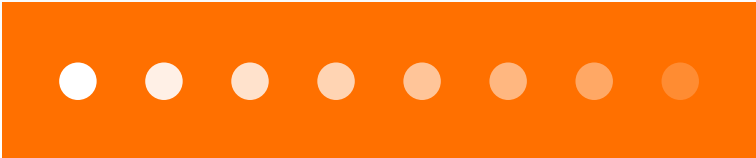




Q2 INTERIM REPORT
APR – JUN 2024





NET SALES REACHING OVER 100 MSEK AND THE EBITDA OF 24.5 MSEK IS THE HIGHEST IN THE COMPANY'S HISTORY

SIGNIFICANT EVENTS DURING THE SECOND QUARTER 2024 (APR – JUN)

- Larger repeat industry order to significant client of 2.2 MUSD was announced in May.
- CEO Göran Malmberg decided to step down from his position at the end of the year. The recruitment of a successor has been initiated. The plan for Malmberg is to step into an advisor role coming into 2025.

SECOND QUARTER 2024 (APR - JUN)

- Order intake amounted to 71 (77) MSEK, a decrease of -8%.
- Net sales amounted to 101 (74) MSEK, an increase of 36%, whereof 34% organic, 1% acquired and 1% currency effect.
- Earnings before interest, tax, depreciation, and amortization (EBITDA) amounted to 24.5 (10.7) MSEK.
- Net income for the period amounted to 17.2 (1.5) MSEK.
- Earnings per share (EPS) were 0.67 (0.06) SEK.
- Cash flow from operating activities amounted to 5.3 (5.2) MSEK.

SIX MONTHS 2024 (JAN - JUN)

- Order intake amounted to 109 (135) MSEK, a decrease of -19%.
- The order book by the end of the period was 114 (125) MSEK, a decrease of -9%.
- Net sales amounted to 146 (139) MSEK, an increase of 5%, whereof 4% organic, 1% acquired and 0% currency effect.
- Earnings before interest, tax, depreciation, and amortization (EBITDA) amounted to 6.1 (17.9) MSEK.
- Net income for the period amounted to -7.4 (0.0) MSEK.
- Earnings per share (EPS) were -0.29 (0.0) SEK.
- Cash flow from operating activities amounted to 7.2 (2.5) MSEK.

"We are very pleased with the performance during the second quarter where we demonstrated the ability to recover from the slow start in Q1 and for the first time in the company's history, a quarter exceeding 100 MSEK", says Göran Malmberg CEO of Mentice.

COMMENTS BY THE CEO GÖRAN MALMBERG

OVERALL

The second quarter represents another milestone in Mentice development with the first quarter over 100 MSEK in net sales.

The performance in the second quarter again demonstrates the variability of the business where the quarter delivered revenue 36% above the same quarter last year. Note that the second quarter in 2023 was a record high and an unusually strong second quarter.

The American region continued to deliver 50% or more of our business while our APAC region has started the first half year significantly better than previous year from a net sales point of view. For the first 6 months the EMEA region is slightly behind the previous year.

It should be noted that our order intake was lower than expected in January and February resulting in a softer Q1 while March through June generated a strong and expected order intake.

While we are still behind on order intake year to date, it should be noted that we are comparing with 2023 where we had an unusually strong first half of the year.

Looking at the current situation, I am encouraged by the strength of our pipeline and how opportunities are developing for all three regions.

BUSINESS DEVELOPMENT

Our strategic initiatives as presented during the capital markets day earlier this year have continued to be an important part of our focus. During the quarter we have moved to the first internal release for our consolidated and updated Neurovascular portfolio.

During the quarter we also launched an ultraportable flow model device, named Simplicity Flow.

With our global account organization formed earlier in the year we see good progress with our global interaction with these key clients and we expect to further develop this program during the year while we appreciate that the financial result of this work might require more time. With this said we can see that our largest clients are still lagging behind in order intake after the first half year compared to 2023. This is again related to these clients' planning and timelines of project and should be referred to as the variability we see in our business.

During the quarter we have participated in several major congresses where the two main ones being EuroPCR, in Paris, one of the world's most significant cardiology congresses and HRS, Hearth Rhythm Society, one of the world's largest congresses for Cardiac Rhythm Management and Electrophysiology therapies. During these events we are encouraged by the interaction with all key industry players and also encouraged by our presence with all medical education related activities at these events.



PROFITABILITY AND CASH

For the quarter we delivered EBITDA at 24.5 MSEK and 17.2 MSEK for net earnings, which is an all-time high for Mentice in a single quarter. This also resulted in positive operating cashflow of 5.3 MSEK for the quarter and 7.2 MSEK for the first half year. Our objective as always is to focus on profitable growth.

ORGANIZATION

We have grown our organization during the first half of this year, which is critical for our continued growth. Our current total was 134 employees by the end of the period, compared to a total of 128 employees at the end of last year. Recruitments have been made mainly in the Americas and EMEA regions within Sales and Development supporting our strategic initiatives.

FORWARD VIEW

Mentice is the undisputed market leader for productivity solutions for image-guided interventions (endovascular treatments). We foresee a continued strong year for our medical device industry business while we also are hopeful for positive development for the hospital business. The Americas region is continuing being the main driver of growth while both APAC and EMEA regions are significant contributors.

We are excited about 2024 and the opportunities we see ahead of us.

After many exciting years at the helm of Mentice, it is now time for Mentice to find my successor and I am committed to supporting this transition, which is planned to happen at the end of the year.

Gothenburg, July 2024

**Göran Malmberg, CEO
Mentice**

KEY FIGURES

	Apr-Jun 2024	Apr-Jun 2023	Change	Jan-Jun 2024	Jan-Jun 2023	Change	RTM	Full year 2023
Order intake, MSEK	71.0	77.4	-8.3%	108.9	135.1	-19.3%	278.1	304.2
- whereof Medical Device Industry (MDI)	58.7	63.9	-8.1%	90.7	116.5	-22.1%	213.4	240.2
- whereof Healthcaresystems (HCS)	11.7	13.3	-11.9%	15.4	17.5	11.7%	42.2	43.1
- whereof Strategic Alliances (SA)	0.6	0.2	195.3%	2.8	1.1	148.0%	22.5	20.9
Order book (end of period), MSEK	113.5	125.3	-9.4%	113.5	125.3	-9.4%	125.3	156.3
Net sales, MSEK	101.0	74.3	35.8%	146.3	139.3	5.0%	280.7	273.6
Sales, MSEK	101.7	76.9	32.3%	147.5	142.1	3.8%	280.5	275.1
Gross margin, %	84.9%	85.8%		87.1%	86.2%		85.3%	85.3%
Earnings before interest, tax, depreciation, and amortization (EBITDA), MSEK	24.5	10.7		6.1	17.9		12.4	24.2
EBITDA-margin, %	24.3%	14.4%		4.2%	12.9%		4.4%	8.8%
Income before tax (EBIT), MSEK	17.8	4.8		-6.1	4.1		-10.3	0.0
Income for the period, MSEK	17.2	1.5		-7.4	0.0		-10.2	-2.8
Earnings per share, SEK	0.67	0.06		-0.29	0.00		0.51	-0.11
Cash-flow from operations, MSEK	5.3	5.2		7.2	2.5		43.4	38.7
Cash at the end of the period, MSEK	57.1	35.0		57.1	35.0		57.1	59.1
Equity/Asset ratio, %	49.1%	52.9%		49.1%	52.9%		49.1%	49.3%
Average FTE for the quarter and full year	130.5	111.2		129.9	111.7		124.1	115.0

FINANCIAL PERFORMANCE

ORDER INTAKE PER BUSINESS AREA

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.

Mentice's 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 patient care.

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.

See the Annual Report 2023 for further descriptions of the Business Areas.

Q2 ORDER INTAKE

The order intake during the second quarter decreased by -8.3% to 71 (77) MSEK. Total order intake for the first six months decreased by -19.3% and amounted to 109 (135) MSEK.

The order intake for the Medical Device Industry decreased by -8.1% during the quarter, mainly due to fewer large orders from existing customers, which is a normal pattern of variability in the business. The order intake for the first six months decreased by -22.1% and amounted to 91 (117) MSEK.

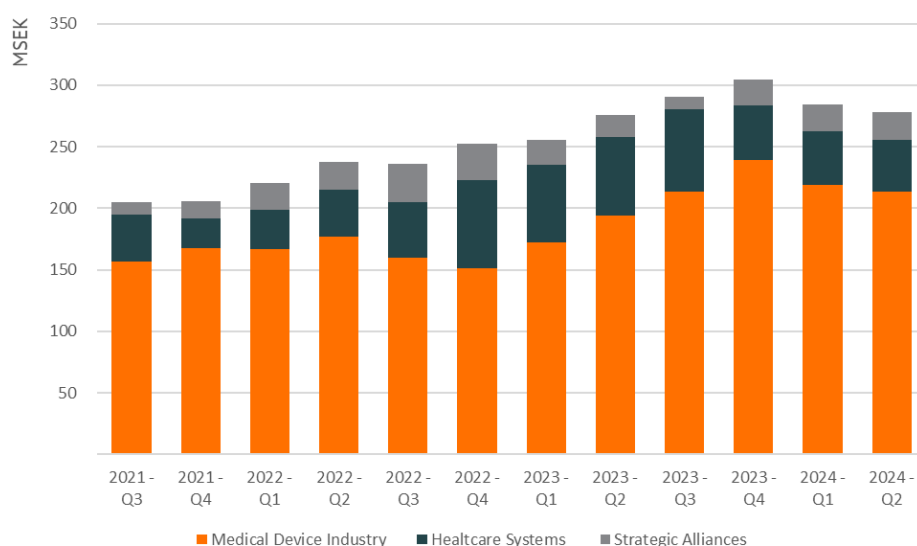
For Healthcare systems, the order intake decreased by -11.9% during the quarter. The order intake for the first six months decreased by -11.7% and amounted to 15 (17) MSEK.

Strategic Alliances had a good order intake in the quarter and increased by 195.3%. The order intake for the first six months increased by 148.0% and amounted to 2.9 (1.1) MSEK.

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

Order intake per business areas TSEK	Apr-Jun 2024	Apr-Jun 2023	Change	Jan-Jun 2024	Jan-Jun 2023	Change	Full year 2023
Medical Device Industry (MDI)	58,705	63,881	-8.1%	90,765	116,509	-22.1%	240,244
Healthcaresystems (HCS)	11,750	13,336	-11.9%	15,387	17,428	-11.7%	43,125
Strategic Alliances (SA)	561	190	195.3%	2,783	1,122	148.0%	20,864
Total	71,016	77,407	-8.3%	108,935	135,059	-19.3%	304,233

ORDER INTAKE PER BUSINESS AREA ROLLING FOUR QUARTERS (MSEK)



ORDER INTAKE PER PRODUCT AREA

The Mentice product portfolio consists of four 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.

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

Q2 ORDER INTAKE

Product area Mentice VIST™ decreased by -8.5% during the quarter due to the lower order intake within the MDI business area. Order intake for the first six months decreased by -21.9% to 97 (124) MSEK.

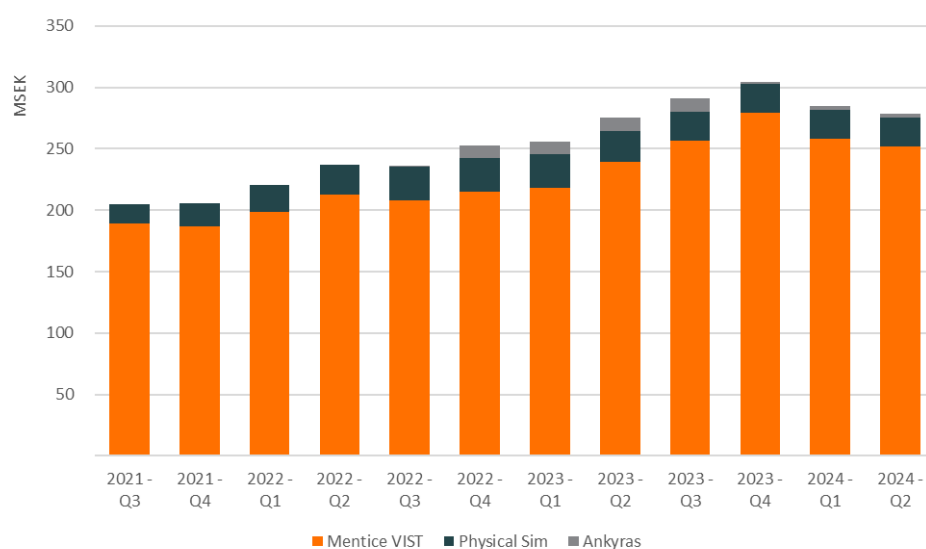
Physical Sim decreased by -7.9% during the quarter. Order intake for the first six months increased by 1.1% to 9 (9) MSEK.

Product area Ankyras™ increased by 3.7% during the quarter. Order intake for the first six months increased by 61.7% to 2.6 (1.6) MSEK.

It is important to note that large orders can create a substantial variance in the distribution of order intake between business areas in individual quarters.

Order intake per product area TSEK	Apr-Jun 2024	Apr-Jun 2023	Change	Jan-Jun 2024	Jan-Jun 2023	Change	Full year 2023
Mentice VIST™	65,553	71,676	-8.5%	96,983	124,196	-21.9%	278,979
Physical Sim	3,807	4,134	-7.9%	9,371	9,266	1.1%	23,657
Ankyras™	1,656	1,597	3.7%	2,581	1,597	61.7%	1,597
Total	71,016	77,407	-8.3%	108,935	135,059	-19.3%	304,233

ORDER INTAKE PER PRODUCT AREA ROLLING FOUR QUARTERS (MSEK)



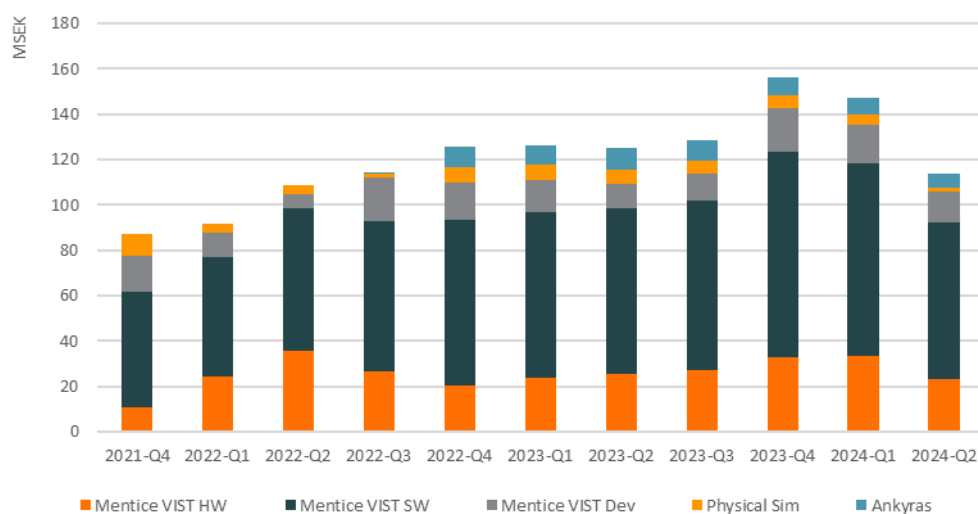
ORDER BOOK

The order book at the end of the quarter decreased by -9% and amounted to 114 (125) MSEK, where 47 MSEK is related to future revenue to be recognized in 2024. The order book represents orders received and which will be recognized as net sales in the coming periods.

The order book was previously divided by type of product and service, but to have a better view of the business, the division is now presented in product areas.

Order book by product area TSEK	2024	2025-
Mentice VIST™	43,933	62,059
- Hardware	12,668	10,367
- License/software	22,094	47,215
- Development	9,171	4,477
Physical Sim	1,469	171
Ankyras™	1,998	3,899
Total	47,400	66,129

ORDER BOOK PER QUARTER (MSEK)



NET SALES

The group's net sales consist of sales from 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.

Mentice also reports sales figures for the three geographic markets: EMEA (Europe, Middle East and Africa), APAC (Asia and the Asian Pacific Region) and Americas (North, Central and South America) and for three business areas, Medical Device Industry, Healthcare and Strategic Alliances.

NET SALES PER REGION

The total net sales in the quarter increased by 35.8%, whereof 1.1% currency impact, 0.9% acquired growth and 33.8% organic.

The total net sales in the first six months increased by 5.0%, whereof 0.2% currency impact, 1.3% acquired growth and 3.5% organic.

Net sales decreased in EMEA by -5.6% in the quarter. The first six months the region decreased with -14.1%.

APAC increased by 274.1% in the quarter due to high sales to an existing customer. The first six months the region increased with 102.9%.

Americas increased by 18.7% in the quarter. The first six months the region decreased with -3.5%.

Net sales per region TSEK	Apr-Jun 2024	Apr-Jun 2023	Change	Jan-Jun 2024	Jan-Jun 2023	Change	Full year 2023
EMEA	19,157	20,294	-5.6%	34,264	39,868	-14.1%	80,286
APAC	25,837	6,906	274.1%	30,653	15,111	102.9%	43,801
Americas	55,931	47,114	18.7%	81,353	84,300	-3.5%	149,522
Total	100,925	74,314	35.8%	146,270	139,279	5.0%	273,610

NET SALES PER QUARTER



NET SALES PER SEGMENT*

Out of the net sales for the quarter 92 (70) MSEK came from product area Mentice VIST™. For the first six months the segment increased by 0.2%.

Product area Physical Sim had a net sale of 8.2 (3.4) MSEK for the quarter. For the first six months the segment increased by 92.3%.

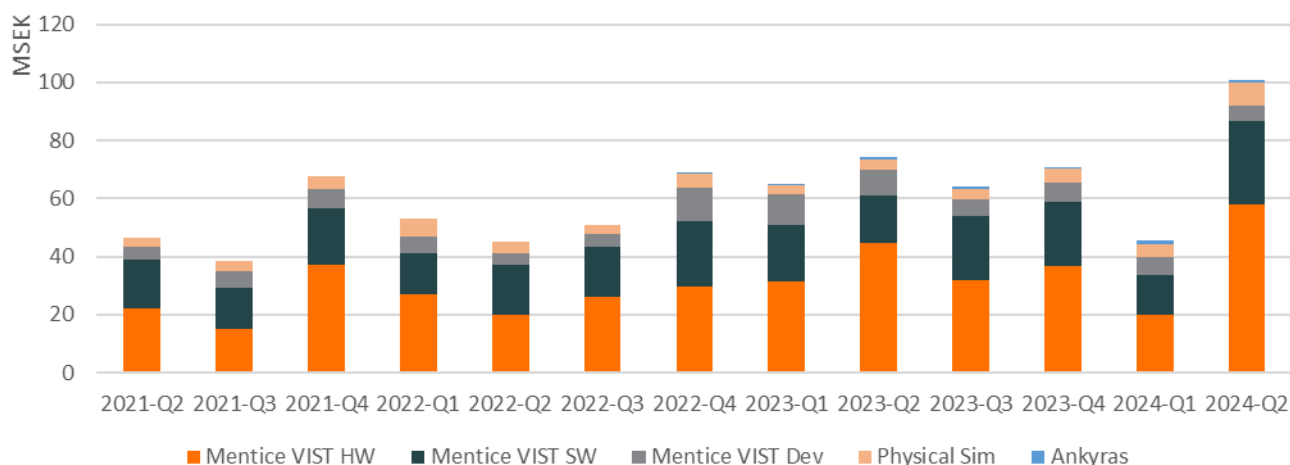
1.0 (0.9) MSEK of total net sales came from Ankyras™. For the first six months the segment increased by 44.5%.

The quarter showed a total increase of 35.8%, all product areas show an increase during the period. The first six months showed a total increase of 5.0%.

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

Net sales per product segment TSEK	Apr-Jun 2024	Apr-Jun 2023	Change	Jan-Jun 2024	Jan-Jun 2023	Change	Full year 2023
Mentice VIST™	91,758	70,024	31.0%	131,631	131,328	0.2%	256,369
- Hardware	58,133	44,515	30.6%	78,082	76,071	2.6%	143,885
- License/software	28,497	16,665	71.0%	42,197	35,923	17.5%	80,303
- Development	5,128	8,844	-42.0%	11,352	19,334	-41.3%	32,181
Physical Sim	8,168	3,436	137.7%	12,666	6,586	92.3%	14,291
Ankyras™	999	854	17.0%	1,973	1,365	44.5%	2,950
Total	100,925	74,314	35.8%	146,270	139,279	5.0%	273,610

NET SALES PER QUARTER



OTHER INCOME

Other income was 0.7 (2.6) MSEK for the quarter and for the first six months other income amounted to 1.1 (2.9) MSEK.

GROSS PROFIT AND GROSS MARGIN

The gross profit for the second quarter was 85.7 (63.1) MSEK and gross margin was at 84.9 (85.8) %. For the first six months the gross profit was 127.6 (118.7) MSEK and the gross margin was 87.1 (86.2) %.

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.

EBITDA AND EBITDA MARGIN

Earnings before interest, tax, depreciation and amortization, EBITDA, amounted to 24.5 (10.7) MSEK. This corresponds to an EBITDA margin of 24.3 (14.4) % for the second quarter.

The reason for the quarter's higher operating profit is high sales in the quarter. It is important to note that large orders can create a substantial variance in the distribution of order intake in individual quarters affecting net sales. Therefore, the Company is basing the evaluation of performance on rolling 12 months or full year figures rather than the previous quarter or the same quarter previous year.

Earnings before interest, tax, depreciation and amortization, EBITDA, amounted to 6.1 (17.9) MSEK for the first six months. This corresponds to an EBITDA margin of 4.2 (12.9) %.

OTHER EXTERNAL COSTS

Other external costs amounted to -20.0 (-15.0) MSEK during the second quarter, which equals an increase of 33.3% compared to the same period last year. During the quarter 1.5 MSEK are related to costs specific for the quarter. The remaining increase is mainly related to consultants holding vacant employee positions.

Other external costs amounted to -41.1 (-27.6) MSEK during the first six months, which equals an increase of 48.9% compared to the same period last year.

PERSONNEL COSTS

Personnel costs during the second quarter were -41.9 (-40.0) MSEK, which equals an increase of 4.8%. The increase for the quarter is mainly due to the increase in the number of employees.

Personnel costs during the first six months were -81.5 (-76.1) MSEK, which equals an increase of 7.1%. Recruitments have been made mainly in the Americas and EMEA regions within Sales and Development.

Personnel costs include capitalized costs for development with 2.4 (0.8) MSEK for the quarter and with 5.0 (1.5) MSEK for the first six months.

The number of FTE, full time equivalents average, amounted to 124.1 during the quarter, which is an increase compared with the same period 2023 which amounted to 111.2. This represents an increase of 17.3%.

CAPITALIZED EXPENSES FOR DEVELOPMENT COSTS

Capitalized expenses for development costs during the second quarter amounted to 2.8 (0.8) MSEK and are mainly related to several ongoing projects. Capitalized expenses for development costs during the first six months amounted to 5.7 (1.8) MSEK.

The capitalization is accounted for as external costs if the original cost is for consultants for development and in personnel costs if the original cost is for own employees.

FINANCIAL ITEMS

Net financial items for the quarter amounted to -0.4 (-0.1) MSEK. Net financial items for the first six months amounted to -0.2 (-0.8) MSEK.

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

Tax on income for the second quarter was -0.6 (-3.3) MSEK, mainly due to deferred tax on amortization of goodwill assets in the parent company. Net income for the second quarter was 17.2 (1.5) MSEK. Earnings per share were 0.67 (0.06) SEK for the second quarter.

Tax on income for the first six months was -1.2 (-4.1) MSEK. Net income for the first six months was -7.4 (0.0) MSEK and Earnings per share were -0.29 (0.0) SEK.

CASH FLOW

Cash flow from operating activities before changes in working capital was 22.5 (6.5) MSEK for the second quarter. Cash flow from change in working capital was -17.1 MSEK compared to -1.2 MSEK in the same period last year. Accounts receivables have increased during the period due to increased sales. Cash flow from operating activities amounted to 5.3 (5.2) MSEK.

For the first six months Cash flow from operating activities amounted to 7.2 (2.5) MSEK.

CASH AND FINANCIAL POSITION

Cash at the end of the period was 57.1 (35.0) MSEK. The group's total assets amounted to 310.5 (308.9) MSEK. IFRS 16 affected total assets by 5.4 (11.5) MSEK. Accounts receivable decreased compared to the same quarter last year and amounted to 81.3 (89.9) MSEK.

Inventories amounted to 13.6 (13.3) MSEK. Current liabilities were 151.9 (131.6) MSEK. The carrying amounts of financial assets and liabilities are considered to correspond essentially to fair value. The company also has an overdraft facility of 20 MSEK.

INVESTMENTS

Investments during the second quarter amounted to 3.6 (2.7) MSEK, whereof 3.5 (1.2) MSEK refers to the capitalization of development costs. The remaining 0.1 (1.5) MSEK refers to investments in tangible assets mostly in hardware devices for internal use but also for rental.

Investments during the first six months amounted to 6.8 (3.5) MSEK.

PARENT COMPANY

The parent company is an operating company based in Gothenburg, Sweden. Net sales for the second quarter for the parent company amounted to 78.4 (63.0) MSEK. The gross margin amounted to 84.9 (88.4) % for the quarter. The net income for the period was 16.6 (12.1) MSEK.

For the first six months net sales amounted to 105.7 (93.1) MSEK with a gross margin of 85.2 (87.3) % and the net income for the period was -11.3 (-5.8) MSEK.

SHARE CAPITAL

The total number of shares as of June 30, 2024, were 25,568,850 (25,568,850) and the share capital was 1,278 MSEK. All shares are ordinary shares with equal voting value. The shares have a quota value of 0.05 SEK.

DISPUTES

The group has no current disputes.

TRANSACTIONS WITH RELATED PARTIES

Board member Denis Gestin through related company has on a consulting basis acted as advisor to the company, in connection with customer related activities within the medical device industry and other consultation. During the period April through June 2024, Denis Gestin received 0.3 (0.2) MSEK as fee in addition to board fee, and for the first six months 0.5 (0.5) MSEK.

The above transactions were conducted based on market value.

THE PURPOSE OF MENTICE

The purpose of Mentice's solutions is to support the health-care professionals in their mission to ensure all patients have an optimal outcome, improve cost-effectiveness, and generally offer opportunities for the healthcare sector to better utilize its resources.

RISKS

Important risks and uncertainties for the group are primarily related to, commercial with customers and suppliers, operational with regards to competence and security in the implementation of new medical equipment. The financial risks lie in the global operations that the company operates. This affects changes in exchange rates and interest rates, as well as liquidity, financing, and credit. Currency risk also arises when translating foreign net assets and earnings into Swedish kronor. Mentice overall goal is to avoid as far as possible financial risk taking, which can arise through changes in exchange rates, interest rates and market prices, as well as liquidity, financing, and credit risks. Exchange rate risk is divided into translation exposure and transaction exposure. Translation exposure refers to the exposure of net assets for foreign subsidiaries. Transaction exposure refers to the risks associated to purchases and net sales in foreign currency.

The group's external sales are made in the currencies EUR and USD. In the parent company, the external sales are in EUR, and most of the operating costs are in SEK. Net sales and cost in the US subsidiary are exclusively conducted in USD.

For more information about the company's risks, see the board of directors' report in the annual report for 2023.

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 1 680 shareholders by June 30, 2024. FNCA is the company's certified advisor.

Largest shareholders (source Euroclear 2024-06-30) Name	Number of shares	Shareholding in %
Karin Howell-Bidermann	8 690 980	33,99%
Bure Equity	3 761 659	14,71%
Fjärde AP-fonden	1 971 000	7,71%
Gulf Offshore Limited	1 574 017	6,16%
Medical Simulation Corporation	1 191 074	4,81%
Handelsbanken Fonder	800 000	3,13%
Berenberg Funds	794 412	3,11%
Göran Malmberg	711 670	2,78%
Andra AP-fonden	446 620	1,75%
Handelsbanken Liv Försäkring AB	363 000	1,42%
10 largest shareholders total	20 304 432	79,57%
Others	5 264 418	20,43%
Total number of shares	25 568 850	100,00%

EXAMINATION BY THE AUDITORS

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, 2024
Mentice AB (publ)

Magnus Nilsson
Chairman of the Board

Lawrence D. Howell
Board member

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



CONSOLIDATED INCOME STATEMENT

TSEK	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Net sales	100,991	74,314	146,418	139,279	273,610
Other income	709	2,631	1,131	2,866	1,514
	101,700	76,945	147,549	142,145	275,124
Raw materials and consumables used	-14,672	-10,552	-17,687	-19,210	-37,229
Depreciation of rented assets	-574	-670	-1,170	-1,335	-2,856
Other external costs	-20,011	-15,048	-41,066	-27,577	-62,634
Personnel costs	-41,928	-40,006	-81,499	-76,097	-148,233
Depreciation of tangible assets	-2,346	-2,289	-4,658	-4,507	-9,240
Amortization and write-down of intangible assets	-3,952	-3,558	-7,449	-8,494	-15,611
	-83,484	-72,123	-153,530	-137,220	-275,803
Operating profit (EBIT)	18,217	4,822	-5,980	4,925	-679
Financial income	478	105	929	125	1,072
Financial expenses	-852	-156	-1 095	-911	-405
Net financial items	-373	-51	-167	-786	667
Earnings before tax (EBT)	17,843	4,771	-6,147	4,139	-12
Tax	-598	-3,298	-1,249	-4,149	-2,805
Net result for the year	17 245	1,473	-7 396	-10	-2,817
Net result for the year attributable to:					
Shareholders parent company	17 245	1,473	-7 396	-10	-2,817
Earnings per share					
Basic (SEK)	0.67	0.06	-0.29	-0.00	-0.11
Diluted (SEK)	0.67	0.06	-0.29	-0.00	-0.11

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TSEK	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Net result for the year	17,245	1,473	-7,396	-10	-2,817
Other comprehensive income					
Translation difference on translation of foreign operations	-269	839	1,016	595	-1,060
Other comprehensive income for the year, net of tax	-269	839	1,016	595	-1,060
Total comprehensive income for the year	16,976	2,312	-6,380	585	-3,878

CONSOLIDATED BALANCE SHEET

TSEK	30 June 2024	30 June 2023	Full year 2023
Assets			
Goodwill	48,508	48,259	48,508
Patents	26,459	30,082	28,253
Trademarks	3,024	4,233	3,628
Internally developed intangible assets	38,178	41,331	37,144
Tangible assets	10,542	12,882	11,566
Right-of-use assets	5,424	11,493	8,336
Deferred tax assets	7,153	8,638	8,028
Total non-current assets	139,288	156,918	145,463
Inventories	13,642	13,323	14,104
Accounts receivables	81,313	89,906	85,496
Prepaid costs and accrued income	14,095	12,034	13,488
Other receivables	3,701	1,422	3,222
Current tax assets	1,336	243	1,633
Cash and cash equivalents	57,136	35,029	59,121
Total current assets	171,223	151,957	177,064
Total assets	310,510	308,875	322,527
Equity and liabilities			
Share capital	1,278	1,278	1,278
Other paid in capital	201,385	201,397	201,385
Retained earnings	-50,071	-38,713	-43,690
Total equity attributable to parent company shareholders	152,592	163,962	158,973
Long term liabilities			
Leasing liabilities long-term	593	5,477	2,144
Total long-term liabilities	593	5,477	2,144
Accounts payable	13,621	3,229	15,582
Other liabilities	4,177	7,853	4,134
Current leasing liability	5,462	118,825	7,413
Accrued expenses and deferred income	134,065	139,437	134,281
Total current liabilities	157,324	308,876	161,410
Total equity and liabilities	310,510	3,229	322,527

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TSEK	Share Capital	Other Paid in Capital	Translation reserve	Retained Earnings	Total equity
At 1 January 2023	1,278	201,169	-370	-39,442	162,635
Transactions with owners in their capacity as owners					
Issue of shares		315			315
Redemption of share options		-99			-99
Profit for the year				-2,817	-2,817
Other comprehensive income for the year			-1,061		-1,061
Total comprehensive income for the period			-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 their capacity as owners					
Profit for the year				-7,396	-7,396
Other comprehensive income for the year			1,016		1,016
Total comprehensive income for the year			1,016	-7,396	-7,380
Closing balance at 30 June 2024	1,278	201,385	-415	-49,655	152,593

CONSOLIDATED STATEMENT OF CASH FLOWS

TSEK	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Operating activities					
Earnings before tax	17,843	4,771	-6,147	4,139	-12
Adjustment for Non-cash items	5,228	2,986	12,995	11,965	28,090
Income tax paid	-607	-1,275	-2,683	-693	-632
Cash flow from operating activities before changes in working capital	22,465	6,482	4,166	15,411	27,445
Change in trade receivables and other current assets	-17,696	-16,776	8,607	-2,763	-5,561
Change in inventories	3,099	2,209	817	3,781	2,569
Change in trade payables and other current liabilities	-2,586	13,333	-6,368	-13,891	12,064
Change in working capital	-17,182	-1,234	3,056	-12,873	9,072
Cash flow from operating activities	5,283	5,248	7,222	2,538	36,517
Investing activities					
Acquisitions of tangible assets	-161	-1,578	-509	-1,578	-4,330
Capitalisation of internally developed intangible assets and acquired goodwill	-3 436	-1,171	-6,272	-1,925	-2,658
Acquisition of business, net cash effect	-	-8,747	-	-8,747	-9,191
Cash flow from investing activities	-3,596	-11,496	-6,781	-12,250	-16,179
Financing activities					
Payment of share options	-	-84	-	-84	-99
Issue of share options	-	315	-	315	315
Amortization of lease liability	-1,870	-1,794	-3,760	-3,564	-7,271
Cash flow from financing activities	-1,870	-1,563	-3,760	-3,333	-7,055
Cash flow for the period	-184	-7,812	-3,319	-13,045	13,283
Opening cash balance	57,506	42,011	59,120	47,285	47,285
Translation difference on cash and cash-equivalents	-186	830	1,335	789	-1,448
Cash and bank balances at end of period	57,136	35,029	57,136	35,029	59,120

PARENT COMPANY INCOME STATEMENT

TSEK	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Net sales	78,368	63,047	105,670	93,114	187,166
Capitalised expense for development	3,269	825	5,654	1,795	2,385
Other income	2,801	2,594	3,721	3,710	13,011
	84,437	66,466	115,045	98,619	202,562
Raw materials and consumables used	-11,857	-7,291	-15,596	-11,845	-26,274
Other external costs	-19,436	-14,294	-38,532	-26,447	-59,627
Personnel costs	-27,718	-25,710	-54,490	-47,867	-94,996
Depreciation of tangible assets	-447	-308	-897	-613	-1,248
Amortization and write-down of intangible	-6,434	-6,082	-12,412	-13,542	-25,706
Exchange losses on operating receivables and liabilities	-1,472	-1,035	-4,141	-1,954	-12,380
	-67,365	-54,720	-126,068	-102,268	-220,229
Operating profit (EBIT)	17,072	11,746	-11,023	-3,649	-17,667
Financial income	554	66	851	200	1,006
Financial expenses	-983	353	-1,093	-2,350	-197
Net financial items	-429	419	-243	-2,150	809
Result after financial items	16,643	12,165	-11,266	-5,799	-16,859
Earnings before tax (EBT)	16,643	12,165	-11,266	-5,799	-16,859
Tax	-	-	-	-	-41
Net result for the year	16,643	12,165	-11,266	-5,799	-16,900

PARENT COMPANY BALANCE SHEET

TSEK	30 June 2024	30 June 2023	Full year 2023
Assets			
Intangible and tangible assets			
Goodwill	15,930	25,488	20,827
Patents	26,626	30,551	28,522
Trademarks	3,024	4,233	3,628
Internally developed in-tangible assets	37,941	41,331	37,237
Tangible assets	5,008	3,063	5,396
Financial assets			
Shares in group companies	21,886	19,705	21,886
Receivables from group companies	1,026	1,065	1,002
Deferred tax assets	6,615	6,615	6,615
Total non-current assets	118,056	132,051	125,114
Inventories	9,206	9,615	10,304
Accounts receivables	39,971	38,028	52,254
Current receivables from group companies	10,074	38,639	757
Prepaid costs and accrued income	3,231	8,533	24,732
Other receivables	11,471	974	2,661
Current tax assets	1,799	1,496	2,084
Cash and cash equivalents	41,146	10,560	31,341
Total current assets	116,898	107,845	124,134
Total assets	234,954	239,896	249,248
Equity and liabilities			
Restricted equity			
Share capital	1,278	1,278	1,278
Fund for development costs	38,804	44,585	39,563
Non-restricted equity			
Other paid in capital	201,385	201,397	201,385
Retained earnings	-102,216	-91,097	-86,074
Net result for the year	-11,265	-5,799	-16,900
Total equity	127,987	150,364	139,251
Long term liabilities			
Liabilities to group companies	772	876	829
Total long-term liabilities	772	876	829
Accounts payable	11,631	5,058	12,481
Current liabilities to group companies	4,508	2,930	2,450
Other liabilities	2,344	2,219	2,533
Accrued expenses and de-ferred Income	87,713	78,449	91,703
Total current liabilities	106,196	88,655	109,167
Total equity and liabilities	234,954	239,896	249,248

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 2023.

BASES OF VALUATION APPLIED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Assets and liabilities are recognized at historical cost with the exception of currency derivatives, which are measured at fair value. As per June 30, 2024, the total actual value of forward contracts was 52,8 (0.0) MSEK.

ASSESSMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

Preparation of the financial statements in compliance with IFRS requires the company's management to make assessments, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income, and expenses. Actual outcomes may deviate from these estimates and assessments. Assumptions are reviewed on a regular basis. Changes to estimates are recognized in the period.

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 accordance with the group financial policy. 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.

ADJUSTMENTS, ROUNDING

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

ABOUT THE PARENT COMPANY

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

WARRANT PROGRAM

There is one outstanding warrant program directed at external key opinion leaders in North America and the company's employees, initiated in 2023.

During the period a warrant program, initiated in 2019, expired out of the money. Employees who have participated in this warrants program have paid a premium corresponding to the market value of the warrant calculated pursuant to Black & Scholes' formula. As the market value has been paid, there is no effect on the company's net income for the period or on its financial position.

PRODUCT AREAS

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 Online and Ankyras™. The Mentice Live area is not reported separately but is included in the Mentice VIST™ area.

The segment reporting according to IFRS 8 was earlier based on type of product and the division is now based on product areas (see definition earlier in this report regarding product areas and sub-areas) to better reflect how the business is run and followed up.

OUTCOME PER PRODUCT AREA Q2

TSEK	Mentice VIST™		Physical Sim		Ankyras™		Total	
	Apr-Jun 2024	Apr-Jun 2023	Apr-Jun 2024	Apr-Jun 2023	Apr-Jun 2024	Apr-Jun 2023	Apr-Jun 2024	Apr-Jun 2023
Hardware	58,133	44,515	6,963	3,308	0	0	65,096	47,823
License/software	28,497	16,665	365	0	999	854	29,861	17,519
Development	5,128	8,844	840	128	0	0	5,968	8,972
Total	91,758	70,024	8,168	3,436	999	854	100,925	74,314
Raw materials and consumables used	-13,852	-9,803	-1,345	-1,376	-50	-43	-15,247	-11,222
Gross profit	77,906	60,221	6,823	2,060	949	811	85,678	63,092
Gross profit %	84.9%	86.0%	83.5%	60.0%	95.0%	95.0%	84.9%	84.9%

OUTCOME PER PRODUCT AREA YTD

TSEK	Mentice VIST™			Physical Sim			Ankyras™			Total		
	Jan-Jun 2024	Jan-Jun 2023	Full year 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Hardware	78,082	76,071	143,885	10,682	6,458	14,291	0	0	-	88,764	82,529	158,176
License/software	42,197	35,923	80,303	729	0	-	1,973	1,365	2,950	44,899	37,288	83,253
Development	11,352	19,334	32,181	1,255	128	-	0	0	-	12,607	19,462	32,181
Total	131,631	131,328	256,369	12,666	6,586	14,291	1,973	1,365	2,950	146,270	139,279	273,610
Raw materials and consumables used	-16,987	-18,529	-36,417	-1,772	-1,948	-3,521	-99	-68	-148	-18,858	-20,545	-40,085
Gross profit	114,644	112,799	219,952	10,894	4,638	10,770	1,874	1,297	2,802	127,412	118,734	233,525
Gross profit %	87.1%	85.9%	85.8%	86.0%	70.4%	75.4%	95.0%	95.0%	95.0%	87.1%	85.2%	85.3%

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 per centage and long time sick leave. Includes consultants replacing a permanent position during recruitment.
RTM	Rolling Twelve Months.

FINANCIAL TARGETS, SHORT TO MEDIUM TERM

REVENUE GROWTH

20-30% annual growth in net sales.

PROFITABILITY

To reach a 20% EBITDA margin within three years with a longer-term target of 30%.

ABOUT MENTICE

BUSINESS OPERATIONS

Mentice is a company that offers high-technology solutions for simulation to the medical sector with a 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, Spain, and China.

BUSINESS IDEA

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

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

PURPOSE

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

VISION

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

MISSION

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

OUR RESULTS ARE GLOBAL

Proud to be trusted by organizations worldwide

25+

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 APR - JUN 2024	JULY 23, 2024
INTERIM REPORT JUL - SEP 2024	NOVEMBER 7, 2024
YEAR END REPORT 2024	FEBRUARY 13, 2025
ANNUAL REPORT 2024	APRIL 18, 2025

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

Mentice AB (publ) – Interim report Apr - Jun 2024