

REMUNERATION REPORT FOR 2023

Introduction

This remuneration report provides an outline of how Mips AB (publ) ("Mips") guidelines for remuneration to senior executives (the "remuneration guidelines"), were applied in 2023. The report also provides details on the remuneration to Mips' CEO during 2023 and a summary description of Mips' existing share-related and share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act (2005:551) and the Rules on Remuneration of the Board and Executive management and on Incentive Programmes issued by the Stock Market Self-Regulation Committee.

Key developments 2023

For a summary of key events and the company's results during 2023, please see the section "Message from the CEO" in Mips' Annual Report for the financial year 2023, which is available on Mips' website, www.mipscorp.com/investor/financial-reports-and-presentations/.

Overview of the application of the remuneration guidelines in 2023

The remuneration committee monitors and evaluates programs for variable remuneration for the CEO, both ongoing and those that have been completed during the year, and the actual and expected outcome of such programs have been reported to the board of directors and discussed at meetings with the board of directors.

Based on the remuneration committee's evaluation of the CEO's remuneration, the board of directors has determined that the current remuneration structure and remuneration level is appropriate, reflects market practice and is competitive and suitable for achieving Mips' long- and short-term targets. Both the remuneration committee and the auditor have, after evaluation, concluded that Mips has complied with current remuneration guidelines and no deviations or derogations from the remuneration guidelines or from the decision-making process, that according to the remuneration guidelines must be applied to determine remuneration, have been made during 2023.

The remuneration guidelines contain a provision which gives the board of directors the possibility to, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back). However, the board of directors has not decided to reclaim any variable remuneration in 2023 as no remuneration has been deemed to have been paid on incorrect grounds.

According to Mips' remuneration guidelines, remuneration to senior executives should be market-based and may comprise the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the General Meeting may resolve on, among other things, share-related or share price-related remuneration.

Total remuneration to the CEO

The variable remuneration to the CEO is linked to the development during the year and is maximised at 75 percent of the fixed annual cash salary. For 2023, the variable salary was based on the group's net sales and operating margin, as well as on sustainability targets. The sustainability targets for 2023 were to reduce emissions per solution sold by a total of twelve percent, carry out third-party audits of the three strategically most important suppliers in the supply chain and to offer Mips' suppliers one hundred percent post-industrial recycled plastic for all manufacturing of Mips' most sold solution. The net sales target and operating margin target were not met during the year and fulfilment of the other target is set out below.

The table below sets out the total remuneration (SEK thousand) to Mips' CEO during 2023.

Name, position	Financial year	1 Fixed remuneration		2	3	4	5	6
		Fixed cash salary	Other benefits	Variable cash remuneration - One-year variable	Extra-ordinary items	Pension expenses	Total remuneration	Proportion of fixed and variable remuneration
Max Strandwitz (CEO)	2023	4,406	-	630	-	1,149	6,185	90% / 10%

Application of performance targets

The company's position as a world-leading actor in its field is largely a result of the innovation, know-how and execution skills of a number of individuals affiliated with Mips. In order to continue to successfully implement the company's business strategy and to safeguard the company's long-term interests, including its sustainability, the company must be able to recruit and retain qualified employees. The company must therefore apply market-based and competitive remuneration levels and terms of employment in order to be able to recruit and retain management with high competence and capacity to achieve set targets. Further, the targets shall be simple, long-term and measurable.

The variable cash remuneration shall be linked to predetermined and measurable criteria, which may be financial or non-financial. The criteria may also comprise individually and functionally adapted quantitative or qualitative targets. The criteria must be designed to promote the company's business strategy and long-term interests, including its work on sustainability, by, for example, being clearly linked to the business strategy or by promoting the senior executive's long-term development.

The variable cash remuneration will mainly be dependent on the group's net sales and operating margin, which is in line with the company's long-term financial targets. Furthermore, the variable cash remuneration shall also be related to one or several sustainability goals set by the company, where the CEO shall only have company-wide sustainability goals and other senior executives shall have both company-wide sustainability goals and individually set sustainability goals. In addition, the remainder of the variable remuneration may be paid based on individual and function-specific targets.

The table below presents the performance criteria applied with regard to the CEO's variable cash remuneration as well as the weighting and level of fulfilment of these criteria. The table refers to remuneration for 2023 and thus performance targets for 2023.

Name, position	1 Description of the criteria related to the remuneration component	2 Relative weighting of the performance targets	3 a) Fulfilled performance and b) actual remuneration outcome
Max Strandwitz (CEO)	Net sales	40%	a) 0% b) SEK 0
	Operating margin	40%	a) 0% b) SEK 0
	Sustainability	20%	a) 100% b) SEK 630 thousand
	Total	100%	a) 20% b) SEK 630 thousand

Outstanding share-related and share price-related incentive plans

Mips has implemented incentive programs for senior executives and certain key persons. These programs are intended to attract, motivate, and retain the participating senior executives and key persons by providing long-term incentives through benefits linked to Mips share price. The programs have been designed to align the participants incentives with shareholder interests.

In 2023, Mips had a warrant-based incentive program that expired in September 2023 and included eleven people. Participation in the program was offered to senior executives and certain key persons and it concerned issue of warrants with a subsequent transfer to the participants at a price corresponding to market terms. Each warrant entitled to subscription of one new share in the company (before recalculation) during the period from 15 May 2023 to 30 September 2023. Similar to what has applied to previous warrant programs, there were conditions regarding, among other things, a recalculated subscription price and a recalculated number of shares as a result of paid dividend. After recalculation for paid dividends, the exercise price per share was SEK 331.30 and each warrant entitled to subscription of 1.03 shares.

Mips also had a long-term performance share program in 2023 for employees who did not participate in the warrant-based incentive program. The performance share program included a total of 33 people in Sweden and China and was redeemed in the second quarter of 2023. Participation in the plan required a personal investment and the participants could as a maximum invest in a number of shares with a value corresponding to the participant's monthly salary in April 2020 before taxes. Each investment share entitled to one share right and each share right entitled the holder to receive one share in Mips, subject to the following conditions being fulfilled; (i) that the participant remained employed within the Mips group until, and including, the day on which Mips' interim report for the first quarter of 2023 was announced; (ii) that the participant had kept all of its investment shares; and (iii) that the performance target was fulfilled, i.e. that the annual average total shareholder return on Mips' share amounted to 10 percent or more during the measurement period (March 2020 – March 2023).

The Annual General Meeting held on 10 May 2023 resolved to adopt three new long-term warrant-based incentive plans, warrant plan 2023/2026, warrant plan 2024/2027 and warrant plan 2025/2028, for senior executives and certain key persons in Mips (a total of no more than 25 people per plan) by the issue of warrants with subsequent transfers to the

participants in the warrant plans at a price corresponding to market terms. In the plans, each warrant entitles to subscription of one new share in Mips at a subscription price corresponding to 130 percent of the average volume-weighted price paid for the Mips share during the five trading days preceding the time when the participants acquire warrants under each respective warrant plan. For warrant plan 2023/2026, application for subscription of shares may be made during the period from and including 15 June 2026 up to and including 15 December 2026. For warrant plan 2024/2027, the period for application for subscription of shares is from and including 15 June 2027 up to and including 15 December 2027 and for warrant plan 2025/2028, the period is from and including 15 June 2028 up to and including 15 December 2028. The warrant plans comprise of a maximum of 429,000 warrants distributed over a maximum of 143,000 warrants per plan. For warrant plan 2023/2026, 82,100 warrants were allocated to the participants, of which the CEO acquired 39,000 warrants. The exercise price in the first warrant plan amounts to SEK 396.27 per share (before recalculation). For warrant plan 2024/2027, 46,070 warrants were allocated to the participants, of which the CEO acquired 17,500 warrants. The exercise price in warrant plan 2024/2027 has been set at SEK 388.25 per share (before recalculation). As of 29 December 2023, i.e. the last trading day of the year, the closing price for the Mips share on Nasdaq Stockholm was SEK 364.50.

Further information regarding outstanding share related and share price-related incentive plans, including information on the CEO's participation in such, can be found in Note 5 in the Annual Report for 2023, which is available on Mips' website, www.mipscorp.com/investor/financial-reports-and-presentations/.

COMPARATIVE INFORMATION ON THE CHANGE IN REMUNERATION AND MIPS' PERFORMANCE

Changes in remuneration and performance during the financial year 2019, 2020, 2021, 2022 and 2023 (RFY) (SEK thousand)

Annual change	2019 vs 2020	2020 vs 2021	2021 vs 2022	2022 vs 2023	(information regarding 2023)
Remunerations					
CEO Max Strandwitz ¹	+459 (+7%)	+3,599 (+81%)	-1,474 (-18%)	-385 (-6%)	6,185
Company performance					
EBIT	+59,135 (+55%)	+162,628 (+98%)	-96,685 (-30%)	-158,606 (-69%)	70,412
Average remuneration on full time basis of employees²					
Employees of the company	+37 (+6%)	+34 (+5%)	+43 (+6%)	+16 (+2%)	790

¹ Max Strandwitz became CEO of Mips AB on 10 May 2019 and was previously CFO. The remuneration presented in the table above refers to Max Strandwitz's annual remuneration as CEO and CFO during 2019. Johan Thiel was CEO of Mips AB before Max Strandwitz, up until 10 May 2019, and his total remuneration for 2019 amounted to SEK 2,314 thousand. He has not received any compensation for subsequent years.

² The average remuneration for employees in Mips usually includes a fixed cash salary and variable cash remuneration, if any, pension benefits and any other benefits.

ADDITIONAL INFORMATION AVAILABLE IN THE 2023 ANNUAL REPORT OR AT MIPS' WEBSITE

Mips' remuneration guidelines, which were adopted at the Annual General Meeting 2022, are available on Mips' website, www.mipscorp.com/corporate-governance/remuneration/.

Further information on Mips' remuneration during 2023 that is not covered by this report is available in the annual report for 2023. The information can be found at: www.mipscorp.com/investor/financial-reports-and-presentations/.

Page 42	The remuneration committee's work during 2023.
Note 4 and 5 on page 67-69	Such information required by Chapter 5, Sections 40-44 of the Swedish Annual Accounts Act (1995:1554), including detailed information regarding remuneration to other senior executives covered by the remuneration guidelines adopted at the Annual General Meeting 2022 and information regarding Mips' share-related and share price-related incentive plans.
Note 4 on page 68	Remuneration to the board of directors.

Stockholm in April 2024
Mips AB (publ)
The board of directors