

Interim report January-March 2024

January-March 2024

- Net sales decreased by 6% to SEK 83m (88), organic growth amounted to -6% during the quarter
- Operating profit amounted to SEK 14m (15)
- Operating margin was 16.5% (17.5)
- Cash flow from operating activities amounted to SEK -10m (-42)
- Earnings per share, diluted, amounted to SEK 0.44 (0.55)

The Mips Group in brief

SEKm	Jan-Mar 2024	Jan-Mar 2023	Δ%	Full year 2023
Net sales	83	88	-6	357
Gross profit	57	62	-8	253
Gross margin, %	69.4	70.8	-	70.9
Operating profit (EBIT)	14	15	-12	70
Operating margin (EBIT-margin), %	16.5	17.5	-	19.7
Profit for the period	12	14	-20	64
Earnings per share basic, SEK	0.44	0.55	-21	2.43
Earnings per share diluted, SEK	0.44	0.55	-20	2.42
Cash flow from operating activities	-10	-42	77	11
Dividend per share, SEK	-	-	-	5.50

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

CEO's comments

A stable start to the year

Total net sales decreased by 6 percent this quarter compared with the prior year. This is because we faced strong comparative figures in the snow sub-category, which has a proportionally heavier impact in this quarter. The positive developments that we started to observe at the end of 2023 continued in most of our categories in the first quarter, which is typically the quietest season for Mips.

In our most important sub-category, bike, the growth trend continued with a more normal start to the year. There was growth in the Motorcycle category too and we're happy to see that our sales initiatives with the major brands are starting to bear fruit. We also saw continued positive developments in the Safety category with many new products certified and ready for sales during this spring, which will drive growth forward.

In line with our long-term strategy, we continued our investment in both product development and marketing. The costs associated with these activities, combined with lower net sales, had a negative effect on the profits in the first quarter. Operating profit amounted to SEK 14m (15) during the quarter, a decrease of 12 percent. In the first quarter, the operating margin amounted to 16 percent (17), and the operating cash flow amounted to SEK -10m (-42).

Helmet category Sport – growth in bike, tough comparative figures for snow

For the second quarter in a row we delivered growth in the bike sub-category, and we are seeing that inventory levels of helmets at our customers and at retailers have started to return to more healthy levels.

Sales of snow-sport helmets to consumers were solid and the sub-category is generally still developing well. We didn't manage to achieve growth in the quarter though, as we had strong comparative figures of 60 percent growth last year. We remain positive about the long-term growth opportunities in this sub-category and believe there are good prospects for the next season as inventory levels are generally at normal levels.

In the equestrian sub-category, the Gothenburg Horse Show, one of the largest horse-riding competitions in the world, was held during this quarter and Mips participated as the Official Safety Partner for the second year in a row. It was inspiring to interact with so many representatives from the world of equestrian sports and thereby also get confirmation that Mips has enhanced its position in this from a market size point of view small, yet very important sub-category.

Based on the market signals we've seen during the quarter, our assessment is that the large bike sub-category will develop well in 2024. As we have previously communicated, we believe that inventory levels in the entire bike sector, at the helmet brands and retailers, have now largely normalized across the board. For that reason, after 18 months of major de-stocking by both helmet manufacturers and retail stores, we are now expecting our sales to resemble end-consumer market patterns more closely.

Helmet category Motorcycle – return to growth during the quarter and somewhat better market outlook

Developments improved in the Motorcycle category compared to the last few quarters and we delivered growth this quarter.

Also in this category we have seen inventories start to return to more normal levels. We are happy that, after clearing their stocks of older models, a number of major helmet brands have now chosen to launch new helmet models equipped with Mips solutions developed during 2023. Our focus going forward will still be on working efficiently and closely with the helmet brands to integrate our solutions, and also launch even more solutions that we've developed recently for the sector, thereby driving sell-through volumes with our customers.

During the spring we announced a new partnership with the organizer of the FIM Motorcross World Championship (MXGP) event where Mips will be the Official Safety Partner. We view this as an important platform for continuing to educate the world of motorsports in helmet safety and the risks associated with rotational motion.

Helmet category Safety – many new helmets now certified and ready for roll-out

In the Safety category we have kept up a good pace in terms of launching partnerships with new customers and new helmet models together with these customers. The certification process for new helmet models has taken a longer time than we had anticipated a year or so ago. Many important models have now been certified and we are looking forward to gradually increasing the volumes in this category.

Our collaboration with Husqvarna was launched in April, marking our entry into the market for forestry helmets. So far Mips has launched partnerships with 16 different brands in the category, and last year we doubled the number of helmet models equipped with Mips' safety system in the Safety category. Now that we have established a solid platform of strong partners, our focus in 2024 will be on driving volumes and we look forward to an exciting year of growth.

Confidently looking forward to an exciting year

While we are in the early stages of our recovery, we are satisfied with the progress we've made so far. For instance, during the quarter we have driven growth in most of our sub-categories despite the market remaining uncertain and challenging. Over and above that, we are still seeing a great deal of interest from our customers in developing new helmets equipped with Mips' safety system in all three categories.

We are convinced that we have the right long-term strategy, with a major focus on innovation and steadily building a well-recognized ingredient brand that makes us an essential partner to the helmet sector. This strategy will also underpin our long-term plan going forward and our journey towards achieving our financial targets.

Stockholm, April 2024

Max Strandwitz
President and CEO



”A stable start to the year”

Financial performance

January – March

Net sales

Net sales for the first quarter amounted to SEK 83m (88), a decrease of 6 percent. Adjusted for exchange rate effects, the organic development decreased by 6 percent. The decrease in net sales is mainly explained by weak development in the snow sub-category within Sport which faced strong comparative figures.

Changes in net sales

%	Jan-Mar 2024
Organic growth	-6
Change in exchange rates	-0
Total	-6

Gross profit

Gross profit decreased by 8 percent to SEK 57m (62). The gross margin amounted to 69.4 percent (70.8). The decrease in the gross margin is mainly due to higher revenue from customer implementation projects with lower margin, and product mix effect.

Operating profit (EBIT)

Operating profit decreased by 12 percent to SEK 14m (15), corresponding to an operating margin of 16.5 percent (17.5). 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 20m (18). Administrative expenses amounted to SEK 15m (16) 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 15m (19). Tax expenses for the quarter amounted to SEK -4m (-4), corresponding to an effective tax rate of 23.5 percent (22.3). Profit for the period was SEK 12m (14). Diluted earnings per share amounted to SEK 0.44 (0.55).

Cash flow

Cash flow from operating activities amounted to SEK -10m (-42). The change is mainly explained by increased payment of income tax previous year.

Cash flow from investing activities was SEK -2m (-2). Cash flow from financing activities was SEK 1m (-1). Cash flow for the period amounted to SEK -10m (-45).

Financial position

The Group's total assets as of 31 March 2024 amounted to SEK 751m (733).

Non-current assets as of 31 March 2024 amounted to SEK 172m (101), where the increase is mainly attributable to the investment in the associated company Quin in August 2023. Short-term investments of SEK 185m (384) are in their entirety invested in interest-bearing funds. The equity ratio was 89 percent (88). Cash and cash equivalents, including short-term investments, as of 31 March 2024 amounted to SEK 400m (487).

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 net to a financial asset of SEK 1m as of 31 mars 2024, compared to a net financial liability of SEK 2m 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 first quarter, investments having an impact on the cash flow amounted to SEK 2m (2). Investments in intangible fixed assets amounted to SEK 1m (1). Investments in tangible fixed assets amounted to SEK 1m (1).

The Group had no significant commitments as of 31 March 2024 related to investments.

Parent company

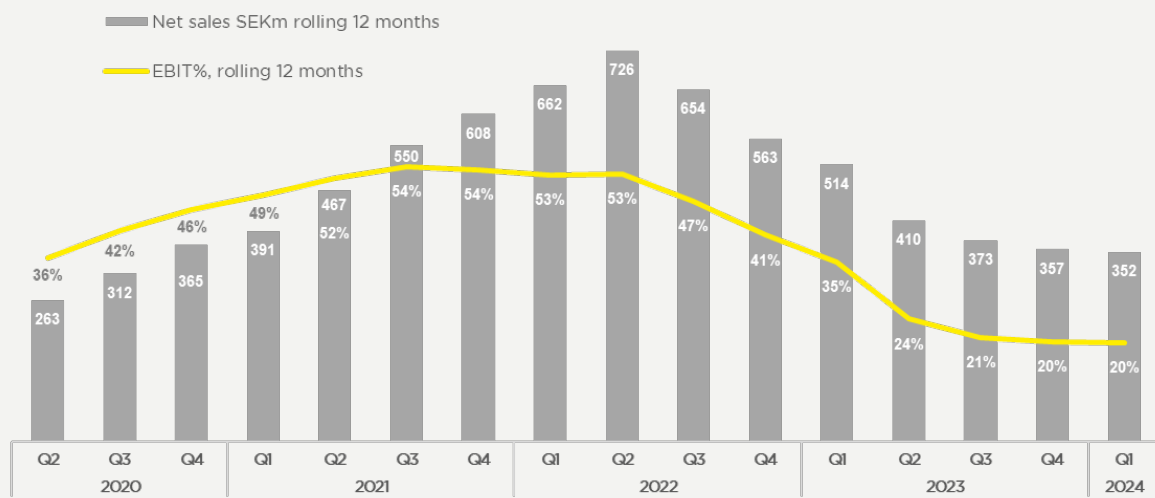
Net sales for the quarter for the parent company amounted to SEK 59m (63). Profit for the same period was SEK 9m (12).

Cash and cash equivalents, including short-term investments, as of 31 March 2024 amounted to SEK 358m (433).

Employees

The average number of employees during the first quarter was 103 (98), of whom 24 (24) were employed in the Chinese subsidiary. The number of employees at the end of the period was 106 (102), of whom 24 (24) were employed in the Chinese subsidiary. The number of men employed was 58 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	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Net sales	83	88	357
Cost of goods sold	-25	-26	-104
Gross profit	57	62	253
Selling expenses	-20	-18	-74
Administrative expenses	-15	-16	-59
Research and development expenses	-9	-8	-35
Other operating income and expenses	0	-5	-15
Operating profit/loss	14	15	70
Financial income and expenses	2	3	14
Net financial items	2	3	14
Profit/loss before tax	15	19	84
Income taxes	-4	-4	-20
Profit/loss for the period	12	14	64
Earnings per share basic, SEK	0.44	0.55	2.43
Earnings per share diluted, SEK	0.44	0.55	2.42
Average number of shares for the period, basic (thousand)	26,491	26,184	26,277
Average number of shares for the period, diluted (thousand)	26,491	26,336	26,398

Condensed consolidated statement of comprehensive income

SEKm	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Profit/loss for the period	12	14	64
Other comprehensive income			
Items that may subsequently be transferred to profit or loss			
Foreign currency translation	3	0	-4
Changes in the fair value of cash flow hedges	-4	5	10
Tax on components in other comprehensive income	1	-1	-2
Items that cannot be transferred to profit or loss	-	-	-
Other comprehensive income for the period	0	4	4
Comprehensive income for the period	11	19	68

Condensed consolidated balance sheet

SEKm	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	70	72	71
Property, plant and equipment	9	12	10
Right-of-use assets	14	17	15
Participations in associated companies	79	-	80
Other long term receivables	0	0	0
Total non-current assets	172	101	176
Current assets			
Inventories	5	5	4
Accounts receivable	106	110	91
Other current receivables	68	30	59
Current investments	185	384	183
Cash and cash equivalents	215	102	225
Total current assets	579	632	562
TOTAL ASSETS	751	733	738
EQUITY AND LIABILITIES			
Equity			
Share capital	3	3	3
Other paid in capital	383	274	381
Reserves	6	6	6
Retained earnings incl profit/loss for the period	279	362	268
Total equity	671	645	657
Non-current liabilities			
Lease liability	8	11	9
Other liabilities	10	9	9
Deferred tax liability	6	3	7
Total non-current liabilities	24	24	25
Current liabilities			
Lease liability	5	5	5
Accounts payable	27	31	30
Other liabilities	24	29	20
Total current liabilities	57	64	56
TOTAL EQUITY AND LIABILITIES	751	733	738

Condensed consolidated statement of changes in equity

SEKm	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Opening equity for the period	657	626	626
<i>Comprehensive income for the period</i>			
Profit/loss for the period	12	14	64
Other comprehensive income for the period	0	4	4
Comprehensive income for the period	11	19	68
<i>Transactions with owners</i>			
Premium on issue of warrants	3	-	4
Equity settled share based payments	-	0	0
New share issues	-	-	103
Dividend	-	-	-144
Total transactions with the owners	3	0	-37
Closing equity for the period	671	645	657

Consolidated statement of cash flows

SEKm	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Operating activities			
Profit before tax	15	19	84
Adjustment for non-cash items	4	4	17
Income taxes paid	-14	-59	-98
Cash flow from operating activities before change in working capital	5	-36	4
Cash flow from changes in working capital			
Increase (-)/decrease (+) of inventories	-1	2	2
Increase (-)/decrease (+) of current receivables	-14	-7	11
Increase (+)/decrease (-) of current liabilities	0	0	-6
Cash flow from operating activities	-10	-42	11
Investing activities			
Acquisition of intangible assets	-1	-1	-7
Acquisition of property, plant and equipment	-1	-1	-2
Gain on sale of property, plant and equipment	-	-	0
Investments in associated companies	-	-	-80
Cash flow from investing activities	-2	-2	-89
Financing activities			
New share issues	-	-	103
Premium received from issue of warrants	3	-	4
Paid dividend	-	-	-144
Amortization of lease debt	-1	-1	-5
Cash flow from financing activities	1	-1	-42
Net change in cash & cash equivalents	-10	-45	-121
Cash & cash equivalents at beginning of period	408	532	532
Exchange-rate difference, cash and cash equivalents	2	0	-4
Cash & cash equivalents at end of period	400	487	408

Condensed parent company income statement

SEKm	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Net sales	59	63	254
Cost of goods sold	-7	-6	-27
Gross profit	52	57	227
Selling expenses	-19	-17	-71
Administrative expenses	-15	-16	-58
Research and development expenses	-9	-8	-34
Other operating income and expenses	1	-5	-15
Operating profit/loss	10	11	49
Financial income and expenses	2	3	33
Profit after financial items	12	15	82
Appropriations	-	-	-5
Appropriations	-	-	-5
Profit/loss before tax	12	15	77
Income taxes	-3	-3	-14
Profit/loss for the period	9	12	63

Condensed parent company statement of comprehensive income

SEKm	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Profit/loss for the period	9	12	63
Other comprehensive income			
Items that may subsequently be transferred to profit or loss			
Changes in the fair value of cash flow hedges	-4	5	10
Tax on components in other comprehensive income	1	-1	-2
Items that cannot be transferred to profit or loss	-	-	-
Other comprehensive income for the period	-3	4	8
Comprehensive income for the period	6	16	71

Condensed parent company balance sheet

SEKm	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	70	72	71
Property, plant and equipment	9	12	10
Participations in Group companies	1	1	1
Participations in associated companies	80	-	80
Other financial assets	-	1	-
Total non-current assets	160	86	161
Current assets			
Inventories	-	-	-
Accounts receivable	71	76	62
Other current receivables	65	27	55
Current investments	185	384	183
Cash & cash equivalents	173	49	180
Total current assets	494	536	480
TOTAL ASSETS	653	622	641
EQUITY AND LIABILITIES			
Equity			
Restricted equity	4	4	4
Non restricted equity	582	555	573
Total equity	586	559	577
Untaxed reserves	26	21	26
Total untaxed reserves	26	21	26
<i>Non-current liabilities</i>			
Other liabilities	10	9	9
Deferred tax liability	1	-	2
Total non-current liabilities	11	9	11
Current liabilities			
Accounts payable	12	13	12
Other current liabilities	18	20	14
Total current liabilities	29	33	26
TOTAL EQUITY AND LIABILITIES	653	622	641

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 IFRS Accounting 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 2023 Annual Report. The standards and interpretative statements applied were in effect as of 1 January 2024 and had been adopted by the EU. Changed accounting policies as of 1 January 2024 is described below. Furthermore, the Swedish Sustainability and 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 Sustainability and 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 2024

The new or amended IFRS effective as of 2024 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.

Estimates in the financial statements

It is Mips' assessment that the Group does not have any assets or liabilities whose estimated reported value entails a significant risk for a material adjustment during the coming year.

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 also exposed to external factors and geopolitical uncertainty over which the company has no control, but which can have an adverse impact on future market developments. Mips has no activities in either 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 or the implemented related sanctions. For a period of time, there has been a challenge related to the

demand for Mips' products due to the challenges facing the bike market. This has adversely impacted the company's financial results. The risk of a potential impact on demand, given higher interest rate levels and lower general purchasing power among consumers, remains at an elevated level. The company still believes that long-term demand for Mips' products is robust. 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.

For further information about Mips' risks and uncertainties see Mips' annual report for 2023 from page 54-58.

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	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
<i>Revenue recognized at the time of delivery</i>			
Sales of goods	77	84	334
<i>Revenues re-reported over time</i>			
Sales of services	5	4	23
Total	83	88	357

Income by region

SEKm	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
North America	46	58	207
Europe	21	21	82
Sweden	5	1	18
Asia and Australia	10	9	50
Total	83	88	357

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 first quarter with 6 percent mainly driven by North America with negative growth of 20 percent. During the quarter, Europe yielded a positive growth of 5 percent.

Income per helmet category

SEKm	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Sports	71	78	323
Motorcycle	8	7	22
Safety	4	3	12
Total	83	88	357

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 first quarter in Sports decreased by 9 percent while Motorcycle increased by 3 percent.

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 23m (37) on the full-year figures for 2023. During 2024 the company will discontinue with hedging arrangements. The company will phase out the existing hedges and no new hedges will be implemented. Current hedges will be completed in October 2024. From 2025, the strategy is that fluctuations in exchange rates will fully affect the income statement. 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 2023 page 78.

Derivatives, short-term investments and non-current liabilities

The fair value of the derivatives as of 31 March 2024 amounted to a net financial asset of SEK 1m, compared to a net financial liability of SEK 2m 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 March 2024 amounts to SEK 185m (384). As of 31 March 2024, Mips had a non-current liability amounting to SEK 10m (9) regarding contingent additional purchase consideration related to the acquisition of patent rights and certain other intangible assets valued at accrued acquisition value.

Other information/Investments in associated companies

During 2023, Mips AB has entered into an agreement to acquire 25 percent of the sensor technology company Quintessential Design, Inc. ("Quin"). Quin is an associated company to Mips and are reported by use of the equity method. During the quarter a profit share of approximately SEK -1m has been reported on the line Other operating income and expenses in the income statement.

Share capital and number of shares

As of 31 March 2024, 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 March 2024, 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 March 2024 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 March 2024. The proposed dividend corresponds to 249 percent of net earnings for 2023.

Share-based incentive programs

At the Annual General Meeting 2023, it was resolved to approve three long term incentive programs, Warrant program 2023/2026, Warrant program 2024/2027 and Warrant program 2025/2028, for the senior executives and certain key persons in Mips. The Group has three warrant programs 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 program. In the 2023/2026 program, which was launched during the fourth quarter 2023, 82,100 warrants were allocated to the participants and in the program 2024/2027, which was launched during the first quarter 2024, 46,070 warrants were allocated to the participants. The total number of issued warrants of 429,000 can lead to a dilution of approximately 1.6 percent. The subscription price in the first program amounts to SEK 396.27 per Mips share and in the second program it amounts to 388.25 SEK per Mips share.

The Company has no other costs for the warrant 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 2024.

Annual General Meeting

The 2024 Annual General Meeting will be held in Täby on 7 May 2024.

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 25 April 2024

Max Strandwitz
President and CEO

Quarterly consolidated performance measures

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	LTM
Net sales	83	91	77	102	88	107	113	206	137	198	185	142	83	352
Net sales growth, %	-6	-15	-32	-51	-35	-46	-39	45	65	41	81	115	48	-32
Gross profit	57	64	56	71	62	77	78	151	99	145	136	105	60	248
Gross margin, %	69.4	70.2	73.1	70.0	70.8	72.3	69.0	73.4	72.5	73.0	73.3	73.8	72.5	70.6
Operating profit	14	17	15	23	15	24	37	107	62	104	110	72	39	69
Operating margin, %	16.5	18.8	19.5	22.6	17.5	22.0	32.8	51.7	45.3	52.6	59.6	50.7	47.4	19.5
Adjusted operating profit	14	17	15	23	15	24	37	107	62	104	110	72	39	69
Adjusted operating margin, %	16.5	18.8	19.5	22.6	17.5	22.0	32.8	51.7	45.3	52.6	59.6	50.7	47.4	19.5
EBITDA	18	22	20	28	20	29	41	110	65	107	113	75	42	87
EBITDA-margin, %	22.2	23.9	25.5	27.1	22.5	27.1	36.3	53.5	47.6	54.2	61.3	52.7	50.9	24.8
Depreciation/ amortization	5	5	5	5	4	6	4	4	3	3	3	3	3	19
Earnings per share basic, SEK	0.44	0.60	0.52	0.76	0.55	0.71	1.10	3.04	1.83	3.05	3.38	2.10	1.23	2.32
Earnings per share diluted, SEK	0.44	0.60	0.52	0.76	0.55	0.71	1.10	3.01	1.81	3.00	3.33	2.08	1.22	2.31
Equity ratio, %	89	89	89	85	88	82	76	74	80	76	78	79	84	89
Cash flow from operat- ing activities	-10	31	12	9	-42	47	97	55	37	81	71	56	69	43
Average number of employees	103	104	102	99	98	96	93	89	80	77	74	67	62	102

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

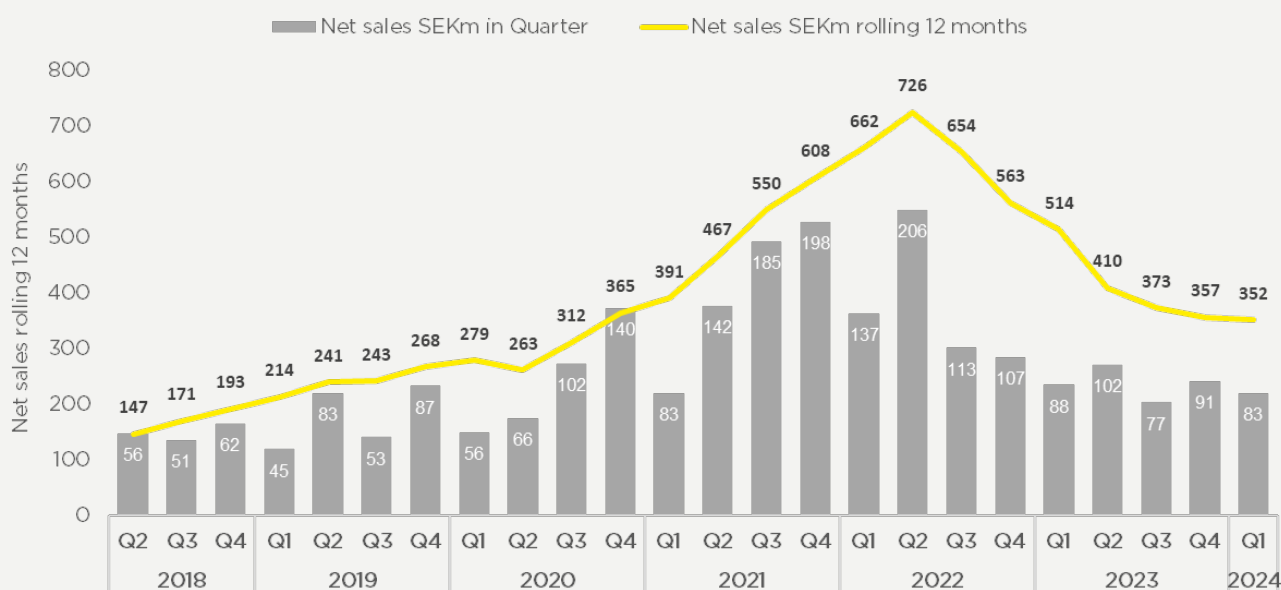
Since Mips invoices its goods and services in USD and CNY at the same time as the accounting currency is SEK, it is essential to create an understanding of how the company performs excluding currency exchange effects when recalculating sales.

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	Jan-Mar 2024
Net sales growth	-6%
Net Sales in USDm	6
Net Sales in SEKm at 2024 average USD exchange rate	59
Net Sales in SEKm at 2023 average USD exchange rate	58
Impact currency in absolute numbers	1
Net Sales 2023 SEKm	88
USD impact on growth	1%
Net Sales in CNYm	16
Net Sales in SEKm at 2024 average CNY exchange rate	24
Net Sales in SEKm at 2023 average CNY exchange rate	25
Impact currency in absolute numbers	-1
Net Sales 2023 SEKm	88
CNY impact on growth	-1%
Organic growth	-6%

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 25 April 2024 at 10.00 a.m. CET.

To participate, please register at the webcast or telephone conference at below links:

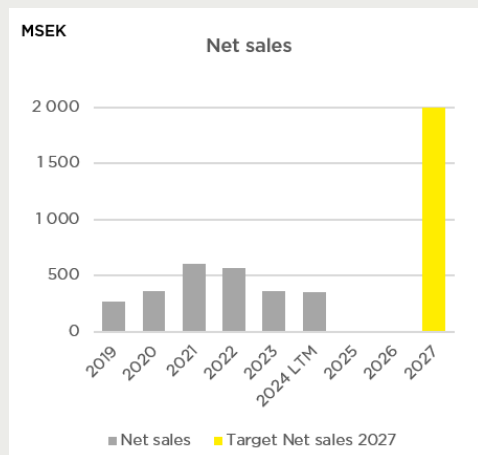
Webcast: <https://edge.media-server.com/mmc/p/93fomvqq>

Telephone conference: <https://register.vevent.com/register/BI7f5861b3e2264c47aa7caaf7e27bbd5d>

FINANCIAL CALENDER	2024
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 and sustainability report for 2023.

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.

UN GLOBAL COMPACT:

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

CIRCULAR PRODUCT OFFERING:

Mips uses post industrial recycled plastic in its solutions but the ambition is however to create solutions that are more sustainable still and support the climate transition.

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 82 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 <https://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 25 April 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.



Mips

Safety for helmets

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