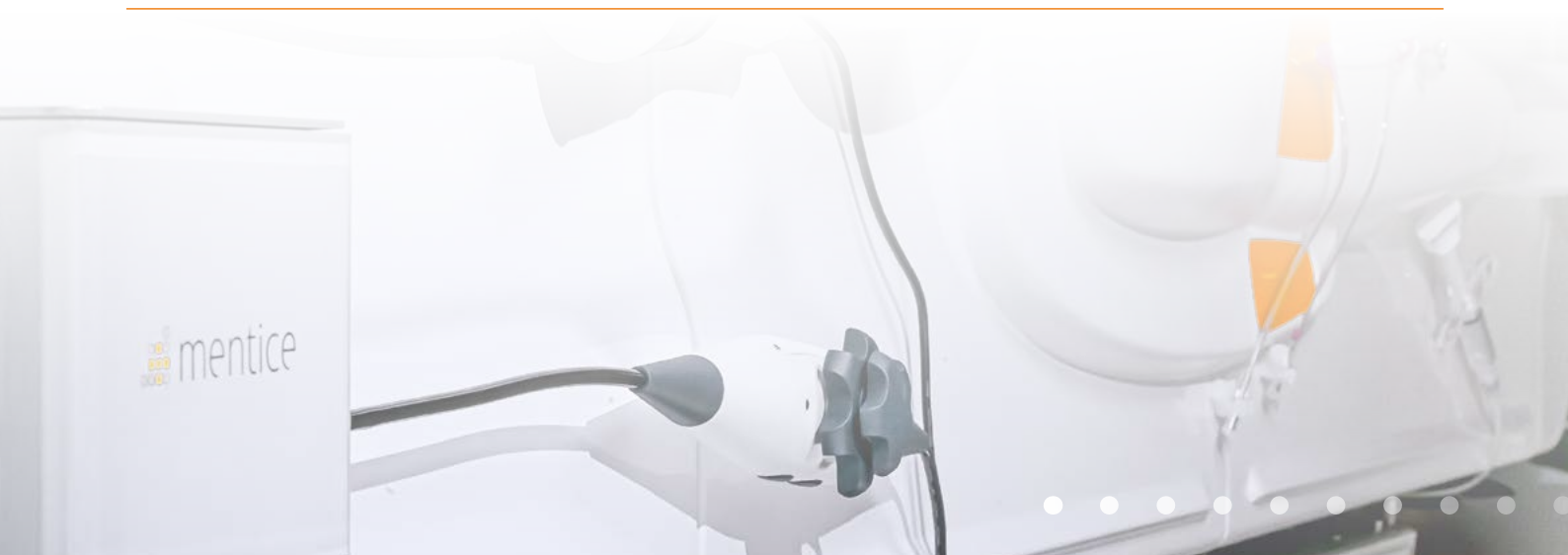




mentice

INTERIM REPORT
APR—JUN 2021





MENTICE DELIVERS RECORD LEVEL OF SALES FOR THE SECOND QUARTER AND FIRST HALF YEAR

CEO GÖRAN MALMBERG COMMENTS:

"Very strong execution on deliveries from our order book during the quarter, combined with continued strong order intake, position us well for the year and enables us to present our strongest second quarter and the first half year for sales in Mentice's history. Our sales to hospitals, both direct and indirect via channels and strategic alliances, are still affected by the pandemic, but we have still managed to deliver an increase in net sales of 90.5% for the quarter and 34.5% for the first six months year over year. With this result, we are now back to demonstrating growth within the frame of our financial growth target. We are investing in our growing organization and preparing for the requirement for the second part of the year, but even more so for 2022."

SECOND QUARTER (APRIL–JUNE 2021) AND FIRST HALF YEAR (JANUARY–JUNE 2021)

- Order intake amounted to 40.2 (28.4) MSEK for the second quarter and 80.1 (60.9) MSEK for the first half year.
- Order book by the end of the period was 67.9 (41.3) MSEK.
- Net sales amounted to 46.4 (24.3) MSEK for the second quarter and 78.7 (58.1) MSEK for the first half year.
- Earnings before depreciations (EBITDA) totaled -0.5 (-12,0) MSEK for the second quarter and -8.9 (-12.5) MSEK for the first half year.
- Net income for the period amounted to -5.5 (-12.5) MSEK for the second quarter and -17.8 (-19.5) MSEK for the first half year.
- Earnings per share (EPS) was -0.22 (-0.46) SEK for the second quarter and -0.72 (-0.67) SEK for the first half year.
- Cash flow from operating activities totaled 6.7 (15.2) MSEK for the second quarter and -6.4 (16.7) MSEK for the first half year.



SIGNIFICANT EVENTS DURING THE SECOND QUARTER

- During the quarter, Mentice received an order valued at 5.9 MSEK in total from Baylis Medical Company relating to Baylis' portfolio for transseptal puncture procedures, where Mentice will provide simulation solutions. Mentice's VIST G5 platform will support the launch of new medical devices in a safe and effective way by supporting clinical education and roll-out. This order is included in the order book for the second quarter.
- Mentice announced the appointment of Gunilla Andersson as its new CFO on June 30. Mrs Andersson will assume this position on September 1, 2021.
- In the USA, Mentice has concluded collaboration agreements with Thomas Jefferson University Hospital, Houston Methodist Hospital and the University of Miami Healthsystem. All agreements entail adoption, utilization, and workflow programs to ensure improved patient care.
- Mentice's solutions were used to present a live case from Sahlgrenska University Hospital in Gothenburg, Sweden for the main auditorium at the EuroPCR cardiology conference in Paris, France, Europe's largest congress for interventional cardiology. This live case demonstrated the value of rehearsing complication management best practices for the entire operating team. Sahlgrenska's cardiology department illustrated how important such a realistic environment would be to avoid a critical situation occurring during real patient cases.

- The Sim Agility, a new flexible and mobile solution from our Vascular Simulations business unit, was launched. This is now the market's most advanced all-in-one agile flow solution and will bring new opportunities to the medical device industry and healthcare systems.
- In addition, Mentice also released a significant update to Mentice's TEE Trainer (Transesophageal echocardiography Trainer) was rolled out, which will offer 5 additional cases and pathologies, including functional tricuspid regurgitation, dilated anatomies and AVR. Also, improved functionality has been added to simulate complex situations with acoustic shadowing from pacemaker leads and when a high level of heart valve detail is needed. Based on real patients, the solution offers the most sophisticated ultrasound simulation in the market and the only one with real-time synchronized 2D echo, 3D echo, and MPR. Users can practice hands-on under expert guidance and test their TEE skills both in obtaining and interpreting views and investigating pathologies.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- At the European Congress of Radiology held in Vienna, Austria, Mentice's VP of Marketing Martin Harris presented on the virtual main stage and talked with the panel on the development of the use of virtual simulation, what is needed to standardise such solutions across Europe, and how important this has become especially during the pandemic.

COMMENTS BY THE CEO

We have experienced three quarters in a row with record levels for order intake, and I am happy to see that for the second quarter we have also executed on deliveries from our order book. This has resulted in a record level net sales for the quarter, but also for the first half year. We can also see that the overall gross margin is back to the 80% mark, which is something we also have made a focus for the first part of the year. We generated a positive operating cashflow for the quarter, however we are still negative for the first half year and below last year. This is due to longer payment time in general from clients, especially our larger clients. With this strongest second quarter ever related to our order intake and net sales, and also the strongest first six months ever, we are now producing growth in the frame as defined by our financial targets. We are also investing in a growing organization, which is increasing our cost levels compared to last year where we aimed to minimize cost due to the uncertainties during the pandemic.

OVERALL MARKET CONDITIONS

We are still operating with the negative effects from the pandemic, and during the second quarter we were still unable to travel to clients in most parts of the world except for the USA where situations have gone back to almost normal. This of course affects our business for new contacts, but also with existing clients regarding new opportunities and where new approaches are to be discussed. Despite this, we see very strong demand for our solutions across our segments and channels. We can also see that the pandemic has made it even clearer than before that the need for solutions to train or prepare for a situation or a case are invaluable, and that it is much more difficult to perform traditional preparation, i.e. in the clinical practice on patients. There is also a growing number of physicians that perceive traditional preparation as inadequate. We have seen many situations over the last year where institutes, device corporations and experienced physicians praise the ability to rehearse and practice on our solutions, for both junior experts and all others involved including experienced and senior experts.

PRODUCTS

Besides the ongoing custom development activities with Medical Device clients, we have during the quarter launched a mobile solution for physical simulation called SiM Agility. This solution meets the demand from both the Medical Device and Hospital markets for a portable, easy-to-use and easy-to-setup system. SiM Agility performs under realistically simulated flow and accurately replicated anatomies for life-like tactile feedback. It will allow interventionalists to maximize their



competence and confidence in clinical procedures, as well as support Medical Device companies with new ways to optimize device development for novel and complex clinical devices.

In addition, Mentice also released a significant update to its TEE Trainer (Transesophageal echocardiography Trainer) with several new cases designed to expose echocardiographers and interventional cardiologists to rare pathologies and challenging anatomies. Based on real patients, the solution offers the most sophisticated real-time ultrasound simulation in the market. Users can practice hands-on under expert guidance and test their TEE skills both in obtaining and interpreting views and investigating pathologies.

MEDICAL DEVICE INDUSTRY

Expansion and growth for our Medical Device Industry segment continues, and despite a strong year and quarter over quarter figures for 2020 we have now delivered two encouraging quarters in 2021 with over 65% in order intake growth for the second quarter year over year, and we are over 58% for the full first six months. There is strong demand from the device industry across all regions, with USA of course being the strongest and the demand for our classical solutions running locally on a simulator with a virtual patient, but we also experience this being very well complemented with both use of physical models from our Vascular Simulation business unit as well as an increasing demand for on-line

solutions to complement situations where all parties are present at the same location. We also see that the demand is strongest with new and advanced devices for high-end and high-stakes procedures, where Mentice clearly is positioned uniquely with very few alternatives if any.

HEALTHCARE SYSTEMS

In the Healthcare Systems segment we have seen growing order intake during the second quarter and for the first six months we are above the same period for 2020 (+11.7% on orders) however we are still significantly below levels for 2019 (lower than -50% on orders) which is entirely due to the pandemic. During the quarter, we have managed to generate good-sized hospital orders from hospitals in several regions, even though the pandemic has prevented us from doing business in many regions such as India and really all of Asia outside Japan and China. We can also see that, despite having received several good-sized orders based on tenders in the EMEA region, we are still being prevented from developing our new business until we can see clients again. Based on current data, we believe that we will be able to travel and see clients again starting during the period after the European summer, provided that the positive development for the pandemic continues as expected.

STRATEGIC ALLIANCES

Very much like with Healthcare Systems, our business funneled through Siemens Healthineers and Philips Healthcare is suffering from their lack of access to hospitals and clients. While our projects are advancing in a nice way, we certainly need access to clients to be able to market the advantages of our integration with the imaging vendors in order for this to take off, even though we have an ongoing global program to generate additional pull from the clinical community. With this said, discussions on bundling and embedding of solutions are advancing, and we are confident that this will change the perception of these solutions in the near future. Our sales levels for Strategic Alliances are lower for both the quarter and for the first six months compared to the same period last year, but we believe that this will pick up in the second half of the year. There are some highlights worth mentioning from the quarter; we installed a Mentice integration with Siemens ARTIS Icono system at Siemens Healthineers China Training Center, and also installed a Physical Sim (Vascular Simulations) and Virtual Patient integrated environment at the Philips Healthcare USA training center in Cleveland, Ohio. Furthermore, in line with our strategic Stroke initiatives, in partnership with Laerdal Medical, we installed a SimMan Vascular solution at University of Miami Gordon Centre, one of the most recognized training centers in North America. This system will be used for workflow assessment and improvement for acute scenarios such as Stroke, Vascular Trauma and Acute Myocardial Infarctions.

THE ACQUIRED BUSINESS FROM VASCULAR SIMULATIONS

The ability for us to complement virtual solutions with physical simulation gives us a unique position in the market as no one else can provide that. We also see that the acceptance for the Vascular Simulation solutions is strong, and that these solutions are very competitive and leading edge in their field. We see a good development for this line of business, and we are starting to see the cross selling and combined selling opportunities bridging the physical and virtual solutions together.

SOLID GROWTH IN NET SALES FOR THE FIRST SIX MONTHS

Based on the strong performance so far in 2021, we are 35.4% above last year in net sales at the end of the second quarter. If we add the part of the order book which is scheduled for delivery throughout the year, we feel confident that we will be able to exceed last years level of sales for the full year. We are not providing any guidance for the full year, but we are in a strong position of growth going into the second half of 2021.

SUMMARY

Overall strong performance and the ability to render orders from our orderbook, which has been a concern for both Q4 2020 and Q1 2021, provides a good basis for the rest of 2021 and a hope that we are starting to see the environment after the pandemic. The position on order, orderbook and net sales for both the second quarter and for the first half year is the highest in Mentice's history. It is very nice to be able to confirm that we are now delivering on our financial target for net sales growth. We now hope for a normalization of the healthcare systems environment post the pandemic so we can improve our performance with the segments related to this business.

Gothenburg in July 2021,

Göran Malmberg
CEO, Mentice AB (publ)

KEY FIGURES

	Apr-Jun 2021	Apr-Jun 2020	Change	Jan-Jun 2021	Jan-Jun 2020	Change	RTM*	Full Year 2020
Order intake, MSEK	40.2	28.4	41.5%	80.1	60.9	31.5%	187.8	168.6
- whereof Medical Device Industry	31.3	18.9	65.6%	64.1	40.5	58.3%	138.4	114.8
- whereof Healthcare systems	7.3	4.8	52.1%	11.7	10.3	13.6%	40.7	39.3
- whereof Strategic Alliances	1.6	4.7	-65.0%	4.3	10.1	-57.4%	8.7	14.5
Order book (end of period), MSEK	67.9	41.3	64.4%	67.9	41.3	64.4%	67.9	66.4
Net sales, MSEK	46.4	24.3	90.5%	78.7	58.1	34.5%	158.1	137.5
Sales, MSEK	46.4	24.3	90.5%	79.7	60.8	31.1%	169.8	150.9
Gross margin, %	79.8%	74.9%		80.0%	80.7%		76.0%	75.7%
Operating income before depreciations, EBITDA, MSEK	-0.5	-12.0		-8.9	-12.5		-0.5	-4.1
EBITDA-margin, %	-1.2%	-49.1%		-11.3%	-21.4%		-0.3%	-3.0%
Income before tax, EBT, MSEK	-5.5	-12.9		-17.8	-19.5		-16.9	-18.6
Income for the period, EBT, MSEK	-5.4	-11.1		-17.8	-16.1		-14.8	-13.1
Earnings per share, SEK	-0.22	-0.46		-0.72	-0.67		-0.59	-0.54
Cash-flow from operations, MSEK	8.3	15.2		-4.8	16.7		9.0	30.5
Cash at end of period, MSEK	26.3	49.3		26.3	49.3		26.3	48.8
Equity/Asset ratio, %	60.4%	61.1%		60.4%	61.1%		60.4%	66.6%
Number of employees at the end of the period	100	91		100	91			95

*RTM = rolling twelve months.

FINANCIAL PERFORMANCE

ORDER INTAKE

Order intake during the second quarter increased by 41,5 % to 40.2 (28.4) MSEK.

Americas delivered a strong quarter with 26.2 MSEK in order intake compared to 14,9 MSEK same period last year which represents an increase with 76.3%. In APAC order intake increased with 40.5 % compared to same period last year totalling 6.9 MSEK (4.9). In EMEA, order intake decreased with 14,9% to 7.1 MSEK compared to 8.4 MSEK last year.

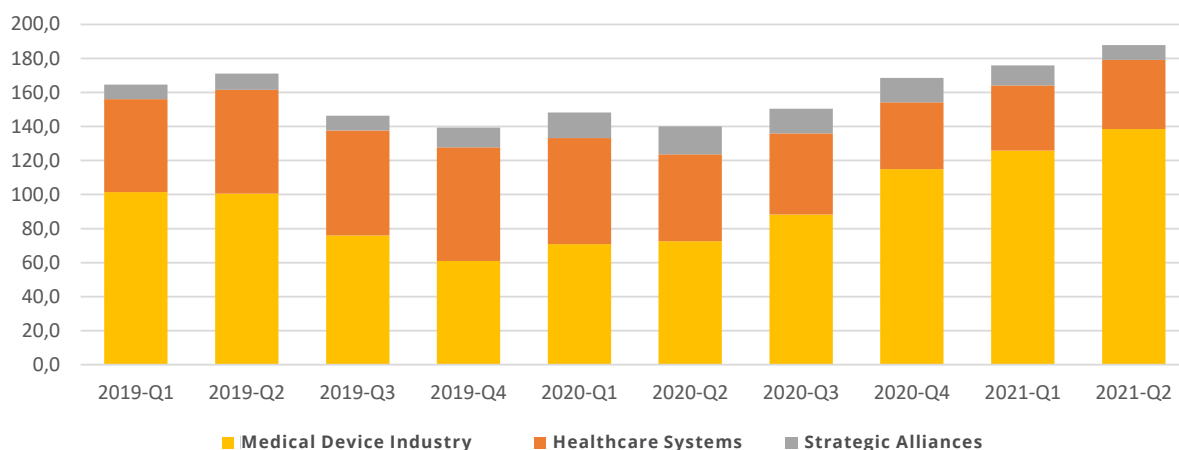
Within Medical Device Industry segment, order intake increased with 65,6 % to 31.3 MSEK compared to 18.9 MSEK same period previous year. Within Healthcare system segment, order intake increased to 7.3 MSEK (4.8) which represents an increase with 52.1%. Order intake

from Strategic Alliances decreased to 1.6MSEK compared to 4.7 MSEK same period previous year.

SEASONAL VARIATIONS

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

ORDER INTAKE PER SEGMENT ROLLING 12 MONTHS (MSEK)



ORDER BOOK

The order book closed at 67.9 (41.3) MSEK for the second quarter. The order book represents orders received but not yet delivered.

Out of the total orderbook per June 30, 50% is expected to be delivered, and recognized as net sales in 2021. Remaining 50% refers to deliveries, such as support agreements, software subscription that is to be delivered and recognized as revenue over next coming 3 years.

NET SALES

The group's net sales consist of sales from system and software, service and support and sales from consultancy assignments. Software licenses sold as

perpetual are recognized as net sales at delivery, together with hardware, while software licenses sold as subscription model is recognized as net sales over time.

Net sales for the second quarter amounted to 46.4 (24.3) MSEK, an increase of 90,4% compared to last year. Out of total net sales, 8.7 (0) MSEK refers to net sales from acquired business. The effect of exchange rate variances in net sales amounted to - 4.1 (1.0) MSEK and is mainly the result of a weaker USD compared to SEK.

FINANCIAL PERFORMANCE, CONT.

NET SALES, CONT.

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

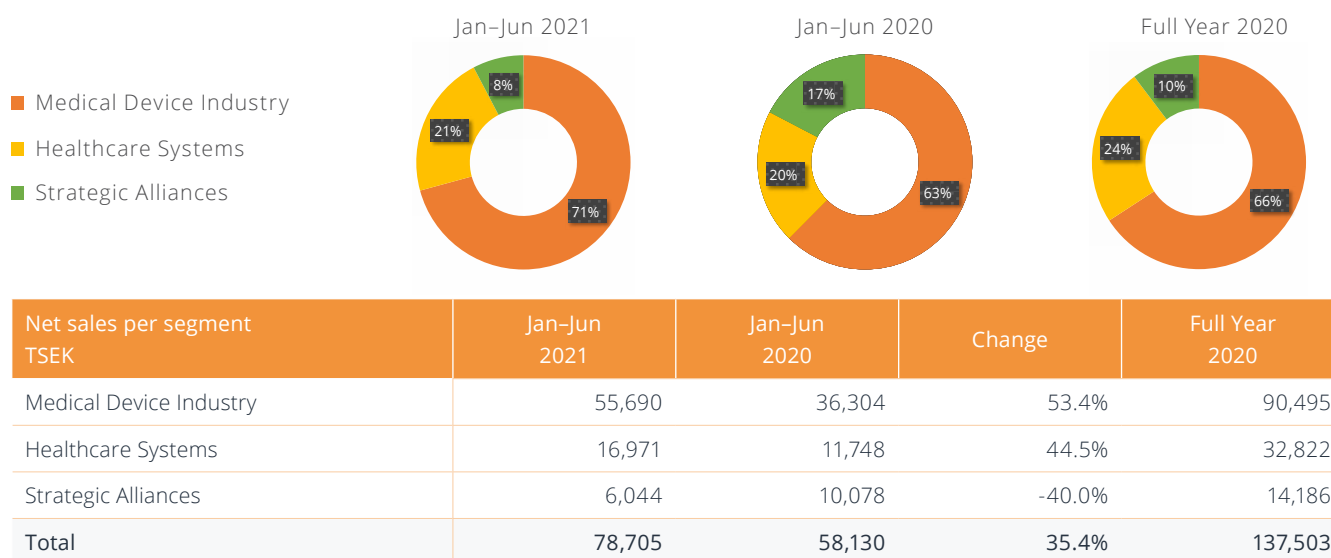
Strategic Alliances is now reported as its own segment, which was previously included in the Teaching Entities and Medical Device Industry segments.

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

Of the net sales for the second quarter, 33.6 (15.8) MSEK came from the Medical Device Industry segment, 8.1 (4.7) MSEK came from Healthcare System segment and 4.7 (3.8) MSEK from the Strategic Alliances segment.

Geographically, net sales from EMEA were 13.0 (8.8) MSEK, corresponding to 28 (36)% of total net sales.

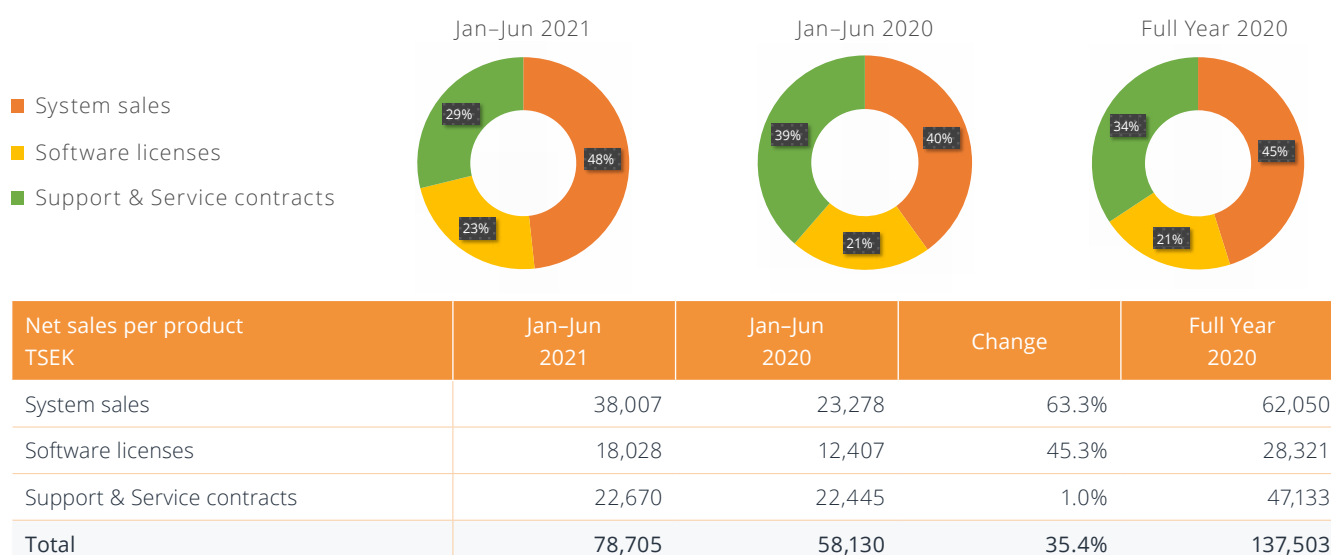
Net sales increased in APAC to 12.7 (5.2) MSEK, which accounted for 27 (22)% of total net sales. In the Americas, net sales increased to 20.7 (10.3) MSEK, corresponding to 45 (42)% of total net sales.



Of the net sales for the second quarter, 22.4 (9.8) MSEK came from system sales, where net sales is recognized in full upon delivery of the system. 11.8 (3.6) MSEK of total net sales came from software licenses sales. Net sales from software licenses include both perpetual licenses, where net sales is recognized upon delivery of system as well as software licenses sold as

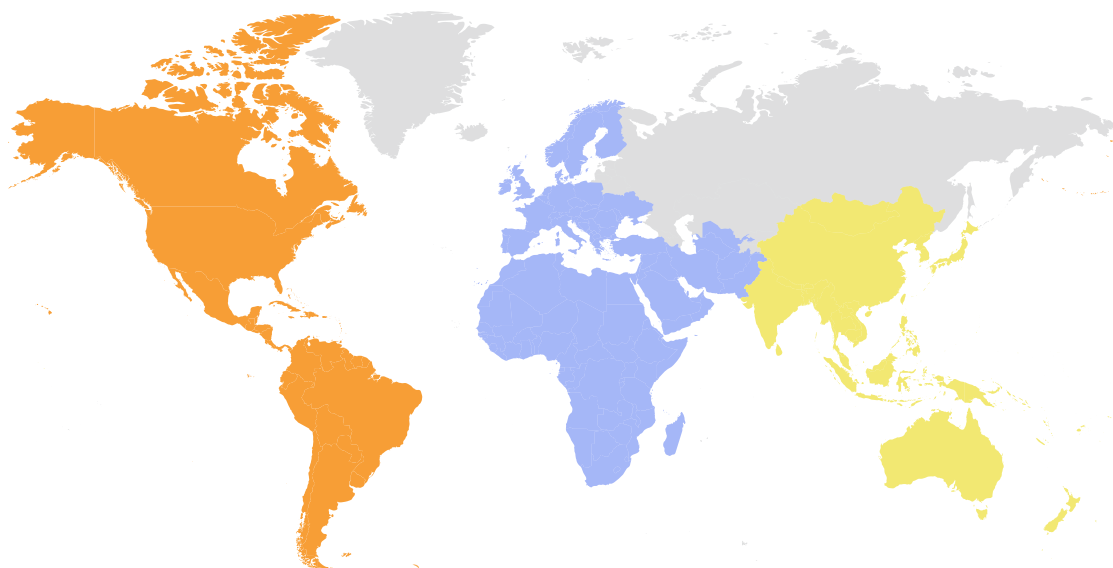
subscription model where net sales is recognized over time, normally one year.

Net sales from support and service contracts for the first quarter amounted to 12.2 (11.0) MSEK and refers to support and service where net sales is recognized over time



FINANCIAL PERFORMANCE, CONT.

NET SALES PER GEOGRAPHIC MARKET



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

Net sales per geographic market TSEK	Jan-Jun 2021	Jan-Jun 2020	Change	Full Year 2020
● EMEA	17,199	25,269	-31.9%	42,975
● APAC	24,785	14,312	73.2%	35,467
● Americas	36,721	18,549	98.0%	59,061
Total	78,705	58,130	35.4%	137,503

OTHER INCOME

Other income was 0.0 (0.0) MSEK for the quarter. Other income is related to exchange rate variances in assets and liabilities in foreign currencies.

GROSS MARGIN

Gross margin was at 79.8% for the second quarter, compared to 74.9% for the same period the previous year. The gross margin is mainly affected by the mix of the products sold.

The higher gross margin in the quarter is largely due to increased net sales from software licenses.

Gross margin is also affected by currency effects in net sales.

GROSS PROFIT, OPERATING RESULT AND OPERATING MARGIN (EBITDA)

Gross profit for the second quarter was 37.0 (18.2) MSEK. Operating income before depreciation, EBITDA, was -0.5 (-12.0) MSEK. This corresponds to an operating margin of -1.2 (-49.1) % for the second quarter.

Operating income before depreciations, EBITDA was -0.5 (-12.0) MSEK. This corresponds to an operating margin of 1.2 (-49.1) % for the second quarter.

OTHER EXTERNAL COSTS

Other external costs totalled to -11.0 (-10.9) MSEK during the second quarter which equals an increase of 1,6% compared to same period last year.

Other external costs include operating costs from acquired business with 1.0 (0) MSEK.

In addition, capitalization of development cost was included in other external costs with 3.4 (2.1) MSEK.

FINANCIAL PERFORMANCE, CONT.

PERSONNEL COSTS

Personnel costs during the second quarter were -26.5 (-19.4) MSEK which equals an increase of 37.0%. Personnel costs include costs from acquired business with 2.0 (0) MSEK.

Capitalization of development cost were included in the personnel costs with an amount of 2.9 (3.1) MSEK. The number of employees were 100 (91) by the end of the quarter.

CAPITALIZED EXPENSES FOR DEVELOPMENT COSTS

Capitalized expenses for development costs during the second quarter totalled 6.3 (6.5) MSEK, and are mainly attributable to a number of ongoing software projects.

NET FINANCIAL ITEMS

Net financial items for the second quarter totalled -0.4 (2.3) MSEK and are mainly related to exchange rate variances. The net financial items for the quarter included - 0.2 (- 0.2) MSEK of interest expense on lease liabilities, in accordance with IFRS 16.

INCOME BEFORE TAX, NET RESULT FOR THE PERIOD AND EARNINGS PER SHARE

Tax on income for the period was 0.1 (1.8) MSEK. Net income for the period was -5.4 (-11.1) MSEK. Earnings per share was - 0.22 (- 0.46) SEK.

CASH FLOW

Cash flow from operating activities for the period was 8.3 MSEK compared to 15.2 MSEK same period last year.

Cash flow from changes in working capital amounted to 9.0 MSEK compared to 24.7MSEK same period last year mainly attributable to increase in accounts receivable and decrease in accounts payable.

CASH AND FINANCIAL POSITION

Cash at the end of the period was 26.3 (49.3) MSEK. The group's total assets amounted to 241.4 (178.4) MSEK. IFRS 16 affected total assets by 8.5 (13.9) MSEK. Accounts receivable increased during the period to 34.2 (26.7) MSEK. Inventories amounted to 6.0 (7.3) MSEK. Current liabilities were 89.9 (61.6) MSEK. The carrying amounts of financial assets and liabilities are considered to correspond essentially to fair value.

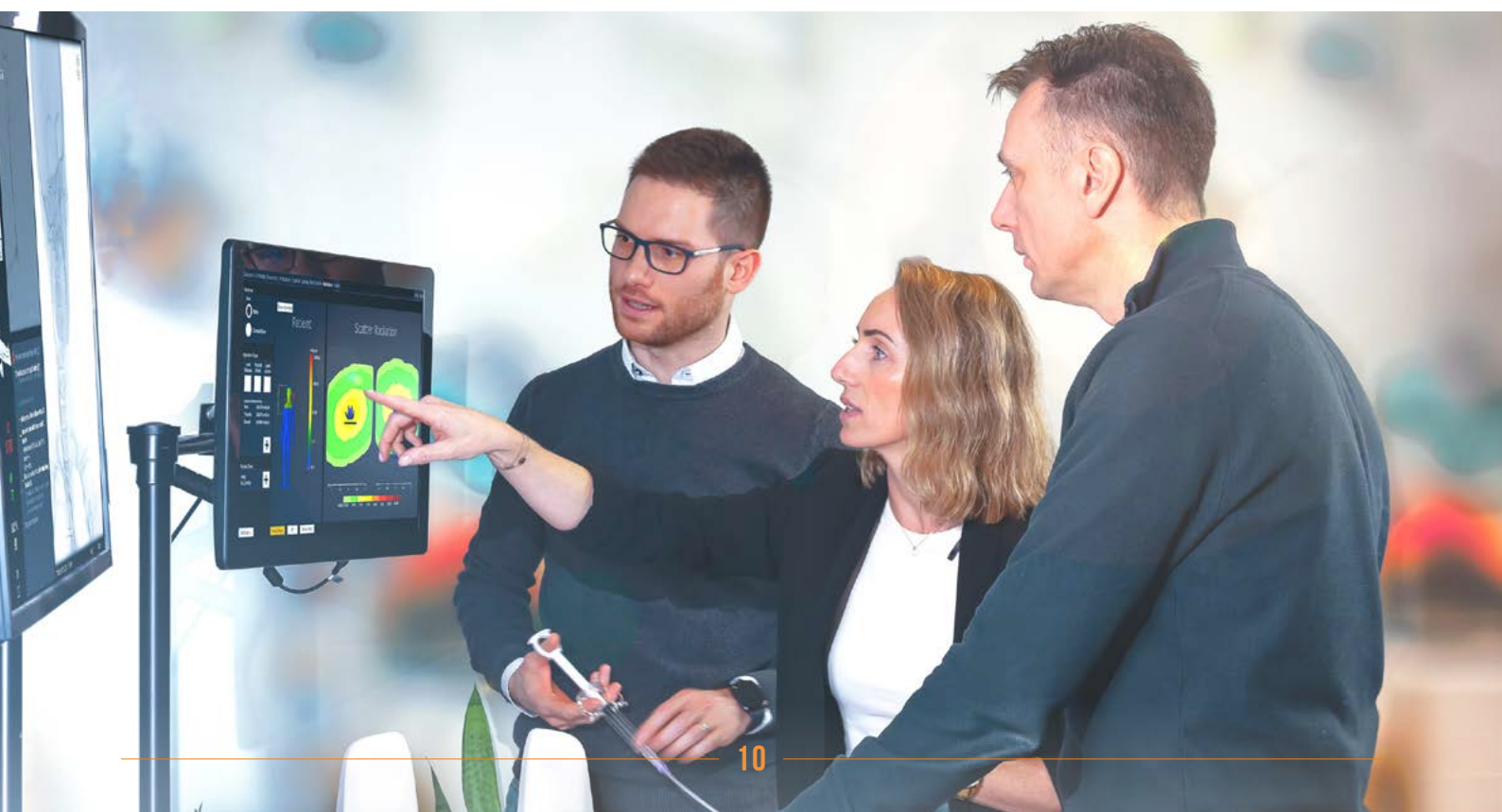
INVESTMENTS

Investments during the second quarter totalled 9.1 (7.7) MSEK. Of the investments, 6.3 (6.5) MSEK refers to the capitalization of development costs. Remaining 2.8 (1.2) MSEK refers to investments in tangible assets relating to new hardware devices for internal use but also rental.

The group had no significant obligations relating to investments as of June 30, 2021.

PARENT COMPANY

The parent company is an operating company. Net sales for the parent company amounted to 30.6 (17.8) MSEK. The income for the period corresponds largely to the sales within EMEA and APAC, the development department and the head office in Sweden. The income for the period was - 7.1 (-8.9) MSEK.



FINANCIAL PERFORMANCE, CONT.

SHARE CAPITAL

The total number of shares as of June 30, 2021 was 24,768,850 (24,146,552) and the share capital was SEK 1.2 million. Average number of shares in January-June 2021 was 24,759,596 (24,146,552). All shares are ordinary shares with equal voting value. The shares have a quotient value of SEK 0.05.

DISPUTES

The group has no current disputes.

TRANSACTIONS WITH RELATED PARTIES

No transactions with related parties have been carried out during the period.

SUSTAINABILITY

Mentice business purpose is to help hospitals to reduce patient deaths and injuries as well as costs resulting from medical errors and inefficiencies. By developing and providing innovative and realistic training tools, doctors' clinical skills can be improved, and the risk of unnecessary mistakes reduced. Medical mistakes are a big and costly social problem. See detailed sustainability information in the 2020 annual report on page 34.

RISKS

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

This affects changes in exchange rates and interest rates, as well as liquidity, financing and credit. Currency risk also arises when translating foreign net assets and earnings into Swedish kronor. Mentice overall goal is to avoid as far as possible financial risk taking, which can arise through changes in exchange rates, interest rates and market prices, as well as liquidity, financing and credit risks.

Exchange risk is divided into translation exposure and transaction exposure. Translation exposure refers to the exposure of net assets for foreign subsidiaries. Transaction exposure refers to the risks associated to purchases and net sales in foreign currency.

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

In the parent company, 70% of the external sales are in EUR, and the majority of the operating costs are in SEK. Net sales and cost in the US subsidiary is exclusively conducted in USD.

For more information about the company's risks, see Note 22 on page 94 of the annual report for 2020.

THE SHARE AND OWNERSHIP

Mentice AB (publ.) shares are traded on Nasdaq First North Growth Market since June 18, 2019 under MNTC. According to Euroclear's official register of shareholders, Mentice had a total of 1,292 shareholders by June 30, 2021. FNCA is the company's certified advisor.

Largest shareholders (source Euroclear 2021-06-30) Name	Number of shares	Shareholding in %
Karin Howell -Bidermann	8,690,980	35.1%
Bure Equity AB (publ)	3,644,059	14.7%
Handelsbanken Microcap Sverige	1,550,760	6.3%
Fjärde AP fonden	1,345,109	5.4%
TIN Ny Teknik	712,847	2.9%
Göran Malmberg	702,516	2.8%
Andra AP Fonden	432,620	1.7%
Grenspecialisten Förvaltning AB	53,081	0.2%
Johan Lindkvist	40,978	0.2%
Henrik Storm	40,848	0.2%
10 Largest shareholders total	17,213,798	69.5%
Others	7,555,052	30.5%
	24,768,850	100.0%

AUDITOR REVIEW

This report has not been reviewed by the company's auditors.

FINANCIAL REPORTS

Interim reports and other financial reports are available on the company's website, www.mentice.com.

AFFIRMATION

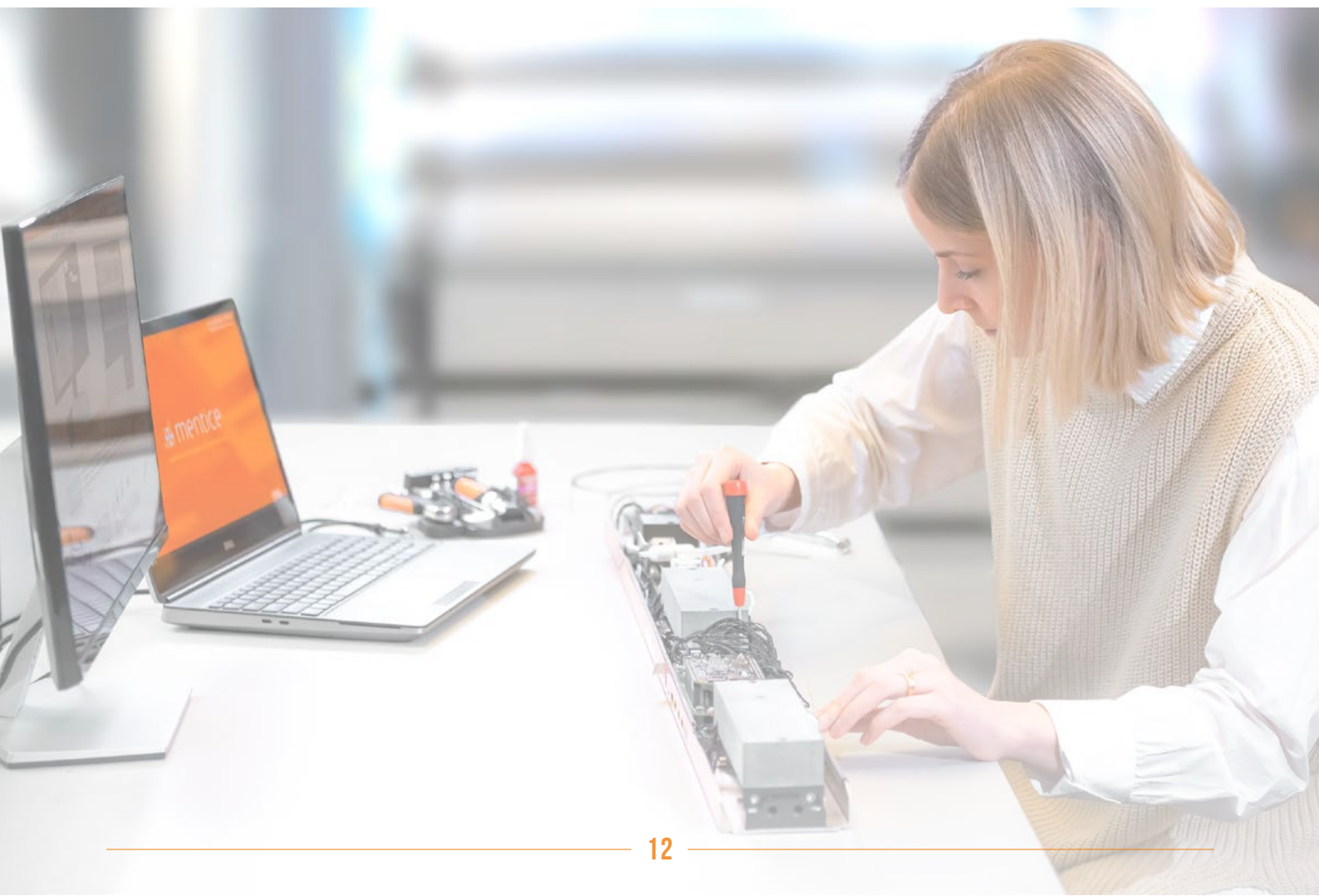


Mentice AB (publ)'s Board of Directors and CEO hereby assure that this interim report gives a true and fair view of the Group's business, financial position and performance and describes the essential risks and uncertainty factors that the company and the companies which are part of the Group are subjected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

Gothenburg, July 22, 2021

Mentice AB (publ)

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



GROUP — CONSOLIDATED INCOME STATEMENT

TSEK	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Full Year 2020
Net sales	46,385	24,347	78,705	58,130	137,503
Other income	-	-	987	2,650	13,376
Sales	46,385	24,347	79,692	60,780	150,879
Cost of goods sold	-9,376	-6,099	-15,758	-11,244	-33,398
Other external costs	-11,029	-10,851	-22,820	-20,330	-40,248
Personnel costs	-26,521	-19,363	-50,045	-41,668	-81,304
Depreciation of tangible and intangible assets	-4,568	-3,155	-9,022	-6,259	-14,142
Operating income, EBIT	-5,109	-15,121	-17,953	-18,721	-18,213
Financial income	-	2,563	333	5	1,306
Financial expenses	-352	-300	-205	-750	-1,679
Income before tax, EBT	-5,461	-12,858	-17,825	-19,466	-18,586
Tax on income for the period	98	1,751	63	3,382	5,494
Net income for the period	-5,363	-11,107	-17,762	-16,084	-13,092
Profit/Loss attributable to:					
Shareholders parent company	-5,363	-11,107	-17,762	-16,084	-13,092
Non-controlling interest	-	-	-	-	-
Net income for the period	-5,363	-11,107	-17,762	-16,084	-13,092
Earnings per share basic, SEK	-0.22	-0.46	-0.72	-0.67	-0.54

GROUP — CONSOLIDATED INCOME STATEMENT AND TOTAL INCOME

TSEK	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Full Year 2020
Net income for the period	-5,363	-11,107	-17,762	-16,084	-13,092
<i>Other total income for the period</i>					
The period translation reserve	372	1,356	372	1,356	-1,980
Other total income for the period	-4,991	-9,751	-17,390	-14,728	-15,072
Profit/Loss attributable to:					
Shareholders parent company	-4,991	-9,751	-17,390	-14,728	-15,072
Non-controlling interest	-	-	-	-	-
Total net income for the period	-4,991	-9,751	-17,390	-14,728	-15,072

GROUP — CONSOLIDATED BALANCE SHEET

TSEK	30 Jun 2021	30 Jun 2020	Full Year 2020
Assets			
Intangible Fixed Assets	107,343	41,764	101,366
Tangible Fixed Assets	11,702	7,968	7,970
Right-of-use Assets	8,540	13,901	11,221
Deferred Tax Assets	21,108	19,854	20,576
Total Fixed Assets	148,693	83,487	141,133
Inventories	6,014	7,310	5,769
Accounts Receivable	34,221	26,731	29,481
Prepaid Costs and Accrued Income	22,926	9,363	16,493
Other Current Receivables	3,311	2,178	3,642
Cash and Cash Equivalents	26,309	49,315	48,753
Total Current Assets	92,781	94,897	104,138
Total Assets	241,474	178,384	245,271
Equity			
Share Capital	1,236	1,207	1,236
Additional Paid in Capital	144,760	91,231	144,760
Other Capital Including Net Result for the Year	-135	16,555	17,255
Total Equity Attributable to Parent Company Shareholders	145,861	108,993	163,251
Minority Share in Total Equity	-	-	-
Total Equity	145,861	108,993	163,251
Liabilities			
Long-term Leasing Liabilities	5,696	7,802	6,368
Total Long-term Liabilities	5,696	7,802	6,368
Accounts Payable	12,641	5,939	16,763
Current Tax Liability	73	455	166
Other Liabilities	3,068	7,298	2,829
Current Leasing Liability	3,714	5,055	5,142
Accrued Expenses and Deferred Income	70,423	42,842	50,752
Total Current Liabilities	89,919	61,589	75,652
Total Liabilities	95,615	69,391	82,020
Total Equity and Liabilities	241,476	178,384	245,271

GROUP — CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



TSEK	Share Capital	Additional Paid in Capital	Translation Reserv	Other Capital incl. Net Result	Total	Minority Share	Total Equity
Opening Balance Equity 2021-01-01	1,236	144,760	-1,919	19,174	163,251	-	163,251
Net income for the period				-17,762	-17,762	-	-17,762
Other total income for the period			372		372	-	372
Closing balance Equity 2021-06-30	1,236	144,760	-1,547	1,412	145,861	-	145,861

CASH FLOW STATEMENT FOR THE GROUP

TSEK	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Full Year 2020
Operating activities					
Result before tax	-5,461	-12,858	-17,825	-19,466	-18,586
Adjustment for non-cash items	4,779	3,535	8,041	6,323	15,214
Tax paid	-	-160	-94	-484	-498
Cash flow from operating activities before changes in working capital	-682	-9,483	-9,878	-13,627	-3,870
Changes in working capital					
Increase (-)/Decrease (+) inventories	19	1,184	-194	2,142	2,988
Increase (-)/Decrease (+) current assets	1,514	19,896	-9,060	23,075	10,671
Increase (+)/Decrease (-) current liabilities	7,448	3,647	14,334	5,131	20,745
Cash flow from changes in working capital	8,981	24,727	5,080	30,348	34,404
Cash-flow from operations	8,299	15,244	-4,798	16,721	30,534
Investing activities					
Investments in tangible assets	-2,775	-1,191	-5,189	-1,283	-3,275
Investments in intangible assets	-6,334	-6,483	-10,552	-11,912	-22,063
Acquisition of business, net cash effect	-	-	-	-	367
Cash-flow from investment activities	-9,109	-7,674	-15,741	-13,195	-24,971
Financial activities					
Payment of finance leasing liabilities	-434	-1,301	-2,027	-2,591	-3,978
Cash-flow from financing activities	-434	-1,301	-2,027	-2,591	-3,978
Cash-flow for the period	-1,244	6,269	-22,566	935	1,585
Opening cash balance	27,755	43,006	48,753	48,041	48,041
Exchange rate differences on financial items	-202	40	122	339	-873
Closing cash balance	26,309	49,315	26,309	49,315	48,753

INCOME STATEMENT – PARENT COMPANY



TSEK	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Full Year 2020
Net Sales	30,558	17,849	52,356	45,720	103,361
Capitalized Expenses for Development	6,335	6,483	10,552	11,912	22,063
Other Income	160	–	986	2,650	8,622
Sales	37,053	24,332	63,894	60,282	134,046
Cost of Sold Goods	-6,470	-4,010	-11,411	-9,447	-23,273
Other External Costs	-12,977	-16,230	-28,010	-35,595	-63,170
Personnel Expenses	-21,554	-15,971	-39,036	-33,515	-63,998
Depreciations on Intangible and Tangible Assets	-2,659	-1,170	-5,250	-2,333	-6,023
Operating Profit	-6,607	-13,049	-19,813	-20,608	-22,418
Other Interest Income and similar Profit/Loss Items	–	2,662	475	–	1,220
Interest Expenses and similar Profit/Loss Items	-457	-306	-280	-502	-1,309
Result after Financial Items	-7,064	-10,693	-19,618	-21,110	-22,507
Tax on Result for the Period	–	1,810	–	4,051	5,411
Net Result for the Period	-7,064	-8,883	-19,618	-17,059	-17,096

BALANCE SHEET – PARENT COMPANY

TSEK	30 Jun 2021	30 Jun 2020	31 Dec 2020
Intangible Assets	109,017	43,437	103,308
Tangible Assets	3,329	1,406	2,334
Shares in Group Companies	41,656	41,656	41,656
Receivables Group Companies	9,700	12,232	2,679
Deferred Tax Receivable	13,123	11,733	13,123
Total Financial Fixed Assets	64,479	65,621	57,458
Inventories	4,932	5,047	4,801
Accounts Receivable	20,198	20,369	22,309
Other Receivables	2,655	1,937	3,215
Prepaid Expenses and Accrued Income	8,264	7,133	9,274
Cash and Cash Equivalents	11,144	41,856	41,388
Total Current Assets	47,193	76,342	80,987
Total Assets	224,018	186,806	244,087
<i>Restricted Equity</i>			
Shareholders Equity	1,236	1,207	1,236
Capitalization of Development Cost	52,070	38,687	45,750
<i>Non-restricted Equity</i>			
Premium Reserve	144,760	91,231	144,760
Balanced Result	-34,473	-4,033	-11,058
Profit/Loss for the Period	-19,618	-17,059	-17,096
Total Equity	143,975	110,033	163,592
Liabilities Group Companies	29,402	40,603	28,966
Total Long-term Liabilities	29,402	40,603	28,966
Accounts Payable	11,352	5,386	15,797
Other Current Liabilities	1,642	1,325	1,422
Accrued Expenses and Prepaid Income	37,647	29,459	34,310
Total Current Liabilities	50,641	36,170	51,529
Total Equity and Liabilities	224,018	186,806	244,087

NOTES

ACCOUNTING POLICIES

Mentice applies International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

The parent company's interim report has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities, issued by the Swedish Financial Reporting Board.

The accounting policies applied correspond to those of the previous financial year, as described in the annual report for 2020.

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

SEGMENTS

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

Medical Device Industry, Healthcare Systems and Strategic Alliances.

NET SALES PER SEGMENT AND GEOGRAPHIC MARKET

	Medical Device Industry		Healthcare Systems		Strategic Alliances		Total	
TSEK	Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jan-Jun 2020
Geographic Markets								
EMEA	10,708	13,007	4,028	5,473	2,463	6,789	17,199	25,269
APAC	19,094	9,230	3,658	5,075	2,033	7	24,785	14,312
Americas	25,888	14,067	9,285	1,200	1,548	3,282	36,721	18,549
Total	55,690	36,304	16,971	11,748	6,044	10,078	78,705	58,130
Time for Revenue Recognition								
Goods and Services that are Accounted for at a given time	38,698	21,712	14,338	8,609	4,674	10,078	57,710	40,399
Goods and Services that are Accounted for over time	16,992	14,592	2,633	3,139	1,370	0	20,995	17,731
Total Net Sales from Customer Contracts	55,690	36,304	16,971	11,748	6,044	10,078	78,705	58,130

The group's sales come from the EMEA, APAC and Americas regions.

NOTES, CONT.

BASES OF VALUATION APPLIED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Assets and liabilities are recognised at historical cost with the exception of currency derivatives, which are measured at fair value. As per June 30, 2021, the total actual value of forward contracts was SEK -0.2 (0).

ASSESSMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

Preparation of the financial statements in compliance with IFRS requires the company's management to make assessments, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses.

Actual outcomes may deviate from these estimates and assessments. Assumptions are reviewed on a regular basis. Changes to estimates are recognised in the period when the change is made if the change affects only that period, or in the period when the change is made and future periods if the change affects both the current period and future periods.

ADJUSTMENTS, ROUNDING

Some of the financial information provided in this report has been rounded, which may affect the totals in the tables.

FINANCIAL INSTRUMENTS, CURRENCY EXPOSURE AND RISK MANAGEMENT

Mentice uses forward exchange contracts to manage currency risk. Forward exchange contracts are used to hedge risk in connection with accounts receivable and are placed at the time of ordering. Other future cash flows are not hedged. Mentice operations expose it to credit risk when selling to customers. Only advance payments or letters of credit are accepted for sales to new customers or to customers which are deemed to represent a high-risk exposure.

ABOUT THE PARENT COMPANY

Mentice AB (publ.), company registration number 556556-4241, is a Swedish public company with its registered office in Gothenburg, Sweden.

ALTERNATIVE KEY PERFORMANCE INDICATORS

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

NOTES, CONT.

DEFINITION OF KEY PERFORMANCE INDICATORS REPORTED

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

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

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

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

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

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

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

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

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

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



FINANCIAL TARGETS, SHORT TO MEDIUM TERM

REVENUE GROWTH

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

PROFITABILITY

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

DIVIDEND POLICY

Mentice is a company on a rapidly growing market. In order to capitalise on its market opportunities, the company will prioritise growth, both organic and through acquisitions. The Board of Directors propose no dividend to be paid for 2020.

ABOUT MENTICE

BUSINESS OPERATIONS

Mentice is a company that offers high-technology solutions for simulation to the medical sector with focus on the fast-growing market for endovascular procedures. Mentice's simulators are used to educate, train, and improve the practitioners' skills in different types of interventions and when introducing new clinical instruments. The company offers "flight simulations" for physicians and clinical teams to provide practitioners with experiences as realistic as possible. Headquartered in Gothenburg, Sweden, Mentice has a strong global presence with companies established in the US, Japan, China, and Switzerland.

BUSINESS IDEA

Mentice business idea is to assist in the aim to reduce deaths, injuries and costs resulting from medical errors and inefficiencies and ultimately to reduce risk of harm to patients. By developing and providing innovative and realistic training tools, the company will help to improve the clinical skills of doctors and reduce the risk of needless errors. Medical errors are a major problem for society that come at a large cost and are the third most common cause of death in the USA, behind heart disease and cancer. Close integration with health service and the rest of the medical device industry is vital in order to promote innovative solutions that enhance the simulation experience. Sustainability, social and

environmental issues are a core element of Mentice code of conduct and its operations. Mentice has a strong focus on the continuing innovation of the products it offers and on taking simulation to new heights in order to offer the best possible solutions for customers at hospitals, clinics, universities and in research groups as well as in the medical device industry. The company has clear ambitions and principles to take economic, social and environmental responsibility.

PURPOSE

Mentice's purpose is to reduce deaths, injuries and costs resulting from medical errors and inefficiencies by developing innovative and inspirational tools for the improvement of clinical skills.

VISION

Mentice's vision is to lead endovascular care to the highest standards of patient safety and performance.

MISSION

We believe medical technology helps to improve patient outcomes and clinical performance. Our mission is to improve operational efficiency and patient outcomes by introducing innovative solutions that eliminate proficiency barriers.

OUR RESULTS ARE GLOBAL

PROUD TO BE TRUSTED BY ORGANIZATIONS WORLDWIDE

20+

Years of experience pioneering interventional simulation.

140+

Over 140 scientific papers reinforcing the value of simulation skills acquisition, retention and assessment.

50+

Medical simulation patents across more than 30 different training procedures.

>50%

Of global market share in endovascular simulation solutions.

FINANCIAL CALENDAR

INTERIM REPORT JUL-SEP 2021 (Q3)

OCT 28 2021 AT 8:30

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



