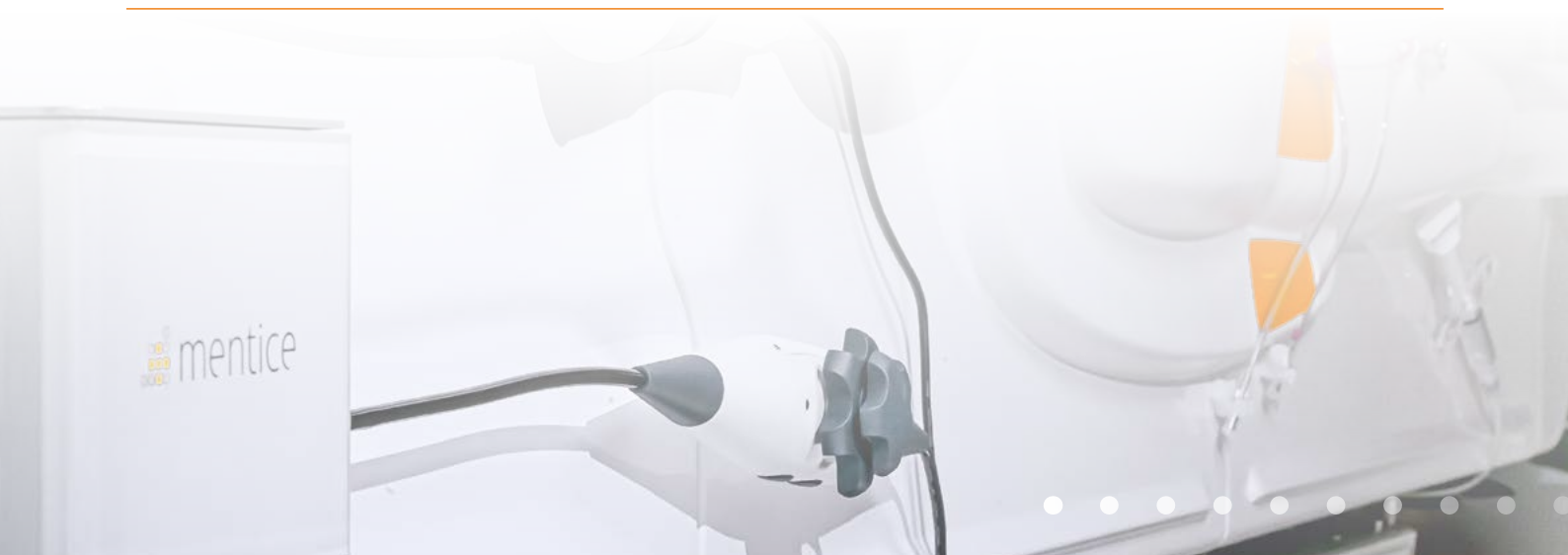




INTERIM REPORT
JUL-SEP 2021





CONTINUED GROWTH THROUGH Q3 AND FOR THE YEAR TO DATE

CEO GÖRAN MALMBERG COMMENTS:

"We are glad to be able to present yet another quarter with strong performance on both net sales and order intake. For the first 9 months we are 28% above the same period for last year with respect to net sales, and for order intake we are 40% above the same period last year. For the third quarter we are 16% above same period last year for net sales (26% excluding negative currency impact from USD), while our order intake is up 50% for the quarter compared to last year. The large difference between order intake and net sales for the quarter can be explained by delays in deliveries impacting net sales negatively with about 6 MSEK. These orders will be delivered in Q4. This lag in revenue, as well as higher personnel costs, has had a negative impact on our profitability and our cash flow for the quarter.

The Medical Device Industry is still the main driver for growth, and we see now that the hospital market is slowly getting back to normal. For the first 9 months we are 18% above last year in net sales for the Healthcare Systems segment but still below the levels from 2019. Our order book is growing quarter by quarter, and it is now 84 MSEK with about 30 MSEK planned for the remainder of 2021."

THIRD QUARTER (JULY–SEPTEMBER 2021) AND THE FIRST NINE MONTHS OF THE YEAR (JANUARY–SEPTEMBER 2021)

- Order intake amounted to 51.8 (34.6) MSEK for the third quarter and 131.9 (95.5) MSEK for the first nine months of the year.
- Order book by the end of the period was 83.6 (43.0) MSEK.
- Net sales amounted to 38.7 (33.4) MSEK for the third quarter and 117.4 (91.6) MSEK for the first nine months of the year.
- Earnings before depreciations and amortisations (EBITDA) totaled -0.6 (4.1) MSEK for the third quarter and -9.6 (-8.3) MSEK for the first nine months of the year.
- Net income for the period amounted to -6.5 (0.3) MSEK for the third quarter and -24.3 (-16.4) MSEK for the first nine months of the year.
- Earnings per share (EPS) was -0.29 (-0.01) SEK for the third quarter and -1.01 (-0.68) SEK for the first nine months of the year.
- Cash flow from operating activities totaled -7.7 (-6.2) MSEK for the third quarter and -12,5 (10.5) MSEK for the first nine months of the year.



SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- During the quarter Mentice formally received an order for the Tamil Nadu Medical Center in India, with a total order value of 4.3 MSEK, as an initial phase for their implementation of a training structure for Image Guided Interventions within the region.
- Mentice received a collection of orders from Medtronic during the quarter distributed over several regions and totaling over 1 million USD in combined order value.
- In September, Mentice received an order from Stryker Neurovascular for products and services with a total order value of 5.7 MSEK.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- In early October, Mentice received several orders from Abbott Inc. totaling over 1 million USD in combined order value, of which the most significant was announced in a press release on October 18 as an 822,000 USD order from Abbott's CRM division to be leveraged for introduction and roll out of a new medical device within the CRM application area.

COMMENTS BY THE CEO

We are adding another quarter with record level for net sales and order intake, both for the quarter and year to date. With the active order book for the remainder of the year, we have exceeded last year's performance for net sales.

In comparison with 2020, we acknowledge that our cost levels are higher both overall and for personnel. This is a combination of (i) a Q3 in 2020 with full effect of the pandemic, including our actions to leverage furlough for staff and temporarily minimizing the use of consultants, and (ii) our work this year to build and ramp our organization for the requirements we see going forward. The unusually low cost levels in the third quarter of 2020 makes a comparison with last year difficult. Since we are growing the organization, combined with currently lower productivity for our sales to hospitals, both directly and via our channels partners, there is currently a negative impact on our profitability and efficiency. Our intention is to continue to grow our sales and organization to the level where we can benefit from economies of scale and achieve our financial targets for EBITDA.

For the third quarter, some logistic issues also impacted our ability to deliver, which in turn moved recognition of some orders into Q4.

OVERALL MARKET CONDITIONS

Our market is becoming increasingly normalised even though travel restrictions are still impacting our ability to meet clients, mainly in the Asia Pacific region but also to some extent in Europe and the Middle East. We see continued strong demand for our products across all segments, and we clearly see the demand to move our solutions into the daily clinical practice and ultimately provide solutions that are used both before, during and after each cardiovascular procedure. The interest in decision tools, on-line and software only applications has continued to be more clearly articulated as a consequence of the pandemic. We are also seeing that the integration of the solutions from Vascular Simulation, now referred to as our Physical Sim platform, is adding to our unique offering and it is providing a combination of solutions that currently no one else in the market can offer.

POSITIVE TREND FOR THE PRODUCT MIX

It is important for us to continue to move to more software dominated solutions to balance the dependency on hardware, and consequently continue to improve our margin. This ongoing change is improving our product mix, and we have managed to keep our gross margin for the first 9 months at 82.1%, which is on par with 82.0% for the same period last year.



Our total amount of time-based licenses and rental solutions are increasing, as seen in the level of order book items already confirmed for 2022 (25 MSEK) and for 2023 (25 MSEK). We also see that several of our Medical Device Industry clients are moving towards time-based licensing and away from capital expenditure-based purchases, which is a good indication that our ambition is relevant also for our clients.

MEDICAL DEVICE INDUSTRY

We experience continued expansion for our Medical Device Industry segment, and despite a strong 2020 we are now after three quarters of 2021 up over 63% order intake for the full first 9 months compared to the same period last year. We see strong demand from the Medical Device Industry across all regions with USA being the strongest, but we also see a very strong demand from the Asia Pacific region. After 9 months we can see that our 4 largest clients in the Medical Device Segment represent about 50% of our overall order intake, and we see that a large amount, over 10 clients, are growing to annual order levels approaching or even exceeding 1 million USD each.

HEALTHCARE SYSTEMS

While we are still impacted by the pandemic, we see positive movement in all regions, and we can see that sales opportunities are opening up. However, we are still slightly below 2020 levels in order intake, and significantly below 2019 levels. We will have to accept that

we need to at least move into 2022 before we can expect a full recovery for this segment. We have received several significant orders, where the Tamil Nadu Medical Center (TNMC) is the most significant as the first larger single order from India for Mentice. India is defined as one of the most significant developing markets for Mentice.

STRATEGIC ALLIANCES

Just as for the Healthcare Systems segment, our business channeled through Siemens Healthineers and Philips Healthcare is still negatively impacted by the lack of access to hospital clients. We are involved in in-depth collaborative dialogues in multiple regions, and it is clear that our solutions need to be linked to the ability to provide tangible clinical value for the clients of Philips and Siemens. The dialogue and collaboration with Corindus, the robotic arm of Siemens Healthineers, is also advancing and a large part of their organization is already depending on Mentices solutions for their marketing activities.

SUMMARY

We have delivered a strong order book and improved net sales so far this year, which provides a good base for the fourth quarter of 2021 and beyond. However, given our growing organization and increased cost base compared to last year, we will be challenged from an earnings perspective for the full year.

Gothenburg in October 2021,

Göran Malmberg
CEO, Mentice AB (publ)

KEY FIGURES

	Jul-Sep 2021	Jul-Sep 2020	Change	Jan-Sep 2021	Jan-Sep 2020	Change	RTM*	Full Year 2020
Order intake, MSEK	51.8	34.6	49.7%	131.9	95.5	38.1%	205.0	168.6
- whereof Medical Device Industry	43.4	25.5	70.2%	107.5	66.0	62.9%	156.3	114.8
- whereof Healthcare systems	5.7	7.8	-26.9%	17.4	18.1	-3.9%	38.6	39.3
- whereof Strategic Alliances	2.7	1.3	107.7%	7.0	11.4	-38.6%	10.1	14.5
Order book (end of period), MSEK	83.6	43.0	77.8%	83.6	43.0	77.8%	83.6	66.4
Net sales, MSEK	38.7	33.4	19.8%	117.4	91.6	29.7%	164.7	137.5
Sales, MSEK	39.7	35.8	11.9%	119.3	96.6	23.9%	174.0	150.9
Gross margin, %	86.3%	84.2%		82.1%	82.0%		77.1%	75.7%
Operating income before depreciations, EBITDA, MSEK	-0.6	4.1		-9.6	-8.3		-4.8	-4.1
EBITDA-margin, %	-1.7%	12.3%		-8.2%	-9.1%		-2.9%	-3.0%
Income before tax, EBT, MSEK	-6.5	0.3		-24.3	-19.1		-23.3	-18.6
Income for the period, EBT, MSEK	-7.2	-0.3		-25.0	-16.4		-20.4	-13.1
Earnings per share, SEK	-0.29	-0.01		-1.01	-0.68		-0.82	-0.54
Cash-flow from operations, MSEK	-7.7	-6.2		-12.5	10.5		0.9	30.5
Cash at end of period, MSEK	11.4	35.7		11.4	35.7		11.4	48.8
Equity/Asset ratio, %	57.0%	62.4%		57.0%	62.4%		56.2%	66.6%
Number of employees at the end of the period	102	91		102	91			95

*RTM = rolling twelve months.

FINANCIAL PERFORMANCE

ORDER INTAKE

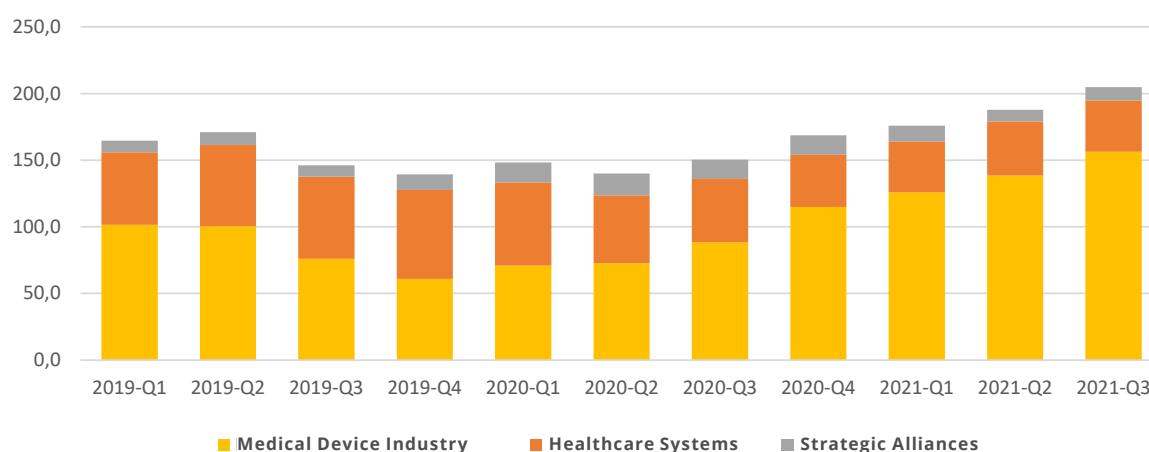
Order intake during the third quarter increased by 49.7 % to 51.8 (34.6) MSEK. Americas delivered a strong quarter with 23.2 MSEK in order intake compared to 15.9 MSEK for the same period previous year, which represents an increase of 46.9%. In APAC, order intake increased with 52.2% compared to the same period previous year, totalling 17.0 MSEK (11.2). In EMEA, order intake increased with 52.7% to 11.4 MSEK compared to 7.5 MSEK last year.

Within Medical Device Industry segment, order intake for the third quarter increased with 70.2% to 43.4 MSEK compared to 25.5 MSEK for the same period previous year. Within Healthcare system segment, order intake decreased to 5.7 MSEK (7.8) which represents a decrease of -26.9%. Order intake from Strategic Alliances increased to 2.7 MSEK compared to 1.3 MSEK for the same period previous year.

SEASONAL VARIATIONS

There is a seasonal pattern to Mentice's business due to the fact that a large number of customers have annual budget cycles aligned with calendar year. As a large part of Mentice's 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 83.6 (43.0) MSEK for the third quarter. The order book represents orders received but not yet delivered.

Out of the total orderbook per September 30, 13 MSEK in systems and 19 MSEK refers to deliveries, such as support agreements, software agreements and software subscription that will be delivered and recognised as net sales in 2021. Remaining 60% refers to deliveries, such as support agreements, software subscription that is to be delivered and recognized as revenue over the coming three 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 third quarter amounted to 38.7 (33.4) MSEK, an increase of 19.8% compared to last year. Out of total net sales, 6.6 (0.0) MSEK refers to net sales from acquired business. The effect of exchange rate variances in net sales amounted to -3.5 (2.0) MSEK, which is equivalent to a 10% reduction of the net sales, and is mainly the result of a weaker USD compared to SEK.

FINANCIAL PERFORMANCE, CONT.

NET SALES, CONT.

As of the 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.

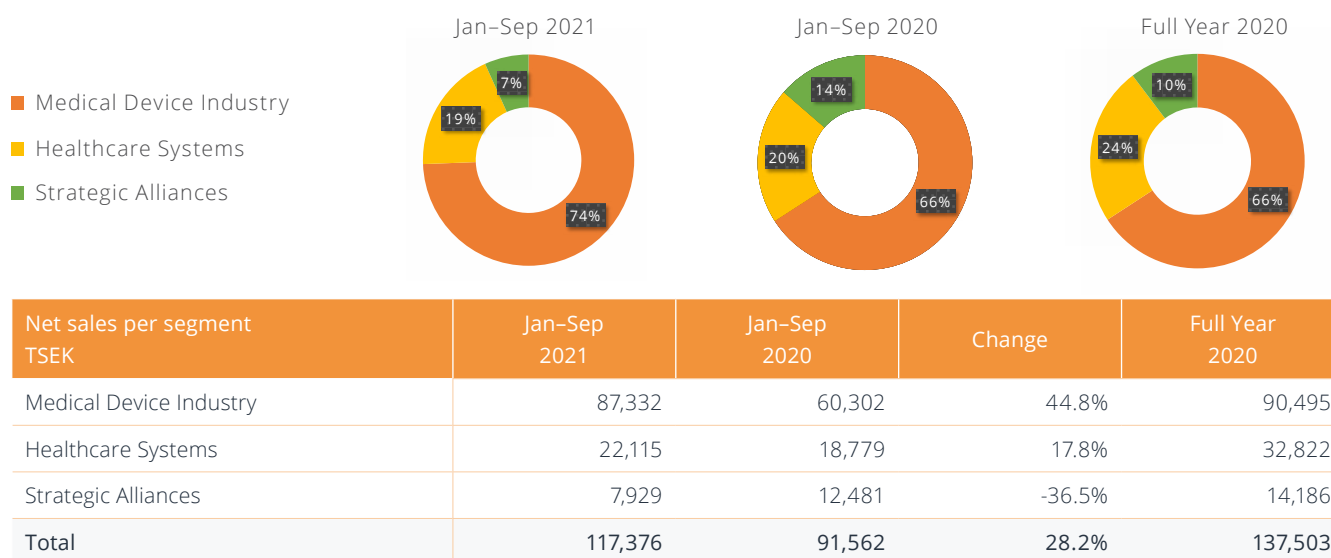
Strategic Alliances is now reported as its own segment, which was previously included in the Teaching Entities and Medical Device Industry segments up until 2020.

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

Of the net sales for the third quarter, 31.6 (24.0) MSEK came from the Medical Device Industry segment, 5.1 (7.0) MSEK came from Healthcare System segment and 1.9 (2.4) MSEK from the Strategic Alliances segment.

Geographically, net sales from EMEA was 9.7 (6.7) MSEK, corresponding to 25 (20)% of total net sales.

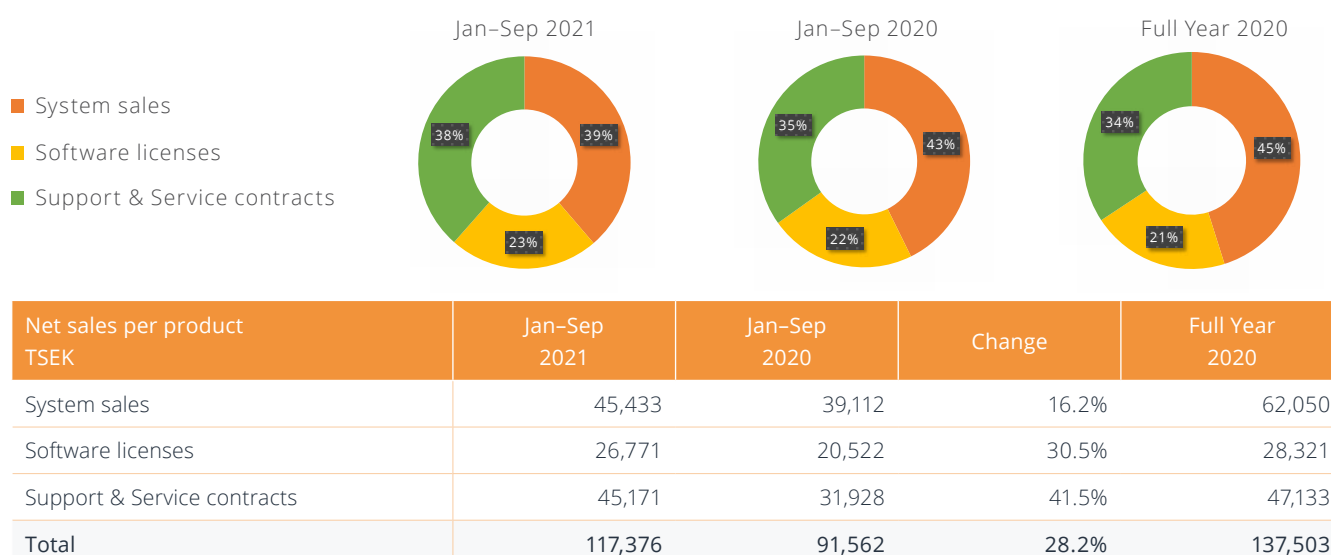
Net sales decreased in APAC to 10.0 (11.8) MSEK, which accounted for 26 (35)% of total net sales. In the Americas, net sales increased to 18.9 (14.9) MSEK, corresponding to 49 (45)% of total net sales.



Of the net sales for the third quarter, 7.4 (15.8) MSEK came from system sales, where net sales is recognized in full upon delivery of the system. 8.7 (8.1) 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

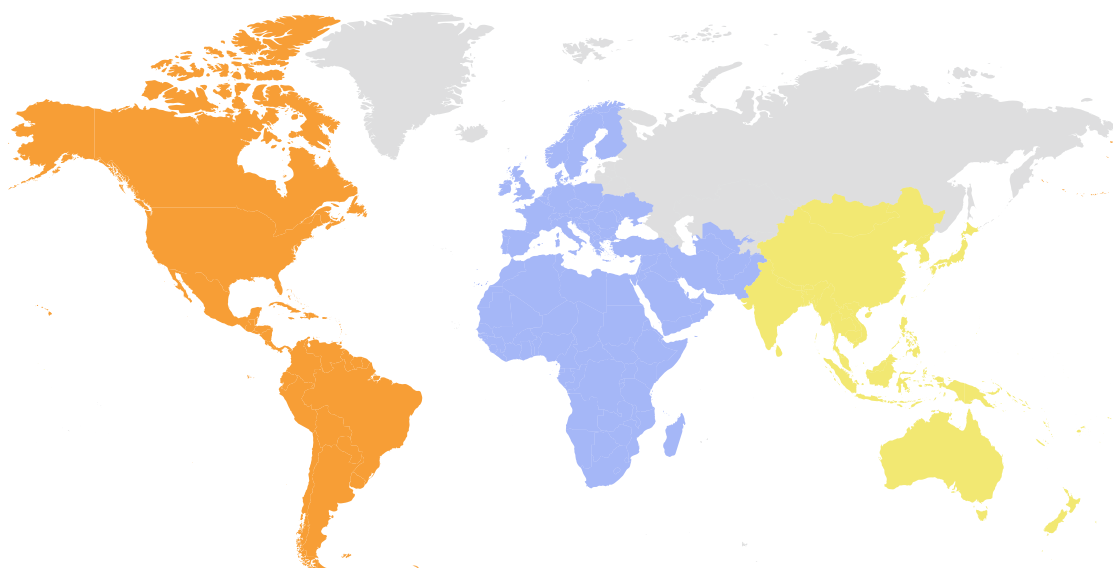
subscription model where net sales is recognized over time, normally one year.

Net sales from support and service contracts for the third quarter amounted to 22.5 (9.5) 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-Sep 2021	Jan-Sep 2020	Change	Full Year 2020
● EMEA	26,916	31,976	-15.8%	42,975
● APAC	34,795	26,145	33.1%	35,467
● Americas	55,665	33,441	70.6%	59,061
Total	117,376	91,562	29.7%	137,503

OTHER INCOME

Other income was 1.0 (2.3) 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 86.3% for the third quarter, compared to 84.2% for the same period the previous year. The gross margin is mainly affected by the mix of the products sold and the higher net sales from support & Service contracts.

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 third quarter was 33.4 (30.5) MSEK. Operating income before depreciation, EBITDA, was -0.6 (4.3) MSEK. This corresponds to an operating margin of -1.7 (12.3) % for the third quarter.

Since we are growing the organization, combined with currently lower productivity for our sales to hospitals, both directly and via our channels partners, there is currently a negative impact on our profitability and efficiency. Our ambition is to continue to grow our sales and organization to the level where we can appreciate the positive effects of economy of scale, hence our longer term financial target for EBITDA.

OTHER EXTERNAL COSTS

Other external costs totalled to -9.6 (-8.1) MSEK during the second quarter which equals an increase of 18.1% compared to same period last year.

This year's cost level for external costs and consultants are higher compared to last year since during Q3 of last year we reduced the use of consultants due to the pandemic.

Other external costs include operating costs from acquired business with -0.8 (0.0) MSEK.

In addition, capitalization of development cost was included in other external costs with 2.0 (1.7) MSEK.

FINANCIAL PERFORMANCE, CONT.

PERSONNEL COSTS

Personnel costs during the third quarter were -25.5 (-18.3) MSEK which equals an increase of 39.4%. Personnel costs include costs from acquired business with -2.7 (0.0) MSEK.

The comparison on personnel costs should also reflect the lower level of costs last year due to furlough and a general ambition to reduce costs during the pandemic in 2020.

Capitalization of development cost were included in the personnel costs with an amount of 1.4 (3.0) MSEK. The number of employees were 102 (91) by the end of the quarter.

CAPITALIZED EXPENSES FOR DEVELOPMENT COSTS

Capitalized expenses for development costs during the third quarter totalled -3.5 (-4.9) MSEK, and are mainly attributable to a number of ongoing software projects.

NET FINANCIAL ITEMS

Net financial items for the third quarter totalled -0.7 (-0.6) MSEK and are mainly related to exchange rate variances. The net financial items for the quarter included -0.1 (-0.4) 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 -0.7 (-0.7) MSEK. Net income for the period was -7.2 (-0.3) MSEK. Earnings per share was -0.29 (-0.01) SEK.

CASH FLOW

Cash flow from operating activities for the period was -7.7 MSEK compared to -6.2 MSEK same period last year.

Cash flow from changes in working capital amounted to -6.9 MSEK compared to -6.2 MSEK 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 11.4 (35.7) MSEK. The group's total assets amounted to 244.3 (173.8) MSEK. IFRS 16 affected total assets by 16.4 (12.6) MSEK. Accounts receivable increased during the period to 40.4 (32.8) MSEK. Inventories amounted to 7.0 (5.2) MSEK. Current liabilities were 92.2 (58.8) MSEK excluding current leasing liability. The carrying amounts of financial assets and liabilities are considered to correspond essentially to fair value. During the quarter the company signed a revolving credit facility of 20 million SEK.

INVESTMENTS

Investments during the second quarter totalled -5.1 (-5.7) MSEK. Of the investments, -3.5 (-5.0) MSEK refers to the capitalization of development costs. Remaining -1.7 (-0.7) 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 September 30, 2021.

PARENT COMPANY

The parent company is an operating company. Net sales for the parent company amounted to 24.3 (26.8) 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 -11.3 (-6.9) MSEK.



FINANCIAL PERFORMANCE, CONT.

SHARE CAPITAL

The total number of shares as of September 30, 2021 was 24,768,850 (24,146,552) and the share capital was SEK 1.2 million. Average number of shares in January-September 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, 82% 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 2 402 shareholders by September 30, 2021. FNCA is the company's certified advisor.

Largest shareholders (source Euroclear 2021-09-30) 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	1,600,000	6.5%
Fjärde AP fonden	1,345,109	5.4%
TIN Ny Teknik	712,847	2.9%
Göran Malmberg	711,670	2.9%
Andra AP Fonden	432,620	1.7%
Grenspecialisten Förvaltning AB	53,081	0.2%
Henrik Storm	40,848	0.2%
Johan Lindkvist	39,273	0.2%
10 Largest shareholders total	17,270,487	69.7%
Others	7,498,363	30.3%
	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

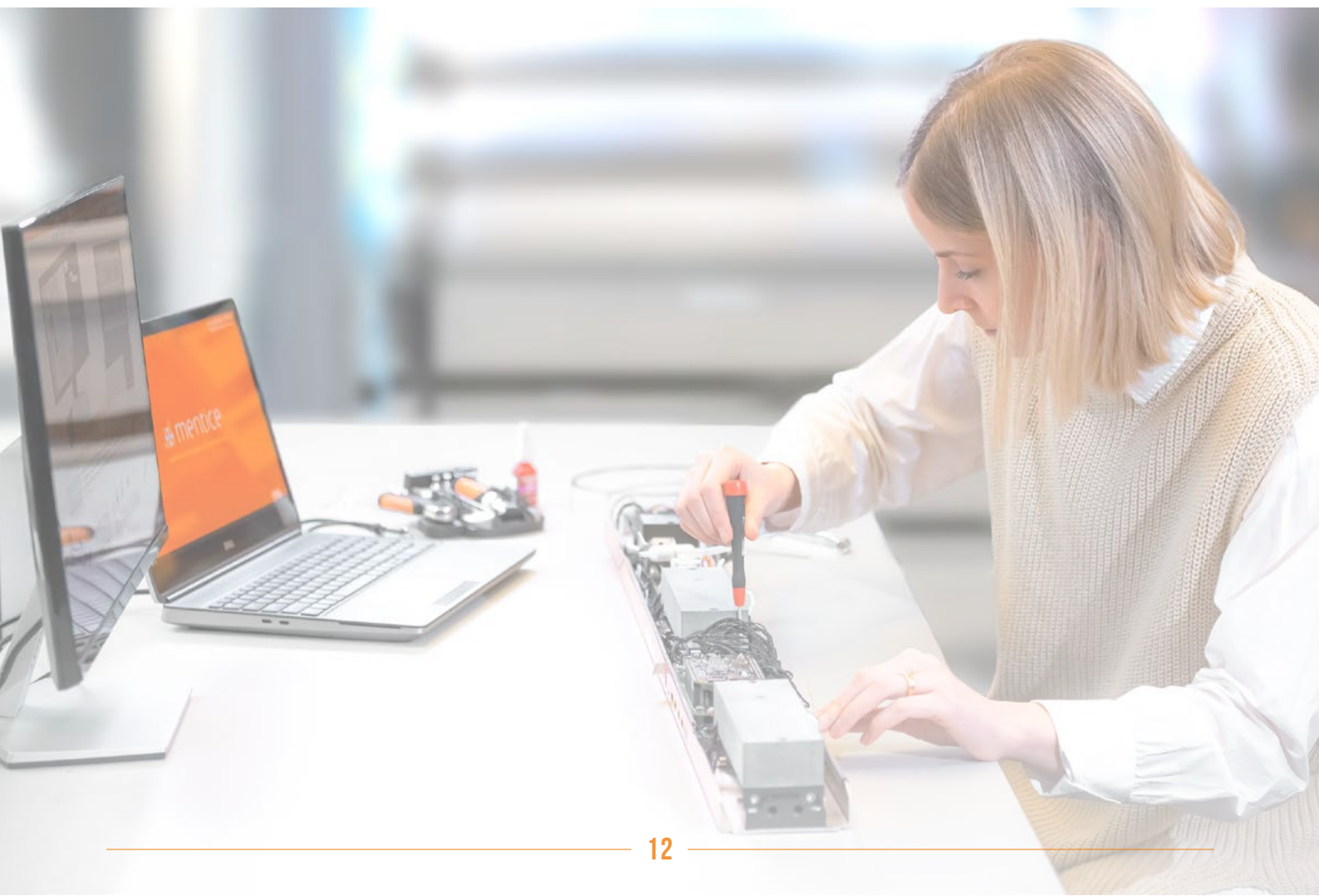


Mentice AB (publ)'s Board of Directors and CEO hereby assure that this interim report gives a true and fair view of the Group's business, financial position and performance and describes the essential risks and uncertainty factors that the company and the companies which are part of the Group are subjected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

Gothenburg, October 28, 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	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full Year 2020
Net sales	38,671	33,432	117,377	91,562	137,503
Other income	1,048	2,348	1,952	4,998	13,376
Sales	39,719	35,780	119,329	96,560	150,879
Cost of goods sold	-5,288	-5,272	-20,964	-16,516	-33,398
Other external costs	-9,552	-8,090	-32,372	-28,420	-40,248
Personnel costs	-25,518	-18,301	-75,563	-59,969	-81,304
Depreciation of tangible and intangible assets	-5,149	-3,162	-14,171	-9,421	-14,142
Operating income, EBIT	-5,788	955	-23,741	-17,766	-18,213
Financial income	0	303	3	308	1,306
Financial expenses	-733	-933	-608	-1,683	-1,679
Income before tax, EBT	-6,521	325	-24,346	-19,141	-18,586
Tax on income for the period	-710	-665	-647	2,717	5,494
Net income for the period	-7,231	-340	-24,993	-16,424	-13,092
Profit/Loss attributable to:					
Shareholders parent company	-7,231	-340	-24,993	-16,424	-13,092
Non-controlling interest	-	-	-	-	-
Net income for the period	-7,231	-340	-24,993	-16,424	-13,092
Earnings per share basic, SEK	-0.29	-0.01	-1.01	-0.68	-0.54

GROUP — CONSOLIDATED INCOME STATEMENT AND TOTAL INCOME

TSEK	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full Year 2020
Net income for the period	-7,231	-340	-24,993	-16,424	-13,092
<i>Other total income for the period</i>					
The period translation reserve	721	-252	1,093	60	-1,980
Other total income for the period	-6,510	-592	-23,900	-16,364	-15,072
Profit/Loss attributable to:					
Shareholders parent company	-6,510	-592	-23,900	-16,364	-15,072
Non-controlling interest	-	-	-	-	-
Total net income for the period	-6,510	-592	-23,900	-16,364	-15,072

GROUP — CONSOLIDATED BALANCE SHEET

TSEK	30 Sep 2021	30 Sep 2020	31 Dec 2020
Assets			
Intangible Fixed Assets	108,379	45,699	101,366
Tangible Fixed Assets	13,180	7,217	7,970
Right-of-use Assets	16,402	12,561	11,221
Deferred Tax Assets	20,913	18,479	20,576
Total Fixed Assets	158,874	83,956	141,133
Inventories	7,006	5,242	5,769
Accounts Receivable	40,393	32,848	29,481
Prepaid Costs and Accrued Income	22,633	13,639	16,493
Other Current Receivables	4,071	2,383	3,642
Cash and Cash Equivalents	11,360	35,692	48,753
Total Current Assets	85,463	89,804	104,138
Total Assets	244,337	173,760	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	-6,645	15,963	17,255
Total Equity Attributable to Parent Company Shareholders	139,351	108,401	163,251
Minority Share in Total Equity	-	-	-
Total Equity	139,351	108,401	163,251
Liabilities			
Long-term Leasing Liabilities	12,574	6,555	6,368
Total Long-term Liabilities	12,574	6,555	6,368
Accounts Payable	8,860	5,992	16,763
Current Tax Liability	254	17	166
Other Liabilities	3,968	6,388	2,829
Current Leasing Liability	4,666	5,054	5,142
Accrued Expenses and Deferred Income	74,664	41,352	50,752
Total Current Liabilities	92,412	58,804	75,652
Total Liabilities	104,986	65,359	82,020
Total Equity and Liabilities	244,337	173,760	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				-24,993	-24,993	-	-24,993
Other total income for the period			1,093		1,093	-	1,093
Closing balance Equity 2021-09-30	1,236	144,760	-826	-5,819	139,351	-	139,351

CASH FLOW STATEMENT FOR THE GROUP

TSEK	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full Year 2020
Operating activities					
Result before tax	-6,521	325	-24,346	-19,141	-18,586
Adjustment for non-cash items	6,006	345	14,047	5,017	15,214
Tax paid	-286	-484	-380	-484	-498
Cash flow from operating activities before changes in working capital	-801	186	-10,679	-14,608	-3,870
Changes in working capital					
Increase (-)/Decrease (+) inventories	-906	1,899	-1,100	4,041	2,988
Increase (-)/Decrease (+) current assets	-7,252	-12,008	-16,312	12,234	10,671
Increase (+)/Decrease (-) current liabilities	1,252	3,681	15,586	8,812	20,745
Cash flow from changes in working capital	-6,906	-6,428	-1,826	25,087	34,404
Cash-flow from operations	-7,707	-6,242	-12,505	10,479	30,534
Investing activities					
Investments in tangible assets	-1,533	-739	-6,722	-2,022	-3,275
Investments in intangible assets	-3,543	-4,966	-14,095	-16,878	-22,063
Acquisition of business, net cash effect	0	0	0	0	367
Cash-flow from investment activities	-5,076	-5,705	-20,817	-18,900	-24,971
Financial activities					
Payment of finance leasing liabilities	-2,467	-1,247	-4,494	-3,838	-3,978
Cash-flow from financing activities	-2,467	-1,247	-4,494	-3,838	-3,978
Cash-flow for the period	-15,250	-13,194	-37,816	-12,259	1,585
Opening cash balance	26,309	49,315	48,753	48,041	48,041
Exchange rate differences on financial items	301	-429	423	-90	-873
Closing cash balance	11,360	35,692	11,360	35,692	48,753

INCOME STATEMENT – PARENT COMPANY

TSEK	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Full Year 2020
Net Sales	24,341	26,837	76,697	72,557	103,361
Capitalized Expenses for Development	3,543	4,967	14,095	16,879	22,063
Other Income	384	2,038	1,370	4,688	8,622
Sales	28,268	33,842	92,162	94,124	134,046
Cost of Sold Goods	-1,728	-4,638	-13,139	-14,085	-23,273
Other External Costs	-17,407	-22,541	-45,417	-58,136	-63,170
Personnel Expenses	-17,301	-13,639	-56,337	-47,154	-63,998
Depreciations on Intangible and Tangible Assets	-2,779	-1,258	-8,029	-3,591	-6,023
Operating Profit	-10,947	-8,234	-30,760	-28,842	-22,418
Other Interest Income and similar Profit/Loss Items	0	0	257	0	1,220
Interest Expenses and similar Profit/Loss Items	-337	-74	-399	-576	-1,309
Result after Financial Items	-11,284	-8,308	-30,902	-29,418	-22,507
Tax on Result for the Period	0	1,391	0	5,442	5,411
Net Result for the Period	-11,284	-6,917	-30,902	-23,976	-17,096

BALANCE SHEET – PARENT COMPANY

TSEK	30 Sep 2021	30 Sep 2020	31 Dec 2020
Intangible Assets	110,020	47,272	103,308
Tangible Assets	3,246	1,280	2,334
Shares in Group Companies	41,656	41,656	41,656
Receivables Group Companies	8,053	491	2,679
Deferred Tax Receivable	13,123	13,123	13,123
Total Financial Fixed Assets	62,832	55,270	57,458
Inventories	5,430	3,892	4,801
Accounts Receivable	25,680	23,551	22,309
Other Receivables	3,573	2,277	3,215
Prepaid Expenses and Accrued Income	4,846	11,203	9,274
Cash and Cash Equivalents	4,674	33,114	41,388
Total Current Assets	44,204	74,037	80,987
Total Assets	220,302	177,859	244,087
<i>Restricted Equity</i>			
Shareholders Equity	1,236	1,207	1,236
Capitalization of Development Cost	52,070	43,004	45,750
<i>Non-restricted Equity</i>			
Premium Reserve	144,757	91,231	144,760
Balanced Result	-34,473	-8,348	-11,058
Profit/Loss for the Period	-30,902	-23,976	-17,096
Total Equity	132,688	103,118	163,592
Liabilities Group Companies	31,886	40,020	28,966
Total Long-term Liabilities	31,886	40,020	28,966
Accounts Payable	7,508	5,442	15,797
Other Current Liabilities	1,641	1,158	1,422
Accrued Expenses and Prepaid Income	46,579	28,121	34,310
Total Current Liabilities	55,728	34,721	51,529
Total Equity and Liabilities	220,302	177,859	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-Sep 2021	Jan-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Sep 2021	Jan-Sep 2020
Geographic Markets								
EMEA	17,402	15,251	6,767	9,240	2,747	7,124	26,916	31,615
APAC	26,909	16,183	4,632	6,941	3,254	1,268	34,795	24,392
Americas	43,021	28,868	10,716	2,598	1,928	4,089	55,665	35,555
Total	87,332	60,302	22,115	18,779	7,929	12,481	117,376	91,562
Time for Revenue Recognition								
Goods and Services that are Accounted for at a given time	63,513	35,434	17,872	16,819	6,109	11,074	87,494	63,647
Goods and Services that are Accounted for over time	23,818	24,868	4,243	1,960	1,820	1,407	29,881	27,915
Total Net Sales from Customer Contracts	87,332	60,302	22,115	18,779	7,929	12,481	117,376	91,562

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 September 30, 2021, the total actual value of forward contracts was SEK 0.0 (0.0).

ASSESSMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

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

Actual outcomes may deviate from these estimates and assessments. Assumptions are reviewed on a regular basis. Changes to estimates are 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.

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

YEAR-END REPORT 2021

FEBRUARY 3, 2022 AT 8:30

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



