduce stroke and aneurysm mortality.
- **Chronic and acute conditions:** Procedures address liver cirrhosis, kidney failure, diabetes complications, trauma, and infections.

With rising prevalence of these conditions, investing in training, technology, and infrastructure is critical to meet the growing demand for skilled specialists and improve global health outcomes.

A unique offering for physicians

Mentice solutions empower physicians to enhance their procedural skills, adapt to new technologies, and improve patient outcomes through realistic, risk-free, and hands-on simulation training. Mentice divides these use cases into two areas, Training and Patient Care:

Mentice offering – Training and Patient Care use cases

TRAINING

	Description	Value
Basic	Initial acquisition of procedural and technical skills for residents and fellows	Making sure new physicians have all the necessary skills before starting to operate on real patients
Device	Training for physicians and industry staff in how to correctly use a clinical device	Ensuring correct use and reducing the risk of errors when implementing new technology in the operating room
Advanced	Continuous training for senior physicians focusing on advanced techniques and complex situations (also patient specific)	Providing access to higher case volume, rare anatomies and difficult scenarios in both high- and low-volume hospitals

PATIENT CARE

	Description	Value
Planning	Analysis and decision support for a specific patient preoperatively to prepare for cases in clinical practice	Optimizing device selection and procedural planning for a certain patient, reducing uncertainty and device waste
Rehearsal	Running the planned case in a simulated environment to go through and confirm the steps of the procedure	Going through the procedure plan step by step in a simulated setting to reduce the risk of mistakes and complications
Support	Interactive support during the actual case using information from planning/rehearsal to safely guide procedure delivery	Guiding the physician during the actual procedure to support optimal execution and correct delivery of procedure plan
Debrief	After the real case is completed, comparison between planned and actual procedure for learning and improvement purposes	Assessing how the procedure went compared to the plan, to improve process and learn from mistakes

Product offering and value positioning

Experience bank: advancing skills through simulation

Mentice offers a robust portfolio of simulated interventional procedures, creating unparalleled opportunities for learning:

- **Diverse scenarios:** Over 50 clinical therapies with varied anatomies and devices.
- **Hands-on training:** Simulations for live procedure readiness.
- **Access for all:** Risk-free practice for improved confidence and outcomes.

Cost-effectiveness and operational efficiency for healthcare administrators

Mentice solutions help healthcare administrators enhance efficiency, reduce costs, and ensure quality care:

- **Optimized resources:** Trainees practice independently of equipment or schedules, using idle spaces without disrupting operations.
- **Safer training:** Simulation reduces on-patient learning risks and allows safe adoption of new procedures.
- **Improved efficiency:** Trained physicians perform faster, safer procedures, reducing recovery times and costs.
- **Less waste:** Hands-on practice minimizes errors and material waste during live procedures.

By integrating Mentice, administrators can drive safer training, innovation, and resource optimization for better outcomes.

Research highlights the benefits of simulation

- **Cost-effective:** Reduces errors, improves efficiency, and enhances patient safety.

  → *https://pmc.ncbi.nlm.nih.gov/articles/PMC7400356/*
- **Improved patient safety:** Provides a risk-free environment for skills refinement, reducing errors.

  → *https://pubmed.ncbi.nlm.nih.gov/37670718/*
- **Enhanced clinical skills:** Improves procedural skills, clinical reasoning, and decision-making for better outcomes.

  → *https://pubmed.ncbi.nlm.nih.gov/35516451/*

These findings affirm the value of simulation-based training in boosting efficiency, cutting costs, and improving care—aligned with Mentice solutions.

Transforming patient outcomes

Mentice empowers physicians to deliver safer, better care, impacting millions of lives by:

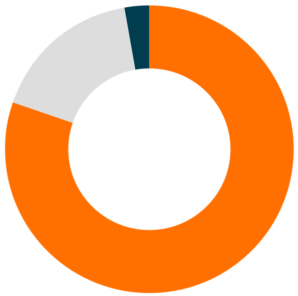
- **Reducing recovery times**
- **Minimizing complications**
- **Expanding access to minimally invasive treatments globally**

Mentice is dedicated to equipping physicians with the solutions to meet the rising demand for advanced interventional procedures, ensuring safer and more effective healthcare worldwide.

Business areas

Mentice operates in three business areas

ORDER INTAKE BY BUSINESS AREA, MSEK



- Medical Device Industry: 224.1 MSEK
- Healthcare systems : 47.1 MSEK
- Strategic Alliances: 7.6 MSEK

Healthcare Systems (HCS)

The HCS business area includes direct and indirect sales to hospitals, with the goal of implementing solutions that assist physicians in their daily clinical practice.

Mentice simulation solutions allow planned and emergency procedures, and patient scenarios with associated complications. Mentice solutions are validated training tools for hospitals and physicians, reducing the need for on-patient training and improving the ability to offer the most relevant care for each individual patient.

The business area includes initial skill development, continuous professional development, maintenance of skills, planning, training and decision support solutions.

Mentice continuous goal is to offer solutions for the daily clinical practice before, during and after an interventional procedure, thus contributing to an increased quality of care.

Medical Device Industry (MDI)

The MDI business area includes solutions for the world's leading manufacturers of medical devices. Mentice solutions are used for training, education, sales and marketing as well as to support medical device research.

Medical device companies are constantly developing new, innovative devices within interventional therapeutic areas. Mentice solutions help MDI companies implement their products in clinical workflow initiatives, helping to make improved therapies available to more patients. Mentice supports our MDI partners throughout complete product lifecycles, from conceptual design to market launch and sales.

Strategic Alliances (SA)

Mentice solutions – primarily angiography and other imaging modalities such as ultrasound – are integrated with cath lab solutions sold by world-leading companies such as Philips Healthcare and Siemens Healthineers. We deliver solutions that cover the entire learning spectrum, from basic technical skills to advanced procedural adoption or optimizing imaging modality training of imaging equipment.

This integration means that Mentice solutions are an integral part of highly specialized cath labs. It is also an innovative way to support physicians learning different imaging modalities and procedures in an immersive clinical environment. For Mentice, it also creates an additional sales channel directly to many of the world's hospitals.

Product areas

The Mentice product portfolio consists of three product groups, with immersive VR simulators accounting for the largest share of the company's turnover. The other product groups are: physiological flow systems and applications for clinical decision support. The strength of the Mentice product range is that physicians can use a combination of the products to train and prepare for endovascular procedures.

To further enhance our offerings, we are aligning these three core product areas into the Connect platform, streamlining MDI development timelines and creating a standardized, seamless experience for HCS physicians. This unified approach begins with neurovascular solutions (launched in 2024), driving innovation in patient care and expanding our impact across clinical practices. It includes a unique solution that integrates Mentice's planning tools with immersive VR simulation – VIST® Ankyras® Flow Diverter Rehearsal – enabling a first of its kind hands-on flow diverter deployment for patient-specific cases planned within Ankyras®.

Mentice VIST® – Immersive VR simulation

This product group, which is the company's largest, focuses on simulating the environment in an operating room both in terms of clinical devices and a virtual replication of patients and anatomies. The haptics-enabled hardware used together with the company's unique software gives users an immersive experience that is as close to a real medical procedure as possible.

By combining anatomically correct models and medical device replication, physicians can train and perform various procedures in a realistic immersive virtual environment. The haptics enabled hardware allows users to train with real medical devices, providing a key learning experience whilst treating complex anatomies.

Medical device manufacturing companies can offer realistic training for their medical devices and thus offer relevant training safely before physicians treat real patients. The goal is to shorten learning time, reduce training costs and radically increase patient access to new treatments and overall quality of care.

VIST® software has been utilized via apps or cloud simulation (Mentice Live) thus allowing a highly flexible yet powerful and uniquely scalable solution to reach a broad audience.

Physical Sim — Physiological flow simulators

Mentice flow model simulators combine advanced 3D printed models of patient anatomies onto a blood flow replicating hardware platform. The hardware platform replicates human-like blood flow and temperature to enable real medical device manipulation and deployment.

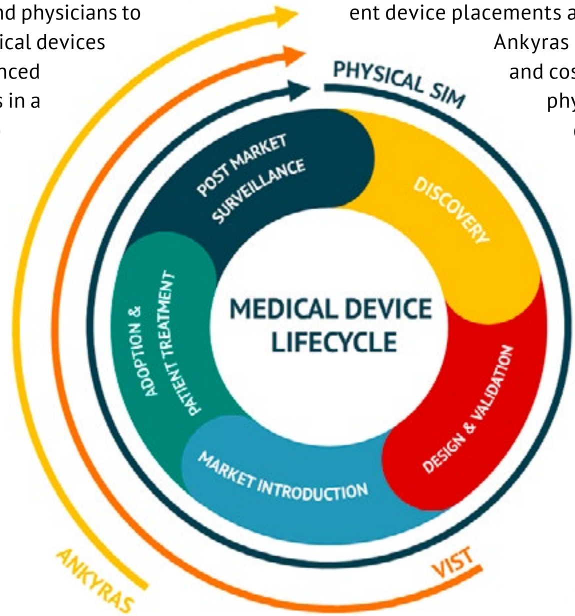
This combination allows the medical device industry and physicians to develop new medical devices and plan for advanced patient anatomies in a safe, real cath-lab environment.

Ankyras® – decision support

Ankyras® is Mentice's first medical device-grade software with CE marking and 510(k) FDA clearance, currently available in the EU and US markets.

Ankyras offers clinical decision support for the treatment of brain aneurysms. It enables physicians to import a patient's anatomy, evaluate various medical device options, and analyze different device placements and treatment strategies.

Ankyras can improve care quality and cost effectiveness by helping physicians make informed decisions based on accurate data before a procedure.

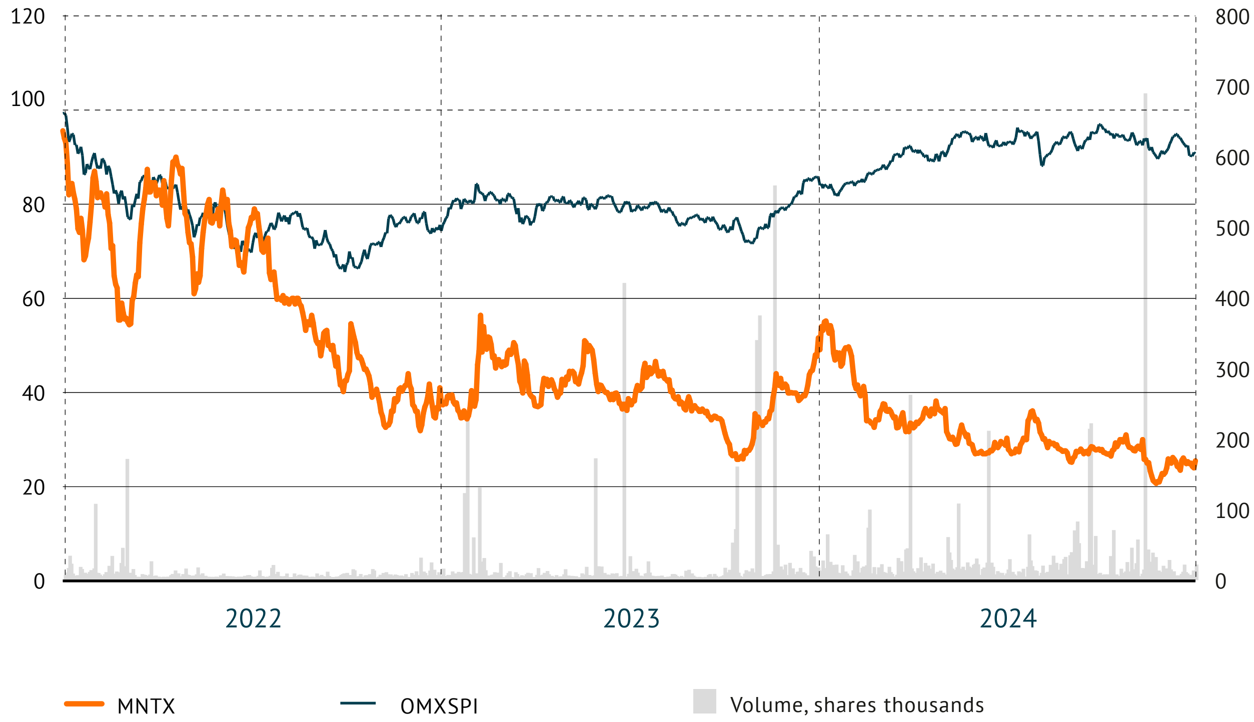


The share

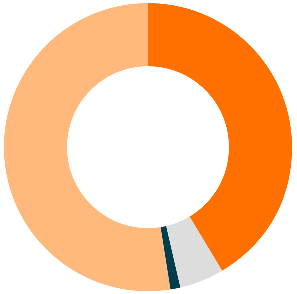
Four reasons to own shares in Mentice AB

- A rapidly aging population worldwide means there will be increasing demand for cost-effective minimally invasive procedures. IGIT procedures make it possible for the elderly to be treated, as previously open surgery would not possible.
- Mentice is a global player and market leader in high-tech solutions that assist medical device companies in the development, launch and training of new medical devices for interventional procedures.
- High-quality customer base consisting of more than 600 of the world's leading hospitals and the vast majority of the world's leading medical technology companies worldwide. Strategic partnerships with imaging companies such as Philips and Siemens Healthineers.
- The financial targets for Mentice in short to medium terms is to have an annual growth of 20-30% in revenues and to reach a 20% EBITDA margin within three years with a longer-term target of 30%.

SHARE PERFORMANCE OVER THE LAST THREE YEARS

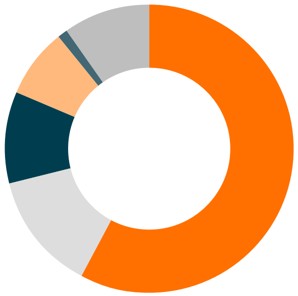


SHAREHOLDERS BY COUNTRY, 31 DECEMBER 2024, % OF VOTES



- Sweden
- USA
- United Kingdom
- Other

SHAREHOLDERS BY OWNER TYPE, 31 DECEMBER 2024, % OF VOTES



- Private Individuals
- Investment & PE
- Pension & Insurance
- Other
- Fund company
- Unknown owner type

SHAREHOLDER STRUCTURE 31 DECEMBER 2024

Size class	Number of known owners	Number of shares	Holdings (%)
1–500	1,225	153,159	0.60
501–1,000	124	101,001	0.40
1,001–5,000	187	446,823	1.75
5,001–10,000	24	177,540	0.69
10,001–15,000	6	78,205	0.31
15,001–20,000	7	125,169	0.49
20,001–	35	21,737,628	85.17
Unknown holding size	0	2,749,325	10.60
Total	**1,608**	**25,568,850**	**100%**

MENTICE LARGEST OWNER, 31 DECEMBER 2024

Shareholders	Number of shares	Share of votes and capital (%)
Karin Howell-Bidermann	8,690,980	33.99
Bure Equity AB (publ)	3,761,659	14.71
Fourth Swedish National Pension Fund	1,971,000	7.71
Gulf Offshore Limited	1,842,052	7.20
Medical Simulation Corporation	1,191,074	4.81
Avanza Pension	1,175,240	4.60
Göran Malmberg	711,670	2.78
Second Swedish Nation Pension Fund	446,620	1.75
Schroders	400,000	1.56
Handelsbanken Liv Försäkring AB	388,913	1.52
Owner list top 10	20,579,208	80.64
Other	4,989,642	19.36
Total	**25,568,850**	**100.00**

SHARE CAPITAL

Only one class of shares exists, all shares have the same right. As of December 31, 2024, the registered share capital comprised 25,568,850 ordinary shares with a value of SEK 0.05 per ordinary share. Holders of ordinary shares are entitled to dividends determined gradually and the shareholding carries the right to vote at the general meeting with one vote per share.

Source: Modular Finance AB

SHARE DATA

Price related stock data	2024	2023
Year-end share price (last price paid), SEK	25.50	47.7
Highest share price during the year (payment price), SEK	71.40	57.2
Lowest share price during the year (paying price), SEK	20.00	25.1
Market capitalization at year-end, MSEK	652	1,220
P/E	0.00	0.00
Distribution yield, %	0	0
Data per share		
Earnings before depreciation (EBITDA)	0.65	0.95
Operating profit (EBIT)	-0.48	–0.00
Profit for the year	-0.72	–0.11
Equity	5.62	6.22
Cash flow from operating activities	0.70	1.43
Cash flow for the year	-0.31	0.52
Proposed dividend	0	0
Number of ordinary shares outstanding		
Weighted number	25,568,850	25,568,850
End of year	25,568,850	25,568,850

Sustainability in Mentice

At a global and socio-economic level, Mentice plays a crucial role in enhancing healthcare efficiency. Our products contribute to significant cost savings for publicly funded healthcare systems while simultaneously improving patient outcomes. By enabling advanced simulator-based training, our solutions empower medical professionals to refine their skills, increasing the success rate of complex interventional procedures and ultimately improving patient outcomes.

Advancing healthcare efficiency

How can we provide better care to more patients while lowering costs? Today, healthcare expenditures account for approximately 11–19% of Western GDP*, with projections indicating further increases.

By integrating Mentice simulation solutions, healthcare providers and medical device companies can effectively acquire, maintain, and disseminate knowledge about cutting-edge medical procedures and therapies. Our technology ensures that every intervention is performed with the highest possible precision, optimizing patient safety and resource utilization.

The benefits of efficient medical treatments extend to all stakeholders. Patients experience better outcomes, requiring fewer follow-up treatments and shorter recovery times. Healthcare providers optimize resource use, reducing dependency on high-cost medical equipment and minimizing waste of consumables such as catheters and other disposable tools.

A sustainable future with Mentice

In recent years, Mentice has undergone strong and sustained growth, with a strategic focus on product innovation, customer engagement, and key industry collaborations. Our long-term business strategy is firmly rooted in sustainability, integrating financial responsibility with environmental stewardship and ethical governance.

At Mentice, we recognize that sustainability is essential to future-proofing our business. Over the past few years, we have taken significant steps to formalize our commitment, resulting in a structured sustainability framework built on four core pillars:

1. **Health** – Enhancing patient outcomes and medical training through high-fidelity simulation.
2. **People** – Supporting healthcare professionals, employees, and communities with ethical and inclusive business practices.
3. **Climate impact** – Reducing environmental footprints by optimizing resource efficiency and promoting responsible consumption.
4. **Responsible business** – Upholding transparency, good governance, and ethical business practices.

These pillars align with global sustainability priorities and underscore our ability to drive meaningful improvements within the healthcare sector. At Mentice, we remain committed to fostering innovation while ensuring our impact on society is both positive and sustainable.

*Source: World Bank

FOCUS AREA HEALTH

Area	Improving treatment outcomes for cardiovascular diseases	Reduced differences in treatment methods	Access to the most advanced treatment technologies also in rural areas and developing countries	Personalized treatment for better results
SDGs	3 GOOD HEALTH AND WELL-BEING 10 REDUCED INEQUALITIES			
Mentice perspective	**Risk minimization and training** Using simulations allows physicians to practice and improve their skills in a risk-free environment before performing real procedures on patients. This can reduce the risk of complications and errors during real procedures.	**Standardized training** By offering simulation based training, healthcare facilities and educational institutions can standardize and ensure that all doctors and healthcare professionals receive the same high-quality training. This can help create a common base of knowledge and skills, which in turn can reduce variations in the application of treatment methods.	**Distance learning** Virtual reality simulations enable distance learning, which means that healthcare professionals in remote or resource-poor areas can access education and training without having to physically attend medical institutions. This can be particularly important for enhancing the skills of health professionals in rural areas and in areas where training resources are limited.	**Adaptation to individual patient cases** Every patient is unique, and simulations allow physicians to adapt their treatment methods and strategies based on individual patient cases. This can lead to more customized and effective treatment plans.
2030 target	New and improved treatments/equipment that can be added to the simulation product portfolio.	• Increase the number of places for training • Increase the number of people who have exercised	• Provide training via RAD-AID programme or similar. • Removable units	• Business development • Strategy work
Outcome 2024	Mentice expanded its product and clinical therapy offering into new procedures and content	In combination with our customers, Mentice solutions reach has increased from 58 countries to 61	Mentice expanded partnership with RAD-AID by locally supporting active initiatives and supporting new areas such as World Stroke Organisation	Mentice NV Connect and Ankyras integration in 2024 expands access to and streamlines patient specific learning.

FOCUS AREA PEOPLE

Area	Diversity and equality	Inspiring and developing workplace	Ergonomic approach to products	Skills supply
SDGs	5 GENDER EQUALITY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 4 QUALITY EDUCATION			
Mentice perspective	**Innovation** Diversity in the workforce means a broader set of experiences, perspectives and ideas. This can lead to increased creativity and innovation as different backgrounds and mindsets can provide different solutions to problems	**Corporate culture** An inclusive company culture, where all employees feel welcome and respected, creates a positive work environment. This can increase staff motivation and engagement, which in turn can lead to higher productivity and better results.	**Increases adaptability** Ergonomic solutions often focus on flexibility and customization to meet different needs. By creating an adaptable, ergonomic and flexible product that is easy to use, customers can better manage different situations.	**Recruitment and retention of talent** Companies that actively promote diversity and equality tend to be more successful in attracting and retaining talent. People often look for workplaces that value and promote diversity, so companies that succeed in creating an inclusive environment have a competitive advantage in the labor market.
2030 target	• A gender balance between men and women throughout the organization and in management positions. • No gender pay gap			• Selected focus areas in education and core values
Outcome 2024	An evaluation including external stakeholders was performed and presented to Mentice line managers	The rate was at 8.98% in 2024	Mentice solutions continued to expand via the medical device industry into software based remote learning	

COMPILATION OF CURRENT STATISTICS ON EMPLOYEES AND GENDER EQUALITY.

Employees	2024	2023
Female	31	33
Male	100	89
Managers		
Women	1	3
Men	20	16

FOCUS AREA CLIMATE IMPACT

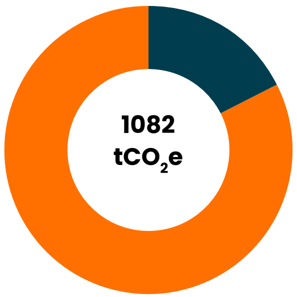
Area	Less need to travel for patients	Zero CO_2 emissions	Reducing CO_2 impact throughout the value chain
SDGs			
Mentice perspective	**More efficient logistics** Providing distance learning reduces the carbon footprint of travel	**Clear focus** A survey is underway, but the conditions for the operations of Mentice to be considered climate neutral in the near future are good.	**See the entire value chain** • By imposing new and stricter requirements on the company's subcontractors, the climate impact will be reduced at all stages • Product development towards lighter equipment that will require fewer resources in manufacturing and transport
2030 target			
Outcome 2024	Mentice solutions continued to expand via the device industry into software based remote learning		An internal evaluation and processes implemented to initiate suppliers providing COC and Sustainability reporting

The names Scope 1, 2 and 3 are derived from a framework used to measure companies' greenhouse gas emissions. Originating from the 2001 Corporate Accounting and Reporting Standard of the Greenhouse Gas Protocol (GHG Protocol), the framework is now a standard for measuring and managing greenhouse gas emissions around the world in both the private and public sectors.

Mentice reports as follows

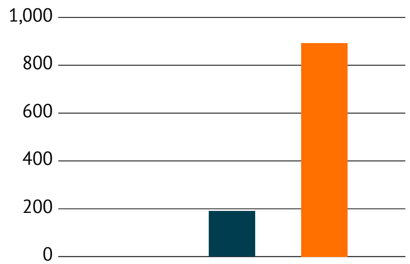
- Scope 1 (direct emissions) includes emissions from sources that Mentice directly controls, such as its own production facilities.
- Scope 2 (indirect emissions) refers to emissions from energy that Mentice purchases for its own operations, such as electricity and district heating.
- Scope 3 relates to indirect emissions that Mentice does not directly control, but still causes, and is often divided into upstream and downstream emissions, depending on where in the value chain the emissions take place.

TOTAL EMISSIONS (%) BREAKDOWN BY SCOPE



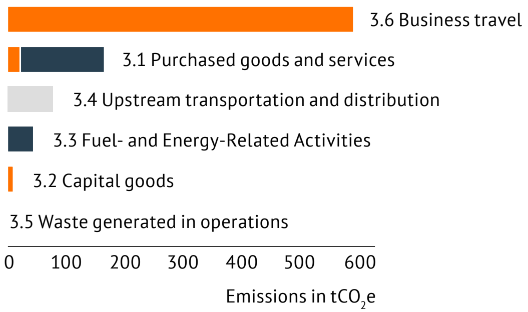
- Scope 1: 0%
- Scope 2: 17.56%
- Scope 3: 82.44%

TOTAL EMISSIONS (tCO_2e) BREAKDOWN BY SCOPE



- Scope 1: 0
- Scope 2: 190.1 tCO_2
- Scope 3: 892.2 tCO_2

EMISSIONS BY GHG PROTOCOL CATEGORY & INPUT TYPE, 2024



- GHG
- Activity
- Spend

FOCUS AREA RESPONSIBLE BUSINESS

Area	**Business with high ethical ambitions**
SDGs	
Mentice perspective	**Ethics in our DNA** Mentice strives to operate in a manner that is socially, environmentally and morally responsible. It is about integrating sustainable and fair principles into business decisions and practical action. By having ethically high ambitions, the company creates a positive impact on society, builds trust among customers and stakeholders and contributes to long-term sustainability and success. Ethical business principles can also create a differentiating factor in the market and attract customers and talent who share the same values.
2030 target	• All employees trained in business ethics • Zero incidents of corruption or non-competitive behavior
Outcome 2024	Mentice solutions continued to expand via the device industry into software based remote learning

Quality culture

Mentice develops and sells systems for medical simulation, within in endovascular procedures and equipment for operating theatres and training centers. This means that the majority of the company's products contribute directly or indirectly to public health.

Product quality is important to ensure patient well-being. Regulatory compliance for all products is a requirement in the highly regulated healthcare industry as well as the medical technology industry.

MENTICE COMMITMENT

- Ensure product quality and compliance
- Continuously improve products, services and processes
- Improve offerings through customer insights and innovation

Work in the coming years

2024: Advancing ESG Reporting and Sustainability Strategy

In 2024, Mentice took significant steps in advancing its sustainability agenda by conducting a comprehensive ESG reporting assessment and performing a double materiality analysis evaluation. This methodological approach included a current state analysis, stakeholder engagement, and an evaluation of material sustainability factors that impact both Mentice and the broader healthcare ecosystem.

Mentice remains committed to embedding sustainability into every aspect of its business.

The evaluation was carried out through a series of workshops, involving both internal teams and key external stakeholders, to ensure a well-rounded and strategic sustainability framework.

As part of this process, Mentice made the strategic decision to utilize the SME option, extending the reporting timeline for Corporate Sustainability Reporting Directive (CSRD) compliance from 2026 to 2028. This extension allows for a more thorough and well-structured integration of sustainability initiatives across the company, ensuring a robust and actionable long-term sustainability strategy.

Mentice remains committed to embedding sustainability into every aspect of its business. Recognizing that this is a continuous journey, we are dedicated to long-term progress, accountability, and impact—not only for our company but also for our stakeholders and society at large. By continuing to refine our sustainability framework, we strive to drive meaningful change and contribute to a more sustainable future.

MOVING FORWARD, THE COMPANY AIMS TO:

- **2025:** Report on ESG, ISO 9001 requirements and implementation of several internal processes into Mentice QMS to promote a rounded sustainable business model.
- **2028:** Implement sustainability reporting in alignment with CSRD, leveraging the additional time to enhance data accuracy and develop targeted ESG initiatives.

Risk

Exposure to risks is a natural part of a business. Risk management aims to identify risks and prevent risks from arising and to limit any damage from these risks.

Mentice categorizes its risks as financial, economic, market and external risks, operational and sustainability risks. Below are the risks identified by the company and how they can be counteracted.

FINANCIAL RISKS

Risk area	Description	Mitigating factors
Currency risk	Mentice operates internationally and is exposed to currency risks from various currency exposures, notably EUR and USD. Revenues are mainly in USD and EUR and costs to in USD, EUR and SEK.	Revenue and expenses in foreign currencies can be hedged in accordance with the Group's financial policy. The extent of hedging varies depending on decision in the Audit committee.
Funding/ Liquidity risk	the risk that the Group does not have the right capital structure or obtain financing for its activities; the risk that the Group will default due to insufficient liquidity or difficulties in obtaining credit from external creditors;	There is a clear strategy for the company's core business to generate positive cash flow. The company must ensure that a certain level of liquidity is available at all times.
Interest rate risk	The Group's interest rate risk arises from short- and long-term borrowings where a substantially increased interest rate may affect the Group's earnings and position.	Mentice has a currently no debt and interest rate risk is related to interest on investments.
Credit risk	Credit risk arises from cash and balances with banks and credit institutions, as well as credit exposures including outstanding claims and contractual transactions.	The Group's accounts receivable are spread over a large number of customers and historically credit losses have been low. Trade receivables can be secured by credit insurance or by using various types of document management, such as letters of credit, however this measure of risk reduction is currently not used. Cash and cash equivalents are only invested in credit institutions with a high credit rating.

ECONOMIC ACTIVITY, MARKET AND EXTERNAL RISKS

Risk area	Description	Mitigating factors
Global market and macro-economic risks	Mentice operates in an international market partly driven by macroeconomic factors.	The business focuses on markets in Asia, the United States and Europe/ Middle East, which implies a spread of geographic market risk.
Legal and political risks	Mentice operates in various jurisdictions and is subject to local rules and laws. Changes in regulations and laws may affect the Group's operations.	Dispersion in geographic markets in which Mentice operates reduces the impact of legal and political risks on a single market for the Group, however the dispersion increases the risk due to increased need of knowledge.
Supply chain disruptions and geopolitical conflicts	Mentice relies on third-party suppliers for standardized simulator manufacturing and on its customers for manufacturing products with integrated Mentice solutions. Supply chain disruptions and geopolitical conflicts, particularly concerning China and Taiwan, may hamper the production of medical devices and simulators. The recent shortage of semiconductors has shown that even many non-cyclical companies can be affected by such problems.	Diversification of component production can reduce this risk in the medium to long term.
Threat of recession	The medical technology and healthcare industries relatively non-cyclical. Although we believe that a looming recession would not affect Mentices' recurring revenues, growth could be negatively impacted if customers choose to reduce their R&D and CAPEX budgets to develop new medical devices and purchase new simulators.	The business focuses on markets in Asia, the United States and Europe /Middle East, which implies a spread of geographic market risk. The company offers a solution that can be demanded regardless of the economic situation.
Customers develop their own solutions or buy from a competitor	Mentice is the leading provider of endovascular simulation hardware and software. Competitors such as Elevate Healthcare and Surgical Science exist. Larger customers have the ability to develop their own simulation solutions. Although the risk of losing significant customers can be low, the consequences can be serious.	Mentice is a growing player in IGIT performance solutions with clear opportunities for cross-selling and the ability to benefit from its current customer relationships.

OPERATIONAL RISKS

Risk area	Description	Mitigating factors
IT-related risks	Mentice relies on IT systems and hardware to conduct its business. Outages in these systems or hardware entail a risk of disruption in production and the ability to complete deliveries to customers on time. Risk of unauthorized access to the systems.	Mentice constantly reviews its IT environment and strives for an IT environment that can quickly handle disruptions. The Group has established procedures regarding information security and monitoring and control processes.
Customer dependency	A few customers account for a large share of turnover and earnings.	Mentice is constantly working to reach new customers in all customer segments and geographical areas.

SUSTAINABILITY RISKS

Risk area	Description	Mitigating factors
Organisation and skills supply	Mentice depends on being able to attract, recruit and retain the right employees. The risk of not being perceived as an attractive employer can affect this negatively. Lack of employee engagement can have a direct negative impact on the company's brand, position and earnings.	Communication of the Group's operations and core values can facilitate recruitment. By being a larger and international group at the forefront of development, conditions exist for development in different parts of the business.
Lack of safety and health	Work environment, health and safety are strategically important to Mentice. Shortcomings in work in these areas can lead to increased risk of ill health.	Mentice works constantly to monitor and strengthen the work environment through surveys and active dialog.
Corruption and competition law	Corruption occurs in all countries and sectors, but to varying degrees. Mentice risks getting involved in non-ethical business.	Mentice has a Code of Conduct that every employee receives training in annually and commits to comply with in order to counter corruption.
Inequality, diversity and discrimination	Mentice industry is relatively gender equal, although there are geographical differences.	Mentice has policies and guidelines regarding equality and diversity and discrimination that all employees are trained in annually and commit to follow in order to prevent discrimination.

Corporate governance report

Corporate governance

Mentice is a Swedish public limited company. Mentice corporate governance is governed by the Companies Act and other applicable laws and regulations, as well as internal governance documents. With the listing on Nasdaq First North Premier Growth market, the Company follows the Nasdaq First North Nordic Rule book and applies the Swedish Code of Corporate Governance (the "Code"). Nasdaq First North Premier Growth Market is not a regulated market but application of the Code is a formal listing requirement imposed by the trading platform.

The warrant program 2019/2024 consisting of 1,429,922 warrants with the right to, in April 2024, subscribe for one new share at a price of SEK 66.50 was out of money and without exercise of right to use.

Ownership structure

According to Monitor's shareholder register, Mentice AB (publ) had 1,608 shareholders on December 31, 2024, a decrease of 12.7% compared to the previous year. Mentice AB's (publ) ten largest owners as of December 31, 2024 are listed below.

MENTICE LARGEST SHAREHOLDERS, 31 DECEMBER 2024

Shareholders	Number of shares	Share of votes and capital (%)
Karin Howell-Bidermann	8,690,980	33.99
Bure Equity	3,761,659	14.71
Fourth Swedish National Pension Fund	1,971,000	7.71
Gulf Offshore Limited	1,842,052	7.20
Medical Simulation Corporation	1,191,074	4.81
Avanza Pension	1,175,240	4.60
Göran Malmberg	711,670	2.78
Second Swedish National Pension Fund	446,620	1.75
Schroders	400,000	1.56
Handelsbanken Liv Försäkring AB	388,913	1.52
10 largest shareholders in total	20,579,208	80.64
Others	4,989,642	19.36
Total	**25,568,850**	**100.00**

Annual General Meeting

According to the Swedish Companies Act (2005:551), the general meeting is the company's highest decision-making body. At General Meetings, shareholders exercise their voting rights on major issues, such as amendments to the Articles of Association, election of the Board of Directors and auditors, adoption of the income statement and balance sheet, discharge of the Board of Directors and the Chief Executive Officer from liability, and appropriation of profits or losses as proposed by the Board of Directors. The annual general meeting must be held within six months of the end of the financial year. In addition to the annual general meeting, an extraordinary general meeting can be called. According to the articles of association, notice of a general meeting is given by advertising in Post- och Inrikes Tidningar and by making the notice available on the company's website.
A notice will be published in Dagens Industri at the same time.

In order to attend and vote at a general meeting, either in person or by proxy, shareholders must be entered in the share register maintained by Euroclear Sweden AB six banking days before the meeting, and must notify the company no later than the date stated in the notice of the meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth weekday before the general meeting. Shareholders who wish to have a matter considered at the General Meeting must send a written request to the Board of Directors. The request should normally be received by the Board no later than seven weeks before the General Meeting. No extraordinary general meetings were held in 2024.

Annual General Meeting 2024

The last AGM was held on May 23, 2024 through a meeting at the seat in Gothenburg. 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, Johann Koss and Magnus Nilsson. Magnus Nilsson was re-elected as Chairman of the Board. It was resolved that a total of SEK 1,270,000 shall be paid to the Board of Directors, of which SEK 100,000 shall be paid to Johan Koss, SEK 190,000 each shall be paid to Gösta Johannesson, Eola Änggård Runsten, David J. Ballard and Denis Gestin, and that SEK 400,000 shall be paid to Magnus Nilsson. It was also decided that the fee for the Audit Committee is SEK 60,000 for the Chairman and SEK 30,000 per member and that the fee for the Remuneration Committee is SEK 40,000 for the Chairman and SEK 20,000 per member. The proposal that no dividend be paid for the financial year 2023 was approved. It was also decided to authorize the Board of Directors to decide on one or more occasions to issue a maximum of 2,556,885 new shares, corresponding to approximately 10 percent of the total number of shares and votes in the company.

Annual General Meeting 2025

The Annual General Meeting will be held on Tuesday, May 27, 2025 at 13.00 CET at Mentice AB, Odinsgatan 10 in Gothenburg. Shareholders who wish to attend the Annual General Meeting must be registered in the share register maintained by Euroclear Sweden AB on Tuesday, May 13, 2025.

Nomination Committee

According to the Code, the Company shall have a nomination committee whose tasks shall include preparing and drafting proposals for the election of board members, the chairman of the board, the chairman of the general meeting and auditors. The nomination committee shall also propose remuneration for board members and auditors and, where appropriate, procedural rules for the next nomination committee. At the Annual General Meeting on April 17, 2019, it was decided 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 and three members representing the three largest shareholders in terms of votes at the end of the third quarter of each year. For the year 2024 these are Lawrence D. Howell representing Karin Howell-Bidermann as the largest owner, Sophie Hagströmer which represents Bure, Thomas Ehlin representing Fourth Swedish National Pension Fund and Magnus Nilsson, Chairman of the Board. The composition of the Nomination Committee has been published on the website at least six months before the AGM.

Remuneration Committee

At the inaugural board meeting on May 23, 2024, the board of directors of Mentice has appointed a remuneration committee, which prepares proposals regarding remuneration issues. The responsibilities of the Remuneration Committee are defined in the Board's Rules of Procedure and the Remuneration Committee's instructions. The Remuneration Committee consists of three board members: Magnus Nilsson (Chairman of the Remuneration Committee), Denis Gestin and Gösta Johannesson.

Audit Committee

At the inaugural board meeting on May 23, 2024, the board of directors of Mentice has appointed an audit committee. The responsibilities of the audit committee are defined in its rules of procedure and instructions. The purpose of the Audit Committee's work is to assist the Board of Directors of Mentice in matters relating to financial reporting, auditing and risk management. The Audit Committee is a preparatory body and the Board has overall responsibility for audit-related matters. The audit committee consists of three board members: Eola Änggård Runsten (Chair of the Audit Committee), David J. Ballard and Magnus Nilsson.
The audit committee shall in particular monitor (i) the audit of the annual report and the consolidated financial statements, (ii) related party transactions, significant accounting principles and significant correspondence between the company's auditors and management, (iii) the effectiveness of the company's internal control over financial reporting, (iv) the company's procedures regarding remarks concerning the company's accounting, internal control and auditing, (v) the audit work in terms of scope, focus and quality, including follow-up of the completed audit, (vi) budgeted and actual audit costs, (vii) the auditors' recommendations, conclusions, observations and proposals following the audit, (viii) the auditor's impartiality and independence, paying particular attention to whether the auditor provides the company with services other than auditing services, and (ix) assisting in the preparation of proposals for the general meeting's decision on the election of auditors.

Board of Directors

The Board of Directors is the company's highest decision-making body after the Annual General Meeting. According to the Swedish Companies Act, the board of directors is responsible for the company's organization and the management of the company's affairs, which means that the board of directors is, among other things, responsible for establishing goals and strategies, ensuring procedures and systems for evaluating established goals, continuously evaluating the company's results and financial position and evaluating the operational management. The Board is also responsible for ensuring that correct information is provided to the company's shareholders, that the company complies with laws and regulations and that the company develops and implements internal policies and ethical guidelines. The Board is also responsible for ensuring the timely preparation of the annual and interim reports.

In addition, the Board of Directors appoints the company's CEO. Board members are elected annually at the AGM for the period until the next AGM is held. According to the company's articles of association, the board of directors shall consist of a minimum of three and a maximum of ten members without deputies. The Board of Directors currently consists of seven ordinary members, elected by the General Meeting, who are presented in the section "Board of Directors", on pages 28-29.

According to the Code, the chairman of the board is elected by the general meeting. The role of the Chair of the Board is to lead the work of the Board and to ensure that the work of the Board is carried out effectively and that the Board meets its obligations. The board follows written rules of procedure, which are reviewed annually and adopted at the inaugural board meeting. The rules of procedure regulate, among other things, the board's working methods, tasks, decision-making procedures within the company's board, meeting procedures, the chairman's tasks and the division of tasks between the board and the CEO. Instructions regarding financial reporting and instructions to the CEO are also established in connection with the inaugural board meeting. The Board's work is also conducted on the basis of an annual agenda, which meets the Board's information needs. In addition to the Board meetings, the Chairman of the Board and the CEO have an ongoing dialog on the management of the company.

The work of the Board

The Board meets according to a pre-agreed annual schedule and, in addition to the statutory Board meeting after the AGM, shall hold at least six ordinary Board meetings between each AGM. In addition to these meetings, extraordinary meetings can be arranged to deal with issues that cannot be referred to one of the regular meetings.

The meeting normally takes place in person at the Mentice headquarters in Gothenburg. If it is preferable for practical reasons, meetings are held digitally or in special cases per capsulam.

The Chairperson leads and organizes the work of the Board and prior to each meeting, a draft agenda and supporting documents for the items to be discussed at the meeting are sent out. The draft agenda is prepared by the Chief Executive Officer in consultation with the Chair. Matters presented to the Board are for information, discussion and decision. Decisions are taken only after discussion and after all members present have been given the opportunity to speak. Open questions are followed up on a regular basis. One of this year's meetings was specifically dedicated to strategic issues. Policies essential to the company's governance are reviewed annually and decided at the inaugural board meeting.

At most meetings, the board chooses to discuss separately as a final item without management present.

The Board evaluated its work in the fall of 2023, with a self-assessment in which each member rated a large number of statements about the role and function of the Board, Board meetings, Board materials, Board members, the Chair of the Board and the Chief Executive Officer. The responses were compiled by an independent third party and compared with a benchmark index of listed companies in the Nordic region. The evaluation is the basis for continuous development of the Board's work and the next evaluation will take place in 2025.

COMPOSITION OF THE MANAGEMENT BOARD

Name	Function	Independence	Attendance at meetings
Magnus Nilsson	The President	Yes	12/12
Lawrence Howell	Member	No[1]	9/12
Gösta Johannesson	Member	No[1]	12/12
David J Ballard	Member	Yes	12/12
Eola Änggård Runsten	Member	Yes	12/12
Denis Gestin	Member	Yes	12/12
Johann Koss	Member	Yes	11/12

1) Dependence in relation to major shareholders.

COMPOSITION OF THE REMUNERATION COMMITTEE

Name	Function	Independence	Attendance at meetings
Magnus Nilsson	The President	Yes	1/1
Gösta Johannesson	Member	No[1]	1/1
Denis Gestin	Member	Yes	1/1

1) Dependence in relation to major shareholders.

COMPOSITION OF THE AUDIT COMMITTEE

Name	Function	Independence	Attendance at meetings
Eola Änggård Runsten	The President	Yes	6/6
Magnus Nilsson	Member	Yes	6/6
David J Ballard	Member	Yes	5/6

Group Management and Chief Executive Officer

For personal information on the members of the Executive Board, including shareholdings, see the Annual Report, pages 30-31, and the company's website (www.mentice.com). Mentice group management consists of 8 members including the CEO who have expertise and experience in research and development, quality assurance, marketing, production and sales of medical simulation equipment.

The Group Management meets twice a month.

The Chief Executive Officer is subordinate to the Board of Directors and is responsible for the day-to-day management and operation of the company. The division of tasks between the Board and the Executive Director is set out in the Rules of Procedure for the Board and the Instructions for the CEO. The CEO is also responsible for preparing reports and compiling information for Board meetings and presents the material at Board meetings together with the CFO.

External audit

The company's auditor is appointed by the AGM for the period until the end of the next AGM. The auditor examines the annual report and accounts and the management of the Board of Directors and the CEO. The auditor shall submit an audit report to the general meeting after each financial year. Each year, the company's auditor reports to the board of directors its observations from the audit and its assessment of the company's internal control. At the annual general meeting on May 27, 2024, KPMG AB was re-elected as the company's auditor with Johan Kratz as auditor in charge. The AGM also decided that the auditor's fees should be paid in accordance with the usual charging standards and approved invoices. The total fee to the auditor amounted to SEK 1,200 KSEK (1,350) for the financial year 2024, which related entirely to the audit assignment.

Internal control

The overall purpose of internal control is to contribute to the implementation of the company's strategies and objectives and to ensure that the financial reporting is prepared in accordance with the law, applicable accounting standards and other requirements for listed companies. The Board's responsibility for internal control is governed by the Swedish Companies Act, the Swedish Annual Accounts Act and the Code. The Board's rules of procedure, the instructions for the CEO and the instructions for financial reporting, all of which have been adopted by the Board, specify the division of roles and responsibilities in order to contribute to the effective management of the company's risks. The board of directors is also responsible for monitoring the company's financial position, for monitoring the effectiveness of the company's internal control and risk management, for keeping itself informed about the audit of the annual accounts and consolidated accounts, and for reviewing and monitoring the auditor's impartiality and independence. In addition to the above-mentioned controls, the company also carries out ongoing quality control of suppliers and partners to ensure that they meet the requirements that the company imposes on them. Ongoing risk assessments are conducted in the context of strategic planning, forecasting and specific risk sessions to identify, quantify and address how the identified risks can be managed and, where possible, mitigated. The presentation of identified risks shall be presented to the Board at least once a year.

The company continues to be certified by ISO 9001. The company has developed and implemented a quality management system in order to improve its overall performance, maintain a high level of quality and customer service and provide a solid foundation for sustainable development initiatives.

Board and management

BOARD OF DIRECTORS

Magnus Nilsson
Chairman of the Board
Chairman of the Remuneration Committee
Member of the Audit Committee

Born in 1956. Doctor of Medical Science from Uppsala University. Active as management consultant (non-listed companies)

Elected to the Board: 2022

Other directorships in listed companies: board member of Cantargia AB and Corline AB. Former CEO of Xvivo Perfursion AB, CEO of Vitrolife AB and board member of the listed companies Immunicum AB and Dignitana AB.

Shares and options: The shareholding in Mentice is 10,000 shares.

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

Lawrence D. Howell
Board member

Born in 1953. Law degree from the University of Virginia Law School, Bachelor of Arts in History from the University of Virginia. Member of the Virginia State Bar Association.

Lawrence D. Howell ("Lonnie") has more than 40 years of experience in financial services and private banking. He is one of the founders of EFG International (EFGI) and was its Executive Director until June 28, 2011. Before EFGI, he worked as Head of Americas at Coutts & Co. International Private Banking from 1989 to 1995 where he was responsible for all clients domiciled in the Americas, as well as all Coutts & Co. offices in the US, Bahamas, Bermuda, Cayman and Latin America. Prior to that, he was in Zurich as head of Coutts & Co. in the Americas and Asia. From 1986 to 1989 he was Vice President responsible for Swiss super high-net-worth clients at Citibank Switzerland. From 1985 to 1986 he worked at McKinsey & Co. Lonnie was Chief of Staff to the Head of Private Banking for Europe, Middle East and Africa at Citibank from 1981 to 1984. He began his career as in-house legal counsel at Citibank from 1978 to 1981.

Elected to the Board: 2012

Shares and options: The shareholding in Mentice is 8,690,980 shares held by the spouse Karin Howell-Bidermann and 54 000 shares through the wholly owned subsidiary Gulf Offshore Limited.

Independence: Independent in relation to the company and its management, but not in relation to a major shareholder.

Eola Änggård Runsten
Board member
Chairman of the Audit Committee

Born in 1965. Master's degree in business administration from the Stockholm School of Economics. Currently senior management consultant at Eola Advisory AB.

Elected to the Board: 2020

Other directorships: Board member of Yubico AB, ILT Inläsningstjänst AB and Caybon Holding AB. Previous positions include CFO at AcadeMedia AB (publ), various senior positions at EQT and other positions within SEB, Affibody AB, Alfred Berg and Handelsbanken.

Shares and options: The shareholding in Mentice is 2,400 shares.

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

Johann Koss
Member of the Board

Born in 1968. MBBS degree from the University of Queensland. MBA degree from Joseph. L. Rotman School of Management at the University of Toronto. Founder of the Canada-based international humanitarian organization Right To Play.

Elected to the Board: 2015

Other board assignments: Board member of FOXWAY, Sweden, Right To Play International – a non-profit organization in Canada, FairSport – a non-profit organization in the USA, Q-bic, Norway, FireA, CircMar, Norway and Masterment, Norway. Johann is internationally recognized as a social entrepreneur and has received several awards for his philanthropic work and leadership. He was recently awarded the Order of Canada by the Governor General. Johann already has three gold medals from the Olympics in ice skating.

Shares and options: –

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

David J. Ballard
Member of the Board
Member of the Audit Committee

Born in 1956. M.D., F.A.C.P., M.S.P.H., Ph.D., M.B.A. Trained in internal medicine at the Mayo Clinic and holds from the University of North Carolina an undergraduate degree in chemistry and economics, a master's degree in public health, a doctorate in epidemiology, a medical degree, and a master's degree in business administration. David co-founded the Concentric Health Alliance, a global supplier of personal protective equipment. He is a board member of Pascal Metrics, a world leader in patient safety solutions, and of Sniffle Health, a telehealth company. He is also an advisory board member of Microbicbloc (chairman), Courage Ventures and Ataia, as well as Chief Clinical Officer of Solomon Page, a global healthcare executive search company. Previous positions have included Consultant and founding director of the Mayo Section of Health Services Evaluation, professor with tenure of medicine and epidemiology at Emory University, and senior VP and Chief Quality Officer for Baylor Scott & White Health. He is also an adjunct professor of health policy and management at the UNC Gillings School of Global Public Health and a member of the Leadership Board of the UNC Kenan Flagler Business School Center on the Business of Health.

Elected to the Board: 2019

Shares and options: Shareholding in Mentice: 14,400 shares.

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

Denis Gestin
Member of the Board
Member of the Remuneration Committee

Born in 1964. Bachelor's degree in Marketing from EDC Paris Business School.

Elected to the Board: 2019

Other directorships: Chairman of the Board of Endo Tools Therapeutics, Belgium, and member of the Board of CathVision, Denmark, Synergia Medical, Belgium, Intressa Vascular, Belgium, Volta Medical, France and Cardiawave, France. Denis has more than thirty years of experience in the management and commercial development of medical device companies. Previous positions include SVP for Abbott.

Shares and options: -

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

Gösta Johannesson
Member of the Board
Member of the Remuneration Committee

Born in 1959. Bachelor's degree from Uppsala University and an AMP from Wharton business school. Currently senior advisor at Bure Equity AB.

Elected to the Board: 2019

Other directorships: Vice Chairman of XVIVO Group, Board Member in Yubico AB, Nodica Group AB and others. Gösta has previously been a partner in Provider Venture Partners and before that held a senior position at Öhman Fondkommission and Handelsbanken Markets.

Shares and options: 10,000 shares held indirectly through companies.

Independence: Independent in relation to the company and its management, but not in relation to a major shareholder.

GROUP MANAGEMENT

Frans Venker
Group CEO & President

Born in 1973.

Education: Master of Science in Applied Physics from the University of Groningen, The Netherlands, and an Executive MBA from the Rotterdam School of Management, also in The Netherlands.

Joined Mentice: 2025

Professional Background: CEO of Mentice since 2025. With a career spanning global markets, from ASIA and Europe to the US, Frans has consistently driven innovation, operational excellence, and sustainable growth in roles focused on image-guided interventional therapies and advanced medical imaging solutions at Philips, leading a division delivering cutting-edge imaging technologies and at Diagnostic X-Ray in Shanghai, China, where he spearheaded strategies to foster growth across the Asia-Pacific region.

Shares and options: None

Ulrika Drotz Voksepp
Chief Financial Officer

Education: Master of Science in Business Administration and Economics

Joined Mentice: 2024

Professional Background: Ulrika has more than 20 years' experience of working within finance, business management and leadership. Ulrika has previously held several positions where she has demonstrated her ability to establish operational and financial structures to support the business needs of a growing operation. Notably, Ulrika has held Chief Financial Officer positions with Maurten – a food tech enterprise; Egain Group – a provider of SaaS solutions for energy optimization as both CFO and CEO; Smarteye – a company that specializes in eye-tracking for the automotive industry; and KVD Kvarndammen – an e-commerce marketplace for vehicle transactions as both CFO and CEO. Board member of Morsø Jernstøberi A/S.

Shares and options: 2,100 shares.

Martin Harris
Vice President of Marketing

Training: NVQ 3/ BTEC 3 in Business Administration at DDI Business School (Chester, UK)

Joined Mentice: 2006–2013, 2015

Professional Background: Joined Mentice in 2006, leading the EMEA service department and then working in sales with a senior responsibility role. Leading the global Marketing Department (Downstream) since 2021. Has a previous background in Sales, IT and Education.

Shares and options: 2,802 shares.

Matar Dakhil
Executive Vice President, Business Development

Training: 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 in the medical device industry, including 10 years in the field of cardiology intervention. Prior to joining Mentice, Mr. Matar held various business development, senior sales and marketing positions in Europe (Berlin) and throughout the Asia-Pacific region (including Penang, Malaysia, Tokyo, Japan and Shanghai, China).

Shares and options: 152,833 shares.

Since April 1, 2025, Matar Dakhil is no longer a member of the Management team.

Henrik Storm
Chief Technology 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 25 years of experience in several fields of technology development and management, ranging from software to hardware development, working closely with clients in an international environment. Henrik worked at Summus, Inc. (Raleigh, NC) in the US from 1998 to 2001 with image processing and government research contracts, and managed 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 establishing and managing the company's engineering resources in the US and Asia, primarily focusing on integrating fingerprint sensor solutions with global mobile phone companies, along with establishing a customer project manager organization in Sweden.

Shares and options: 40,848 shares.

Jonatan Sjöström
Chief Operating Officer

Training: Master of Science in Mechanical Engineering at Chalmers University of Technology

Joined Mentice: 2023.

Professional Background: Almost 20 years of experience in strategy formulation & implementation, innovation, digitalization & data analysis, product development & portfolio management, operational models & corporate governance, and various cost reduction/efficiency programs. Jonatan started his career at Accenture Management Consulting (2005–2013) where he ran consulting assignments for several companies in different industries. In 2013 Jonatan joined the Volvo Group where he has held various roles in internal management consulting, executive support to the Vice President and CEO of Volvo and his latest role as Vice President of Strategy & Analytics at Volvo Group Connected Solutions. In this role, for the past six years he has been responsible for driving and implementing strategy and advanced data analytics in the connectivity space on a global basis with service and software development/operations at sites in Sweden, USA, Brazil, India and China.

Shares and options: Jonatan currently has no holdings.

Edward Fält
Chief Strategy Officer

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

Joined Mentice: 2008

Professional Background: Edward has been with Mentice since 2008 and has over 20 years combined experience from the biotech and medtech industries, primarily with a focus on the intersection between technology and business. During his time at Mentice, he has over the years held different roles within R&D, marketing, sales and product management and is from 2022 responsible for M&A and strategy. 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.

Shares and options: 20,000 shares.

Alex Hussein
VP & General Manager, Americas

Training: Bachelor of Science in Microbiology from California State University Long Beach, USA.

Joined Mentice: 2015

Professional Background: Alex has almost 20 years of commercial experience in sales and leadership positions within the medical device industry. Prior to being appointed as Vice President & General Manager, for the Americas region in December 2022, Alex worked as Mentice Senior Director, Medical Device Industry Sales, where he was responsible for overseeing all sales activities in the Americas region. In his current role, he oversees the service organization, strategy, account growth and new client acquisitions for the United States, Canada, and South America. Under his leadership, the Americas have achieved significant revenue growth, strengthened strategic partnerships with key global accounts, expanded market penetration across multiple business units, and enhanced operational efficiency, positioning Mentice as the leader in endovascular simulation in the region. Before joining Mentice, Alex held significant global and national sales and business development positions at prominent medical device Contract Research Organizations (CROs), including Underwriters Laboratories, genae Americas, and NAMSA. He has worked in various locations such as Germany, Belgium, France, and the United States. Alex started his career in research at Johnson & Johnson, where he worked on critical aspects such as validations and FDA submissions, demonstrating his foundational experience in the industry.

Shares and options: Alex currently has no holdings.

Directors report

The Board of Directors and the CEO of Mentice AB (publ), organization number 556556-4241, hereby submit the annual report and consolidated financial statements for the financial year 2024.

General information on activities

Mentice is a company that develops, sells and markets solutions (systems, software and services) for training and decision support in the clinical area of interventional angiography in specialties such as cardiology, neurology, vascular surgery and radiology and in this area Mentice is the global market leader. Mentice AB is the parent company of the group (Mentice) and conducts similar activities as the group. All information in the report refers to both the parent company and the group unless otherwise stated.

Mentice AB is based in Gothenburg and has about 70 employees working at the head office in Gothenburg, with group-wide functions in sales, marketing, development, production, HR and finance. Mentice AB also includes sales and service units for the European and Asian markets. Through a branch to Mentice AB there is one employee in Germany and five employees in France. Four of these employees started in connection with the acquisition of assets from Biomodex at the end of 2023.

Sales activities for North America and Latin America are conducted by the wholly owned subsidiary Mentice Inc, Delaware, with offices in Chicago. This company also conducts development in Denver and production of physical simulation models in Stony Brook, NY. In Asia, Mentice has two wholly owned sales and support subsidiaries, Mentice K.K in Japan and Mentice International Trading (Beijing) Co. Ltd in China. There is one employee in Singapore and one in India via Business Sweden.

The wholly owned company Mentice Spain SL is responsible for the Ankyras® software product.

Mentice operates in three different business areas.

HEALTHCARE SYSTEMS (HCS)
The HCS business area includes direct and indirect sales to hospitals, with the goal of implementing solutions that assist physicians in their daily clinical practice.

MEDICAL DEVICE INDUSTRY (MDI)
The MDI business area includes solutions for the world's leading manufacturers of medical devices. Mentice solutions are used by these customers for training, education, sales, and marketing as well as to support medical device research.

STRATEGIC ALLIANCES (SA)
Mentice solutions – primarily angiography and other imaging modalities such as ultrasound – are integrated with Cath lab solutions sold by world-leading companies such as Philips Healthcare and Siemens Healthineers.

Since June 18, 2019, the Mentice share is listed on First North Premier Growth Market Stockholm and is traded under the symbol MNTC. The number of shares and votes amounts to 25,568,850 at the end of the financial year.

Significant events that occurred during the financial year

During the year, Mentice has received several major orders from world-leading medical technology companies. In May a larger repeat industry order to a significant client of 2.2 MUSD was announced. In October a significant order from a top 20 global Med Tech company, a long-standing customer of Mentice, of 630,000 USD was announced. In November a significant order from a top 20 global Med Tech company of 1,062,750 EURO was announced.

In November Mentice launched the VIST® Ankyras® integration, allowing physicians to rehearse a procedure based on the results of an Ankyras® simulation.

On January 1, 2024, Ulrika Drotz Voksepp joined Mentice as new CFO, announced during the fourth quarter 2023. During the second quarter Mentice announced the retirement of the CEO Göran Malmberg at the end of the year and in November the appointment of Frans Venker as new CEO as of January 1, 2025, was announced.

Research and development activities

Mentice conducts research and development activities in Gothenburg, Barcelona, Denver, and Stony Brook, NY. Most development efforts are focused on software including project management of both internal and external projects.

Development is conducted on Mentice standard products but also in customer-specific projects, where Mentice offers customized solutions to meet specific customer needs.

During the year, development costs of 15.2 (2.4) MSEK were capitalized.

Production

The Mentice Endovascular Simulator System consists of a simulator, combined with standard hardware such as laptops and monitors. The production of Mentice simulators is outsourced while standard hardware is purchased from several different suppliers. Mentice also uses suppliers to handle customization and modification, where sensors are fitted into customers' surgical instruments to match an individual customer's needs. The external supplier is responsible for the assembly, testing and delivery of the simulation system to Mentice and manufactures the simulator based on the design and construction documents produced by Mentice.

Mentice has delegated responsibility for material sourcing and workflow with subcontractors to external suppliers and production. Production and liability are covered by contracts.

Future developments and prospects

On March 21, 2024, Mentice communicated an updated strategic direction and updated its financial targets while clarifying that the company's main ambition is continued growth while gradually improving profitability:

- 20–30 per cent annual growth in Net sales.
- EBITDA margin in the mid-term (three years) of 20 per cent with a longer-term target of 30 per cent EBITDA margin.

Management is positive about the ability of Mentice to develop successfully and achieve these goals.

CONTINUED IMPLEMENTATION OF A SUBSCRIPTION-BASED BUSINESS MODEL
By continuing the initiated shift from perpetual licenses to a subscription-based license model (SaaS) for a larger part of its customer base, Mentice expects to achieve more stable cash flows and thus reduce seasonal variations. As this business model also includes the introduction

of annual updates of the company's software modules, customers can also be offered greater customer value than before. For many customers, the ability to pay for their license on an ongoing basis is of great value.

DEVELOPMENT OF THE COMPANY'S SOLUTIONS IN QUALIFIED DECISION SUPPORT FOR IMAGE-GUIDED INTERVENTIONS.

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

LAUNCHING NEW PRODUCTS

In November Mentice launched the VIST® Ankyras® integration, allowing physicians to rehearse a procedure based on the results of an Ankyras® simulation.

Information on risks and uncertainties

A larger share of the group's current turnover is based on sales to customers in the medical device industry where their use of Mentice simulators is mainly related to marketing and implementation in connection with the launch of new medical devices. Thus, the general demand for medical devices also affects the demand for Mentice products and solutions.

- The greatest long-term potential for Mentice is sales in the hospital systems business area, which at present account for a small share of total sales. A significant part of growth in the business area is dependent on opinion, mandates and regulatory changes, which are macro issues that are challenging for Mentice as a small company to influence.
- Sales to hospital systems continue to take place partly in training centers linked to training hospitals. There competes Mentice with suppliers such as Surgical Science or Elevated Healthcare with significantly broader product offerings. Mentice has difficulty competing as tenders often contain products Mentice cannot offer (bundling).
- To continue to drive growth, Mentice must constantly demonstrate that the use of simulation leads to increased safety for both patients and healthcare professionals, and of course reduced time to market for new products and improved quality of care. This is extensive and demanding work that also involves risk and exposure for Mentice.
- New proposals and stricter regulations for the introduction of new products and technologies may also be more closely linked to training and certification, requiring Mentice to keep abreast of trends and developments in such issues.
- The company's operations are exposed to risks since the products are marketed and sold in several different countries. As such, future performance can be affected by several factors, including tax or economic burdens on the company and changes in a country's geopolitical or economic conditions.
- In addition, the Company's sales are 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 of health care payers.
- Mentice depends on qualified staff in various positions. The ability to retain current staff as well as the ability to recruit new staff is crucial for the company's future development. If key people leave the company or if Mentice is unable to recruit qualified personnel, this may have a negative impact on the company's operations, results and financial position.
- Sales within Mentice are mainly in the currencies EUR and USD and the company's costs related to operations are mainly in the currencies SEK, EUR and USD. As a result, Mentice may be exposed to risks related to currency fluctuations. Fluctuations in these currencies may adversely affect the company's results and financial position.

Sustainability disclosures

At a global and socio-economic level, the activities of Mentice are important because its products generate significant cost savings for the publicly funded healthcare system. In addition, the company's products and services reduce human suffering by allowing various surgical procedures to be performed with a higher success rate. Mentice is a global player with operations on five of the world's six continents. It is therefore natural for Mentice to work for diversity and equality, which can be exemplified by the fact that the company has almost 25 nationalities employed in the group. The activities of Mentice comply with local regulations as well as national and international codes of ethics. Mentice has a Code of Conduct that all employees are trained in every year. Mentice also strives to reduce resource use 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 where the company operates, and Mentice follows the OECD's Transfer Price guidelines, which work for a fair allocation of the company's taxes between the countries where the company operates.

Mentice believes that the company's success is partly due to the culture, experience and approach that characterizes the organization, and the company continuously strives to maintain an environment free of discrimination and involves a consensus on equality and diversity throughout the company's operations. The company also works actively to increase the number of female employees in typically male roles. Mentice is actively working to improve the situation in the healthcare sector where high workloads and outdated working methods lead to burnout and insufficient quality of care delivery. The company is convinced that a better structure around competence management and continuous improvement, including an open dialog on improvement, will radically improve the working environment, quality and results.

Financial instruments and risk management

Mentice AB uses forward currency contracts to manage currency risk. Forward exchange contracts are used to hedge risk in accordance with the Group's financial policy. Other currency risks are not hedged. The Mentice business gives rise to exposure to credit risk when selling to customers.

Impact of the war in Ukraine on Mentice's operations

The war in Ukraine that broke out in February 2022 has had limited impact on the company, as there were no customers or business with Russia or Ukraine before the war. Of course, the company has been affected by inflation and higher electricity prices, partly driven by the war, but is otherwise spared any direct business impact.

Financial performance

The group's net sales consist of sales of systems and software, service and support and sales from consultancy assignments referred to as development contracts. Software licenses sold as perpetual are recognized as net sales at delivery, together with hardware, while software licenses sold as a subscription model are recognized as net sales over time.

VARIABILITY IN ORDER INTAKE

It is important to note that large orders can create variances in the distribution of order intake between business areas and individual quarters. Therefore, the Company is basing the evaluation of performance on rolling 12 months or full year figures.

ORDER INTAKE PER BUSINESS AREA

Order intake for the year was 279.9 (304.2) MSEK, a decrease of -8.3%, mainly affected by lower outcome for the Medical Technology industry 224.2 (240.2) MSEK and Strategic Alliances 7.6 (20.9) MSEK, while there was an increase for Healthcare Systems 47.2 (43.1) MSEK.

ORDER INTAKE PER PRODUCT AREA

Product area Mentice VIST® decreased during the year due to the lower order intake within the MDI business area. Order intake for the year decreased by -9.6% to 252.3 (279.0) MSEK. Physical Sim increased by 11.6% during the year to 26.4 (23.7) MSEK.

Product area Ankyras® decreased by -89.2% with an order intake of 0.2 (1.6) MSEK.

ORDER BOOK

The order book was 138 (156) MSEK at the end of the year, a decrease of -12.3%. The order book represents orders that have been received but not yet delivered. Of the total order book as of December 31, 2024, 30.7 MSEK comprises Mentice VIST® Hardware that will be delivered in 2025 and beyond. 78.7 MSEK comprises Mentice VIST® licenses and software subscriptions that will be delivered and recognized as net sales in 2025 and beyond. 21.1 MSEK consists of Mentice VIST® development contracts that will be delivered during 2025 and beyond.

3.1 MSEK consists of Physical Sim orders for the coming years, and the remaining 4.1 MSEK consists of Ankyras® orders.

NET SALES PER REGION

Net sales grew in all regions, EMEA to 84.2 (80.3) MSEK, Americas to 150.3 (149.5) MSEK and in APAC to 55.9 (43.8) MSEK. Net sales grew the fastest in APAC and this is clearly linked to the strong growth in the Medical Device Industry.

NET SALES PER SEGMENT

The segment reporting according to IFRS 8 was earlier based on the type of product and the division is now based on product areas to better reflect how the business is run and followed up.

Out of the net sales for the year 262 (256) MSEK came from the product area Mentice VIST®. The segment increased by 2.3% compared to last year. Product area Physical Sim had a net sale of 24.1 (14.3) MSEK for the year, which is an increase of 68.8%. 4.0 (3.0) MSEK of total net sales came from Ankyras®, the segment increased by 34.6% during the year.

The year showed a total increase of 6.1%, and all product areas show an increase during the period.

OTHER INCOME

Other income for the group amounted to 1.5 (1.5) MSEK. This relates to a contribution from Vinnova for R&D projects. For the parent company the fluctuation is also related to exchange rate changes in foreign currency for assets and liabilities.

GROSS PROFIT AND GROSS MARGIN

Gross profit was 257.1 (233.5) MSEK, and the gross margin amounted to 88.7%, compared to 85.3% last year.

Gross margin is impacted by the mix between products sold and the level of support and service as well as the level of net sales from software licenses versus systems. The gross margin is also affected by the mix of regions for net sales.

OPERATING PROFIT (EBITDA) AND OPERATING MARGIN

The operating result, EBITDA, was 16.6 (24.2) MSEK with a margin of 5.7 (8.8)%. The driving force behind this year's change was lower sales in relation to costs.

OTHER EXTERNAL COSTS

Other external costs amounted to -75.9 (-62.6) MSEK, which equals an increase of 21.2% compared to last year.

While actively managing the cost base the company invests in the future through the Strategic initiatives presented at the Capital Markets Day in March 2024, as well as in selectively investing in the global sales force and in actions to improve efficiency and performance management to enable scaling of the business. In addition, to some extent the increase in costs compared to 2023 is related to consultants holding vacant employee positions and non-recurring recruitment costs of of approx. 1,4 MSEK. Other external costs are also higher compared to 2023 due to the acquisition of Biomodex operation done at the end of last year.

PERSONNEL COSTS

Personnel costs amounted to -164.6 (-148.2) MSEK, which equals an increase of 11.1%. The increase in personnel costs is due to the increase in volume-related compensation to sales staff, an increase in the number of employees and salary increases.

Personnel costs include capitalized costs for development with 10.0 (2.0) MSEK.

The number of employees at the end of 2024 was 131 (122).

CAPITALIZED DEVELOPMENT COSTS

Capitalized expenses for development costs amounted to 15.2 (2.4) MSEK and were mainly related to several ongoing software projects. The capitalized development costs are included in other external costs to the extent that they relate to capitalized consultancy costs and in personnel costs to the extent that they relate to the capitalization of costs for own personnel.

FINANCE NET

Net financial items amounted to -1.1 (0.7) MSEK. This is related to external interest income, changes in exchange rates and interest expenses on lease liabilities -0.6 (-0.8) MSEK in accordance with IFRS 16.

NET RESULT FOR THE PERIOD AND EARNINGS PER SHARE

Tax on income for the full year was -4.9 (-2.8) MSEK. Net income for the full year was -18.4 (-2.8) MSEK and earnings per share were -0.72 (-0.11) SEK.

INVESTMENTS

Investments amounted to 16.4 (7.9) MSEK. Of the investments, 15.2 (2.4) MSEK refers to capitalization of development costs.

PARENT COMPANY INCOME STATEMENT

The parent company is operational. Net sales for the parent company amounted to 200.6 (187.2) MSEK. The result for the parent company mainly corresponds to sales in EMEA and APAC, the development department and the head office in Sweden. The gross margin amounted to 83.9 (86.0)% for the full year 2024. The change in gross margin is attributable to the change in sales of services. The result amounted to -33.7 (-16.9) MSEK.

ASSETS AND WORKING CAPITAL

The Group's total assets amounted to 323.9 (322.5) MSEK. IFRS 16 has affected the balance sheet total by 8.0 (8.3) MSEK. Tangible assets decreased to 8.6 (11.6) MSEK and intangible assets decreased to 117.1 (117.5) MSEK. Accounts receivable increased marginally to 97.5 (85.5) MSEK and cash and cash equivalents as of December 31, 2024 amounted to 53.6 (59.1) MSEK. Working capital as of December 31, 2024 amounted to 9.5 (15.7) MSEK.

The parent company's total assets amounted to 230.1 (249.2) MSEK. Tangible assets decreased to 5.0 (5.4) MSEK and intangible assets decreased to 78.5 (90.2) MSEK. Accounts receivable decreased to 50.9 (52.3) MSEK and cash and cash equivalents as of December 31, 2024 amounted to 27.5 (31.3) MSEK. Working capital as of December 31, 2024 amounted to -6.4 (15.0) MSEK.

EQUITY

Equity for the Group as of December 31, 2024 reduced to 143.7 (159.0) MSEK. The result for the year reduced equity by 15.7 MSEK. The equity ratio was 44.4 (49.3)% as of December 31, 2024.

Equity for the parent company as of December 31, 2024 amounted to 105.8 (139.2) MSEK. The result for the year reduced equity by 33.7 MSEK. The equity ratio was 46.0 (55.9)% as of December 31, 2024.

CASH FLOW AND CASH

Cash flow from operating activities before the change in working capital was 12.7 (27.4) MSEK and the change in working capital was 5.2 (9.1) MSEK, which consisted of a change in inventory of -2.7 (2.6) MSEK and net change in operating receivables and liabilities of 7.8 (6.5) MSEK. In total, cash flow from operating activities was positive by 17.9 (38.7) MSEK in 2024. Cash flow from investing activities in 2024 was -16.4 (-16.2) MSEK. In 2024, the company invested -1.3 (-4.3) MSEK in tangible fixed assets and -15.2 (-2.4) MSEK in capitalized development expenses.

The company's cash at the end of the year amounted to 53.6 (59.1) MSEK. The company has a credit facility of 20 MSEK. The cash flow for the Group as of December 31, 2024 was an outflow of -7.83 (13.3) MSEK.

RELATED PARTY TRANSACTIONS

Transactions with related parties have been carried out during the period where board member Denis Gestin, through related companies, have acted as advisors to the company in connection with customer processing in the medical technology industry and various consultations. During the period January to December 2024, Denis Gestin received 1.0 (1.0) MSEK in fees in addition to the board fee.

The above transactions have been carried out at market value.

PROPOSAL FOR PROFIT APPROPRIATION

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

Share premium reserve	201,727,875
Retained Earnings	-43,690,382
Net result for the year	-15,653,420
Total	142,384,073

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

To be carried forward	142,384,073

The financial reports were approved for issuance by the Board of the Parent Company on April 16, 2025, on a board meeting. 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.

MULTI-YEAR OVERVIEW

Group's Financial Development in brief (KSEK)	**2024**	**2023**	**2022**	**2021**	**2020**
Net sales	290,329	273,610	217,954	185,064	137,503
Profit before tax (EBT)	-13,502	-12	-24,035	-21,271	-18,586
Balance sheet total	323,899	322,527	332,976	261,904	245,271
Average number of employees	131	114	114	99	90
Operating profit , EBITDA, as % of net sales	5.7	8.8	-1.8	1.3	-3.0

Parent company´s Financial Development in brief (KSEK)	**2024**	**2023**	**2022**	**2021**	**2020**
Net sales	200,639	187,166	135,105	132,723	103,361
Profit before tax (EBT)	-33,712	-16,859	-31,446	-26,081	-22,507
Balance sheet total	230,065	265,583	265,583	234,003	244,087
Average number of employees	80	71	75	59	55
Operating profit , EBITDA, as % of net sales	-2.5	10.7	-15.6	-9.1	-15.9

Financial information

Consolidated income statement

KSEK	Notes	2024	2023
Net turnover	2, 3	290,329	273,610
Other income	4	1,483	1,514
Operating income		**291,811**	**275,124**
Raw materials and consumables used		-33,084	-37,229
Depreciation of rented assets		-1,627	-2,856
Other external expenses	6, 19	-75,916	-62,634
Personnel expenses	5	-164,625	-148,233
Depreciation of tangible assets		-13,714	-9,240
Amortization and write-down of intangible assets		-15,242	-15,611
Operating expenses		**-304,208**	**-275,803**
Operating profit (EBIT)		**-12,397**	**-679**
Financial income		1,562	1,072
Financial expenses		-2,668	-405
Net financial items	7	**-1,106**	**667**
Earnings before tax (EBT)		**-13,502**	**-13**
Tax	8	-4,918	-2,805
Net result for the year		**-18,420**	**-2,817**
Net result for the year attributable to:			
Shareholders parent company		-18,420	-2,817
Earnings per share			
Basic (SEK)		-0.72	-0.11
Diluted (SEK)		-0.72	-0.11

Consolidated statement of comprehensive income

KSEK	Notes	2024	2023
Net result for the year		**-18,420**	**-2,817**
Other comprehensive income			
Items can be transferred to profit or loss for the year:			
Translation difference on translation of foreign operations		2,767	-1,060
Total comprehensive income for the year		**-15,653**	**-3,878**

Consolidated balance sheet

KSEK	Notes	2024-12-31	2023-12-31
Assets			
Goodwill	10	48,508	48,508
Patents	10	24,648	28,253
Trademarks	10	2,419	3,628
Internally developed intangible assets	10	41,527	37,144
Tangible assets	11	8,637	11,566
Right-of-use assets	12, 23	7,727	8,336
Deferred tax assets	8	5,421	8,028
Total fixed assets		**138,886**	**145,463**
Inventories	14	17,419	14,104
Accounts receivables	13	97,492	85,496
Prepaid expenses and accrued income	15	11,851	13,488
Tax receivables		1,045	1,633
Other receivables		3,620	3,222
Cash and cash equivalents	16	53,586	59,121
Total current assets		**185,012**	**177,064**
Total assets		**323,899**	**322,527**
Equity and liabilities			
Share capital		1,278	1,278
Other paid in capital		201,728	201,385
Retained earnings		-59,344	-43,690
Total equity	17	**143,663**	**158,973**
Long-term liabilities			
Interest-bearing liabilities, long-term part	18, 23	4,727	2,144
Total Long-term liabilities		**4,727**	**2,144**
Accounts payable	22	12,940	15,582
Other liabilities		5,120	4,134
Interest-bearing liabilities, current portion		4,409	7,413
Accrued expenses and deferred income	19	153,041	134,281
Total current liabilities		**175,510**	**161,410**
Total equity and liabilities		**323,899**	**322,527**

Consolidated statement of changes in Equity

KSEK	Share capital	Other paid in capital	Conversion reserve	Retained earnings	Total equity
At 1 January 2023	**1,278**	**201,169**	**-370**	**-39,442**	**162,635**
Transactions with owners in the group					
Issue of share options		315			315
Payment of share options		-99			-99
Net result and other comprehensive income for the year					
Net result for the year				-2,817	-2,817
Other comprehensive income for the year			-1,061		-1,061
Total comprehensive income for the year			**-1,061**	**-2,817**	**-3,878**
Closing balance at 31 December 2023	**1,278**	**201,385**	**-1,431**	**-42,259**	**158,973**
At 1 January 2024	**1,278**	**201,385**	**-1,431**	**-42,259**	**158,973**
Transactions with owners in the group					
Issue of share options		343			343
Payment of share options					
Net result and other comprehensive income for the year					
Net result for the year				-18,420	-18,420
Other comprehensive income for the year			2,094	673	2,767
Total comprehensive income for the year			**2,094**	**-17,747**	**-15,653**
Closing balance at 31 December 2024	**1,278**	**201,728**	**663**	**-60,006**	**143,663**

Consolidated statement of cash flow

KSEK	Notes	2024	2023
Operating activities	26		
Earnings before tax		-13,502	-13
Adjustment for Non-cash items		30,456	28,090
Income tax paid		-4,195	-632
Cash flow from operating activities before changes in working capital		**12,758**	**27,445**
Change in trade receivables and other current assets		-3,881	-5,561
Change in inventories		-2,662	2,569
Change in trade payables and other current liablities		11,705	12,064
Change in working capital		**5,161**	**9,072**
Cash flow from operating activities		**17,919**	**36,518**
Investing activities			
Acquisitions of tangible assets	11	-1,283	-4,330
Acquisitions of business, net cash effect			-9,191
Capitalisation of internally developed intangible assets	10	-15,155	-2,658
Cash flow from investing activities		**-16,438**	**-16,179**
Financing activities			
Issue of share options	17		315
Payment of share options	17		-99
Amortization of lease liability	23	-9,312	-7,271
Cash flow from financing activities		**-9,312**	**-7,055**
Cash flow for the year		**-7,830**	**13,283**
Opening cash balance		59,121	47,285
Translation difference on cash and cash-equivalents		2,295	-1,448
Cash and bank balances at year-end		**53,586**	**59,121**

Income statement for parent company

KSEK	Notes	2024	2023
Net sales	2, 3	200,639	187,166
Capitalised expense for development	10	12,344	2,385
Other income	4	17,308	13,011
Operating income		**230,291**	**202,562**
Raw materials and consumables used		-32,361	-26,274
Other external expenses	6, 19	-75,049	-59,626
Personnel expences	5	-112,047	-94,996
Depreciation of tangible assets		-1,790	-1,248
Amortization and write-down of intangible assets		-25,169	-25,706
Exchange losses on operating receivables and liabilities		-16,636	-12,380
Operating expenses		**-263,052**	**-220,229**
Operating profit (EBIT)		**-32,762**	**-17,667**
Financial income		1,447	1,006
Financial expenses		-2,397	-197
Net financial items	**7**	**-951**	**809**
Result after financial items		**-33,712**	**-16,859**
Earnings before tax (EBT)		**-33,712**	**-16,859**
Tax	8	-36	-41
Net result for the year		**-33,748**	**-16,900**

Net result for the year is consistent with the total result for the year.

Balance sheet of the parent company

KSEK	Notes	2024-12-31	2023-12-31
Assets			
Intangible and tangible assets			
Goodwill	10	11,034	20,827
Patents	10	24,731	28,522
Trademarks	10	2,419	3,628
Internally developed intangible assets	10	40,333	37,237
Tangible assets	11	4,958	5,396
Financial assets			
Shares in group companies	26	21,886	21,886
Receivables from group companies	18	1,037	1,002
Deferred tax assets	8	6,615	6,615
Total fixed assets		**113,013**	**125,114**
Current assets			
Inventories	14	9,633	10,304
Accounts receivables	13	50,868	52,254
Current receivables from group companies			757
Prepaid costs and accrued income	15	23,711	24,733
Current tax assets		2,486	2,084
Other receivables		2,892	2,661
Cash and cash equivalents	16	27,462	31,341
Total current assets		**117,052**	**124,134**
Total assets		**230,065**	**249,248**
Equity and liabilities			
Restricted equity			
Share capital		1,278	1,278
Fund for development costs		41,047	39,563
Non-restricted equity			
Other paid in capital		201,728	201,385
Retained earnings		-104,458	-86,074
Net result for the year		-33,748	-16,900
Total equity	17	**105,846**	**139,252**
Long-term liabilities			
Long-term liabilities to group companies	18	815	829
Total long-term liabilities		**815**	**829**
Accounts payable	22	11,619	12,481
Current liabilities to group companies		9,069	2,450
Other liabilities		1,623	2,533
Accrued expenses and deferred Income	19	101,092	91,703
Total current liabilities		**123,403**	**109,167**
Total equity and liabilities		**230,065**	**249,248**

Parent company statement of changes in equity

	Restricted equity		Non-restricted equity			
KSEK	**Share Capital**	**Fund for development costs**	**Other paid in capital**	**Retained earnings**	**Result for the year**	**Total equity**
At 1 January 2023	**1,278**	**48,468**	**201,169**	**-62,145**	**-32,835**	**155,935**
Allocation of profit				-32,835	32,835	
Issue of share options			315			315
Payment of share options			-99			-99
Profit for the year		-8,905		8,905	-16,900	-16,900
Other comprehensive income for the year						
Total comprehensive income for the year		**-8,905**		**8,905**	**-16,900**	**-16,900**
Closing balance at 31 December 2023	**1,278**	**39,563**	**201,385**	**-86,074**	**-16,900**	**139,251**
At 1 January 2024	**1,278**	**39,563**	**201,385**	**-86,074**	**-16,900**	**139,251**
Allocation of profit				-16,900	16,900	
Issue of share options			343			343
Payment of share options						
Profit for the year		1,484		-1,484	-33,748	-33,748
Other comprehensive income for the year						
Total comprehensive income for the year		**1,484**		**-1,484**	**-33,748**	**-33,748**
Closing balance at 31 December 2024	**1,278**	**41,047**	**201,728**	**-104,458**	**-33,748**	**105,846**

Parent company cash flow statement

KSEK	**Notes**	**2024**	**2023**
Operating activities	26		
Earnings before tax		-33,712	-16,859
Adjustment for Non-cash items		26,824	29,530
Income tax paid		-437	267
Cash flow from operating activities before changes in working capital		**-7,325**	**12,938**
Change in trade receivables and other current assets		2,934	-5,481
Change in inventories		672	-200
Change in trade payables and other current liablities		14,236	-1,861
Change in working capital		**17,842**	**-7,542**
Cash flow from operating activities		**10,517**	**5,396**
Investing activities			
Acquisitions of tangible assets	11	-1,283	-3,332
Acquisitions of intangible assets	10	-13,471	-2,658
Acquisitions of business, net cash effect			-11,372
Cash flow from investing activities		**-14,754**	**-17,362**
Financing activities			
Issue of share options			315
Payment of share options			-99
Repayment of intra-group loan		38	6,673
Cash flow from financing activities		**38**	**6,889**
Cash flow for the year		**-4,199**	**-5,077**
Opening cash balance		31,341	36,419
Translation difference on cash and cash-equivalents		319	
Cash and bank balances at year-end		**27,462**	**31,342**

Notes to the financial statements

Note 1 Accounting principles

The annual accounts and consolidated accounts have been approved for issue by the Board of Directors and the Chief Executive Officer on April 16, 2025. The consolidated statement of income and other comprehensive income and statement of financial position and the parent company's income statement and balance sheet will be subject to approval by the Annual General Meeting on May 27, 2025.

The consolidated financial statements have been prepared on a going concern basis. Assets and liabilities are measured at their historical cost except for certain financial assets and liabilities which are measured at fair value. The accounting policies set out below have, with the exceptions described in more detail, been applied consistently to all periods presented in the consolidated financial statements. Furthermore, the Group's accounting policies have been consistently applied by the Group's companies. No new or amended accounting policies or interpretations effective in 2024 have had any impact on Mentice's financial statements. No changes later in 2024 assessed significantly affect Mentice financial reporting.

COMPLIANCE WITH STANDARDS AND LEGISLATION

The consolidated financial statements have been prepared in accordance with IFRS Reporting Standards, issued by the International Accounting Standards Board (IASB) as adopted by the EU. The Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has also been applied.

The parent company's annual report has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and application of recommendation RFR 2 Accounting for Legal Entities from the Swedish Financial Reporting Board. This means that the OFRS valuation and disclosure rules are applied with the deviations described in the section "Parent company accounting policies".

VALUATION PRINCIPLES USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The Group's assets and liabilities in the balance sheet are measured at amortized cost, except for derivative instruments which are measured at fair value.

FUNCTIONAL AND REPORTING CURRENCY

The parent company's functional currency is the Swedish krona, which is also the reporting currency for the parent company and the group. This means that the financial statements are presented in Swedish kronor. All amounts, unless otherwise stated, are rounded to the nearest thousand.

CLASSIFICATION

Fixed assets, long-term liabilities and provisions consist essentially only of amounts expected to be recovered or paid more than 12 months after the balance sheet date. Current assets and current liabilities consist essentially only of amounts expected to be recovered or paid within 12 months of the balance sheet date, except for deferred income that arises from our subscription-based business model and may relate to liabilities for 3–5 years.

ASSUMPTION AND ESSENTIAL ASSESSMENTS

The preparation of financial statements in accordance with IFRS requires the use of some essential assumption for accounting purposes. It also requires management to make certain assessments in the application of the Group's accounting policies.

Essential assessments for fixed assets

The projects capitalized in the balance sheet are reasonably certain to generate economic benefits in the foreseeable future. Assets are depreciated on a straight-line basis over their estimated lifetime. Impairment testing of goodwill and patents is performed annually and by calculating the recoverable amount of cash-generating units for the assessment of any impairment of goodwill and patents, several assumptions about future conditions have been made.

PRINCIPLES OF CONSOLIDATION

Subsidiaries

The consolidated financial statements include the parent company Mentice AB (publ), the wholly owned subsidiary in America, Mentice Inc, the wholly owned subsidiary in Spain started in December 2022, Mentice Spain SL, the wholly owned subsidiary in China, Mentice International Trading (Beijing) Co. Ltd and its wholly owned subsidiary in Japan, Mentice KK.

Consolidation principles in the group

All subsidiaries are accounted for using the acquisition method, which means that assets and liabilities are recognized at fair value in accordance with a pre-acquisition analysis. The difference between the cost of the subsidiary's shares and the fair value of the assets acquired, liabilities assumed, and contingent liabilities is consolidated goodwill. The financial statements of subsidiaries are included in the consolidated financial statements from the date of acquisition until the date that control ceases. Intra-group receivables and liabilities, income and expenses and unrealized gains or losses arising from intra-group transactions between group companies are eliminated in full when preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no impairment.

Translation differences arising from the foreign currency translation of foreign operations are recognized in other comprehensive income and accumulated in a separate component of equity called the translation reserve.

Foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rate prevailing at the date of the transaction. Functional currency is the currency of the primary economic environment in which companies operate. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate prevailing at the balance date. Exchange rate differences arising from the translations are recognized in the profit and loss account. Non-monetary assets and liabilities reported at historical cost are translated at the exchange rate at the time of the transaction. Non-monetary assets and liabilities recognized at fair value are translated into the functional currency at the exchange rate prevailing at the date of the fair value measurement.

REVENUE AND PERFORMANCE OBLIGATIONS

Revenue is measured based on the consideration specified in the contract with the customer. The Group recognizes revenue when control of a good or service is transferred to the customer. Information about the nature and timing of performance obligations in contracts with customers and related revenue recognition policies is summarized below:

Revenue from the sale of simulators and software

Revenue from system sales, i.e. physical and virtual simulators and software licenses, is recognized as revenue upon delivery when control is transferred to the buyer. Revenue from the sale of software licenses under the subscription model is recognized over the period it runs, usually one year.

Revenue from the sale of services

Revenue from service, rental and support contracts is recognized over the period in which they run, usually one to three years.

Income from consultancy services

Revenues from customized consulting assignments, which run over time, are recognized as revenue based on actual time worked.

SEGMENT REPORTING

An operating segment is a part of the group that engages in activities from which it can generate revenue and for which discrete financial information is available. Furthermore, an operating segment is monitored by the company's chief operating decision maker to evaluate revenues and to allocate resources to the operating segment. See note 3 for further description of the classification and presentation of operating segments.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses consist of interest income on bank balances, receivables and debt securities, interest expense on loans, dividend income, exchange rate differences, unrealized and realized gains on financial investments and derivative instruments used in financial activities.

FORWARD CURRENCY CONTRACTS

Mentice uses forward currency contracts to manage currency risk. Currency forwards are derivatives that are measured at fair value through profit or loss. Hedge accounting is not applied.

RIGHTS OF USE

In accordance with IFRS 16, leases for premises are recognized as rights of use as an asset on the balance sheet and a lease liability is recognized as an obligation, which represents an obligation to pay future lease payments related to the right of use. Contracts with a remaining lease term of less than 12 months are defined as short-term leases, which are not recognized as an asset but are expensed in the period of use.

TAXES

IIncome taxes consist of current tax and deferred tax. Income taxes are recognized in profit or loss except when the underlying transaction is recognized in other comprehensive income or in equity, in which case the related tax effect is recognized in other comprehensive income or in equity.

Current tax expense is calculated based on the tax rules enacted or substantively enacted at the balance sheet date in the countries in which the parent company and subsidiaries operate and generate taxable income and are taxes payable or receivable in respect of the current year, using the tax rates enacted or substantively enacted at the balance sheet date. Current tax also includes adjustments to current tax relating to previous periods. Deferred tax assets relating to deductible temporary differences and tax losses are recognized in full, using the balance sheet method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Tax loss carryforwards are recognized only to the extent that it is probable that they will be utilized, and the value of deferred tax assets is reduced when it is no longer considered probable that they will be utilized. Any additional income tax arising from the distribution is recognized at the same time as the distribution is recognized as a liability.

INTANGIBLE ASSETS

Research and development

Expenditure on development, where research findings or other knowledge is applied to produce new or improved products or processes, is recognized as an asset in the statement of financial position if the product or process is technically and commercially feasible and the company has sufficient resources to complete the development and subsequently use or sell the intangible asset. The carrying amount includes all directly attributable expenditure; for example, on materials and services, employee benefits, registration of a legal right, amortization of patents and licenses, and borrowing costs in accordance with IAS 23. Other development expenditure is recognized in the profit and loss account as an expense when incurred. In the statement of financial position, development expenditure is reported at cost less accumulated amortization and any impairment losses (see below).

The estimated useful life of capitalized development expenditure is 5 years.

Other intangible assets

Other intangible assets acquired by the Group consist of patents, trademarks and goodwill and are carried at cost less accumulated amortization and impairment losses (see below). Other intangible assets are amortized on a straight-line basis over the life of the asset unless the asset has an indefinite life.

The estimated useful life unless such assets have an indefinite life is 10–20 years.

TANGIBLE FIXED ASSETS

Property, plant and equipment are recognized in the Group at cost less accumulated depreciation and any impairment losses. The acquisition cost includes the purchase price and expenses directly attributable to the asset to bring it into place and condition to be used in accordance with the purpose of the acquisition. Borrowing costs directly attributable to the purchase, construction or production of assets that take a substantial period to get ready for their intended use or sale are included in the cost. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset.

The estimated lifetime of equipment, tools and installations is 5 years.

IMPAIRMENT OF INTANGIBLE AND TANGIBLE ASSETS

At each reporting date, an assessment is made as to whether there is any indication of impairment of the Group's intangible and tangible assets. Any impairment of goodwill and other intangible assets that are not amortized on an ongoing basis are tested annually or more frequently if there are indications that the asset may be impaired. If so, the Group assesses the recoverable amount of the asset. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Value in use is defined as the present value of all cash inflows and outflows attributable to the asset during the period it is expected to be used in operations plus the present value of the net selling price at the end of the useful life.

STOCKS OF GOODS

Inventories are valued at the lower of cost and net realizable value. The cost of inventories is calculated by applying the first-in, first-out (FIFO) method and includes expenses incurred in acquiring the inventory assets and transporting them to their current location and condition. The risk of obsolescence has also been considered.

TRADE AND OTHER RECEIVABLES AND OTHER LIABILITIES

Accounts receivables are recognized in the balance sheet when an invoice is sent. Deductions are made for bad debts, which are assessed individually. Impairment losses on trade receivables are recognized in operating expenses. A other asset or other liability is recognized in the balance sheet when the company becomes a party to the claim or liability.

FINANCIAL ASSETS AND LIABILITIES

A financial asset or financial liability is recognized in the balance sheet when the entity becomes a party to the contractual provisions of the instrument. A financial asset is de-recognized when the rights in the contract are realized or expired, or 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 discharged or otherwise extinguished. The same applies to part of a financial liability. Receivables and liabilities in foreign currency are valued at the closing rate. Exchange rate differences on operating receivables and liabilities are included in operating profit, while exchange rate differences on financial receivables and liabilities are recognized in financial items.

LIQUID ASSETS / CASH AND BANK

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

TRADE PAYABLES

Trade payables are recognized in the consolidated balance sheet at fair value when an invoice is received.

EARNINGS PER SHARE

The calculation of earnings per share is based on the consolidated profit for the year attributable to owners of the parent and the weighted average number of shares outstanding during the year.

OPTIONS PROGRAM

Mentice has two outstanding option programs for staff and external consultants, with the aim of stimulating increased commitment and interest in the business and its performance. Against this background, the programs are expected to have a positive impact on the company's continued development and thus be good for the company and its shareholders. The number of options and more detailed information about the respective programs can be found in Note 5.

CONTINGENT LIABILITIES

A contingent liability is recognized when there is a possible obligation arising from past events whose existence is confirmed only by one or more uncertain future events or when there is an obligation that is not recognized as a liability or provision because it is not probable that an outflow of resources will be required.

PARENT COMPANY ACCOUNTING PRINCIPLES

The parent company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The statements issued by the Swedish Financial Reporting Board for listed companies are also applied. RFR2 means that in the annual report for the legal entity, the parent company must apply all IFRS adopted by the EU and statements applicable to listed companies as far as possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act and with regard to the relationship between accounting and taxation. The Recommendation sets out the exemptions from and additions to IFRS.

DIFFERENCES BETWEEN THE ACCOUNTING POLICIES OF THE GROUP AND THE PARENT COMPANY

The differences between the accounting policies of the group and the parent company are set out below. The accounting policies set out below for the parent company have been applied consistently to all periods presented in the parent company's financial statements.

RIGHT-OF-USE ASSETS

The parent company does not apply IFRS 16 in accordance with the exemption in RFR 2. As a lessee, the parent company recognizes lease payments as an expense on a straight-line basis over the term of the lease and thus rights of use and lease liabilities are not recognized in the balance sheet.

CLASSIFICATION AND FORMS OF PRESENTATION

The income statement and balance sheet for the parent company are prepared in accordance with the schedules in the Annual Accounts Act, the statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows respectively. The differences with the consolidated financial statements that arise in the parent company's income statement and balance sheet are mainly related to the recognition of equity.

SUBSIDIARIES

Shares in subsidiaries are accounted for in the parent company using the cost method. This means that transaction costs are included in the carrying amount of holdings in subsidiaries. In the consolidated financial statements, transaction costs related to subsidiaries are recognized directly in profit or loss when incurred. The value of subsidiaries is tested when there is an indication of impairment.

INCOME TAXES

The parent company recognizes appropriations including deferred tax liabilities. In the consolidated accounts, however, appropriations are split between deferred tax liabilities and equity. Similarly, in the income statement, the parent company does not allocate the portion of appropriations to deferred tax expense.

Note 2 Revenue

Geographical market (region)
Mentice reports sales figures for three geographic markets: EMEA (Europe, Middle East and Africa), APAC (Asia and the Asian Pacific Region) and Americas (North, Central and South America) and for three product areas, Mentice VIST® (including Mentice Live), Physical Sim and Ankyras®.

Product area
The Mentice product portfolio consists of three different product areas, where Mentice VIST® accounts for the largest part of the company's turnover. The Mentice Live area is not reported separately but is included below in the Mentice VIST® area.

The Mentice VIST® product area is further divided into three sub-areas: Hardware, License/Software and Development. The Physical Sim area includes only Hardware, and the Ankyras® area only License/Software.

MENTICE VIST® – IMMERSIVE VR SIMULATION
Mentice physics engine and anatomy model together with a haptics-enabled hardware solution creates an optimal environment for procedural training, patient-specific simulation and objective assessment of device knowledge and procedural practical ability. Mentice Live is a cloud-based learning platform aimed at MedTech companies and providers wanting to offer a broader and more accessible medical course catalogue, create structured curricula and enable distributed distance learning.

PHYSICAL SIM – PHYSIOLOGICAL FLOW SIMULATORS
With a unique production process and advanced 3D printers, Mentice creates high-quality artificial blood vessels that, together with heart and blood flow pumping platforms, are the perfect complement to VR simulation, especially when developing new medical devices or when training and planning for demanding high-cost and high-risk procedures.

ANKYRAS® – DECISION SUPPORT
Ankyras® helps doctors determine which size and location of medical device implants for brain aneurysms (flow diverters) will best fit a specific patient's anatomy. The solution is FDA cleared and CE marked medically approved software with high accuracy that also simplifies communication between doctors and manufacturers during planning.

	The group		Parent company	
Net sales per product area KSEK	**2024**	**2023**	**2024**	**2023**
Mentice VIST®	262,239	256,369	126,147	118,882
- *Hardware*	*151,313*	*143,885*	*66,890*	*60,623*
- *License/software*	*88,494*	*80,303*	*52,842*	*51,823*
- *Development*	*22,432*	*32,181*	*6,415*	*6,436*
Physical Sim	24,119	14,291	9,552	3,421
Ankyras®	3,971	2,950	3,971	607
Internal group sales			60,969	64,256
Total	**290,329**	**273,610**	**200,639**	**187,166**

	The group		Parent company	
Net sales by region KSEK	**2024**	**2023**	**2024**	**2023**
EMEA	84,161	80,286	82,430	77,880
APAC	55,911	43,801	55,910	43,626
The Americas	150,257	149,522	62,299	65,659
Total	**290,329**	**273,610**	**200,639**	**187,166**

NET SALES BY COUNTRY FOR THE PARENT COMPANY

Net sales in the parent company KSEK	2024	2023
China	20,925	21,318
USA	61,151	65,659
Japan	18,178	9,133
Sweden	1,519	2,762
Others	98,866	88,294
Total	**200,639**	**187,166**

Information on contract assets and contract liabilities from contracts with customers is summarized below.

CONTRACTUAL BALANCES

	The group		Parent company	
Contractual balances	**2024**	**2023**	**2024**	**2023**
KSEK				
Agreement Assets	1,453	1,893	15,914	15,700
Agreement Liabilites	112,324	108,019	68,124	70,019

AGE DISTRIBUTION

				2024				2023
Contractual balances	**1 year**	**2–5 years**	**>5 years**	**Total**	**1 year**	**2–5 years**	**>5 years**	**Total**
KSEK								
Parent company								
Agreement Assets	15,120	794		15,914	14,448	1,239	13	15,700
Agreement Liabilites	43,902	24,222		68,124	41,403	28,585	31	70,019
Total	**59,022**	**25,016**		**84,038**	**55,851**	**29,824**	**44**	**85,719**
Group								
Agreement Assets	1,453			1,453	640	1,239	13	1,893
Agreement Liabilites	79,460	32,774		112,234	70,938	37,050	31	108,019
Total	**80,913**	**32,774**		**113,687**	**71,578**	**38,289**	**44**	**109,912**

Contract assets are primarily attributable to the Group's right to compensation for work performed but not invoiced at the balance sheet date and relate mainly to consultancy work. Contractual liabilities relate mainly to the advances received from the customer, which mainly relate to consultancy work and service commitments.

Note 3 Operating segments

Product area

Mentice's business is divided into four product areas, which reflect the group's operations, financial management and management structure. These four product areas are Mentice VIST®, Physical Sim, Mentice Live and Ankyras®. The Mentice Live area is not reported separately but is included in the Mentice VIST® area.

Revenue categories

Mentice's revenues is divided into three revenue categories. These three revenue categories are Hardware, License/Software and Development.

The group	Mentice VIST®		Physical Sim		Ankyras®		Group total	
KSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Hardware	151,313	143,885	20,710	13,333			172,023	157,218
License/Software	88,494	80,303	1,450	186	3,971	2,950	93,914	83,439
Development	22,432	32,181	1,958	772			24,390	32,953
Total	**262,239**	**256,369**	**24,119**	**14,291**	**3,971**	**2,950**	**290,329**	**273,610**
Raw materials and consumables used	-29,856	-36,408	-4,058	-3,530	-199	-148	-34,112	-40,085
Gross profit	232,383	219,961	20,061	10,761	3,772	2,802	256,217	233,525
Gross profit %	88.60%	85.80%	83.20%	75.30%	95.00%	95.00%	88.30%	85.30%

Note 4 Other operating income

	The group		Parent company	
KSEK	**2024**	**2023**	**2024**	**2023**
Exchange rate gains on operating receivables/ liabilities			15,825	11,960
Other	1,483	1,514	1,483	1,051
Total	**1,483**	**1,514**	**17,308**	**13,011**

Other operating income in 2024 refers to 1,483 KSEK of subsidy from Vinnova for R&D projects on the group level. For parent company also included exchange rate impact on the operating activities 15,825 KSEK

Note 5 Employees, personell costs and remuneration to senior executives

Costs for remuneration to employees

	The group		Parent company	
KSEK	**2024**	**2023**	**2024**	**2023**
Salaries and other remuneration	126,749	108,958	76,253	63,163
Pension costs	8,881	8,580	7,553	7,596
Social costs	28,597	24,524	23,463	20,378
Capitalised expense for development	-10,009	-1,949	-10,407	-2,043
	154,218	**140,113**	**96,862**	**89,094**

Average number of employees

	Total		whereof men	
	2024	**2023**	**2024**	**2023**
Sweden	71	67	50	49
France	5	2	5	2
Germany	1	1	1	1
India	1	1	1	1
Dubai	-	1	-	-
Great Britain	1	-	1	-
Singapore	1	1	1	1
Total parent company	***80***	***73***	***59***	***54***
USA	35	30	27	22
Spain	8	6	6	5
China	4	4	4	4
Japan	3	3	3	3
Brazil	1	-	1	-
Total subsidaries	***51***	***43***	***41***	***34***
Total group	**131**	**116**	**100**	**88**

The average number of employees is defined at the average of twelve (12) measurement points over the year.

Gender distribution in the board of directors and executive team

	Share of women			
	The group		Parent company	
Percent	**2024**	**2023**	**2024**	**2023**
Board	14%	14%	14%	14%
Other senior executives	13%	17%	14%	17%

Note 5 Employees, personell costs and remuneration to senior executives, cont.

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

	Board/CEO		Other employees		Total	
KSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Parent company	10,275	6,986	65,978	56,177	76,253	63,163
Whereof variable remuneration	(4,200)	(497)	(8,937)	(9,769)	(13,137)	(10,266)
Subsidaries			50,496	45,795	50,496	45,795
Whereof variable remuneration			(9,827)	(12,547)	(9,827)	(12,547)
Total	**10,275**	**6,986**	**116,474**	**101,972**	**126,749**	**108,958**
Whereof variable remuneration	(4,200)	(497)	(18,764)	(22,316)	(22,964)	(22,813)

Pension cost for the company's CEO and board of directors amounts to 1,920 TSEK (2,739 TSEK)

Incentive program

KSEK	Total no of warrants	Allocated	Not allocated
Opening Balance, January 1, 2023	1,429,922	1,055,330	374,592
Granted during the period	50,000	50,000	
Forfeited during the period			
Exercised during the period		-22 871	22,871
Expired during the period			
Closing Balance, December 31, 2023	1,479,922	1,082,459	397,463
Opening Balance, January 1, 2024	1,479,922	1 082,459	397,463
Granted during the peiod	124,789	124,789	
Forfeited during the period			
Exercised during the period			
Expired during the period	-1,429,922	-1,032,459	-397,463
Closing Balance, December 31, 2024	174,789	174,789	

SHARE-BASED INCENTIVE PROGRAM FOR EMPLOYEES

2019-05-01 - 2024-04-30

Warrants: 1,429,922

Each warrant gives the right to subscribe for one new share in April 2024 at a price of SEK 66.5. This subscription program has expired without being exercised. Employees who wished to participate in the program have paid a premium that corresponds to the market value of the warrant calculated using the Black & Scholes formula.

WARRANT-BASED INCENTIVE PROGRAM FOR CERTAIN CONSULTANTS

2023-06-01 - 2026-06-30

Warrants: 50,000

The warrants give the right to subscribe for newly issued shares in the company. The transfer is made for cash consideration corresponding to the market value of the warrants at the transfer point to Mentice INC calculated through an independent valuation of the Black & Scholes model. The warrants may be exercised during the period from 1 June to 30 June 2026. Upon full exercise of the warrants for subscription, the share capital will increase by SEK 2,500.

INCENTIVE PROGRAM IN THE FORM OF PERFORMANCE-BASED STOCK OPTIONS AIMED AT GROUP MANAGEMENT AND KEY EMPLOYEES

2024-06-15 - 2027-06-15

Warrants: 124,789

Each right entitles the participant to receive one performance share free of charge after the vesting period. The performance target is based on the average annual total shareholder return (TSR). The share program 2024/2027 is reported in accordance with IFRS2 share-based payments. The rights are expensed as personnel costs during the vesting period and the value of the option rights has been calculated through an independent valuation using the Monte Carlo model. The effect on personnel costs including social security contributions during the year is 390 KSEK.

Note 6 Remuneration of auditors

	The group		Parent company	
KSEK	**2024**	**2023**	**2024**	**2023**
KPMG				
Audit	1,350	1,350	1,200	1,350
Other commissions	73	-	73	-
Michael Richter Inc				
Audit	380	317	-	-
Other commissions	145	-	-	-

An audit engagement refers to the statutory audit of the annual and consolidated financial statements and accounting records and the administration of the Board of Directors and the CEO, as well as audits and other reviews carried out in accordance with agreements or contracts. This includes other tasks that the company's auditor is required to perform as well as advice or other assistance resulting from observations made during such an audit or the performance of such other tasks.

Note 7 Net financial items

	The group		Parent company	
KSEK	**2024**	**2023**	**2024**	**2023**
Financial income				
Interest Income	1,562	1,255	953	822
Exchange rate gains		-183	494	184
Total	**1,562**	**1,072**	**1,447**	**1,006**
Whereof group companies			52	157
Whereof others			1,395	849
Financial expenses				
Interest expenses	-1,218	-1,178	-857	-379
Exchange rate losses	-1,449	773	-1,749	182
Total	**-2,668**	**-405**	**-2,606**	**-197**
Whereof group companies			-41	-43
Whereof others			-2,565	-154

Note 8 Taxes

Reported tax

KSEK	The group 2024	The group 2023	Parent company 2024	Parent company 2023
Current Tax Expense (-) Tax revenue (+)				
Tax expense for the year	-1,823	-1,395	-36	-41
Deferred Tax Expense (-) Tax revenue (+)				
Deferred tax on temporary differences	-3,095	-1,734		
Deferred tax on losses carry-forward		520		
Deferred tax, lease		-196		
Total tax expense recognized in the income statement	-4,918	-2,805	-36	-41

Reconciliation of reported tax and effective tax rate

KSEK	The group 2024	The group 2023	Parent company 2024	Parent company 2023
Profit / Loss before tax	-13,502	-12	-33,712	-16,859
Tax according to parent company applicable tax rate	2,782	3	6,945	3,473
Effect of other tax rates in foreign subsidiaries	-245	-481		
Non-deductible expense	-712	-511	-712	-511
Tax exempt income	101	101	101	101
Deffered tax on losses used or not capitalized	-6,641	-1,917	-6,167	-3,104
Effective tax recognised	-4,918	-2,805	-36	-41
	-36.4%		-0,1%	-0.2%

Not capitalized loss amounts to 186 MSEK for the year.

Change in deferred tax in temporary differences and loss carry-forward

The group, KSEK	Balance sheet at 1 Jan 2024	Recognized in profit/loss for the year	Balance sheet at 31 Dec 2024
Tangible/Intangible assets	-5,702	-2,017	-7,720
Inventory	396	-405	-8
Leasing	498	20	517
Capitalisation of tax losses carry forward	12,836	-205	12,632
Totalt	**8,028**	**-2,607**	**5,421**

The group, KSEK	Balance sheet at 1 Jan 2023	Recognized in profit/loss for the year	Balance sheet at 31 Dec 2023
Tangible/Intangible assets	-3,705	-1,997	-5,702
Inventory	641	-244	396
Other receivables	97	-97	0
Leasing	703	-205	498
Capitalisation of tax losses carry forward	12,043	794	12,836
Totalt	**9,777**	**-1,749**	**8,028**

Parent company, KSEK	Balance sheet at 1 Jan 2024	Recognized in profit/loss for the year	Balance sheet at 31 Dec 2024
Capitalisation of tax losses carry forward	6,615		6,615
Total	**6,615**		**6,615**

Parent company, KSEK	Balance sheet at 1 Jan 2023	Recognized in profit/loss for the year	Balance sheet at 31 Dec 2023
Capitalisation of tax losses carry forward	6,615		6,615
Total	**6,615**		**6,615**

Note 9 Earnings per share

		Basic
SEK	**2024**	**2023**
Earnings per share	-0.72	-0.11

		Diluted
SEK	**2024**	**2023**
Earnings per share	-0.72	-0.11

KSEK	**2024**	**2023**
Net result for the year attributable to shareholders parent company	-18,420	-2,817

	2024	**2023**
Weighted average number of ordinary shares during the year, Basic	25,568,850	25,568,850
Weighted average number of ordinary shares during the year, After dilution	25,568,850	25,568,850

Instruments that may have a future dilutive effect

Mentice has an outstanding warrant program where the strike price exceeds the share price. These options are non-dilutive, but if the share price increases, these options will result in dilution.

Note 10 Intangible assets

	Internally developed intagible assets	Acquired intangible assets			
The group, KSEK	**Capitalised expenditure**	**Patent**	**Trademarks**	**Goodwill**	**Total**
ACCUMULATED ACQUISITION VALUES					
Opening balance 2023-01-01	70,750	42,162	5,443	48,070	166,425
This year gross investments	2,384				2,384
Acquisitions				273	273
Reclassification		-7,192		9,753	2,561
Closing balance 2023-12-31	**73,134**	**34,970**	**5,443**	**58,096**	**171,643**
Opening balance 2024-01-01	73,134	34,970	5,443	58,096	171,643
This year gross investments	15,155				15,155
Acquisitions		52			52
Reclassifications					
Closing balance 2024-12-31	**88,290**	**35,022**	**5,443**	**58,096**	**186,850**
DEPRECIATION					
Opening balance 2023-01-01	-26,465	-9,544			-36,009
Depreciation for the year	-9,526	-4,364	-1,814		-16,008
Reclassification		7,192		-9,588	-2,092
Closing balance 2023-12-31	**-35,991**	**-6,716**	**-1,814**	**-9,588**	**-54,109**
Opening balance 2024-01-01	-35,991	-6,716	-1,814	-9,588	-54,109
Depreciation for the year	-10,773	-3,657	-1,209		-15,639
Reclassification					
Closing balance 2024-12-31	**-46,763**	**-10,373**	**-3,024**	**-9,588**	**-69,748**
CARRYING AMOUNT					
Per 2023-01-01	44,285	32,618	5,443	48,070	130,416
Per 2023-12-31	37,144	28,253	3,628	48,508	117,534
Per 2024-01-01	37,144	28,253	3,628	48,508	117,534
Per 2024-12-31	41,527	24,648	2,419	48,508	117,101

Note 10 Intangible assets, continued

	Internally developed intagible assets	Acquired intangible assets			
Parent company, KSEK	**Capitalised expenditure**	**Patent**	**Trademarks**	**Goodwill**	**Total**
ACCUMULATED ACQUISITION VALUES					
Opening balance 2023-01-01	70,750	43,636	5,442	48,686	168,514
This year gross investments	2,384				2,384
Acquisitions				273	273
Reclassification					
Closing balance 2023-12-31	**73,134**	**43,636**	**5,442**	**48,959**	**171,171**
Opening balance 2024-01-01	73,134	43,637	5,442	48,960	171,174
This year gross investments	13,471				13,471
Acquisitions					
Reclassifications					
Closing balance 2024-12-31	**86,605**	**43,637**	**5,442**	**48,960**	**184,645**
DEPRECIATION					
Opening balance 2023-01-01	-26,465	-10,348		-18,134	-54,947
Depreciation for the year	-9,432	-4,766	-1,814	-9,999	-26,011
Reclassification					
Closing balance 2023-12-31	**-35,897**	**-15,114**	**-1,814**	**-28,133**	**-80,958**
Opening balance 2024-01-01	-35,897	-15,115	-1,814	-28,133	-80,959
Depreciation for the year	-10,375	-3,791	-1,209	-9,793	-25,169
Reclassification					
Closing balance 2024-12-31	**-46,272**	**-18,906**	**-3,024**	**-37,926**	**-106,128**
CARRYING AMOUNT					
Per 2023-01-01	44,285	33,288	5,442	30,552	113,567
Per 2023-12-31	37,237	28,522	3,628	20,827	90,214
Per 2024-01-01	37,237	28,522	3,628	20,827	90,214
Per 2024-12-31	40,333	24,731	2,419	11,034	78,517

Goodwill and capitalized expenses have been tested for impairment based on budgets and forecasts, with the first year of the forecast based on the Company's budget and the subsequent four years based on the historical growth rate adjusted by management's forecasts for the future. The forecasts have been prepared internally by management on the basis of historical data, the collective experience of management and their best assessment of the company's development potential and market growth. The present value of projected cash flows has been calculated using a discount rate of 20.4 (20.4) percent before tax. The key variables in the forecast are growth, gross margin, cost of sales and investments. The calculation is based on a continued good gross margin and that the investment need to replace existing assets has been assessed to be relatively low.

Sensitivity analysis for forecasting future cash flows was performed with a 10% decrease in turnover and with the lowest possible turnover before impairment becomes relevant.

Working capital has been assumed to change in proportion to turnover. The recoverable amount, which in the Group is calculated as value in use, exceeds the carrying amount of all impaired assets. Management believes that no reasonable changes in the key variables and assumptions will cause the recoverable amount of the entity to be less than the carrying amounts. Potential changes in these assumptions over time are not expected to result in any indication that the carrying amount of goodwill is not justifiable. In order to support the impairment testing of goodwill, an analysis of the sensitivity of the variables used in the model has been carried out. An assumed 2% increase in the discount rate shows that the recoverable values are still greater than the reported values. Other assumptions, such as the gross margin, the investment requirement and the growth rate, have been assumed to be constant.

Note 11 Tangible assets

	The group				Parent company			
KSEK	**Equipment**	**Leasehold improvements**	**Leased equipment**	**Total**	**Equipment**	**Leasehold improvements**	**Leased equipment**	**Total**
Acquisition value								
Opening balance, January 1, 2023	37,225	429		37,654	9,019	429		9,448
Acquisitions	4,330			4,330	3,332			3,332
Sale/scrapping	-3,838			-3,838	-3,838			-3,838
Exchange rate differences	-1,184			-1,184				
Closing balance, December 31, 2023	**36,533**	**429**		**36,962**	**8,513**	**429**		**8,942**
Opening balance, January 1, 2024	36,533	429		36,962	8,513	429		8,942
This year gross investments	4,740			4,740	1,283			1,283
Acquisitions								
Sale/scrapping	-23,146			-23,146				
Reclassifications	-162		282	120			282	282
Exchange rate differences	1,743			1,743				
Closing balance, December 31, 2024	**19,709**	**429**	**282**	**20,420**	**9,795**	**429**	**282**	**10,506**
Depreciation								
Opening balance, January 1, 2023	-24,108	-46		-24,154	-5,920	-46		-5,966
Depreciation for the year	-5,717	-165		-5,882	-1,082	-165		-1,247
Sale/scrapping	3,668			3,668	3,668			3,668
Exchange rate differences	972			972				
Closing balance, December 31, 2023	**-25,185**	**-211**		**-25,396**	**-3,334**	**-211**		**-3,545**
Depreciation								
Opening balance, January 1, 2024	-25,185	-211		-25,396	-3,334	-211		-3,545
Depreciation for the year	-2,980	-165	-14	-3,160	-1,556	-165	-14	-1,735
Sale/scrapping	18,098			18,098				
Exchange rate differences	-1,324			-1,324				
Closing balance, December 31, 2024	**-11,392**	**-376**	**-14**	**-11,782**	**-4,890**	**-376**	**-14**	**-5,281**
Carrying amount								
As of 2023-01-01	13,117	383		13,500	3,099	383		3,482
As of 2023-12-31	11,348	218		11,566	5,178	218		5,396
As of 2024-01-01	11,348	218		11,566	5,178	218		5,396
As of 2024-12-31	8,317	53	268	8,637	4,905	53	268	5,226

Note 12 Right-of-use asset

The group, KSEK	**Right-of-use asset**
Acquisition value	
Opening balance, January 1, 2023	37,793
New contracts	352
Right-of-use adjustment	-822
Closing balance, December 31, 2023	**37,323**
Opening balance, January 1, 2024	37,323
New contracts	8,429
Right-of-use adjustment	100
Expired contracts	-2,996
Exchange rate differences	1,559
Closing balance, December 31, 2024	**44,416**
Depreciation	
Opening balance, January 1, 2023	-23,351
Depreciation for the year	-6,293
Right-of-use adjustment	657
Closing balance, December 31, 2023	**-28,987**
Opening balance, January 1, 2024	-28,987
Depreciation for the year	-8,072
Right-of-use adjustment	1,656
Exchange rate differences	-1,286
Closing balance, December 31, 2024	**-36,689**
Reported values	
As at 2023-01-01	14,442
As at 2023-12-31	8,336
As at 2024-01-01	8,336
As at 2024-12-31	7,727

Note 13 Accounts receivable

	The group		Parent company	
KSEK	**2024**	**2023**	**2024**	**2023**
Trade accounts receivable	97,492	85,496	50,868	52,254
Total	**97,492**	**85,496**	**50,868**	**52,254**
Age structure - trade accounts receivable				
Not due	70,809	44,284	33,463	25,565
Due 1-30 days ago	10,511	11,387	8,561	5,580
Due 31-60 days ago	2,415	1,592	2,087	1,592
Due 61-90 days ago	3,279	6,546	1,227	1,270
Due > 91 days ago	10,478	21,688	5,530	18,247
Total	**97,492**	**85,496**	**50,868**	**52,254**
Trade accounts receivable by region				
EMEA	16,536	18,774	16,536	18,774
AMERICAS	46,624	35,613	0	2,371
APAC	34,332	31,109	34,332	31,109
Total	**97,492**	**85,496**	**50,868**	**52,254**

Note 14 Inventories

	The group		Parent company	
KSEK	**2024**	**2023**	**2024**	**2023**
Finished products and goods for resale	17,419	14,104	9,633	10,304

The group and the parent company has 0 (0) KSEK in inventory write-down in cost of goods sold.

Note 15 Prepaid expenses and accrued income

	The group		Parent company	
KSEK	**2024**	**2023**	**2024**	**2023**
Rent	308	1,321	193	1,321
Leasing				
Insurance	298	742	94	287
Accrued income	1,453	1,893	1,427	1,757
Accrued income, group companies			14,488	13,943
Other prepaid expenses	9,792	9,532	7,510	7,425
Total	**11,851**	**13,488**	**23,711**	**24,733**

Note 16 Cash, cash equivalents and bank overdraft facilities

	The group		Parent company	
KSEK	**2024**	**2023**	**2024**	**2023**
The following components are included in cash and cash equivalents:				
Cash and bank balances	53,586	59,121	27,462	31,341
Total according to the consolidated balance sheet	**53,586**	**59,121**	**27,462**	**31,341**

Utilized overdraft facilities on the balance sheet date amounted to 0 (0) MSEK in the group and parent company. The approved amount of the overdraft facility is 20 (20) MSEK for the group and the parent company.

Note 17 Equity

SHARE CAPITAL

Only one class of shares exists, all shares have the same rights. As of December 31, 2024, the registered share capital comprised 25,568,850 ordinary shares with a value of SEK 0.05 per ordinary share. Holders of ordinary shares are entitled to receive dividends on a *pro rata* basis and their shares entitle them to vote at general meetings with one vote per share.

Other contributed capital
Refers to equity capital contributed in a new issue.

Translation reserve
Translation reserve refers to the translation of the effect of foreign subsidiaries on equity.

Retained earnings and profit for the year
Retained earnings and profit for the year consist of retained earnings and profit for the year from the profit and loss account.

For the parent company, equity is divided into restricted equity, which consists of share capital and the fund for development costs, and non-restricted equity, which consists of the share premium reserve and the profit for the year and the previous year's retained earnings.

The fund for development costs is reduced as the capitalized expenditure is amortized or impaired.

Types of shares

The group, thousands	**2024**	**2023**
Ordinary shares		
Issued as of January 1	25,569	25,569
New share issue		
Issued as of December 31	**25,569**	**25,569**

Note 18 Other long-term liabilities and long-term liabilities to group companies

	The group		Parent company	
KSEK	**2024**	**2023**	**2024**	**2023**
Long-term liabilities				
Liabilities to group companies			815	829
Other long-term liabilities	4,727	2,144		
	4,727	**2,144**	**815**	**829**

The Group's long-term liabilities relate to lease liabilities.

The parent company has long-term liabilities to the subsidiary Mentice Japan amounting to 815 KSEK.

Note 19 Accrued expenses and deferred income

	The group		Parent company	
KSEK	**2024**	**2023**	**2024**	**2023**
Perpaid service revenues	46,477	26,830	35,091	15,678
Accrued holiday pay	9,294	8,885	8,880	7,612
Accrued sales bonus	2,622	3,664	2,028	2,446
Accrued social security contributions	8,390	7,066	8,170	7,066
Other accrued expenses and deferred income		81,189		54,341
Other accrued expenses	20,411		13,932	
Other deferred income	65,848		33,033	
Other		6,647		4,560
	153,041	**134,281**	**101,133**	**91,703**

Note 20 Classification and fair value and level in the value hierarchy

The reported values are considered to be a reasonable approximation of fair value.

Note 21 Financial risks and risk management

Through its activities, the Group is exposed to various financial risks.

- Market risk
- Currency risk
- Liquidity risk
- Credit risk

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks are classified by IFRS into three types, currency risk, interest rate risk and other price risks. The main market risks affecting the Group are currency risks.

CURRENCY RISK

"Currency risk is the risk that the value of assets and liabilities will fluctuate due to changes in exchange rates. Currency risk is divided into translation exposure and transaction exposure. Translation exposure refers to the exposure in net assets of foreign subsidiaries. Transaction exposure refers to risks related to purchases and sales in foreign currency. The Group's external sales are conducted exclusively in the currencies EUR and USD. In the parent company, 70% of external sales are in EUR and the majority of costs are in SEK. The external sales of the US subsidiary are exclusively in USD. The inflow is matched with the subsidiary's outflow, which consists of expenses that are also exclusively in USD. Mentice uses forward currency contracts to manage currency risk. Forward exchange contracts are used to hedge risk in accordance with the Group's financial policy.

At the balance sheet date, the fair value of outstanding forward contracts was SEK 0 (0) million, which was recognized as income in the income statement. Hedge accounting is not applied.

SENSITIVITY ANALYSIS

To manage currency risk, the Group aims to reduce the impact of short-term fluctuations on the Group's results. The Group's currency management policy is to hedge 60% of the total order value in EUR on an ongoing basis. The Group uses forward contracts to hedge its currency risk, with most contracts maturing within 3 months of the balance sheet date. However, in the long term, permanent changes in exchange rates will have an impact on the consolidated results.

		Change, KSEK			
KSEK	**Change, %**	**EUR**	**USD**	**CNY**	**JPY**
Impact on result after tax	10%	11,787	3,812	26	39
Impact on equity, after tax	10%	11,890	5,927	285	178

LIQUIDITY RISK

There is a clear strategy for the company's core business to generate positive cash flow. The company must ensure that a certain level of liquidity is available at all times. See note 16 for cash and overdraft facilities.

CREDIT RISK IN ACCOUNTS RECEIVABLE

The Group's exposure to credit risk is mainly related to trade receivables. The financial situation of existing customers is also continuously monitored in order to identify warning signs at an early stage. In monitoring customer credit risk, customers are grouped according to their credit characteristics, their geographical location, industry and trading history with the group and the existence of any previous financial difficulties. Trade receivables are spread over a large number of customers and no single customer accounts for a significant proportion of total trade receivables. The accounts receivable are also not concentrated in a specific geographical area. The Group therefore considers the concentration risks to be limited. The Group has not recognized any bad debt provisions or bad debt losses.

Note 22 Accounts payables and aging analysis

2024	The group							Parent company						
	Nominal amount original currency	Currency	Nominal amount original currency	Total	< 1 month	1–3 months	3–6 months	Nominal amount original currency	Currency	Nominal amount original currency	Total	< 1 month	1–3 months	3–6 months
Accounts payable	12,940	KSEK	12,940	12,940	12,940			11,619	KSEK	11,619	11,619	11,619		
Other current liabilities														

2023	The group							Parent company						
	Nominal amount original currency	Currency	Nominal amount original currency	Total	< 1 month	1–3 months	3–6 months	Nominal amount original currency	Currency	Nominal amount original currency	Total	< 1 month	1–3 months	3–6 months
Accounts payable	15,582	KSEK	15,582	15,582	15,582			12,481	KSEK	12,481	12,481	12,481		
Other current liabilities														

Note 23 Leasing

Rental contract

KSEK	Duration
Gothenburg, Sweden	April 30, 2025
Chicago, USA	June 30, 2025
Denver, USA	October 31, 2025
Stony Brook, USA	January 31, 2025
MKK, Japan	May 31, 2027
MBJ, Beijing	December 31, 2025
Paris Office, France	September 4, 2033
MSL, Spain	August 31, 2027
Simplify Equipment, Sweden	February 29, 2028

Right-of-use assets included in the consolidated balance sheet

	Premises	
KSEK	2024	2023
The group		
Right-of-use assets	44,416	37,323
Accumulated depreciation	-36,689	-28,987
	7,727	**8,336**

	Equipment	
KSEK	2024	2023
The group		
Right-of-use assets	282	
Accumulated depreciation	-14	
	268	

Lease liabilities included in the consolidated balance sheet

	Premises	
KSEK	2024	2023
The group		
Short-term	4,409	7,413
Long-term	4,727	2,144
	9,135	**9,557**

Change in lease liability

KSEK	Lease liability
Opening balance, January 1, 2023	16,675
Cash outflows	-7,271
Contract signed	352
Exchange rate differences	-199
Closing balance, December 31, 2023	**9,557**
Opening balance, January 1, 2024	9,557
Cash outflows	-9,312
Contract signed	8,543
Exchange rate differences	347
Closing balance, December 31, 2024	**9,135**

Amounts recognized in profit/loss

KSEK	2024	2023
The group		
Depreciation right-of-use asset	-10,771	-6,293
Interest on leasing liabilities	-615	-842
	-11,386	**-7,135**

Cash flow statement for leasing

KSEK	2024	2023
The group		
Amortisation of lease liability	-9,312	-7,271
Interest on leasing liabilities	-615	-842
	-9,926	**-8,113**

Duration analysis of lease contracts, showing the undiscounted lease payments to be made after the balance sheet date

KSEK	2024	2023
Parent company		
Within one year	1,978	4,047
Between one and two years	690	404
Between two and three years	690	96
Between three and four years	690	72
	4,049	**4,619**
Total lease expense in the parent company during the year	**4,326**	**3,975**

Note 24 Collateral and contingent liabilities

	The group		Parent company	
KSEK	2024	2023	2024	2023
Pledged Assets				
Corporate Mortgage	21,500	21,500	21,500	21,500
Contingent liabilities			330	
Guaranteeing Security			1,209	1,671

The parent company has issued a guarantee for the US subsidiary's lease in Chicago.

Note 25 Allocation of the company's profit and loss

At the disposal of the Annual General Meeting are the following amounts in SEK

Share premium reserve	201,727,875
Retained earnings	-43,690,382
Net result for the year	-15,653,420
Total	142,384,073

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

To be carried forward	142,384,073

Note 26 Group companies

Holdings in subsidiaries

KSEK	Subsidary registered office, country	Organization number	Carrying amount	Ownership, % 2024-12-31
Mentice INC	Chicago, Illinois, USA	EIN 36-4355601	19,012	100.0%
Mentice KK	Tokyo, Japan	0104-01-113133	101	100.0%
Mentice International Trading	Beijing, China	91110105MA01HUX9Y	478	100.0%
Mentice Spain SL	Barcelona, Spain	Z-0105086-G	114	100.0%

Parent company

KSEK	2024	2023
Accumulated aquisition values		
At the beginning of the year	62,384	60,203
Shareholder contribution Mentice SL		2,181
Closing balance 31 December	62,384	62,384
Accumulated impairments		
At the beginning of the year	-40,498	-40,498
Closing balance 31 December	-40,498	-40,498
Carrying amount at December 31	**21,886**	**21,886**

Note 27 Specification of the consolidated cash flow statement

	The group		Parent company	
KSEK	**2024**	**2023**	**2024**	**2023**
The following components are included in cash and cash equivalents:				
Cash and bank balances	53,586	59,121	27,462	31,341
Total according to the balance sheet	**53,586**	**59,121**	**27,462**	**31,341**

	The group		Parent company	
KSEK	**2024**	**2023**	**2024**	**2023**
Interest and dividends				
Interest received	1,556	1,255	902	822
Interest paid	-602	-336	-602	-336
	954	**919**	**299**	**486**

	The group		Parent company	
KSEK	**2024**	**2023**	**2024**	**2023**
Items not affecting cash				
Depreciation	30,583	27,708	26,971	26,954
Unrealized exchange rate differences	-337	382	580	2,576
Other items not affecting cash	210		-727	
	30,456	**28,090**	**26,824**	**29,530**

Note 28 Events after the balance sheet date

Events after the balance sheet date:
After the year end the company announced a 648,410 USD Combined Order for Advanced Simulation Solutions from a Top 20 Global MedTech company.

After the balance sheet date, the new administration in the US has imposed trade tariffs on most of the world. This will affect Mentice's operations and the effects are currently being evaluated.

Note 29 Information on the parent company

Mentice AB is a Swedish-registered limited liability company based in Gothenburg. The address of the head office is Odinsgatan 10 in Gothenburg.

The consolidated financial statements for the period January 1 to December 31, 2024 consist of the parent company and its subsidiaries, together referred to as the group.

Declaration of the Management Board

The Board of Directors and the Managing Director certify that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards. The annual accounts and the consolidated accounts give a true and fair view of the financial position and performance of the parent company and the group. The Directors report for the parent company and the group gives a true and fair view of the development of the parent company's and the group's activities.

As stated above, the annual accounts and consolidated accounts have been approved for issue by the Board of Directors and the CEO on April 16, 2025. The consolidated statement of income and other comprehensive income and statement of financial position and the parent company's income statement and balance sheet will be subject to approval by the Annual General Meeting on May 27, 2025.

Gothenburg April 16, 2025

Magnus Nilsson
Chairman of the board

Frans Venker
CEO

Eola Änggård Runsten
Board member

David J. Ballard
Board member

Johann Koss
Board member

Denis Gestin
Board member

Gösta Johannesson
Board member

Lawrence D. Howell
Board member

Our audit report was submitted on April 16, 2025.

KPMG AB

Johan Kratz
Authorized Public Accountant

Auditor's report

To the general meeting of Mentice AB (publ.), reg. no. 556556-4241.

Report on the annual accounts and consolidated accounts

OPINIONS

We have audited the annual accounts and consolidated accounts of Mentice AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 32-56 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 2024 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 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 25-31. 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 statement of comprehensive income and balance sheet for the group.

BASIS FOR OPINIONS

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.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document comprises other information than the annual accounts and consolidated accounts that can be found on pages 1-24 and 59-62. The Board of Directors and the Managing Director are responsible for this other information. Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Accounting Standards 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.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 (publ) for the year 2024 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.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 25-31 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg 16 April 2025
KPMG AB

Johan Kratz
Authorized Public Accountant

Financial calendar

Annual report 2024	April 17, 2025
Interim Report Jan–Mar 2025	May 8, 2025
Annual General Meeting 2025	May 27, 2025
Interim Report Apr–Jun 2025	July 24, 2025
Interim Report Jul–Sep 2025	November 6, 2025

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

Glossary of terms

Definition of key performance indicators reported

Alternative performance measures (APM) are financial measurements that cannot be directly discerned or ordered from financial statements. These financial measurements are intended to help the company management and investors to analyze the group's performance. Investors should view these alternative key performance indicators as a complement to the financial statements prepared in accordance with IFRS.

DEFINITION OF KEY PERFORMANCE INDICATORS REPORTED

Order intake	The value of orders received during the period.
Net sales	Sales of products and services are normally recognized in connection with delivery to customers, depending on the terms of delivery. Services, software, and projects that run over several periods are recognized as net sales over time.
Order book	Amount of not yet delivered products and services.
Order intake rolling 12 months	Mentice has had recurring growth phases, and it is important to view performance over time and not solely for an individual quarter as Mentice historically has had a strong first quarter.
Net sales rolling 12 months	Mentice has had recurring growth phases, and it is important to view performance over time and not solely for an individual quarter as Mentice historically has had a strong first quarter.
Gross profit	Net sales with deduction for raw materials and consumables used and depreciation of rented assets.
Gross profit margin	Gross profit as a part of net sales.
EBITDA	Mentice uses the key performance indicator EBITDA to demonstrate the earning power of the business from operating activities without taking into account the capital structure and tax situation and this is intended to make comparison easier with other companies in the same industry.
EBITDA margin	EBITDA as part of net sales. The measure is used to measure operating profitability, independent of financing, impairment and depreciation.
EBITDA rolling 12 months	Mentice has repeatedly had individual strong quarters, and it is therefore important to continuously see developments over time and not just focus on individual quarters.
FTE	(Full-time Equivalent) Full-time employee based on employment percentage and long-time sick leave. Includes consultants replacing a permanent position during recruitment.
RTM	*Rolling Twelve Months.*

Medical terms

Anesthesia	Narcosis.
Aneurysm	An aneurysm is an abnormal swelling or bulge in the wall of a blood vessel, such as an artery.
Angio room (see also Cath-lab)	An examination and operating room in a hospital for the treatment of neurological and cardiological diseases.
Apprenticeship model	Training under the supervision of an experienced doctor.
Big data	Large amounts of data that through analysis can be used to detect patterns, trends, and changes.
Cardiology	The doctrine of the heart and its diseases.
Cardiovascular diseases	Collective term for diseases that affect the circulatory system heart and/or blood vessels, such as heart attacks and strokes.
Catheterization laboratories ("Cath Labs")	Cath Labs is an examination room in a hospital or clinic with diagnostic imaging equipment used to visualize heart vessels and heart chambers and treat stenosis or existing abnormality.
Clinical trial	A study on healthy or sick people to study the effect of a drug or treatment method.
DT-data	Sets of 2D-images.
Endovascular surgery	Minor intervention for the treatment of cardiovascular diseases. Interventions are made via small holes in the body as an alternative to open surgery.
Healthcare professionals	Personnel working in the healthcare sector and in the Med-tech industry.
Heart valve	A part of the heart that controls blood flow.
IGIT	Image-guided interventional therapies (IGIT).
Image-guided interventions ("IGIs")	Surgery procedure for closed or local surgery as an alternative to open surgery.
Interventional neuroradiology	Interventional neuroradiology is a subcategory of interventional radiology that involves the use of medical imaging tests in the diagnosis and treatment of the central nervous system, head, neck, and spinal disorders.
Ischemic stroke	Cerebral infarction.
Mechanical thrombectomy	Recanalizing treatment of blood vessels used in, for instance, brain infarction.
Medical errors	Errors made by healthcare professionals during patient treatment.
Medical simulation	Simulators designed for education and training of surgical skills.
Neuroradiology	A medical branch specialty that includes in-depth knowledge and skills in radiological diagnosis of diseases, injuries, and malformations within the central nervous system, head, and back.
Neurovascular diseases	Collective term for diseases that involve forebrain cells in the spinal cord and peripheral nerves.
Performance-based fee structure	Fee structure where the fees are based on the clinical outcome.
Peripheral vascular diseases	Collection concept for blood vessels diseases outside the heart.
Radiology	The doctrine of the medical use of radioactive radiation.
Re-admission	Patient who has been called to the care center or hospital after initially being discharged.
SAVR-TV, SAVR-MV	Technology for open heart surgery.
Simulation-based training	Training and training using simulators.
Stent	A stent is a metal tube that are used, for example, to widen blood vessels so that blood or the fluid it carries can pass through.
Surgical complications	Undesirable effect during surgery.
Transcatheter aortic valve replacement ("TAVR")	Image-guided minimal invasive procedures for heart valve replacement.

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