

Year-end report 2023

October-December 2023

- Net sales decreased by 15% to SEK 91m (107), organic growth amounted to -13% during the quarter
- Operating profit amounted to SEK 17m (24)
- Operating margin was 18.8% (22.0)
- Cash flow from operating activities amounted to SEK 31m (47)
- Earnings per share, diluted, amounted to SEK 0.60 (0.71)

January-December 2023

- Net sales decreased by 37% to SEK 357m (563), organic growth amounted to -39%
- Operating profit amounted to SEK 70m (229)
- Operating margin was 19.7% (40.7)
- Cash flow from operating activities amounted to SEK 11m (236)
- Earnings per share, diluted, amounted to SEK 2.42 (6.63)
- The Board of Directors proposes a dividend of SEK 6.00 (5.50) per share, corresponding of 249% of net earnings during the year

The Mips Group in brief

SEKm	Oct-Dec 2023	Oct-Dec 2022	Δ%	Jan-Dec 2023	Jan-Dec 2022	Δ%
Net sales	91	107	-15	357	563	-37
Gross profit	64	77	-17	253	406	-38
Gross margin, %	70.2	72.3	-	70.9	72.1	-
Operating profit (EBIT)	17	24	-27	70	229	-69
Operating margin (EBIT-margin), %	18.8	22.0	-	19.7	40.7	-
Profit for the period	16	19	-15	64	175	-63
Earnings per share basic, SEK	0.60	0.71	-16	2.43	6.68	-64
Earnings per share diluted, SEK	0.60	0.71	-16	2.42	6.63	-63
Cash flow from operating activities	31	47	-33	11	236	-95
Dividend per share, SEK	-	-	-	5.50	5.00	-

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

CEO's comments

Challenging market conditions persisted during the fourth quarter

In a generally challenging market, it was positive to notice that we showed growth in our most important sub-category, bike, this quarter. In the fourth quarter, the market continued to present challenges in the Motorcycle category, there was somewhat slower development in the snow sub-category in Sport and exchange rate effects had a negative impact. The combination of these factors led to a decrease in sales of 15 percent this quarter. Overall, the order inflow increased compared with the same period last year.

Net sales decreased by 15 percent (13 percent after adjustment for exchange rate effects) in the fourth quarter. For the full year, net sales decreased by 37 percent, and after adjustments for exchange rate effects the organic net sales decreased by 39 percent.

In line with our long-term strategy we have continued to invest in product development and brand-building initiatives this year. The costs associated with these activities, combined with what we deem to be a temporary decrease in our net sales as well as negative exchange rate effects, had a negative impact on profits in the fourth quarter. Operating profit amounted to SEK 17m (24) during the quarter. For the full year, the operating profit decreased to SEK 70m (229).

The operating margin amounted to 19 percent (22) in the quarter, and for the full year it amounted to 20 percent (41). The operating cash flow developed well, amounting to SEK 31m (47) during the fourth quarter. The full-year operating cash flow amounted to SEK 11m (236). The decrease in operating cash flow compared with the prior year was primarily due to paid tax in the first quarter of 2023 for high earnings in 2021, coupled with lower earnings for the full-year 2023.

Helmet category Sport - bike showing growth again

We saw a buck in the trend in the fourth quarter compared with the last five quarters. Since autumn 2022 the bike sector has been dealing with something called the "bullwhip effect" caused by an overly aggressive build-up of inventory during the rapid growth that took place during the pandemic. The bike sub-category is a very important sub-category for us, and during the fourth quarter we witnessed a growth in sales and saw positive developments at most of our major customers.

Within the snow sub-category the market was initially restrained, but it recovered towards the end of the year after a strong start to the winter season, mostly in the European market. However, in the short-term, the impact of the positive start to the season on Mips' sales is relatively small as there is

not enough time for our customers to get products to market before the current season ends. This means that growth prospects look good for the following season as inventory levels are now generally considered to be low.

We have previously stated that, in our assessment, the bike sub-category will see a positive development in 2024. This assessment remains unchanged. We believe that the majority of the growth in this sub-category in the coming years will be driven by our customers buying products from us to enable new production of helmets, in contrast to the last few quarters when they have sold helmets they already had in stock to their customers in retail.

Helmet category Motorcycle - still a tough market, but we see a turn for the better

Growth continued to be weak in the Motorcycle category with a decrease in net sales of 66 percent this quarter. The decrease in net sales was due to the soft market for the motorcycle sector, mainly caused by macroeconomic trends. This had an even larger impact on Mips as the overall weaker market growth coincided with higher inventory levels of existing helmets at a number of Mips' most important customers.

These high inventory levels of existing helmet models without Mips' technology limit our ability of launching new products together with our customers, which is an important element of our future growth plan in this category. Even though the roll-out of these new models has taken longer than planned, during the spring we will collaborate with our partners to launch many of the new products that have been developed during the last year.

Helmet category Safety - good inflow of new customers and higher volumes going forward

In summary, we are happy with what we have achieved in the Safety category in 2023. Our goal for the year has been to establish a broader customer base and grow the number of products equipped with Mips safety system. We now have a total of 15 brands with which we have launched partnerships. We continue to see a robust increase in sales growth, even though the market roll-out of new helmet models has taken longer than estimated.

During the important *World of Concrete* tradeshow in Las Vegas, USA in January 2024, no less than six new models equipped with Mips safety system were launched, which is a substantial addition to the existing portfolio of 15 models.

Now that we have established a solid platform of many partners, our focus in 2024 will be on driving volumes, in other words ensuring that sell-through

to end customers really take off, and we look forward to an exciting year of growth.

Sustainability – great progress with recycled material

We have made important progress in our sustainability efforts during the year, and we have delivered on all three of the main goals that were set for the year. During the year, we reduced our climate impact by more than 12 percent and we expanded the range of solutions made from recycled material. We now offer all our customers a recycled Polycarbonate alternative in our most-sold safety solution. I am very satisfied with the progress we have made in our sustainability efforts this year and that we have accelerated this important work.

Still forward-leaning, despite challenging external conditions

Even though we have faced challenges during the last year, we are convinced in our long-term strategy.

We see greater penetration of the Mips safety system and an increasingly positive view of our brand, both amongst our customers and in the channels where helmets equipped with Mips' technology are sold. We are also seeing that our strategic investments in a wider product range for more categories is starting to gain traction.

I am naturally not satisfied with the financial performance in 2023. It has been a difficult year with challenging external factors that we have done our utmost to counter. We have continued to advance our position and have strengthened our offering and Mips as a brand. This has been possible thanks to our sustained investment in our strategic initiatives. We are confident that we have the right

strategy, which will continue to support our long-term plan and journey towards our financial targets.

I would like to give my greatest of thanks to Mips' employees and all our partners around the world who, despite all the market challenges, still work tirelessly to make the world safer by equipping more helmets with Mips safety system.

Stockholm, February 2024

Max Strandwitz
President and CEO



”Challenging market conditions persisted during the fourth quarter”

Financial performance

October – December

Net sales

Net sales for the fourth quarter amounted to SEK 91m (107), a decrease of 15%. Adjusted for exchange rate effects, the organic development decreased by 13%. The decrease in net sales is mainly explained by weak development in the snow sub-category within Sport and in the Motorcycle category.

Changes in net sales

%	Oct-Dec 2023	Jan-Dec 2023
Organic growth	-13	-39
Change in exchange rates	-2	2
Total	-15	-37

Gross profit

Gross profit decreased by 17% to SEK 64m (77). The gross margin amounted to 70.2% (72.3) where the decrease in gross margin is mainly attributable to increased share of implementation revenue.

Operating profit (EBIT)

Operating profit decreased by 27% to SEK 17m (24), corresponding to an operating margin of 18.8% (22.0). The decrease in operating profit is mainly explained by decreased sales partly mitigated by lower negative exchange rate effects in other operating costs.

Selling expenses amounted to SEK 21m (20). Administrative expenses amounted to SEK 15m (15) during the quarter. Research and development costs amounted to SEK 9m (8).

Profit for the period and earnings per share

Profit before tax amounted to SEK 21m (24). Tax expenses for the quarter amounted to SEK -6m (-5), corresponding to an effective tax rate of 26.3% (22.6). The increase in effective tax rate is explained by withholding tax on dividend received by the subsidiary in China during the quarter. Profit for the period was SEK 16m (19). Diluted earnings per share amounted to SEK 0.60 (0.71).

Cash flow

Cash flow from operating activities amounted to SEK 31m (47). The change is mainly explained by decreased earnings.

Cash flow from investing activities was SEK -3m (-3). Cash flow from financing activities was SEK 12m (-1) attributable to exercising of warrants under the warrant-based incentive programs of SEK 9m (-) and received premium payments for issued warrants of SEK 4m (-). Cash flow for the period amounted to SEK 41m (43).

January – December

Net sales

Net sales for the full year amounted to SEK 357m (563), a decrease by 37%. Adjusted for exchange rate effects, the organic development was -39%. The decrease in net sales is mainly explained by reduced demand within the bike sub-category.

Gross profit

Gross profit decreased by 38% to SEK 253m (406). The gross margin amounted to 70.9% (72.1) 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 70m (229), corresponding to an operating margin of 19.7% (40.7). The decrease in operating profit is mainly explained by decreased sales and strategic initiatives within research and development.

Selling expenses amounted to SEK 74m (75). Administrative expenses amounted to SEK 59m (57). Research and development costs amounted to SEK 35m (26).

Profit for the period and earnings per share

Profit before tax amounted to SEK 84m (223). Tax expenses during the year amounted to SEK -20m (-48), corresponding to an effective tax rate of 23.9% (21.5). Profit for the period was SEK 64m (175). Diluted earnings per share amounted to SEK 2.42 SEK (6.63).

Cash flow

Cash flow from operating activities amounted to SEK 11m (236). The decrease is mainly explained by decreased earnings and payment of income tax during the first quarter 2023 mainly regarding 2021 year's profit.

Cash flow from investing activities was SEK -89m (-22), mainly driven by the investment in Quin of SEK -80m. Cash flow from financing activities was SEK -42m (-136) attributable to dividend payment of SEK -144m (-131), exercising of warrants under the warrant-based incentive programs of SEK 103m (-) and received premium payments for issued warrants of SEK 4m (-).

Financial position

The Group's total assets as of 31 December 2023 amounted to SEK 738m (767).

Non-current assets as of 31 December 2023 amounted to SEK 176m (104), mainly attributable to the investment in the associated company Quin of SEK 80m. Short-term investments of SEK 183m (381) are in their entirety invested in interest-bearing funds. The equity ratio was 89% (82). Cash and cash equivalents, including short-term investments, as of 31 December 2023 amounted to SEK 408m (532).

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 financial asset of SEK 5m as of 31 December 2023, compared to a financial liability of SEK 9m in the previous year. 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 fourth quarter, investments having an impact on the cash flow amounted to SEK 3m (3). Investments in intangible fixed assets amounted to SEK 2m (2). Investments in tangible fixed assets amounted to SEK 0m (1).

During the year, investments amounted to SEK 89m (22), whereof the investment in Quin amounted to SEK 80m. Investments in intangible assets amounted to SEK 7m (15) mainly related to acquisition of patent rights and some other intangible assets. Investments in tangible assets amounted to SEK 2m (6).

The Group had no significant commitments as of 31 December 2023 related to investments.

Parent company

Net sales for the year for the parent company amounted to SEK 254m (395). Profit for the same period was SEK 63m (150).

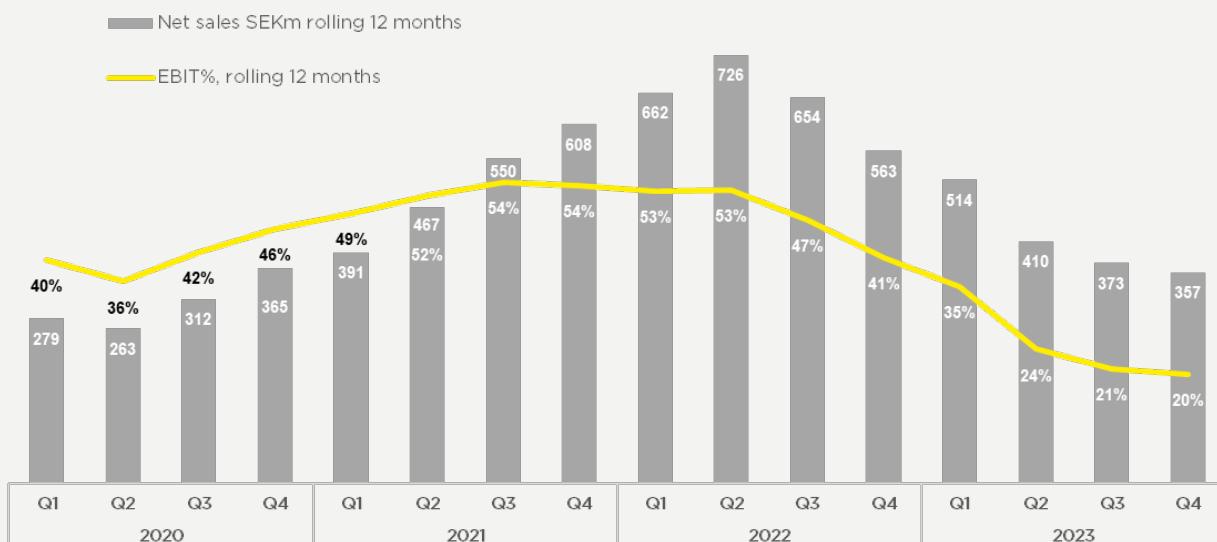
During the fourth quarter, financial income is mainly explained by dividend from Mips' Chinese subsidiary Mips AB (Dongguan) of SEK 19m.

Cash and cash equivalents, including short-term investments, as of 31 December 2023 amounted to SEK 363m (482).

Employees

The average number of employees during the fourth quarter was 104 (96), of whom 24 (24) were employed in the Chinese subsidiary. The number of employees at the end of the period was 105 (100), of whom 24 (24) were employed in the Chinese subsidiary. The number of men employed was 57 and number of women employed was 48 at the end of the period.

SEKm



* For information and derivation of adjusted items, please see pages 15-16.



Condensed consolidated income statement

SEKm	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	91	107	357	563
Cost of goods sold	-27	-30	-104	-157
Gross profit	64	77	253	406
Selling expenses	-21	-20	-74	-75
Administrative expenses	-15	-15	-59	-57
Research and development expenses	-9	-8	-35	-26
Other operating income and expenses	-2	-11	-15	-18
Operating profit/loss	17	24	70	229
Financial income and expenses	4	1	14	-6
Net financial items	4	1	14	-6
Profit/loss before tax	21	24	84	223
Income taxes	-6	-5	-20	-48
Profit/loss for the period	16	19	64	175
Earnings per share basic, SEK	0.60	0.71	2.43	6.68
Earnings per share diluted, SEK	0.60	0.71	2.42	6.63
Average number of shares for the period, basic (thousand)	26,490	26,184	26,277	26,184
Average number of shares for the period, diluted (thousand)	26,490	26,242	26,398	26,411

Condensed consolidated statement of comprehensive income

SEKm	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Profit/loss for the period	16	19	64	175
Other comprehensive income				
Items that may subsequently be transferred to profit or loss				
Foreign currency translation	-3	-3	-4	2
Changes in the fair value of cash flow hedges	8	24	10	3
Tax on components in other comprehensive income	-2	-5	-2	-1
Items that cannot be transferred to profit or loss	-	-	-	-
Other comprehensive income for the period	4	16	4	5
Comprehensive income for the period	20	35	68	180

Condensed consolidated balance sheet

SEKm	31 Dec 2023	31 Dec 2022
ASSETS		
Non-current assets		
Intangible assets	71	72
Property, plant and equipment	10	13
Right-of-use assets	15	18
Participations in associated companies	80	-
Other long term receivables	0	0
Total non-current assets	176	104
Current assets		
Inventories	4	6
Accounts receivable	91	110
Other current receivables	59	14
Current investments	183	381
Cash and cash equivalents	225	152
Total current assets	562	663
TOTAL ASSETS	738	767
EQUITY AND LIABILITIES		
Equity		
Share capital	3	3
Other paid in capital	381	274
Reserves	6	2
Retained earnings incl profit/loss for the period	268	348
Total equity	657	626
Non-current liabilities		
Lease liability	9	12
Other liabilities	9	9
Deferred tax liability	7	2
Total non-current liabilities	25	24
Current liabilities		
Lease liability	5	5
Accounts payable	30	29
Other liabilities	20	83
Total current liabilities	56	117
TOTAL EQUITY AND LIABILITIES	738	767

Condensed consolidated statement of changes in equity

SEKm	Jan-Dec 2023	Jan-Dec 2022
Opening equity for the period	626	577
<i>Comprehensive income for the period</i>		
Profit/loss for the period	64	175
Other comprehensive income for the period	4	5
Comprehensive income for the period	68	180
<i>Transactions with owners</i>		
Premium on issue of warrants	4	-
Equity settled share based payments	0	0
New share issues	103	-
Dividend	-144	-131
Total transactions with the owners	-37	-131
Closing equity for the period	657	626

Consolidated statement of cash flows

SEKm	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Operating activities				
Profit before tax	21	24	84	223
Adjustment for non-cash items	7	10	17	19
Income taxes paid	-10	-10	-98	-56
Cash flow from operating activities before change in working capital	19	24	4	186
Cash flow from changes in working capital				
Increase (-)/decrease (+) of inventories	1	2	2	4
Increase (-)/decrease (+) of current receivables	8	35	11	100
Increase (+)/decrease (-) of current liabilities	4	-15	-6	-54
Cash flow from operating activities	31	47	11	236
Investing activities				
Acquisition of intangible assets	-2	-2	-7	-15
Acquisition of property, plant and equipment	0	-1	-2	-6
Gain on sale of property, plant and equipment	-	-	0	-
Investments in associated companies	-	-	-80	-
Cash flow from investing activities	-3	-3	-89	-22
Financing activities				
New share issues	9	-	103	-
Premium received from issue of warrants	4	-	4	-
Paid dividend	-	-	-144	-131
Amortization of lease debt	-1	-1	-5	-5
Cash flow from financing activities	12	-1	-42	-136
Net change in cash & cash equivalents	41	43	-121	78
Cash & cash equivalents at beginning of period	371	493	532	450
Exchange-rate difference, cash and cash equivalents	-4	-4	-4	4
Cash & cash equivalents at end of period	408	532	408	532

Condensed parent company income statement

SEKm	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	64	77	254	395
Cost of goods sold	-7	-5	-27	-24
Gross profit	57	72	227	371
Selling expenses	-20	-19	-71	-73
Administrative expenses	-14	-14	-58	-56
Research and development expenses	-9	-8	-34	-25
Other operating income and expenses	-2	-11	-15	-18
Operating profit/loss	12	19	49	199
Financial income and expenses	24	1	33	-6
Profit after financial items	36	20	82	193
Appropriations	-5	-4	-5	-4
Appropriations	-5	-4	-5	-4
Profit/loss before tax	31	16	77	189
Income taxes	-3	-4	-14	-40
Profit/loss for the period	27	13	63	150

Condensed parent company statement of comprehensive income

SEKm	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Profit/loss for the period	27	13	63	150
Other comprehensive income				
Items that may subsequently be transferred to profit or loss				
Changes in the fair value of cash flow hedges	8	24	10	3
Tax on components in other comprehensive income	-2	-5	-2	-1
Items that cannot be transferred to profit or loss	-	-	-	-
Other comprehensive income for the period	6	19	8	3
Comprehensive income for the period	34	32	71	153

Condensed parent company balance sheet

SEKm	31 Dec 2023	31 Dec 2022
ASSETS		
Non-current assets		
Intangible assets	71	72
Property, plant and equipment	10	13
Participations in Group companies	1	1
Participations in associated companies	80	-
Other financial assets	-	2
Total non-current assets	161	89
Current assets		
Inventories	-	-
Accounts receivable	62	75
Other current receivables	55	11
Current investments	183	381
Cash & cash equivalents	180	101
Total current assets	480	568
TOTAL ASSETS	641	657
EQUITY AND LIABILITIES		
Equity		
Restricted equity	4	4
Non restricted equity	573	539
Total equity	577	543
Untaxed reserves	26	21
Total untaxed reserves	26	21
<i>Non-current liabilities</i>		
Other liabilities	9	9
Deferred tax liability	2	-
Total non-current liabilities	11	9
Current liabilities		
Accounts payable	12	11
Other current liabilities	14	72
Total current liabilities	26	83
TOTAL EQUITY AND LIABILITIES	641	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 judgements 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 judgements 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 15-16. 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 and geopolitical uncertainty which the company cannot control but which can negatively affect 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 risks of potential impact on demand, given higher interest rates and a lower consumption capacity, remain at an elevated level. 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	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
<i>Revenue recognized at the time of delivery</i>				
Sales of goods	85	103	334	542
<i>Revenues reported over time</i>				
Sales of services	6	4	23	21
Total	91	107	357	563

Income by region

SEKm	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
North America	55	75	207	369
Europe	20	18	82	127
Sweden	5	6	18	43
Asia and Australia	11	8	50	25
Total	91	107	357	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 fourth quarter with 15% mainly driven by North America with negative growth of 27%. During the quarter, Europe yielded a positive growth of 14% and Asia and Australia yielded a positive growth of 35%.

Income per helmet category

SEKm	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Sports	85	95	323	511
Motorcycle	3	10	22	47
Safety	3	3	12	4
Total	91	107	357	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 fourth quarter in Sports decreased by 10% while Motorcycle decreased by 66%.

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 has aimed to hedge 50% of the forecasted USD exposure on a forward 12 month rolling basis. During 2024 the company will discontinue with hedging arrangements, which means that the company will phase out the existing hedges and no new hedges will be implemented. Current hedges will be completed in October 2024. 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 31 December 2023 amounted to a financial asset of SEK 5m, compared to a financial liability of SEK 9m in the previous year. 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 31 December 2023 amounts to SEK 183m (381). As of 31 December 2023, Mips had a non-current liability amounting to SEK 9m (9) regarding contingent additional purchase consideration related to the acquisition of patent rights and certain other intangible assets valued at accrued acquisition value.

Other information/Investments in associated companies

The 31st of August 2023, Mips AB has entered into an agreement to acquire 25 percent of the sensor technology company Quintessential Design, Inc. ("Quin") for a consideration of USD 7.3 million. Quin is an ingredient brand for event detection technology, providing specialized sensor fusion and software to helmet brands since 2018. The investment in Quin is a strategically important step in exploring the possibilities of sensor technology. Associated companies are reported by use of the equity method. During the quarter, a minor and not essential negative profit share has been reported.

Share capital and number of shares

As of 31 December 2023, the total registered number of shares amounted to 26,493,273 (26,183,620) and the share capital amounted to SEK 2,649,327 (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 31 December 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 31 December 2023 was 26,491,122.

Dividend

Prior to the Annual General Meeting in May, the Board of Directors will propose a dividend of SEK 6.00 per share (5.50) for 2023, which corresponds to SEK 159m, based on the number of outstanding shares as per 31 December 2023. The proposed dividend corresponds to 249% of net earnings during the year.

Share-based incentive programs

The Group has had one outstanding warrant-based incentive program for senior executives and certain key employees which expired in September 2023. The program comprised 550,000 issued and paid

warrants and an additional 25,000 issued but not allocated warrants. During the fourth quarter 2023, 26,500 warrants have been exercised leading to 27,295 new shares. During the year, 300,639 warrants have been exercised leading to 309,653 new shares. The remaining 249,361 of the total warrants of 550,000 therefore forfeited. In total, the warrants could lead to a dilution of the share capital and votes in the company of a maximum of 2.2 percent. The exercise price was SEK 339.30 per share (before recalculation). Each warrant entitled to subscription of one new share. As in previous warrant programs, the exercise price and number of shares should be recalculated based on paid dividend in accordance with the terms and conditions for the warrants. The exercise price after paid dividend was 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 to approve three long term incentive plans for the senior executives and certain key persons in Mips. Consequently, one new warrant-based incentive program has been launched on Group level, where each warrant entitles to subscription of one new share in the company. In total, 429,000 warrants have been issued divided upon a maximum of 143,000 warrants per plan. In the 2023/2026 plan, 82,100 warrants were allocated to the participants. The total number of issued warrants of 429,000 can lead to a dilution of the share capital and votes in the company of approximately 1.6 percent. The subscription price in the first plan amounts to SEK 396.27 per Mips share.

The Company has no other costs for the warrant-based incentive programs other than administrative costs regarding advisors etc. in connection with the preparation of the documentation and the resolution to issue the warrants etc.

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.

Auditors report

This report has not been subject for a review engagement by the company's auditors.

Stockholm 8 February 2024

Max Strandwitz
President and CEO

Quarterly consolidated performance measures

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	LTM
Net sales	91	77	102	88	107	113	206	137	198	185	142	83	140	357
Net sales growth, %	-15	-32	-51	-35	-46	-39	45	65	41	81	115	48	60	-37
Gross profit	64	56	71	62	77	78	151	99	145	136	105	60	103	253
Gross margin, %	70.2	73.1	70.0	70.8	72.3	69.0	73.4	72.5	73.0	73.3	73.8	72.5	73.3	70.9
Operating profit	17	15	23	15	24	37	107	62	104	110	72	39	76	70
Operating margin, %	18.8	19.5	22.6	17.5	22.0	32.8	51.7	45.3	52.6	59.6	50.7	47.4	54.4	19.7
Adjusted operating profit	17	15	23	15	24	37	107	62	104	110	72	39	76	70
Adjusted operating margin, %	18.8	19.5	22.6	17.5	22.0	32.8	51.7	45.3	52.6	59.6	50.7	47.4	54.4	19.7
EBITDA	22	20	28	20	29	41	110	65	107	113	75	42	80	89
EBITDA-margin, %	23.9	25.5	27.1	22.5	27.1	36.3	53.5	47.6	54.2	61.3	52.7	50.9	56.8	24.8
Depreciation/ amortization	5	5	5	4	6	4	4	3	3	3	3	3	3	18
Earnings per share basic, SEK	0.60	0.52	0.76	0.55	0.71	1.10	3.04	1.83	3.05	3.38	2.10	1.23	2.24	2.43
Earnings per share diluted, SEK	0.60	0.52	0.76	0.55	0.71	1.10	3.01	1.81	3.00	3.33	2.08	1.22	2.23	2.42
Equity ratio, %	89	89	85	88	82	76	74	80	76	78	79	84	82	89
Cash flow from operat- ing activities	31	12	9	-42	47	97	55	37	81	71	56	69	49	11
Average number of employees	104	102	99	98	96	93	89	80	77	74	67	62	59	101

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

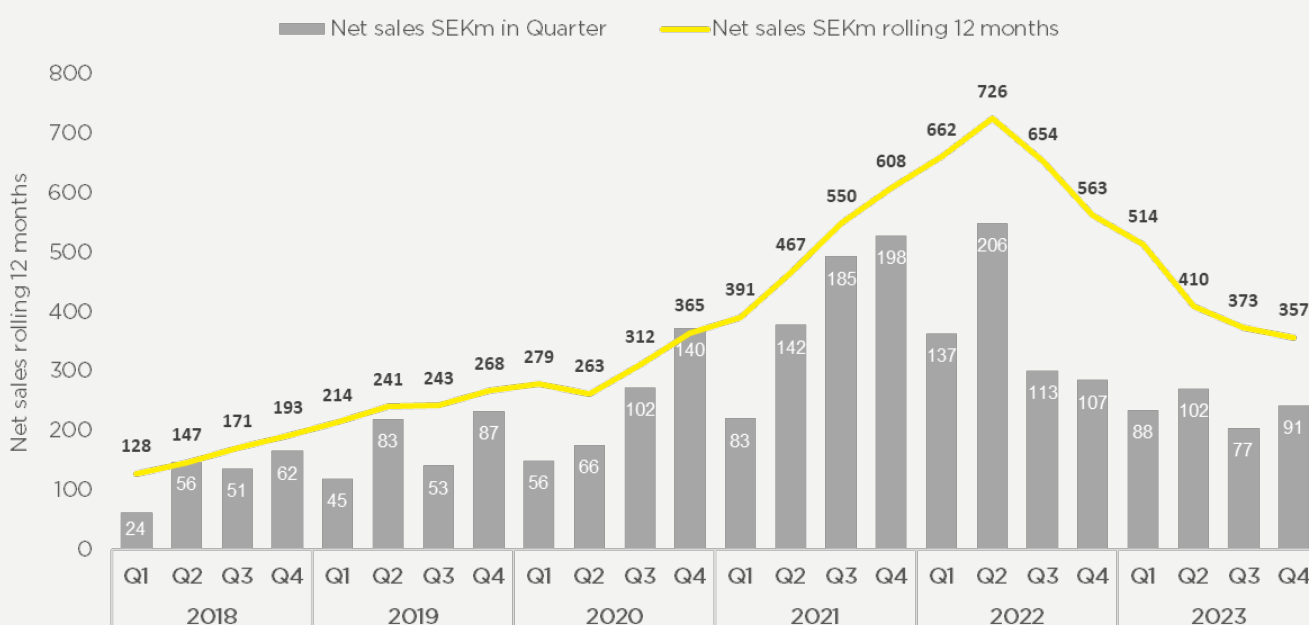
Since Mips invoices its goods and services in USD and CNY at the same time as the accounting currency is SEK, it is essential to create an understanding of how the company performs excluding currency exchange effects when recalculating sales.

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.

Organic growth	Oct-Dec 2023	Jan-Dec 2023
Net sales growth	-15%	-37%
Net Sales in USDm	6	24
Net Sales in SEKm at 2023 average USD exchange rate	63	251
Net Sales in SEKm at 2022 average USD exchange rate	64	238
Impact currency in absolute numbers	-2	13
Net Sales 2022 SEKm	107	563
USD impact on growth	-1%	2%
Net Sales in CNYm	18	69
Net Sales in SEKm at 2023 average CNY exchange rate	27	103
Net Sales in SEKm at 2022 average CNY exchange rate	28	103
Impact currency in absolute numbers	0	0
Net Sales 2022 SEKm	107	563
CNY impact on growth	0%	0%
Organic growth	-13%	-39%

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

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Mips will present the interim report at an audiocast via teleconference on 8 February 2024 at 10.00 a.m. CET. To participate, please register at the webcast or telephone conference at below links:

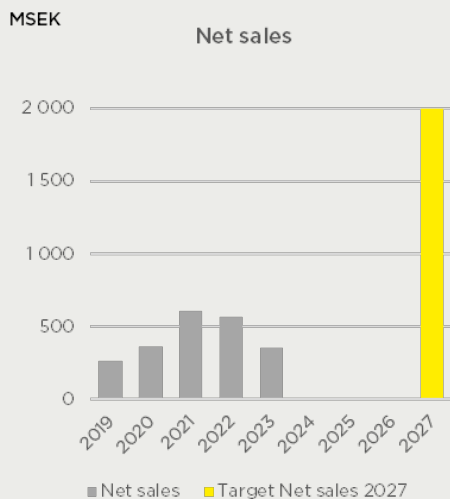
Webcast: <https://edge.media-server.com/mmc/p/nj8r6dew>

Telephone conference: <https://register.vevent.com/register/BI6d605b021d534b78b66363bcbc22fa61>

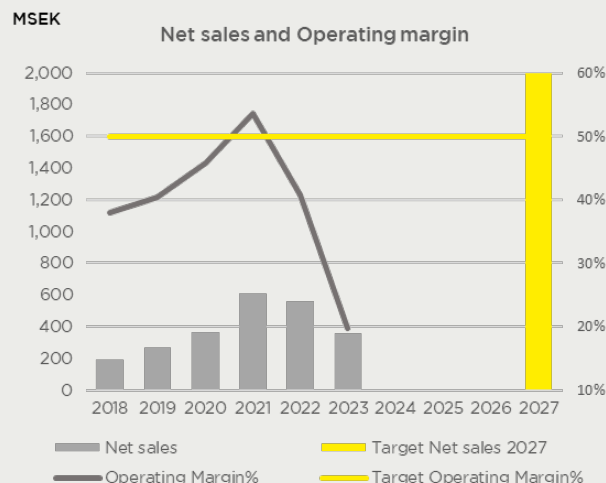
FINANCIAL CALENDER	2024
8 February 2024:	Year-end-report 2023
21 March 2024:	Annual Report 2023
25 April 2024:	Interim report January-March 2024
7 May 2024:	Annual General Meeting
18 July 2024:	Interim report January-June 2024
24 October 2024:	Interim report January-September 2024

About Mips

Growth Target 2027



Profitability



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.

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 81 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 2023 amounted to SEK 357m and the operating margin was 20 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. The information was submitted for publication, through the agency of the contact persons set out above, on 8 February 2024 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

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