

Interim report January-September 2024

July-September 2024

- Net sales increased by 61% to SEK 123m (77), organic growth amounted to 69% during the quarter
- Operating profit increased by 219% to SEK 48m (15)
- Operating margin increased by 19.0 percentage points to 38.5% (19.5)
- Cash flow from operating activities increased by SEK 24m to SEK 36m (12)
- Earnings per share, diluted, increased by 165% and amounted to SEK 1.37 (0.52)

January-September 2024

- Net sales increased by 27% to SEK 339m (266), organic growth amounted to 29%
- Operating profit increased by 112% to SEK 113m (53)
- Operating margin improved by 13.3 percentage points to 33.3% (20.0)
- Cash flow from operating activities increased by SEK 77m to SEK 56m (-21)
- Earnings per share, diluted, increased by 83% to SEK 3.33 (1.82)

The Mips Group in brief

SEKm	Jul-Sep 2024	Jul-Sep 2023	Δ%	Jan-Sep 2024	Jan-Sep 2023	Δ%	Full year 2023
Net sales	123	77	61	339	266	27	357
Gross profit	91	56	62	245	190	29	253
Gross margin, %	73.4	73.1	-	72.3	71.1	-	70.9
Operating profit (EBIT)	48	15	219	113	53	112	70
Operating margin (EBIT-margin), %	38.5	19.5	-	33.3	20.0	-	19.7
Profit for the period	36	14	166	88	48	83	64
Earnings per share basic, SEK	1.37	0.52	164	3.33	1.83	81	2.43
Earnings per share diluted, SEK	1.37	0.52	165	3.33	1.82	83	2.42
Cash flow from operating activities	36	12	196	56	-21	-	11
Dividend per share, SEK	-	-	-	6.00	5.50	-	5.50

CEO's comments

Another strong quarter with good growth in all categories

Once again we delivered a strong quarter with organic sales growth of 69 percent compared with the prior year. This growth is mainly being driven by the Sports category, which is our largest category in terms of sales. It is also positive that all categories show strong development.

In the Sports and Motorcycle categories, we are seeing that the more normal inventory levels at retailers and at helmet brands mean that they have started to order products from us again rather than taking products from their own stocks. At the same time, Mips continues to win new customers and grow the number of helmet models at existing customers, and the rate of new projects is still at an all-time high. We are now seeing the effect of the fast rate of implementation of Mips' technology in new helmets being reflected in sales. The decrease in revenue from services this quarter is entirely attributable to the prior year's revenues from tools development for specific projects, and is not due to a reduction in the number of projects started.

We have delivered our best quarter ever in the Safety category. Here we are seeing that the roll-out of all the new helmet models equipped with our technology is starting to generate the expected market demand.

There has been good development so far this year and organic growth during the first nine months of the year increased by 29 percent, and has accelerated during the course of the year.

The increase in net sales has led to a substantial improvement in profitability during the quarter, thanks to our scalable business model. Operating profit improved by 219 percent to SEK 48m (15) this quarter, and the operating margin therefore improved to 39 percent (19). During the first nine months of the year, the operating profit has increased from SEK 53m to SEK 113m, and the operating margin has improved, reaching 33 percent (20). The operating cash flow amounted to SEK 36m (12) in the quarter, and for the first nine months of the year the cash flow was SEK 56m (-21).

Helmet category Sports – continued strong progress in all sub-categories

We achieved growth of 61 percent in the Sports helmet category this quarter, and for the fourth quarter in a row we delivered growth in the bike sub-category, our largest sub-category. Global inventory levels are now at a healthier level than in

the very unstable years during and just after the pandemic. However, many retailers are still trying to come to terms with an unfavourable product mix in the bike category as a whole, but the situation is now far better than during the last two years. According to current market data for North America, the growth in volumes has been better than the growth in sales, which indicates that there is still high pressure on clearance sales on bikes in this important market for Mips.

Eurobike, the largest trade fair of the year in the bike sector, took place this quarter. Visitor numbers were high, and we experienced a continued great level of interest in Mips. The trade fair reinforced our sense that the sector is starting to feel more positive after a challenging period of high inventory levels and reduced sales. These high levels of inventory have meant that many helmet brands have not launched as many products as usual. It will therefore be interesting to see how all the new helmet models are received as they are launched during the upcoming season.

Helmet category Motorcycle – strong growth in the quarter

In the Motorcycle helmet category we delivered sales growth of 55 percent for the quarter, and we are happy to see our growth taking off again in this category too. As in the Sports category, growth was primarily driven by customers buying from us again rather than focusing on reducing their inventories, coupled with market launches of new helmet models equipped with Mips' safety system.

Our assessment is that the market has recovered slightly during this recent period, but we are still seeing a challenging consumer market and do not expect the general market situation in the Motorcycle category as a whole to contribute to our growth journey in the short term. Our growth will mainly be driven by taking greater market share and the roll-out of new helmet models equipped with Mips' technology.

Helmet category Safety – best quarter so far

We delivered our largest quarter so far in the Safety helmet category and we see good growth of 92 percent. The two largest trade fairs, ASSP and NSC, were held in the US during the quarter. At these events we saw that interest in Mips' technology is still on the rise, above all amongst end users who increasingly demand helmets with our safety system. While larger volume sales with selected helmet brands have been slightly slower than we had hoped, we are delighted to see that growth is now starting to take off and we remain very positive about this category over the long term.

Recovery consistent with our expectations, but the consumer market remains challenging

Developments in the third quarter were strong, and in line with our expectations. I'm pleased that all of our sub-categories grew during the quarter, despite a challenging consumer market. Our customers are still showing plenty of interest in developing new helmets equipped with Mips' safety system in all three categories, and the number of completed helmets developed with our technology will be the highest ever this year.

It is nevertheless important to point out that the consumer market is still challenging and even though Mips is experiencing positive developments, the consumer market is still neither fully normalized nor particularly stable.

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

Stockholm, October 2024

Max Strandwitz
President and CEO



"Another strong quarter with good growth in all categories"

Financial performance

July – September

Net sales

Net sales for the third quarter increased to SEK 123m (77), an increase of 61 percent. Adjusted for exchange rate effects, the organic sales growth amounted to 69 percent. The increase in net sales is mainly explained by the development in the sub-categories bike and snow within Sports.

Changes in net sales

%	Jul-Sep 2024	Jan-Sep 2024
Organic growth	69	29
Change in exchange rates	-7	-2
Total	61	27

Gross profit

Gross profit increased by 62 percent to SEK 91m (56). The gross margin amounted to 73.4 percent (73.1) where the increase in the gross margin mainly is explained by an effect of increase in net sales and product mix effect.

Operating profit (EBIT)

Operating profit increased by 219 percent to SEK 48m (15), corresponding to an operating margin of 38.5 percent (19.5). The increase in operating profit is mainly explained by increased sales.

Selling expenses amounted to SEK 18m (15), where the increase is mainly driven by marketing spend for exhibitions during the quarter. Administrative expenses amounted to SEK 14m (12) 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 46m (18). Tax expenses for the quarter amounted to SEK -10m (-5), corresponding to an effective tax rate of 22.0 percent (25.0). Profit for the period was SEK 36m (14). Diluted earnings per share amounted to SEK 1.37 (0.52).

Cash flow

Cash flow from operating activities amounted to SEK 36m (12). The change is mainly explained by increased earnings.

Cash flow from investing activities was SEK -2m (-82), where previous year mainly is driven by the investment in Quin of SEK -80m. Cash flow from financing activities was SEK -1m (85), where previous year is attributable to exercising of warrants under the warrant-based incentive programs of SEK 86m.

Cash flow for the period amounted to SEK 33m (15).

January – September

Net sales

Net sales for the first nine months amounted to SEK 339m (266), an increase by 27 percent. Adjusted for exchange rate effects, the organic development was 29 percent. The increase in net sales is mainly explained by higher sales within the bike sub-category.

Gross profit

Gross profit increased by 29 percent to SEK 245m (190). The gross margin amounted to 72.3 percent (71.1) where the increase mainly is an effect of increase in net sales.

Operating profit (EBIT)

Operating profit increased to SEK 113m (53), corresponding to an operating margin of 33.3 percent (20.0). The increase in operating profit is mainly explained by increased sales during the first nine months and lower negative exchange rate effects in other operating costs.

Selling expenses amounted to SEK 57m (53), mainly driven by strategic initiatives within marketing. Administrative expenses amounted to SEK 45m (44). Research and development costs amounted to SEK 28m (26).

Profit for the period and earnings per share

Profit before tax amounted to SEK 113m (62). Tax expenses for the first nine months amounted to SEK -25m (-14), corresponding to an effective tax rate of 22.2 percent (23.0). Profit for the period was SEK 88m (48). Diluted earnings per share amounted to SEK 3.33 (1.82).

Cash flow

Cash flow from operating activities amounted to SEK 56m (-21). The increase is mainly explained by increased earnings this year and increased payment of income tax previous year.

Cash flow from investing activities was SEK -6m (-86), where previous year mainly is driven by the investment in Quin of SEK -80m. Cash flow from financing activities was SEK -161 m (-54) attributable to dividend payment of SEK -159m (-144) and previous year exercising of warrants under the warrant-based incentive programs of SEK 94m.

Cash flow for the period amounted to SEK -111m (-161).

Financial position

The Group's total assets as of 30 September 2024 amounted to SEK 675m (703).

Non-current assets as of 30 September 2024 amounted to SEK 166m (177). Short-term investments of SEK 0m (180) were previous year in their entirety invested in interest-bearing funds. The equity ratio was 87 percent (89). Cash and cash equivalents, including short-term investments, as of 30 September 2024 amounted to SEK 296m (371).

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 previously been entered into with a bank. The company will phase out the existing hedges and no new hedges will be implemented. The remaining derivatives, which will be completed in October 2024, are valued at fair market value, amounting to a financial asset of SEK 1m as of 30 September 2024, compared to a net financial liability of SEK 4m 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. The company will discontinue with hedging arrangements during 2024. From 2025, the strategy is that fluctuations in exchange rates will fully affect the income statement.

Investments

During the third quarter, investments having an impact on the cash flow amounted to SEK 2m (82), where previous year mainly is driven by the investment in Quin of SEK 80m. Investments in intangible fixed assets amounted to SEK 1m (2). Investments in tangible fixed assets amounted to SEK 1m (1).

During the first nine months, investments amounted to SEK 6m (86), where previous year mainly is driven by the investment in Quin of SEK 80m. Investments in intangible assets amounted to SEK 4m (4) mainly related to acquisition of patent rights and some other intangible assets. Investments in tangible assets amounted to SEK 2m (2).

The Group had no significant commitments as of 30 September 2024 related to investments.

Parent company

Net sales for the first nine months for the parent company amounted to SEK 238m (190). Profit for the same period was SEK 73m (36).

Cash and cash equivalents, including short-term investments, as of 30 September 2024 amounted to SEK 240m (312).

Employees

The average number of employees during the third quarter was 102 (102), of whom 24 (24) were employed in the Chinese subsidiary. The number of employees at the end of the period was 109 (106), of whom 24 (24) were employed in the Chinese subsidiary. The number of men employed was 57 and number of women employed was 52 at the end of the period.

SEKm



* For information and derivation of adjusted items, please see pages 17-18.



Condensed consolidated income statement

SEKm	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Net sales	123	77	339	266	357
Cost of goods sold	-33	-21	-94	-77	-104
Gross profit	91	56	245	190	253
Selling expenses	-18	-15	-57	-53	-74
Administrative expenses	-14	-12	-45	-44	-59
Research and development expenses	-9	-8	-28	-26	-35
Other operating income and expenses	-2	-5	-2	-13	-15
Operating profit/loss	48	15	113	53	70
Financial income and expenses	-1	3	0	9	14
Net financial items	-1	3	0	9	14
Profit/loss before tax	46	18	113	62	84
Income taxes	-10	-5	-25	-14	-20
Profit/loss for the period	36	14	88	48	64
Earnings per share basic, SEK	1.37	0.52	3.33	1.83	2.43
Earnings per share diluted, SEK	1.37	0.52	3.33	1.82	2.42
Average number of shares for the period, basic (thousand)	26,491	26,252	26,491	26,205	26,277
Average number of shares for the period, diluted (thousand)	26,524	26,367	26,497	26,367	26,398

Condensed consolidated statement of comprehensive income

SEKm	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Profit/loss for the period	36	14	88	48	64
Other comprehensive income					
Items that may subsequently be transferred to profit or loss					
Foreign currency translation	-1	-1	1	-1	-4
Changes in the fair value of cash flow hedges	-1	0	-5	1	10
Tax on components in other comprehensive income	0	0	1	0	-2
Items that cannot be transferred to profit or loss	-	-	-	-	-
Other comprehensive income for the period	-2	-1	-3	0	4
Comprehensive income for the period	35	13	85	48	68

Condensed consolidated balance sheet

SEKm	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	69	71	71
Property, plant and equipment	8	11	10
Right-of-use assets	11	15	15
Participations in associated companies	78	80	80
Other long term receivables	0	0	0
Total non-current assets	166	177	176
Current assets			
Inventories	6	5	4
Accounts receivable	134	101	91
Other current receivables	72	49	59
Current investments	0	180	183
Cash and cash equivalents	296	191	225
Total current assets	509	526	562
TOTAL ASSETS	675	703	738
EQUITY AND LIABILITIES			
Equity			
Share capital	3	3	3
Other paid in capital	383	367	381
Reserves	3	2	6
Retained earnings incl profit/loss for the period	197	252	268
Total equity	585	624	657
Non-current liabilities			
Lease liability	5	10	9
Other liabilities	10	10	9
Deferred tax liability	4	3	7
Total non-current liabilities	19	23	25
Current liabilities			
Lease liability	5	4	5
Accounts payable	41	28	30
Other liabilities	24	23	20
Total current liabilities	70	56	56
TOTAL EQUITY AND LIABILITIES	675	703	738

Condensed consolidated statement of changes in equity

SEKm	Jan-Sep 2024	Jan-Sep 2023	Jan-Dec 2023
Opening equity for the period	657	626	626
<i>Comprehensive income for the period</i>			
Profit/loss for the period	88	48	64
Other comprehensive income for the period	-3	0	4
Comprehensive income for the period	85	48	68
<i>Transactions with owners</i>			
Premium on issue of warrants	3	-	4
Equity settled share based payments	-	0	0
New share issues	-	94	103
Dividend	-159	-144	-144
Total transactions with the owners	-156	-50	-37
Closing equity for the period	585	624	657

Consolidated statement of cash flows

SEKm	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Operating activities					
Profit before tax	46	18	113	62	84
Adjustment for non-cash items	9	4	19	10	17
Income taxes paid	-15	-11	-43	-88	-98
Cash flow from operating activities before change in working capital	41	11	88	-15	4
Cash flow from changes in working capital					
Increase (-)/decrease (+) of inventories	1	-1	-2	2	2
Increase (-)/decrease (+) of current receivables	-1	13	-45	3	11
Increase (+)/decrease (-) of current liabilities	-4	-12	15	-10	-6
Cash flow from operating activities	36	12	56	-21	11
Investing activities					
Acquisition of intangible assets	-1	-2	-4	-4	-7
Acquisition of property, plant and equipment	-1	-1	-2	-2	-2
Gain on sale of property, plant and equipment	-	-	-	0	0
Investments in associated companies	-	-80	-	-80	-80
Cash flow from investing activities	-2	-82	-6	-86	-89
Financing activities					
New share issues	-	86	-	94	103
Premium received from issue of warrants	-	-	3	-	4
Paid dividend	-	-	-159	-144	-144
Amortization of lease debt	-1	-1	-4	-4	-5
Cash flow from financing activities	-1	85	-161	-54	-42
Net change in cash & cash equivalents	33	15	-111	-161	-121
Cash & cash equivalents at beginning of period	266	356	408	532	532
Exchange-rate difference, cash and cash equivalents	-3	0	-1	0	-4
Cash & cash equivalents at end of period	296	371	296	371	408

Condensed parent company income statement

SEKm	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Net sales	85	55	238	190	254
Cost of goods sold	-6	-8	-21	-20	-27
Gross profit	79	47	217	170	227
Selling expenses	-17	-14	-55	-51	-71
Administrative expenses	-13	-12	-44	-44	-58
Research and development expenses	-9	-8	-27	-25	-34
Other operating income and expenses	-2	-6	0	-13	-15
Operating profit/loss	38	8	91	37	49
Financial income and expenses	-1	3	1	9	33
Profit after financial items	37	11	92	46	82
Appropriations	-	-	-	-	-5
Appropriations	-	-	-	-	-5
Profit/loss before tax	37	11	92	46	77
Income taxes	-8	-3	-19	-10	-14
Profit/loss for the period	30	8	73	36	63

Condensed parent company statement of comprehensive income

SEKm	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full year 2023
Profit/loss for the period	30	8	73	36	63
Other comprehensive income					
Items that may subsequently be transferred to profit or loss					
Changes in the fair value of cash flow hedges	-1	0	-5	1	10
Tax on components in other comprehensive income	0	0	1	0	-2
Items that cannot be transferred to profit or loss	-	-	-	-	-
Other comprehensive income for the period	0	0	-4	1	8
Comprehensive income for the period	29	8	69	37	71

Condensed parent company balance sheet

SEKm	30 Sep 2024	30 Sep 2023	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	69	71	71
Property, plant and equipment	8	11	10
Participations in Group companies	1	1	1
Participations in associated companies	80	80	80
Other financial assets	1	1	-
Total non-current assets	158	163	161
Current assets			
Inventories	0	-	-
Accounts receivable	86	68	62
Other current receivables	69	45	55
Current investments	0	180	183
Cash & cash equivalents	240	133	180
Total current assets	395	426	480
TOTAL ASSETS	553	588	641
EQUITY AND LIABILITIES			
Equity			
Restricted equity	4	4	4
Non restricted equity	485	526	573
Total equity	490	530	577
Untaxed reserves	26	21	26
Total untaxed reserves	26	21	26
<i>Non-current liabilities</i>			
Other liabilities	10	10	9
Deferred tax liability	-	-	2
Total non-current liabilities	10	10	11
Current liabilities			
Accounts payable	11	11	12
Other current liabilities	16	16	14
Total current liabilities	28	27	26
TOTAL EQUITY AND LIABILITIES	553	588	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 and Sustainability 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 17-18. Definitions of alternative performance measures are presented in the Annual and Sustainability 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 and Sustainability 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.

The decrease in revenue from services this quarter is entirely attributable to the prior year's revenues from tools development for specific projects, and is not due to a reduction in the number of projects started.

Income by nature

SEKm	Jul-sep 2024	Jul-sep 2023	Jan-sep 2024	Jan-sep 2023	Full year 2023
<i>Revenue recognized at the time of delivery</i>					
Sales of goods	118	69	321	249	334
<i>Revenues reported over time</i>					
Sales of services	6	8	18	17	23
Total	123	77	339	266	357

Income by region

SEKm	Jul-sep 2024	Jul-sep 2023	Jan-sep 2024	Jan-sep 2023	Full year 2023
North America	70	33	188	153	207
Europe	26	18	77	63	82
Sweden	7	4	26	13	18
Asia and Australia	21	21	47	38	50
Total	123	77	339	266	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 increased during the third quarter with 61 percent mainly driven by North America with a growth of 109 percent and Europe with a growth of 47 percent.

Income per helmet category

SEKm	Jul-sep 2024	Jul-sep 2023	Jan-sep 2024	Jan-sep 2023	Full year 2023
Sports	111	69	304	239	323
Motorcycle	7	5	23	19	22
Safety	5	3	13	9	12
Total	123	77	339	266	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 third quarter in Sports increased by 61 percent. In Motorcycle revenues increased by 55 percent and in Safety revenues increased by 92 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 and Sustainability report for 2023 page 78.

Derivatives, short-term investments and non-current liabilities

The fair value of the derivatives as of 30 September 2024 amounted to a financial asset of SEK 1m, compared to a net financial liability of SEK 4m 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 belong to level 1 according to IFRS 13. The fair value of short-term investments as of 30 September 2024 amounted to SEK 0m (180). As of 30 September 2024, Mips had a non-current liability amounting to SEK 10m (10) 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 first nine months a profit share of approximately SEK -2m has been reported on the line Other operating income and expenses in the income statement.

Share capital and number of shares

As of 30 September 2024, the total registered number of shares amounted to 26,491,122 (26,465,978) and the share capital amounted to SEK 2,649,112 (2,646,598). All shares are ordinary shares and carry equal voting rights. The shares have a nominal value of SEK 0.10.

During the quarter, Mips has in accordance with the resolution made by the Annual General Meeting reduced the share capital by SEK 215.10 by way of cancellation of 2,151 shares held by Mips in treasury and previously repurchased by Mips to secure delivery of shares under previous share-based incentive programs that are no longer outstanding. The reduction was completed in July 2024 following permission from the Swedish Companies Registration Office. As a result, the number of shares and votes have decreased by 2,151.

The number of outstanding shares as of 30 September 2024 was 26,491,122

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 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 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 been subject for a review engagement by the company's auditors.

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, 24 October 2024

Mips AB (publ)

The Board of Directors

Review report

Mips AB

Corp. id 556609-0162

Introduction

We have reviewed the condensed interim financial information (interim report) of Mips AB (publ) as of 30 September 2024 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing

practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 24 October 2024

KPMG AB

Alexander Tistam

Authorized Public Accountant

Quarterly consolidated performance measures

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	LTM
Net sales	123	133	83	91	77	102	88	107	113	206	137	198	185	430
Net sales growth, %	61	31	-6	-15	-32	-51	-35	-46	-39	45	65	41	81	15
Gross profit	91	97	57	64	56	71	62	77	78	151	99	145	136	309
Gross margin, %	73.4	72.9	69.4	70.2	73.1	70.0	70.8	72.3	69.0	73.4	72.5	73.0	73.3	71.8
Operating profit	48	52	14	17	15	23	15	24	37	107	62	104	110	130
Operating margin, %	38.5	38.9	16.5	18.8	19.5	22.6	17.5	22.0	32.8	51.7	45.3	52.6	59.6	30.2
Adjusted operating profit	48	52	14	17	15	23	15	24	37	107	62	104	110	130
Adjusted operating margin, %	38.5	38.9	16.5	18.8	19.5	22.6	17.5	22.0	32.8	51.7	45.3	52.6	59.6	30.2
EBITDA	52	57	18	22	20	28	20	29	41	110	65	107	113	149
EBITDA-margin, %	42.4	42.4	22.2	23.9	25.5	27.1	22.5	27.1	36.3	53.5	47.6	54.2	61.3	34.6
Depreciation/ amortization	5	5	5	5	5	5	4	6	4	4	3	3	3	19
Earnings per share basic, SEK	1.37	1.53	0.44	0.60	0.52	0.76	0.55	0.71	1.10	3.04	1.83	3.05	3.38	3.93
Earnings per share diluted, SEK	1.37	1.53	0.44	0.60	0.52	0.76	0.55	0.71	1.10	3.01	1.81	3.00	3.33	3.93
Equity ratio, %	87	85	89	89	89	85	88	82	76	74	80	76	78	87
Cash flow from operat- ing activities	36	29	-10	31	12	9	-42	47	97	55	37	81	71	87
Average number of employees	102	100	103	104	102	99	98	96	93	89	80	77	74	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

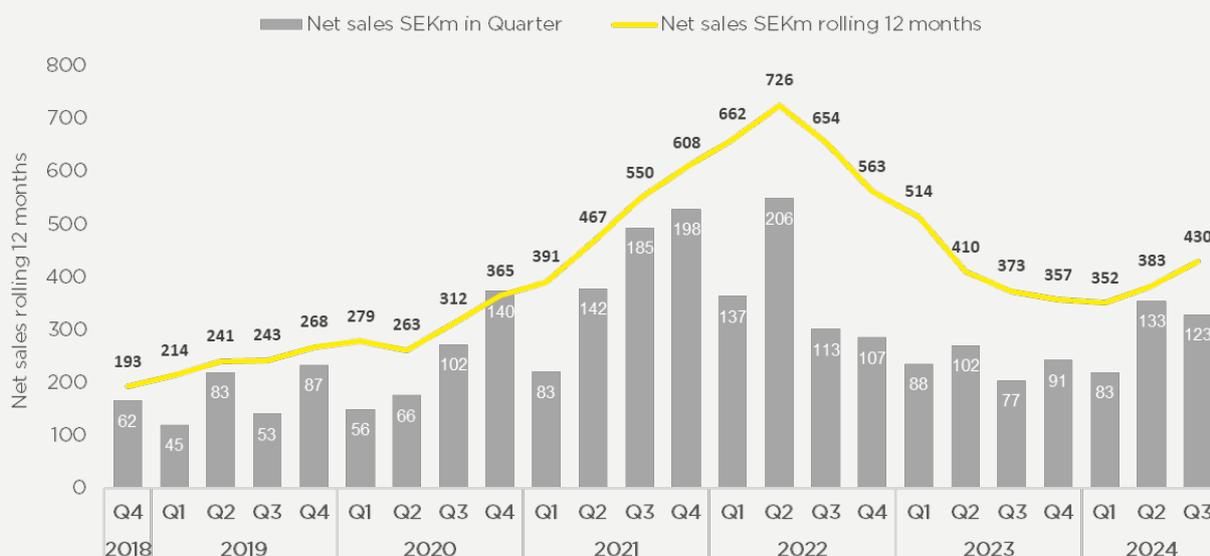
Since Mips invoices its goods and services in USD and CNY at the same time as the accounting currency is SEK, it is essential to create an understanding of how the company performs excluding currency exchange effects when recalculating sales.

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	Jul-Sep 2024	Jan-Sep 2024
Net sales growth	61%	27%
Net Sales in USDm	8	22
Net Sales in SEKm at 2024 average USD exchange rate	85	237
Net Sales in SEKm at 2023 average USD exchange rate	90	238
Impact currency in absolute numbers	-5	-2
Net Sales 2023 SEKm	77	266
USD impact on growth	-6%	-1%
Net Sales in CNYm	26	69
Net Sales in SEKm at 2024 average CNY exchange rate	38	101
Net Sales in SEKm at 2023 average CNY exchange rate	39	104
Impact currency in absolute numbers	-1	-3
Net Sales 2023 SEKm	77	266
CNY impact on growth	-1%	-1%
Organic growth	69%	29%

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 24 October 2024 at 10.00 a.m. CET. To participate, please register at the webcast or telephone conference at below links:

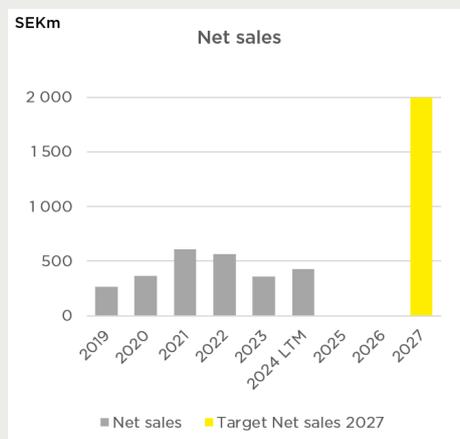
Webcast: <https://edge.media-server.com/mmc/p/5vvd8ya>

Telephone conference: <https://register.vevent.com/register/Bla6fd2e64f7a54aa68725b7e27ca876e7>

FINANCIAL CALENDAR	2024-2025
6 February 2025:	Year-end-report 2024
20 March 2025:	Annual and Sustainability report 2024
24 April 2025:	Interim report January-March 2025
7 May 2025:	Annual General Meeting
16 July 2025:	Interim report January-June 2025
22 October 2025:	Interim report January-September 2025

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 85 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 24 October 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

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