

Interim report January-June 2023

April-June 2023

- Net sales decreased by 51% to SEK 102m (206), organic growth amounted to -53% during the quarter
- Operating profit amounted to SEK 23m (107)
- Operating margin was 22.6% (51.7)
- Cash flow from operating activities amounted to SEK 9m (55)
- Earnings per share, diluted, amounted to SEK 0.76 (3.01)

January-June 2023

- Net sales decreased by 45% to SEK 190m (343), organic growth amounted to -48%
- Operating profit amounted to SEK 38m (168)
- Operating margin was 20.2% (49.1)
- Cash flow from operating activities amounted to SEK -33m (92)
- Earnings per share, diluted, amounted to SEK 1.31 (4.81)

The Mips Group in brief

SEKm	Apr-Jun 2023	Apr-Jun 2022	Δ%	Jan-Jun 2023	Jan-Jun 2022	Δ%	Full year 2022
Net sales	102	206	-51	190	343	-45	563
Gross profit	71	151	-53	134	250	-47	406
Gross margin, %	70.0	73.4	-	70.4	73.0	-	72.1
Operating profit (EBIT)	23	107	-78	38	168	-77	229
Operating margin (EBIT-margin), %	22.6	51.7	-	20.2	49.1	-	40.7
Profit for the period	20	80	-75	34	127	-73	175
Earnings per share basic, SEK	0.76	3.04	-75	1.32	4.87	-73	6.68
Earnings per share diluted, SEK	0.76	3.01	-75	1.31	4.81	-73	6.63
Cash flow from operating activities	9	55	-84	-33	92	-	236
Dividend per share, SEK	5.50	5.00	-	5.50	5.00	-	5.00

For definitions and description of performance measures and alternative performance measures, please visit: www.mipscorp.com

CEO's comments

Gradual recovery of the bicycle market

As expected, net sales in the second quarter was soft, with a 51 percent decline compared to the same quarter last year. The decrease in net sales was mainly due to a continued soft demand in the bike sub-category.

Bike retailers in the key US and European markets continued to reduce their inventory levels during the period, as expected. Inventory levels at many retailers have returned to historically normal levels and we assess that inventory levels at retailers will be fully normalized during the third quarter.

However, we see that the inventory levels of our customers, the helmet manufacturers, in bike are still higher than normal. We see that they are more restrictive with additional orders for current season compared to previous years. This general caution is mainly due to the fact that they have tied up more capital than normal in inventory this season. This also means that although there are many positive signals in the bicycle market, there is a lag effect in our sales, which are generated from sales to helmet manufacturers, compared to what many companies that sell directly to retailers.

Even if demand to end customers is lower than last year, sales are higher than before the pandemic situation and we continuously gain market shares in all our key markets. This means that we will see a gradual increase in demand during the last six months of the year. We assess that the third quarter will continue to be challenging but expect to see a stronger fourth quarter and therefore show growth for second half of the year. With our significant customer base and models equipped with Mips solutions, we will gradually return to growth in the second half of the year, as helmet manufacturers produce helmets for the next cycling season.

Operating profit decreased by 78 percent, amounting to SEK 23m (107) in the quarter. During the first six months of the year the operating profit has decreased by 77 percent to SEK 38m (168). The operating margin was 23 percent (52) and during the first six months it was 20 percent (49). The lower operating margin can largely be explained by the lower sales, ongoing investments within our strategic initiatives in marketing, research and development, as well as the negative impact of currencies.

The operating cash flow amounted to SEK 9m (55) in the quarter, and during the first six months of the year it amounted to SEK -33m (92).

Helmet category Sport – gradual recovery in the bike market

The bike market was still challenging in the quarter, despite a gradual improvement in demand during the period. There was a slow start to the quarter,

and we saw that our customers were more cautious with new orders as inventory levels remained high and the bike season had a slightly late start due to a cold and rainy spring. Once the season got going, demand gradually grew during the quarter.

The inventory situation is still unbalanced for our customers and retailers around the world, with an excess of inventory of helmets at lower price points. On the positive side, we note that on most markets, the inventory levels have returned to historic levels for helmets at medium and higher price points. The unbalanced inventory situation continues to be a challenge for our customers and resellers due to how it impacts their cash flow, which also makes them more restrictive when it comes to purchasing large volumes of new products.

This quarter we exhibited at Eurobike, the largest fair in the world for bike-related products. There were substantially more exhibitors and visitors this year than last year. Most exhibitors share the same view; it has been four challenging quarters and markets in general will continue to be volatile for a while longer, but the bike market will return to growth going forward and everybody is preparing for this upturn in the market. We also find it reassuring that three long-term trends from the market are evident; cycling will continue, the use of bicycle helmet increases daily and the interest for better helmet solutions has an impact on what consumers are looking for.

Within the sub-category snow we continued to supply many Mips solutions after a strong winter season, especially in the North American market. We will also deliver a lot of products within snow next quarter as not all of the helmets have yet been manufactured for the upcoming season.

Helmet category Motorcycle – soft quarter but our view of the opportunities has not changed

We saw a soft quarter within Motorcycle with a decrease compared to previous years due to a changed purchasing pattern among our most important customers.

We are obviously not satisfied that we have not shown growth in the Motorcycle category during the first half-year. The major reason is that the shift to the sector's new ECE 22.06 standard has taken many manufacturers longer to implement than we had anticipated, but also that they chose to postpone orders to us for the coming season. The changed purchasing pattern does not mean lost sales but that orders are placed in the coming quarters instead of this quarter.

We have a strong customer platform within Motorcycle, with many recent customers wins and new models equipped with Mips solutions that will

be able to deliver strong future growth and deliver on our long-term ambition. For this reason, we have great confidence in the Motorcycle category going forward.

Helmet category Safety – continued strong development in line with our ambitious plans

We continued to see good progress within the category Safety both in terms of new customers and actual increase in sales compared to the same period last year.

We participated in ASSP this quarter, a large construction industry fair for the North American market. The fair confirmed once again that we have started to create a strong position on the North American market, and we received great interest from both existing and potential customers. On the European market we started to establish ourselves through several product listings at major distributors during the quarter. This will lead to future increased volumes in this region too. I am happy with the progress we have made so far this year and that we are sticking to the ambitious plan we have set within Safety.

Challenging times but our outlook for the future remains positive

The first six months of the year have been challenging, and as we predicted we have seen a decrease in sales. We are nevertheless confident that nothing has substantially changed from a long-term perspective.

We are convinced that we can continue to grow our share on a growing market. For that reason, we are still investing in our strategic growth initiatives. We have continued to implement record-high levels of new customer projects, and we look forward to launching many new helmet models in the coming years.

Despite being challenged by external factors to a degree we have not seen in many years, I am convinced that we have the right strategy and organisation to drive profitable growth going forward. This means that our plan remains. Together with the team at Mips, I look forward to continuing to deliver towards our long-term goals for 2027.

Stockholm, July 2023

Max Strandwitz
President and CEO



”Gradual recovery of the bicycle market”

Financial performance

April – June

Net sales

Net sales for the second quarter amounted to SEK 102m (206), a decrease of 51%. Adjusted for exchange rate effects, the organic development was -53%. The decrease in net sales is mainly explained by a decreased demand within the bike category.

Changes in net sales

%	Apr-Jun 2023	Jan-Jun 2023
Organic growth	-53	-48
Change in exchange rates	2	3
Total	-51	-45

Gross profit

Gross profit decreased by 53% to SEK 71m (151). The gross margin amounted to 70.0% (73.4) where the decrease in gross margin is mainly attributable to the higher share of fixed costs as an effect of decreased net sales.

Operating profit (EBIT)

Operating profit decreased by 78% to SEK 23m (107), corresponding to an operating margin of 22.6% (51.7). The decrease in operating profit is mainly explained by decreased sales, strategic initiatives within marketing, research and development, strengthening of the organization and higher other operating costs related to exchange rate effects.

Selling expenses amounted to SEK 20 m (21). Administrative expenses amounted to SEK 16m (17) during the quarter. Research and development costs amounted to SEK 10m (7).

Profit for the period and earnings per share

Profit before tax amounted to SEK 26m (101). Tax expenses for the quarter amounted to SEK -6m (-22), corresponding to an effective tax rate of 22.1% (21.4). Profit for the period was SEK 20m (80). Diluted earnings per share amounted to SEK 0.76 (3.01).

Cash flow

Cash flow from operating activities amounted to SEK 9m (55). The change is mainly explained by decreased earnings.

Cash flow from investing activities was SEK -2m (-4). Cash flow from financing activities was SEK -138m (-132) attributable to dividend payment of SEK -144m (-131) and exercising of warrants under the warrant-based incentive programs of SEK 8m (-). Cash flow for the period amounted to SEK -131 m (-81).

January – June

Net sales

Net sales for the first six months amounted to SEK 190m (343), a decrease by 45%. Adjusted for exchange rate effects, the organic development was -48%. The decrease in net sales is mainly explained by reduced demand within the bike category.

Gross profit

Gross profit decreased by 47% to SEK 134m (250). The gross margin amounted to 70.4% (73.0) where the decrease mainly is explained by higher share of fixed costs as an effect of decrease in net sales.

Operating profit (EBIT)

Operating profit decreased to SEK 38m (168), corresponding to an operating margin of 20.2% (49.1). The decrease in operating profit is mainly explained by decreased sales during the first six months, strategic initiatives within marketing, research and development, strengthening of the organization and higher other operating costs related to exchange rate effects.

Selling expenses increased to SEK 38m (37). Administrative expenses amounted to SEK 32m (30). The increase in administrative expenses is mainly explained by costs related to strengthening the organization. Research and development costs amounted to SEK 18m (12).

Profit for the period and earnings per share

Profit before tax amounted to SEK 44m (162). Tax expenses for the first six months amounted to SEK -10m (-35), corresponding to an effective tax rate of 22.2% (21.3). Profit for the period was SEK 34m (127). Diluted earnings per share amounted to SEK 1.31 (4.81).

Cash flow

Cash flow from operating activities amounted to SEK -33m (92). The decrease is mainly explained by decreased earnings.

Cash flow from investing activities was SEK -4m (-16). Cash flow from financing activities was SEK -139m (-133) attributable to dividend payment of SEK -144m (-131) and exercising of warrants under the warrant-based incentive programs of SEK 8m (-).

Financial position

The Group's total assets as of 30 June 2023 amounted to SEK 617m (770). For the first six months, non-current assets amounted to SEK 99m (106). Short-term investments of SEK 237m (299) are in their entirety invested in interest-bearing funds. The equity ratio was 85% (74). Cash and cash equivalents, including short-term investments, as of 30 June 2023 amounted to SEK 356m (398).

Reported values for assets and liabilities are in all material aspects consistent with fair market value. In order to reduce the Group's short-term currency exposure, certain currency derivatives

have been entered into with a bank. The derivatives are valued at fair market value, amounting to a net financial liability of SEK 6m (28) as of 30 June 2023. Hedge accounting is applied, whereby the unrealized change in the fair value of the derivatives is primarily reported in Other comprehensive income.

Investments

During the second quarter, investments having an impact on the cash flow amounted to SEK 2m (4). Investments in intangible fixed assets amounted to SEK 1m (2). Investments in tangible fixed assets amounted to SEK 1m (2).

During the first six months, investments amounted to SEK 4m (16). Investments in intangible assets amounted to SEK 3m (12) mainly related to acquisition of patent rights and some other intangible assets. Investments in tangible assets amounted to SEK 1m (4).

The Group had no significant commitments as of 30 June 2023 related to investments.

Parent company

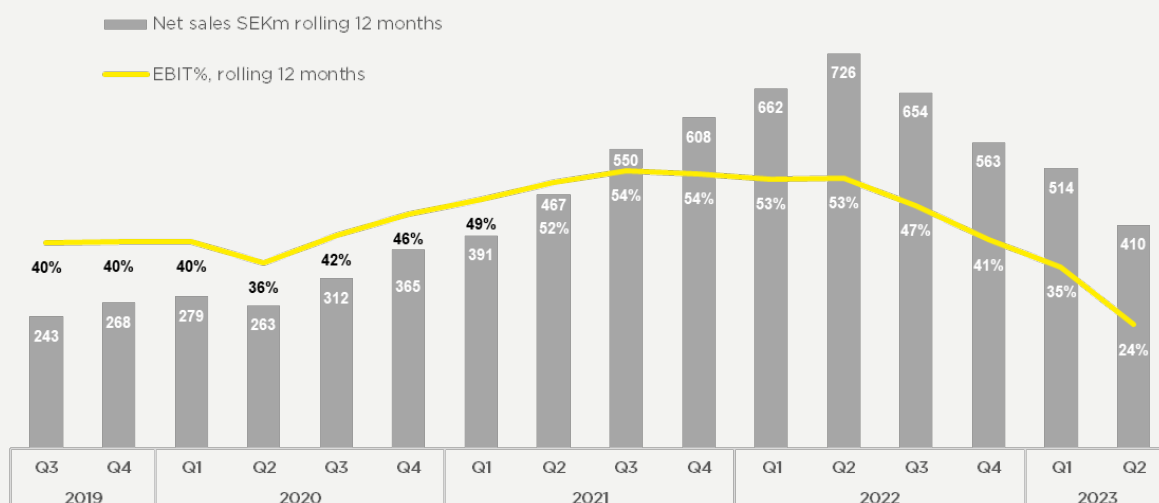
Net sales for the first six months for the parent company amounted to SEK 135m (239). Profit for the same period was SEK 28m (112).

Cash and cash equivalents, including short-term investments, as of 30 June 2023 amounted to SEK 303m (366).

Employees

The average number of employees during the second quarter was 99 (89), of whom 24 (23) were employed in the Chinese subsidiary. The number of employees at the end of the period was 108 (91), of whom 24 (23) were employed in the Chinese subsidiary. The number of men employed was 58 and number of women employed was 50 at the end of the period.

SEKm



* For information and derivation of adjusted items, please see pages 16-17.



Condensed consolidated income statement

SEKm	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Net sales	102	206	190	343	563
Cost of goods sold	-31	-55	-56	-92	-157
Gross profit	71	151	134	250	406
Selling expenses	-20	-21	-38	-37	-75
Administrative expenses	-16	-17	-32	-30	-57
Research and development expenses	-10	-7	-18	-12	-26
Other operating income and expenses	-2	0	-8	-2	-18
Operating profit/loss	23	107	38	168	229
Financial income and expenses	3	-5	6	-6	-6
Net financial items	3	-5	6	-6	-6
Profit/loss before tax	26	101	44	162	223
Income taxes	-6	-22	-10	-35	-48
Profit/loss for the period	20	80	34	127	175
Earnings per share basic, SEK	0.76	3.04	1.32	4.87	6.68
Earnings per share diluted, SEK	0.76	3.01	1.31	4.81	6.63
Average number of shares for the period, basic (thousand)	26,186	26,184	26,185	26,184	26,184
Average number of shares for the period, diluted (thousand)	26,401	26,443	26,371	26,486	26,411

Condensed consolidated statement of comprehensive income

SEKm	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Profit/loss for the period	20	80	34	127	175
Other comprehensive income					
Items that may subsequently be transferred to profit or loss					
Foreign currency translation	-1	2	0	4	2
Changes in the fair value of cash flow hedges	-3	-13	2	-11	3
Tax on components in other comprehensive income	1	3	0	2	-1
Items that cannot be transferred to profit or loss	-	-	-	-	-
Other comprehensive income for the period	-3	-8	1	-5	5
Comprehensive income for the period	17	72	35	122	180

Condensed consolidated balance sheet

SEKm	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets	71	74	72
Property, plant and equipment	12	13	13
Right-of-use assets	16	16	18
Long term receivables	0	3	0
Total non-current assets	99	106	104
Current assets			
Inventories	4	12	6
Accounts receivable	114	228	110
Other current receivables	44	26	14
Current investments	237	299	381
Cash and cash equivalents	119	99	152
Total current assets	517	664	663
TOTAL ASSETS	617	770	767
EQUITY AND LIABILITIES			
Equity			
Share capital	3	3	3
Other paid in capital	281	274	274
Reserves	3	-8	2
Retained earnings incl profit/loss for the period	238	299	348
Total equity	525	568	626
Non-current liabilities			
Lease liability	11	12	12
Other liabilities	10	9	9
Deferred tax liability	3	-	2
Total non-current liabilities	23	21	24
Current liabilities			
Lease liability	5	4	5
Accounts payable	32	53	29
Other liabilities	32	124	83
Total current liabilities	68	181	117
TOTAL EQUITY AND LIABILITIES	617	770	767

Condensed consolidated statement of changes in equity

SEKm	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Opening equity for the period	626	577	577
<i>Comprehensive income for the period</i>			
Profit/loss for the period	34	127	175
Other comprehensive income for the period	1	-5	5
Comprehensive income for the period	35	122	180
<i>Transactions with owners</i>			
Equity settled share based payments	0	0	0
New share issues	8	-	-
Dividend	-144	-131	-131
Total transactions with the owners	-136	-131	-131
Closing equity for the period	525	568	626

Consolidated statement of cash flows

SEKm	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Operating activities					
Profit before tax	26	101	44	162	223
Adjustment for non-cash items	2	4	6	5	19
Income taxes paid	-18	-10	-77	-34	-56
Cash flow from operating activities before change in working capital	10	95	-26	133	186
Cash flow from changes in working capital					
Increase (-)/decrease (+) of inventories	0	1	2	-1	4
Increase (-)/decrease (+) of current receivables	-3	-51	-10	-22	100
Increase (+)/decrease (-) of current liabilities	2	10	2	-18	-54
Cash flow from operating activities	9	55	-33	92	236
Investing activities					
Acquisition of intangible assets	-1	-2	-3	-12	-15
Acquisition of property, plant and equipment	-1	-2	-1	-4	-6
Gain on sale of property, plant and equipment	0	-	0	-	-
Cash flow from investing activities	-2	-4	-4	-16	-22
Financing activities					
New share issues	8	-	8	-	-
Paid dividend	-144	-131	-144	-131	-131
Amortization of lease debt	-1	-1	-3	-2	-5
Cash flow from financing activities	-138	-132	-139	-133	-136
Net change in cash & cash equivalents	-131	-81	-176	-57	78
Cash & cash equivalents at beginning of period	487	478	532	450	450
Exchange-rate difference, cash and cash equivalents	0	1	0	5	4
Cash & cash equivalents at end of period	356	398	356	398	532

Condensed parent company income statement

SEKm	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Net sales	72	144	135	239	395
Cost of goods sold	-7	-7	-13	-11	-24
Gross profit	65	137	122	228	371
Selling expenses	-20	-20	-37	-36	-73
Administrative expenses	-16	-17	-32	-30	-56
Research and development expenses	-9	-6	-17	-12	-25
Other operating income and expenses	-2	0	-8	-3	-18
Operating profit/loss	18	93	29	148	199
Financial income and expenses	3	-6	6	-6	-6
Profit after financial items	21	87	35	142	193
Appropriations	-	-	-	-	-4
Appropriations	-	-	-	-	-4
Profit/loss before tax	21	87	35	142	189
Income taxes	-4	-18	-8	-29	-40
Profit/loss for the period	16	69	28	112	150

Condensed parent company statement of comprehensive income

SEKm	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Profit/loss for the period	16	69	28	112	150
Other comprehensive income					
Items that may subsequently be transferred to profit or loss					
Changes in the fair value of cash flow hedges	-3	-13	2	-11	3
Tax on components in other comprehensive income	1	3	0	2	-1
Items that cannot be transferred to profit or loss	-	-	-	-	-
Other comprehensive income for the period	-3	-10	1	-9	3
Comprehensive income for the period	14	59	29	103	152

Condensed parent company balance sheet

SEKm	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets	71	74	72
Property, plant and equipment	11	13	13
Participation in Group companies	1	1	1
Other financial assets	2	6	2
Total non-current assets	85	94	89
Current assets			
Inventories	-	0	-
Accounts receivable	74	160	75
Other current receivables	39	13	11
Current investments	237	299	381
Cash & cash equivalents	65	67	101
Total current assets	416	538	568
TOTAL ASSETS	501	632	657
EQUITY AND LIABILITIES			
Equity			
Restricted equity	4	4	4
Non restricted equity	432	490	539
Total equity	436	494	543
Untaxed reserves	21	17	21
Total untaxed reserves	21	17	21
<i>Non-current liabilities</i>			
Other liabilities	10	9	9
Total non-current liabilities	10	9	9
Current liabilities			
Accounts payable	12	13	11
Other current liabilities	21	98	72
Total current liabilities	34	111	83
TOTAL EQUITY AND LIABILITIES	501	632	657

Other information

Information about the parent company

Mips AB (publ), corp. reg. no. 556609-0162, is a Swedish public company with its registered office in Stockholm, Sweden. The company's shares are listed on Nasdaq Stockholm Large Cap under the ticker MIPS.

Accounting policies

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretative statements by the IFRS Interpretations Committee (IFRIC) as adopted by the European Commission for use in the EU that were presented in the Group's 2022 Annual Report. The standards and interpretative statements applied were in effect as of 1 January 2023 and had been adopted by the EU. Changed accounting policies as of 1 January 2023 is described below. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied. This interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Annual Accounts Act and the Securities Market Act. The interim report for the parent company has been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. Disclosures in accordance with IAS 34.16A are incorporated in the financial statements and their accompanying notes as well as in other parts of this interim report.

New accounting standards from 1 January 2023

The new or amended IFRS effective as of 2023 have not had any significant impact on the Group's financial statements.

Valuation basis applied when preparing the financial statements

Assets and liabilities are recognized at historical cost, except for currency derivatives and short-term investments which are based on fair value.

Functional currency and presentation currency

The parent company's functional currency is Swedish kronor (SEK), which is also the reporting currency for the Group. This means that the financial statements are presented in SEK. All amounts are, unless otherwise stated, rounded to the nearest SEKm.

Judgements and estimates in the financial statements

The preparation of the financial statements in accordance with IFRS requires that company management makes judgments and estimates as well as assumptions that affect the application of accounting policies and amounts of assets, liabilities, income, and expenses recognized. The actual outcome may deviate from these judgments and estimates. Estimates and assumptions are reviewed regularly. Changes in estimates are recognized in

the period in which the change is made or in the period in which the change is made and future periods if the change affects the period in question and future periods.

Adjustments

Certain financial information presented in this report have been rounded and thus the tables do not necessarily tally.

Alternative performance measures

The company is following the European Securities and Markets Authority's (ESMA) guidelines on alternative performance measures. Alternative performance measures are financial measures that cannot be directly read in or derived from the financial statements. These financial measures are intended to help company management and investors analyze the Group's performance. Investors should not consider these alternative performance measures to be a substitute for the financial statements prepared in accordance with IFRS, but rather a supplement to them. Explanation of alternative performance measures see page 16-17. Definitions of alternative performance measures are presented in the annual report and on www.mipscorp.com.

Segment

Mips' operations are managed as one segment since this reflects the Group's operations, financial monitoring and management structure.

Seasonal variations

Mips' sales are partly subject to seasonal variations. The company's net sales and EBIT have historically been weakest during the first quarter and strongest during the fourth quarter.

Risks and uncertainties

Mips is an international company and, as such, its operations can be affected by a number of risk factors in the form of both operating and financial risks. Risks related to the industry and the company include, but are not limited to, market acceptance and knowledge of both the harmful effects of rotational motion to the brain and increased competition. As an ingredient brand, Mips is also dependent upon its customers' ability to reach end-users and on end-user demand. An economic downturn or change in end-user's preferences could have a negative impact on the Group's net sales and profitability. The company is dependent on its intellectual property rights and in certain cases the protection may be inadequate, or Mips may incur significant costs to protect its intellectual property rights which could have an adverse impact on the company's operations, earnings and/or financial position. Furthermore, the company is exposed to risks related to legal processes regarding product liability issues and other types of legal issues. Even though these risks are mitigated by insurance coverage, to the extent possible, they could result in significant costs for the company.

Mips is further exposed to external factors which the company cannot control. Russia's invasion of

Ukraine has affected the geopolitical situation around the world and has heightened uncertainty about future market developments. Mips has no operations in Russia or Ukraine and the direct business exposure is very limited. Mips' financial position, earnings and cash flow have not been materially affected by Russia's invasion of Ukraine, nor have the company been affected by any sanctions. In recent quarters, there has been a challenge in the demand for Mips' products due to the challenges which the bike market have had, which has negatively affected the financial results. The company continues to believe that the long-term demand for Mips' products is good. We see continued risks in the supply chain that could lead to insolvency among our customers. If Mips' customers become insolvent, this could have a negative impact on the Group. Mips has continuously an active dialogue with its customers to be able to identify and react on any eventual insolvency situations at an early stage. The company has not noticed any material issues with payments during the quarter with any of its customers. The company is following the development and relevant authorities' recommendations closely and are taking the measures deemed necessary to minimize the short-term and long-term impacts on Mips.

The company's executive management actively manages both operating and financial risks. The above statement applies for both the parent company and the Group.

You can read more about Mips' risks and uncertainties in Mips' annual report for 2022 from page 38-42.

Distribution of revenue

The company's revenue primarily comprises sales of component kits (license and components) to helmet manufacturers. Sales of services is attributable to the development of Mips' technology for a specific customer and helmet model.

Income by nature

SEKm	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
<i>Revenue recognized at the time of delivery</i>					
Sales of goods	96	201	180	333	542
<i>Revenues reported over time</i>					
Sales of services	6	5	10	10	21
Total	102	206	190	343	563

Income by region

SEKm	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
North America	60	129	119	217	369
Europe	24	55	45	86	127
Sweden	8	16	8	31	43
Asia and Australia	9	5	18	9	25
Total	102	206	190	343	563

The company's revenue is concentrated to customers in North America and Europe. The substantial concentration of sales in North America is explained by the large number of helmet manufacturers based in this geographical region. Specification by region is based on customers' domicile and not distribution. Revenues decreased during the second quarter with 51% mainly driven by North America with negative growth of 53% and Europe with negative 56% growth.

Income per helmet category

SEKm	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Sports	91	194	169	319	511
Motorcycle	7	11	14	23	47
Safety	4	1	6	1	4
Total	102	206	190	343	563

Mips has chosen to divide its business into three main helmet categories. Thus, the company's revenues are distributed over these helmet categories. Revenues for the second quarter in Sports decreased by 53% while Motorcycle decreased by 42%.

Currency exposure

Mips invoices its customers in two foreign currencies, USD and CNY.

The company's license fee, which represents the majority of the company's revenues, is invoiced in USD and fluctuations in the exchange rate have a significant impact on Mips' net sales and profitability. A 10 percent change in the USD exchange rate would impact EBIT with approximately +/- SEK 37m (42) on the full-year figures for 2022. In accordance with the company's financial policy, the company aims to hedge 50% of the forecasted USD exposure on a forward 12 month rolling basis. Most of the company's sales of components are in China and are invoiced in CNY. However, since the company has both revenues and costs related to components in CNY, the exposure to the CNY exchange rate is relatively limited. For further information, see the company's annual report for 2022 page 102.

Derivatives, short-term investments and non-current liabilities

The fair value of the derivatives as of 30 June 2023 amounted to a net financial liability of SEK 6m (28). Hedge accounting has been applied whereby the unrealized change in fair value of the outstanding derivatives is primarily recognized in Other comprehensive income. Financial instruments (derivatives) are valued at fair value on the balance sheet and belongs to level 2 and short-term investments belongs to level 1 according to IFRS 13. The fair value of short-term investments as of 30 June 2023 amounts to SEK 237m (299). As of 30 June 2023, Mips had a non-current liability amounting to SEK 10m (9) regarding contingent additional purchase consideration related to the acquisition of patent rights and certain other intangible assets valued at accrued acquisition value.

Share capital and number of shares

As of 30 June 2023, the total registered number of shares amounted to 26,206,280 (26,183,620) and the share capital amounted to SEK 2,620,628 (2,618,362). All shares are ordinary shares and carry equal voting rights. The shares have a nominal value of SEK 0.10.

As of 30 June 2023, the company's holdings of own shares amounted to 2,151 shares, which corresponds to less than 0.1 percent of the total number of registered shares. The number of outstanding shares as of 30 June 2023 was 26,204,129.

Share-based incentive programs

The Group has one outstanding warrant-based incentive program for senior executives and certain key employees. The program comprises 550,000

issued and paid warrants and an additional 25,000 issued but not allocated warrants. During the second quarter 2023, 22,000 warrants have been exercised leading to 22,660 new shares. In total, the warrants can lead to a dilution of the share capital and votes in the company of a maximum of 2.2 percent. The exercise price is SEK 339.30 per share (before recalculation). Each warrant entitles to subscription of one new share. As in previous warrant programs, the exercise price and number of shares shall be recalculated based on paid dividend in accordance with the terms and conditions for the warrants. The exercise price after paid dividend is SEK 331.30.

Previous share performance program included in total 33 Mips' employees in Sweden and China have during the second quarter 2023 been completed. No outstanding performance shares remains.

At the Annual General Meeting 2023 it was resolved upon three long term incentive plans for senior executives and certain key persons in Mips. Per the 30th of June 2023 none have been allocated yet to the participants.

Disputes

The company is not part of any significant legal dispute.

Related-party transactions

No material related-party transactions have been conducted during 2023 except payment of dividend.

Events after the end of the reporting period

No significant events have occurred after the end of the reporting period.



The Board of Directors and the President and CEO affirm that this interim report provides a true and fair view of the Parent Company's and the Group's position and earnings, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 20 July 2023

Magnus Welander
Chairman of the Board

Thomas Bräutigam
Board member

Maria Hedengren
Board member

Anna Hällöv
Board member

Jonas Rahmn
Board member

Jenny Rosberg
Board member

Max Strandwitz
President and CEO

Auditors report

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

Quarterly consolidated performance measures

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	LTM
Net sales	102	88	107	113	206	137	198	185	142	83	140	102	66	410
Net sales growth, %	-51	-35	-46	-39	45	65	41	81	115	48	60	94	-20	-44
Gross profit	71	62	77	78	151	99	145	136	105	60	103	74	49	289
Gross margin, %	70.0	70.8	72.3	69.0	73.4	72.5	73.0	73.3	73.8	72.5	73.3	72.2	74.2	70.5
Operating profit	23	15	24	37	107	62	104	110	72	39	76	55	20	99
Operating margin, %	22.6	17.5	22.0	32.8	51.7	45.3	52.6	59.6	50.7	47.4	54.4	53.6	29.7	24.2
Adjusted operating profit	23	15	24	37	107	62	104	110	72	39	76	55	20	99
Adjusted operating margin, %	22.6	17.5	22.0	32.8	51.7	45.3	52.6	59.6	50.7	47.4	54.4	53.6	30.8	24.2
EBITDA	28	20	29	41	110	65	107	113	75	42	80	59	22	118
EBITDA-margin, %	27.1	22.5	27.1	36.3	53.5	47.6	54.2	61.3	52.7	50.9	56.8	57.4	33.5	28.7
Depreciation/ amortization	5	4	6	4	4	3	3	3	3	3	3	4	2	19
Earnings per share basic, SEK	0.76	0.55	0.71	1.10	3.04	1.83	3.05	3.38	2.10	1.23	2.24	1.61	0.61	3.13
Earnings per share diluted, SEK	0.76	0.55	0.71	1.10	3.01	1.81	3.00	3.33	2.08	1.22	2.23	1.61	0.61	3.12
Equity ratio, %	85	88	82	76	74	80	76	78	79	84	82	84	85	85
Cash flow from operat- ing activities	9	-42	47	97	55	37	81	71	56	69	49	29	23	111
Average number of employees	99	98	96	93	89	80	77	74	67	62	59	55	53	97

Definitions and descriptions of performance measures and alternative performance measures

- For definitions and description of performance measure and alternative performance measures, please visit www.mipscorp.com.

Explanation of alternative performance measures

Organic growth

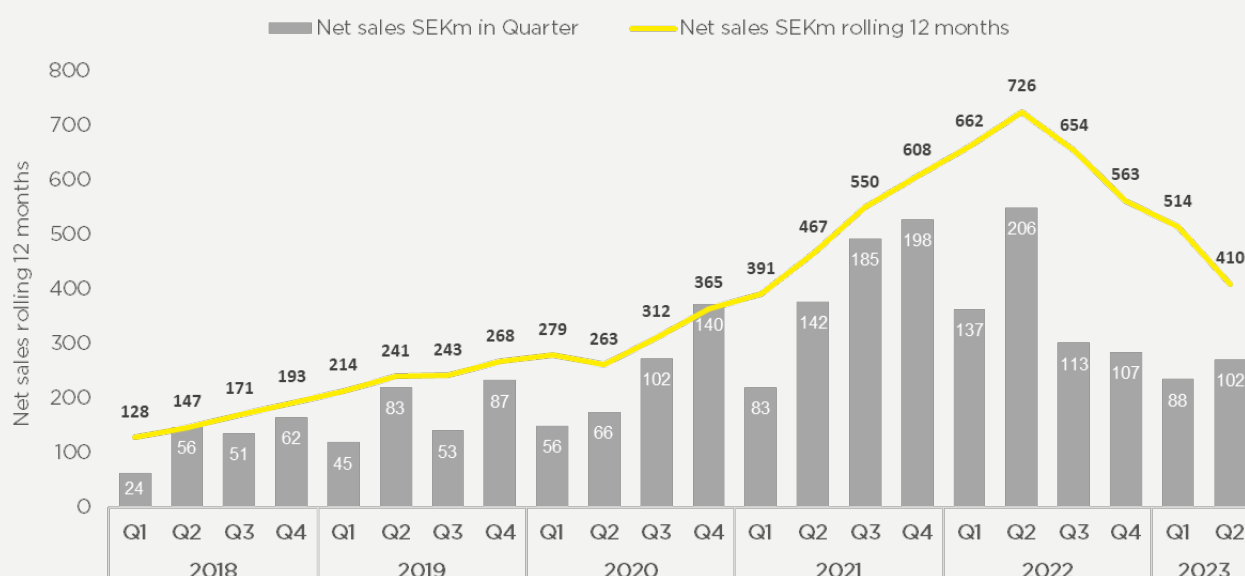
Since Mips invoices its goods and services in USD and CNY at the same time as the accounting currency is SEK, it is essential to create an understanding of how the company performs excluding currency exchange effects when recalculating sales.

This key figure is expressed in percentage points of the previous year's net sales, a high growth rate consequently leads to a greater currency impact. For net sales growth, impact of foreign currencies and acquisition related effects on net sales, see below.

	Apr-Jun 2023	Jan-Jun 2023
Organic growth		
Net sales growth	-51%	-45%
Net Sales in USDm	7	13
Net Sales in SEKm at 2023 average USD exchange rate	69	134
Net Sales in SEKm at 2022 average USD exchange rate	64	124
Impact currency in absolute numbers	5	11
Net Sales 2022 SEKm	206	343
USD impact on growth	2%	3%
Net Sales in CNYm	20	36
Net Sales in SEKm at 2023 average CNY exchange rate	29	55
Net Sales in SEKm at 2022 average CNY exchange rate	29	54
Impact currency in absolute numbers	0	1
Net Sales 2022 SEKm	206	343
CNY impact on growth	0%	0%
Organic growth	-53%	-48%

Net sales, last 12 months rolling

Given the company's historical growth momentum, it is important to continuously follow the business performance from a long-term perspective and not focus solely on specific quarterly results.



Other

For further information, please contact:

Max Strandwitz, President and CEO

Max.Strandwitz@Mipsprotection.com

tel +46 709 61 17 54

Karin Rosenthal, CFO

Karin.Rosenthal@Mipsprotection.com

tel +46 768 34 63 66

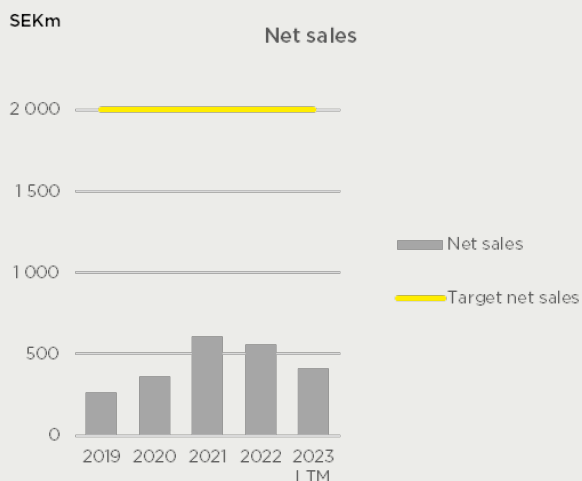
Mips will present the interim report at an audiocast via teleconference on 20 July 2023 at 10.00 a.m. CET.

To participate, please register at <https://financialhearings.com/event/45799>.

FINANCIAL CALENDER	2023 - 2024
26 October 2023:	Interim report January-September 2023
8 February 2024:	Year-end-report 2023
21 March 2024:	Annual Report 2023
25 April 2024:	Interim report January-March 2024
7 May 2024:	Annual General Meeting
18 July 2024:	Interim report January-June 2024

About Mips

Growth Target 2027



Financial targets

Mips' long-term financial targets should not be viewed as a forecast but rather as an objective which the Board of Directors and senior executives believe is a reasonable long-term objective for the company.

GROWTH:

The goal is to grow organically to achieve net sales in excess of SEK 2 billion by 2027.

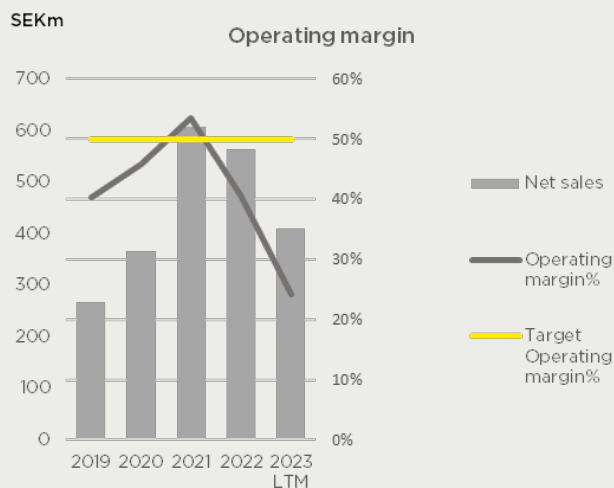
PROFITABILITY:

The goal is to maintain an EBIT margin of more than 50 percent.

DIVIDEND POLICY:

The target is to distribute approximately 50 percent of the Mips' annual net earnings as dividends.

Profitability



Sustainability targets

Mips is a global leader in its field and also aims to be at the forefront of its industry when it comes to sustainability. You can read about Mips' sustainability work in Mips' annual report for 2022.

Our long-term ambition includes:

SCIENCE BASED TARGETS:

Mips has committed to the Science Based Target initiative to reduce emissions to limit global warming to 1.5 degrees Celsius, in line with the Paris Agreement. This means that Mips' goal is to reduce its total emissions by 42 percent by the end of 2030, based on a base year of 2021, notwithstanding any growth.

UN GLOBAL COMPACT:

Mips has committed itself and its manufacturing partners to adhere to the ten principles of the UN Global Compact.

CIRCULAR PRODUCT OFFERING:

Mips uses post industrial plastic in its products but the ambition going forward is to work for more sustainably products to contribute to the climate change.

About Mips

Mips specializes in helmet-based safety and is a world leader in this area. Based on an ingredient brand business model, Mips safety system is sold to the global helmet industry. The solution is based on over 25 years of research and development together with the Royal Institute of Technology and the Karolinska Institute, both located in Stockholm, Sweden.

Mips' headquarter with 84 employees engaged in research and development, sales and administration is in Stockholm, where its product and technology test facility is also located. Production and manufacturing operations take place at sub-contractor facilities. Mips' net sales during 2022 amounted to SEK 563m and the operating margin was 41 percent.

The Mips share is traded on the Nasdaq Stockholm stock exchange. For more information, visit www.mipscorp.com.

This information is of such nature that Mips AB (publ) is obliged to disclose it in accordance with the EU's Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, on 20 July 2023 at 07.30 a.m. CET.

This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish interim report and the English translation, the former shall take precedence.

Safety for helmets

Mips

Mips AB
Kemistvägen 1B, SE-183 79 Täby
mipsprotection.com