

Interim report January–June 2022

April-June 2022

- Net sales increased by 45% to SEK 206m (142), organic growth amounted to 25% during the quarter
- Operating profit amounted to SEK 107m (72)
- Operating margin was 51.7% (50.7)
- Cash flow from operating activities amounted to SEK 55m (56)
- Earnings per share, diluted, amounted to SEK 3.01 (2.08)
- Updated long term strategy and new financial targets for 2027 were presented at a Capital Markets Day, 9 June. The new targets are; to achieve net sales of more than SEK 2bn, an EBIT margin above 50% and distribute more than 50% of net earnings in dividend

January-June 2022

- Net sales increased by 53% to SEK 343m (225), organic growth amounted to 33%
- Operating profit amounted to SEK 168m (111)
- Operating margin was 49.1% (49.5)
- Cash flow from operating activities amounted to SEK 92m (125)
- Earnings per share, diluted, amounted to SEK 4.81 (3.30)

The Mips Group in brief

SEKm	Apr-Jun 2022	Apr-Jun 2021	Δ%	Jan-Jun 2022	Jan-Jun 2021	Δ%	Full year 2021
Net sales	206	142	45	343	225	53	608
Gross profit	151	105	45	250	165	52	445
Gross margin, %	73.4	73.8	-	73.0	73.3	-	73.2
Operating profit (EBIT)	107	72	48	168	111	52	326
Operating margin (EBIT-margin), %	51.7	50.7	-	49.1	49.5	-	53.6
Profit for the period	80	55	45	127	87	46	255
Earnings per share basic, SEK	3.04	2.10	45	4.87	3.33	46	9.75
Earnings per share diluted, SEK	3.01	2.08	45	4.81	3.30	46	9.64
Cash flow from operating activities	55	56	-1	92	125	-26	277
Dividend per share, SEK	5.00	3.50	43	5.00	3.50	43	3.50

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

CEO's comments

Record high net sales and continued high profitability

Continued success in the Sport and Motorcycle categories means that we were able to deliver a growth in sales of 45 percent, even though we are comparing with our very strong second quarter of last year. Organic growth was 25 percent after adjustments for currency effects. Sales have increased by 53 percent year to date, and organic growth was 33 percent after adjustments for currency effects.

Operating profit grew by 48 percent to SEK 107m (72) in the quarter. During the first six months of the year the operating profit has increased by 52 percent to SEK 168m (111).

This increase is primarily due to higher sales. The operating margin amounted to 52 percent (51) this quarter and to 49 percent (49) for the first six months. The operating cash flow amounted to SEK 55m (56) during the quarter. During the first six months of the year, the operating cash flow totaled SEK 92m (125).

Launch of new financial targets

Strong growth in recent years along with new opportunities identified within our categories have prompted us to update our strategy and our long-term financial targets. These were presented at our Capital Markets Day in June. The new strategy has been built on three key strategic pillars: 1) Grow existing business, 2) Open up new channels and markets and 3) Capture new opportunities within helmet safety.

We have kept the same structure for our targets, but we have raised our long-term ambition. Two targets have been updated: the target for net sales has been increased to more than SEK 2 billion by the end of 2027 (previously SEK 1bn by 2025), and we have set a higher profitability target aiming to retain an EBIT margin in excess of 50 percent (previously >40 percent). Our target to distribute dividends corresponding to at least 50 percent of the net profit remains the same.

Significant amount of new helmet projects with customers implemented

We are still seeing solid demand for our products and so far this year we have carried out more customer projects than in any other year. Most projects are still within the Sport helmet category, but we are seeing the number of projects increasing within the Motorcycle and Safety categories, which will lead to greater volumes going forward.

In terms of the long-term trends in the industry, we see good opportunities to maintain growth in all our categories as communicated at our capital markets day. Awareness of Mips is growing around the world and consumers are willing to pay extra for products fitted with our technology.

Shorter term, it is more difficult to predict demand, but we are convinced that we will continue to gain market share even if short-term fluctuations would occur.

Helmet category Sport – continued strong progress within snow helmets, uncertainty within bike.

The good progress made in the Sport category continued throughout the second quarter. The majority of growth this quarter came from snow helmets, but we also saw growth in the bike sub-category. Growth is still being driven by our existing customers continuing to increase the share of helmets in their ranges with our technology.

The sales progress in the snow sub-category has been good in the different geographic markets. This clearly demonstrates that there has been a pent-up need to get out into nature even during winter. In line with previous communication, worldwide inventory levels normalized within the bike sub-category in the second quarter. However, inventory levels remain imbalanced since there are very many lower-priced products but fewer more expensive and more advanced products. This will almost certainly lead to inventory corrections in the coming months to rebalance inventory levels with the right products. We do not expect this to affect us over the long-term, but it may have an impact when it comes to the short-term demand.

During the spring the market has speculated about whether growth in the bike sector as a whole is over after a period of extreme growth in connection with the pandemic. Along with the majority of the industry, we do not believe this is the case. There is a lot of activity in the industry in terms of integration of the value chain from helmet brands that expand their channel offering directly to consumer sales, and from increased consolidation activity among brands. The general consensus seems to be that there will be a long-term increase in the demand for bike-related products, primarily driven by the positive trends we are seeing regarding electric bikes, commuting and consumers wanting to spend more time outdoors.

Helmet category Motorcycle – growth during the quarter despite very strong comparative figures

We experienced growth in the Motorcycle category with a 14 percent increase in our sales in the quarter, despite the prior year's quarterly growth of 370 percent. Growth is at 56 percent so far this year, and we believe that the trend will remain positive in this category for the year ahead. This quarter's growth is mainly due to good progress with our existing customers, but it also comes from more new customers launching solutions with Mips' technology.

Helmet category Safety – organization in place to drive sell-through volumes

We currently have ten customers that have launched helmets with Mips' technology for the Safety category, with a good geographical distribution in our most important markets. We have therefore expanded our organizational capacity in our most important markets so that we can provide training to end customers and drive sell-through volumes together with our most important partners.

This quarter we also launched our partnership with Arco, by far the largest distributor of safety equipment in the UK. The purpose of this partnership is to collaborate to raise the awareness of workplace-related head injuries. This is a core element of Mips' expansion into the UK which is a significant market.

The focus for 2022 remains the same, to drive sell-through of volumes together with our existing customers and naturally, establish partnerships with new customers.

A strong first six months

I am very satisfied with the results we have achieved during the first six months of the year, with organic growth of 33 percent in spite of the challenging external conditions and very strong comparable figures from 2021. In the short-term, there is still uncertainty in the Sport category in terms of the erratic behavior of the bike sector, but our assessment is that long-term demand will continue to be good in all our helmet categories. With our new strategy and new initiatives at the ready, we are prepared for the opportunities and challenges that lie ahead, and I look forward with confidence to the journey towards our long-term targets.

Stockholm, July 2022

Max Strandwitz
President and CEO



**“Record high net sales
and continued high
profitability”**

Financial performance

April – June

Net sales

Net sales for the second quarter amounted to SEK 206m (142), an increase by 45%. Adjusted for exchange rate effects, the organic growth was 25%. The increase in net sales is mainly explained by an increased demand from existing customers.

Changes in net sales

%	Apr-Jun 2022	Jan-Jun 2022
Organic growth	25	33
Change in exchange rates	20	19
Total	45	53

Gross profit

Gross profit increased by 45% to SEK 151m (105). The gross margin amounted to 73.4% (73.8) where the decrease is attributable to the sales mix.

Operating profit (EBIT)

Operating profit increased by 48% to SEK 107m (72), corresponding to an operating margin of 51.7% (50.7). The increase in operating profit is mainly explained by increased sales partly mitigated by higher costs related to initiatives within marketing and strengthening of the organization.

Selling expenses increased to SEK 21m (14). The increase in selling expenses is mainly explained by costs related to initiatives within marketing and strengthening of the organization. Administrative expenses amounted to SEK 17m (13) during the quarter. The increase in administrative expenses is mainly explained by costs related to strengthening of the organization. Research and development costs amounted to SEK 7m (7).

Profit for the period and earnings per share

Profit before tax amounted to SEK 101m (72). Tax expenses for the quarter amounted to SEK -22m (-17), corresponding to an effective tax rate of 21.4% (23.1). Profit for the period was SEK 80m (55). Diluted earnings per share amounted to SEK 3.01 (2.08).

Cash flow

Cash flow from operating activities amounted to SEK 55m (56). The change is mainly explained by increased account receivables of SEK 51m (26) as a result of increased sales.

Cash flow from investing activities was SEK -4m (-3). Cash flow from financing activities was SEK -132m (-93) attributable to dividend payment of SEK -131m (-92). Cash flow for the second quarter amounted to SEK -81m (-39).

January – June

Net sales

Net sales for the first six months amounted to SEK 343m (225), an increase by 53%. Adjusted for exchange rate effects, the organic growth was 33%. The increase in net sales is mainly explained by an increased demand from existing customers.

Gross profit

Gross profit increased by 52% to SEK 250m (165). The gross margin decreased by 0.3 percentage points to 73.0% (73.3).

Operating profit (EBIT)

Operating profit increased to SEK 168m (111), corresponding to an operating margin of 49.1% (49.5). The increase in operating profit is mainly explained by increased sales during the first six months partly mitigated by initiatives within marketing, higher costs related to strengthening of the organization, and forex.

Selling expenses increased to SEK 37m (26). The increase in selling expenses is mainly explained by initiatives within marketing and costs related to strengthening the organization. Administrative expenses amounted during the first six months to SEK 30m (23). The increase in administrative expenses is mainly explained by costs related to strengthening the organization. Research and development costs amounted to SEK 12m (12).

Profit for the period and earnings per share

Profit before tax amounted to SEK 162m (112). Tax expenses for the first six months amounted to SEK -35m (-25), corresponding to an effective tax rate of 21.3% (22.5). Profit for the period was SEK 127m (87). Diluted earnings per share amounted to SEK 4.81 (3.30).

Cash flow

Cash flow from operating activities amounted to SEK 92m (125). The decrease is mainly explained by increased account receivables and paid tax due to increased earnings.

Cash flow from investing activities was SEK -16m (-4), mainly driven by the acquisition of patent rights and some other intangible assets. Cash flow from financing activities was SEK -133m (-93) attributable to dividend payment of SEK -131m (-92).

Financial position

The group's total assets as of 30 June 2022 amounted to SEK 770m (524). Non-current assets increased to SEK 106m (76) mainly explained by the acquisition of patent rights and some other intangible assets as well as increased right-of-use assets as a result of us signing additional lease contract to enable our continued growth. Short-term investments of SEK 299m (224) are in their entirety invested in interest-bearing funds. The equity/assets ratio was 74% (79). Cash and cash equivalents, including short-term investments, as of 30 June 2022 amounted to SEK 398m (302).

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 liability of SEK 28m as of 30 June 2022, compared to a financial asset of SEK 2m 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 second quarter, investments having an impact on the cash flow amounted to SEK 4m (3). Investments in intangible fixed assets amounted to SEK 2m (2). Investments in tangible fixed assets amounted to SEK 2m (1). During the first six months, investments amounted to SEK 16m (4). Investments in intangible assets amounted to SEK 12m (2) mainly related to acquisition of patent rights and some other intangible assets. Investments in tangible assets amounted to SEK 4m (2).

The Group had no significant commitments as of 30 June 2022 related to investments.

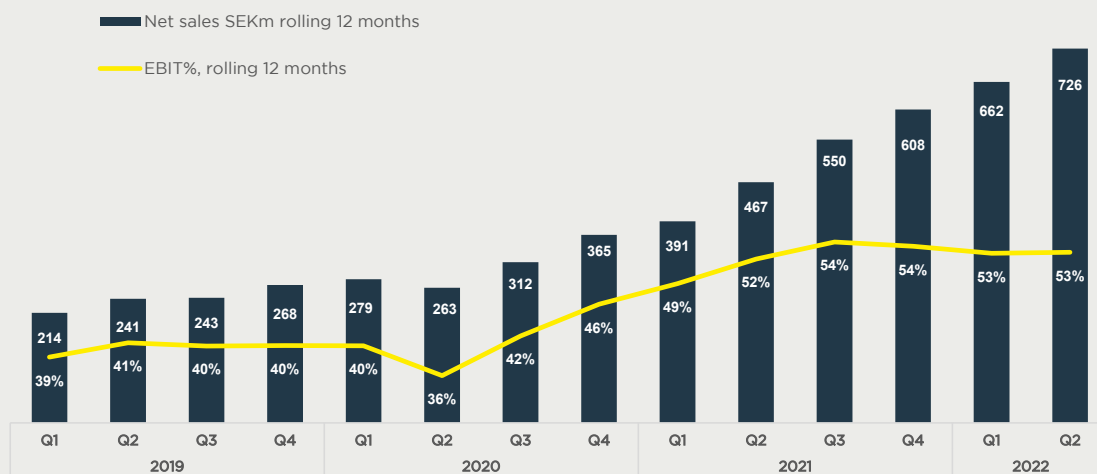
Parent company

Net sales for the first six months for the parent company amounted to SEK 239m (163). Profit for the same period was SEK 112m (82).

Employees

The average number of employees during the second quarter was 89 (67), of whom 23 (18) were employed in the Chinese subsidiary. The number of employees at the end of the period was 91 (74), of whom 23 (21) were employed in the Chinese subsidiary. The number of men employed was 48 and number of women employed was 43 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 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
Net sales	206	142	343	225	608
Cost of goods sold	-55	-37	-92	-60	-163
Gross profit	151	105	250	165	445
Selling expenses	-21	-14	-37	-26	-57
Administrative expenses	-17	-13	-30	-23	-48
Research and development expenses	-7	-7	-12	-12	-24
Other operating income and expenses	0	0	-2	8	9
Operating profit/loss	107	72	168	111	326
Financial income and expenses	-5	0	-6	1	2
Net financial items	-5	0	-6	1	2
Profit/loss before tax	101	72	162	112	328
Income taxes	-22	-17	-35	-25	-73
Profit/loss for the period	80	55	127	87	255
Earnings per share basic, SEK	3.04	2.10	4.87	3.33	9.75
Earnings per share diluted, SEK	3.01	2.08	4.81	3.30	9.64
Average number of shares for the period, basic (thousand)	26,184	26,184	26,184	26,184	26,184
Average number of shares for the period, diluted (thousand)	26,443	26,457	26,486	26,433	26,479

Condensed consolidated statement of comprehensive income

SEKm	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
Profit/loss for the period	80	55	127	87	255
Other comprehensive income					
Items that may subsequently be transferred to profit or loss					
Foreign currency translation	2	0	4	1	4
Changes in the fair value of cash flow hedges	-13	1	-11	-12	-21
Tax on components in other comprehensive income	3	0	2	2	4
Items that cannot be transferred to profit or loss	-	-	-	-	-
Other comprehensive income for the period	-8	0	-5	-8	-13
Comprehensive income for the period	72	56	122	79	242

Condensed consolidated balance sheet

SEKm	30 Jun 2022	30 Jun 2021	31 Dec 2021
ASSETS			
Non-current assets			
Intangible assets	74	55	56
Property, plant and equipment	13	11	11
Right-of-use assets	16	9	8
Long term receivables	3	0	0
Total non-current assets	106	76	76
Current assets			
Inventories	12	11	10
Accounts receivable	228	120	200
Other current receivables	26	16	20
Current investments	299	224	361
Cash and cash equivalents	99	78	89
Total current assets	664	448	680
TOTAL ASSETS	770	524	756
EQUITY AND LIABILITIES			
Equity			
Share capital	3	3	3
Other paid in capital	274	274	274
Reserves	-8	2	-3
Retained earnings incl profit/loss for the period	299	135	303
Total equity	568	413	577
Non-current liabilities			
Lease liability	12	6	4
Other non-current liabilities	9	-	-
Deferred tax liability	-	3	1
Total non-current liabilities	21	9	5
Current liabilities			
Lease liability	4	3	3
Accounts payable	53	40	70
Other current liabilities	124	60	101
Total current liabilities	181	102	174
TOTAL EQUITY AND LIABILITIES	770	524	756

Condensed consolidated statement of changes in equity

SEKm	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Opening equity for the period	577	426	426
<i>Comprehensive income for the period</i>			
Profit/loss for the period	127	87	255
Other comprehensive income for the period	-5	-8	-13
Comprehensive income for the period	122	79	242
<i>Transactions with owners</i>			
Equity settled share based payments	0	0	0
Dividend	-131	-92	-92
Total transactions with the owners	-131	-92	-91
Closing equity for the period	568	413	577

Consolidated statement of cash flows

SEKm	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
Operating activities					
Profit before tax	101	72	162	112	328
Adjustment for non-cash items	4	5	5	2	8
Income taxes paid	-10	-6	-34	-12	-42
Cash flow from operating activities before change in working capital	95	71	133	102	294
Cash flow from changes in working capital					
Increase (-)/decrease (+) of inventories	1	-4	-1	-7	-6
Increase (-)/decrease (+) of current receivables	-51	-26	-22	21	-58
Increase (+)/decrease (-) of current liabilities	10	15	-18	9	47
Cash flow from operating activities	55	56	92	125	277
Investing activities					
Acquisition of intangible assets	-2	-2	-12	-2	-6
Acquisition of property, plant and equipment	-2	-1	-4	-2	-4
Cash flow from investing activities	-4	-3	-16	-4	-11
Financing activities					
Paid dividend	-131	-92	-131	-92	-92
Amortization of lease debt	-1	-1	-2	-2	-3
Cash flow from financing activities	-132	-93	-133	-93	-95
Net change in cash & cash equivalents	-81	-39	-57	27	171
Cash & cash equivalents at beginning of period	478	341	450	272	272
Exchange-rate difference, cash and cash equivalents	1	0	5	3	6
Cash & cash equivalents at end of period	398	302	398	302	450

Condensed parent company income statement

SEKm	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
Net sales	144	102	239	163	435
Cost of goods sold	-7	-6	-11	-11	-26
Gross profit	137	96	228	152	409
Selling expenses	-20	-13	-36	-25	-55
Administrative expenses	-17	-12	-30	-22	-45
Research and development expenses	-6	-6	-12	-11	-22
Other operating income and expenses	0	2	-3	10	12
Operating profit/loss	93	66	148	103	298
Financial income and expenses	-6	0	-6	1	3
Profit after financial items	87	66	142	104	301
Appropriations	-	-	-	-	-2
Appropriations	-	-	-	-	-2
Profit/loss before tax	87	66	142	104	299
Income taxes	-18	-14	-29	-22	-62
Profit/loss for the period	69	52	112	82	237

Condensed parent company statement of comprehensive income

SEKm	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
Profit/loss for the period	69	52	112	82	237
Other comprehensive income					
Items that may subsequently be transferred to profit or loss					
Changes in the fair value of cash flow hedges	-13	1	-11	-12	-21
Tax on components in other comprehensive income	3	0	2	2	4
Items that cannot be transferred to profit or loss	-	-	-	-	-
Other comprehensive income for the period	-10	1	-9	-10	-17
Comprehensive income for the period	59	53	103	73	220

Condensed parent company balance sheet

SEKm	30 Jun 2022	30 Jun 2021	31 Dec 2021
ASSETS			
Non-current assets			
Intangible assets	74	55	56
Property, plant and equipment	13	10	11
Participation in Group companies	1	1	2
Other financial assets	6	-	2
Total non-current assets	94	67	71
Current assets			
Inventories	0	1	0
Accounts receivable	160	83	131
Other current receivables	13	13	9
Current investments	299	224	361
Cash & cash equivalents	67	53	69
Total current assets	538	374	571
TOTAL ASSETS	632	441	642
EQUITY AND LIABILITIES			
Equity			
Restricted equity	4	4	4
Non restricted equity	490	371	518
Total equity	494	375	522
Untaxed reserves	17	15	17
Total untaxed reserves	17	15	17
<i>Non-current liabilities</i>			
Deferred tax liability	-	0	-
Other non-current liabilities	9	-	-
Total non-current liabilities	9	0	-
Current liabilities			
Accounts payable	13	9	18
Other current liabilities	98	42	85
Total current liabilities	111	51	103
TOTAL EQUITY AND LIABILITIES	632	441	642

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 2021 Annual Report. The standards and interpretative statements applied were in effect as of 1 January 2022 and had been adopted by the EU. Changed accounting policies as of 1 January 2022 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 2022

The new or amended IFRS effective as of 2022 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. The spread of COVID-19

globally has created major uncertainties around the world. It is difficult to assess future impacts of the spread of COVID-19. Russia's invasion into 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 are 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. 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 issues with payments during the year at 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 2021 from page 38.

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 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
<i>Revenue recognized at the time of delivery</i>					
Sales of goods	201	138	333	218	593
<i>Revenues reported over time</i>					
Sales of services	5	4	10	6	15
Total	206	142	343	225	608

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 increased with 45% mainly driven by North America with 38% growth and Europe with 86% growth.

Income by region

SEKm	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
North America	129	94	217	155	409
Europe	55	30	86	44	120
Sweden	16	7	31	11	47
Asia and Australia	5	11	9	15	32
Total	206	142	343	225	608

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 Sport increased by 48%, Moto by 14% and Safety by 54%.

Income per helmet category

SEKm	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Full year 2021
Sport	194	131	319	209	570
Moto	11	10	23	14	35
Safety	1	0	1	1	3
Total	206	142	343	225	608

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 42m (26) on the full-year figures for 2021. In accordance with the company's financial policy, Mips 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 2021 page 101.

Derivatives, short-term investments and non-current liabilities

The fair value of the derivatives as of 30 June 2022 amounted to a financial liability of SEK 28m compared to a financial asset of SEK 2m 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 30 June 2022, amounts to SEK 299m (224). As of 30 June, 2022, Mips had a non-current liabilities amounting to SEK 9m (-) regarding contingent additional purchase consideration upon acquisition of patent rights and some other intangible assets valued at accrued acquisition value.

Share capital and number of shares

As of 30 June 2022, the total registered number of shares amounted to 26,183,620 (26,183,620) and the share capital amounted to SEK 2,618,362 (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 2022, the company's holdings of own shares amounted to 5,749 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 2022 was 26,177,871.

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. 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 334.67.

The Group has also launched a long-term share performance program for all employees who are not participating in the warrant-based incentive program. The share performance program includes in total 33 participants in Sweden and China. For the persons who are employed by Mips' subsidiary in

China, certain other conditions apply entailing that these employees have received synthetic shares, free of charge, instead of performance share rights and that no personal investment is required. The share performance program comprises a total of 3,598 shares and 1,164 synthetic shares.

Disputes

The company is not part of any significant legal dispute.

Related-party transactions

No material related-party transactions have been conducted during 2022 except payment of dividend.

Significant events during the quarter

An updated long-term strategy and new financial targets were presented at the Capital Markets Day on 9 June. The targets that were updated were 1) increased net sales target to more than SEK 2 billion by 2027, compared with the previous target of more than SEK 1 billion by 2025, 2) increased profitability target to maintain an EBIT margin in excess of 50 percent, where the previous target for 2025, was an EBIT margin exceeding 40 percent and 3) a dividend target of distributing dividend corresponding to at least 50 percent of net profit was maintained.

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, 21 July 2022

Magnus Welander
Chairman of the Board

Jenny Rosberg
Board member

Jonas Rahmn
Board member

Thomas Bräutigam
Board member

Maria Hedengren
Board member

Anna Hällöv
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 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	LTM
Net sales	206	137	198	185	142	83	140	102	66	56	87	53	83	726
Net sales growth, %	45	65	41	81	115	48	60	94	-20	25	41	3	49	55
Gross profit	151	99	145	136	105	60	103	74	49	40	66	39	62	531
Gross margin, %	73.4	72.5	73.0	73.3	73.8	72.5	73.3	72.2	74.2	70.8	74.9	73.0	74.6	73.1
Operating profit	107	62	104	110	72	39	76	55	20	16	39	20	37	383
Operating margin, %	51.7	45.3	52.6	59.6	50.7	47.4	54.4	53.6	29.7	29.1	44.6	38.6	44.5	52.8
Adjusted operating profit	107	62	104	110	72	39	76	55	20	17	40	21	38	383
Adjusted operating margin, %	51.7	45.3	52.6	59.6	50.7	47.4	54.4	53.6	30.8	30.1	45.4	39.5	46.0	52.8
EBITDA	110	65	107	113	75	42	80	59	22	19	41	24	38	396
EBITDA-margin, %	53.5	47.6	54.2	61.3	52.7	50.9	56.8	57.4	33.5	33.4	46.6	45.8	46.3	54.5
Depreciations	4	3	3	3	3	3	3	4	2	2	2	4	1	13
Earnings per share basic, SEK	3.04	1.83	3.05	3.38	2.10	1.23	2.24	1.61	0.61	0.48	1.19	0.63	1.15	11.30
Earnings per share diluted, SEK	3.01	1.81	3.00	3.33	2.08	1.22	2.23	1.61	0.61	0.47	1.16	0.62	1.12	11.15
Equity ratio, %	74	80	76	78	79	84	82	84	85	85	87	86	79	74
Cash flow from operating activities	55	37	81	71	56	69	49	29	23	15	20	12	24	244
Average number of employees	89	80	77	74	67	62	59	55	53	52	47	45	41	80

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

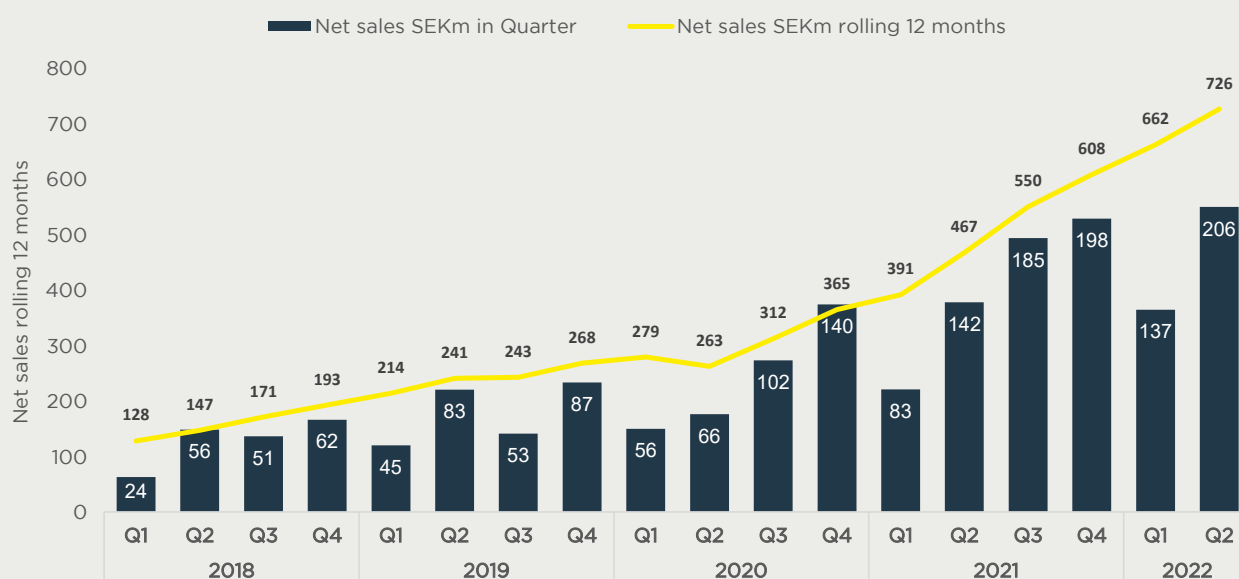
Since Mips invoices its goods and services in USD and CNY at the same time as the accounting currency is SEK, it is essential to create an understanding of how the company performs excluding currency exchange effects when recalculating sales.

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 2022	Jan-Jun 2022
Organic growth		
Net sales growth	45%	53%
Net Sales in USDm	15	25
Net Sales in SEKm at 2022 average USD exchange rate	143	239
Net Sales in SEKm at 2021 average USD exchange rate	122	209
Impact currency in absolute numbers	21	30
Net Sales 2021 SEKm	142	225
USD impact on growth	15%	13%
Net Sales in CNYm	42	70
Net Sales in SEKm at 2022 average CNY exchange rate	62	103
Net Sales in SEKm at 2021 average CNY exchange rate	55	90
Impact currency in absolute numbers	8	13
Net Sales 2021 SEKm	142	225
CNY impact on growth	6%	6%
Organic growth	25%	33%

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:

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Karin Rosenthal, CFO

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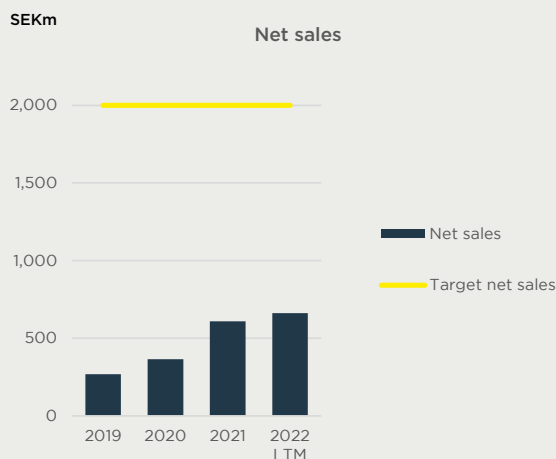
Mips will present the interim report at an audiocast via teleconference on 21 July 2022 at 10.00 a.m. CET.

To participate, please register at <https://financialhearings.com/event/43242>

FINANCIAL CALENDER	2022-2023
26 October 2022:	Interim report January-September 2022
9 February 2023:	Year-end-report 2022
23 March 2023:	Interim report January-March 2023
26 April 2023:	Interim report January-June 2023
10 May 2023:	Annual General Meeting

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.

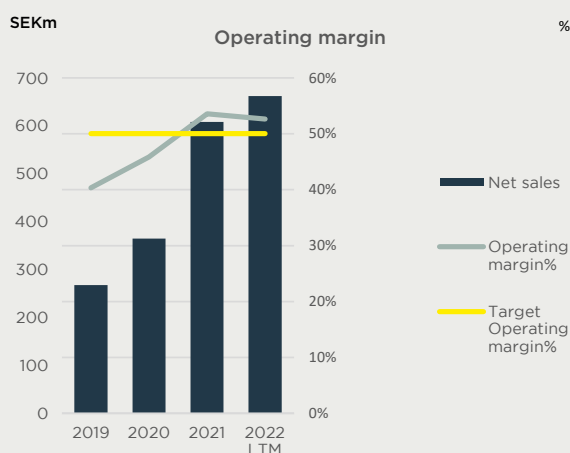
PROFITABILITY:

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

SUSTAINABILITY:

You can read about Mips' sustainability work in Mips' annual report for 2021.

Profitability



About Mips

Mips specializes in helmet-based safety and is a worldleader 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 68 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 2021 amounted to SEK 608m and the operating margin was 54 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 21 July 2022 at 7.30 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



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