

Q4 Year-end report 2024

October-December 2024

- Net sales increased by 58% to SEK 144m (91), organic growth amounted to 52% during the quarter
- Operating profit increased by 260% to SEK 62m (17)
- Operating margin improved by 24.1 percentage points to 42.9% (18.8)
- Cash flow from operating activities increased by SEK 55m to SEK 87m (31)
- Earnings per share, diluted, increased by 234% and amounted to SEK 1.99 (0.60)

January-December 2024

- Net sales increased by 35% to SEK 483m (357), organic growth amounted to 35%
- Operating profit increased by 148% to SEK 174m (70)
- Operating margin improved by 16.4 percentage points to 36.1% (19.7)
- Cash flow from operating activities increased by SEK 132m to SEK 142m (11)
- Earnings per share, diluted, increased by 120% to SEK 5.32 (2.42)
- The Board of Directors proposes a dividend of SEK 6.50 (6.00) per share, corresponding of 122% of net earnings during the year
- Updated long-term financial target to reach net sales >SEK 2 billion no later than 2029

The Mips Group in brief

SEKm	Oct-Dec 2024	Oct-Dec 2023	Δ%	Jan-Dec 2024	Jan-Dec 2023	Δ%
Net sales	144	91	58	483	357	35
Gross profit	105	64	64	350	253	38
Gross margin, %	72.9	70.2	-	72.5	70.9	-
Operating profit (EBIT)	62	17	260	174	70	148
Operating margin (EBIT-margin), %	42.9	18.8	-	36.1	19.7	-
Profit for the period	53	16	234	141	64	121
Earnings per share basic, SEK	2.00	0.60	234	5.32	2.43	119
Earnings per share diluted, SEK	1.99	0.60	234	5.32	2.42	120
Cash flow from operating activities	87	31	176	142	11	1 230
Dividend per share, SEK	-	-	-	6.00	5.50	-

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

CEO's comments

Strong end to the year with solid growth in all our categories and all geographies

We ended the year with another strong quarter and organic growth of 52 percent compared to the same quarter last year. We achieved organic growth of 35 percent for the full year. I am pleased to see that our performance has been strong in all the categories we operate in, and that we have grown in all the geographies we sell to.

In the Sports and Motorcycle categories, we are now seeing a more normalized market situation. In these categories, where we have strong customer awareness, our focus is to drive increased penetration by equipping more helmet models from more helmet brands with Mips solutions. The rate of implementation of Mips technology in new helmets was the highest ever this year. Furthermore, we are still seeing great interest from our customers in all three of our categories in implementing Mips' safety system, also in the Safety category, which is significantly less mature in terms of implementing our type of solutions.

We have experienced that helmet inventory levels have largely normalized this year, and a lot of our growth is due to our customers once again starting to order products from us, rather than taking from their own stocks. We believe this will continue to contribute to our growth in 2025. The fourth quarter was our best quarter ever in the Safety category. This year we have almost doubled the number of helmet models on the market and have substantially strengthened our position in this category.

The increase in net sales that we saw this quarter has led to a considerable improvement in profitability compared to the same quarter last year. Operating profit improved by 260 percent to SEK 62m (17) this quarter, and the operating margin thereby improved to 43 percent (19). Looking at the entire year, operating profit has increased from SEK 70m to SEK 174m, and the operating margin has improved, reaching 36 percent (20). The operating cash flow amounted to SEK 87m (31) in the quarter, and for the full year the cash flow was SEK 142m (11).

The Board of Directors proposes a dividend of SEK 6.50 (6.00) per share for 2024, which corresponds to 122 percent of net earnings for the year. This well exceeds our target of distributing more than 50 percent of our net earnings.

Sustainability - continued focus on delivering against our long-term targets

In terms of our work with sustainability, we continued our journey towards our long-term goals this year. One of our targets was to reduce Mips' carbon dioxide emissions by 8 percent per solution sold this year, and we managed to deliver a total

reduction of 18 percent. The second target was to expand the third-party auditing of our supply chain, and we have now audited five of our largest manufacturing suppliers and thus delivered on our target. Our third target was to increase the use of recycled materials in Mips' solutions by at least 10 percent, and we have successfully achieved an increase of 16 percent.

Helmet category Sports - strong progress in all sub-categories

We achieved growth of 56 percent in the Sports helmet category this quarter, and for the fifth quarter in a row we delivered growth in the bike sub-category, Mips' largest sub-category. Global inventory levels are now at a healthier level than during the very turbulent years following the pandemic. This does not mean that all inventory levels have now completely normalized though, and many retailers are still trying to come to terms with an unfavorable product mix.

According to current market data for the bike market in North America, there is a shift in the trend and volumes in the quarter have started to grow again compared to last year. Looking at the entire year, volumes are still down however positive to note is that the market recovery has begun. We are seeing a recovery in Europe where there is growth in many markets once again. However, it is important to remember that there are relatively weak comparative figures for this market as European consumers have faced a challenging situation in recent years. The high levels of inventory that followed the pandemic have made many helmet brands cautious about new product launches. It will therefore be interesting to see how all the new helmet models are received when 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 57 percent for the quarter, and growth of 25 percent for the full year. We are happy to see that the inventory situation has normalized, and also that the initiatives we launched have had the desired effect. As in the Sports category, growth has primarily been 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 substantially 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 materially 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 best quarter so far in the Safety helmet category and we saw good growth of 119 percent. Growth for the full year was 55 percent in this category.

During the quarter we launched a new partnership, and a new helmet equipped with Mips technology, with the HexArmor brand in the US. HexArmor is an innovative, driven helmet producer in the American market and we look forward to seeing how the helmet will be received. Through this launch we have sharpened our offering even further, and it will be exciting to follow developments in 2025. While larger volume sales with selected helmet brands have been slightly slower than we had hoped, we are delighted to see that growth has now taken off and we remain very positive about this category over the long term.

Continued normalization of inventory levels

Progress was strong in the fourth quarter. I am pleased that all of our sub-categories and geographies grew during the quarter. During the quarter, it has been exciting to see the shift in trends that has occurred in the important American market after a challenging period. 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 is the highest ever.

The new American president has now taken office, and it remains to be seen how his administration will affect the business relationships with international companies and the geopolitical landscape. Mips sells all products based on Incoterms Ex Works, which means that the buyer takes responsibility for transport costs, fees, taxes, tariffs and so on.



”Strong end to the year with solid growth in all our categories and all geographies”

Updated long-term financial target

We remain confident in the strategic plan communicated at our Capital Markets Day in June 2022. The plan is built on three strategic pillars to 1) grow the existing business, 2) open up new channels and markets and 3) capture new opportunities within helmet safety.

We see that we have successfully continued to gain market share and increase the penetration of the number of helmet models equipped with Mips' technology among our customers through our market-leading safety solution.

After summarizing the year, we have assessed the possibilities of reaching our financial targets by 2027. We have seen that it has taken longer for both the retail chain and helmet manufacturers to normalize their inventory levels than expected in connection with our Capital Markets Day. This, together with a relatively uncertain consumer market, geopolitical uncertainty and a new administration in the important US market, means that our new assessment is that we will reach our net sales target of >SEK 2 billion no later than 2029, which is two years later than the target communicated in 2022. Our long-term profitability target and dividend target communicated in 2022 remain unchanged. This means that our financial targets now are:

- Net sales >SEK 2 billion no later than 2029 (previously 2027)
- EBIT margin >50% (no change)
- >50% dividend of annual net earnings (no change)

We will continue to grow our business with our strong market position in the helmet sector, our broad expertise and our patented technology. We will also continue to invest in research and development and in our brand to achieve our ambition.

Stockholm, February 2025

Max Strandwitz
President and CEO

Financial performance

October – December

Net sales

Net sales for the fourth quarter increased to SEK 144m (91), an increase of 58 percent. Adjusted for exchange rate effects, the organic sales growth amounted to 52 percent. The increase in net sales is mainly explained by the development in the sub-category bike within Sports.

Changes in net sales

%	Oct-Dec 2024	Jan-Dec 2024
Organic growth	52	35
Change in exchange rates	6	0
Total	58	35

Gross profit

Gross profit increased by 64 percent to SEK 105m (64). The gross margin amounted to 72.9 percent (70.2) where the increase in the gross margin mainly is explained by an effect of increase in net sales.

Operating profit (EBIT)

Operating profit increased by 260 percent to SEK 62m (17), corresponding to an operating margin of 42.9 percent (18.8). The increase in operating profit is mainly explained by increased sales.

Selling expenses amounted to SEK 20m (21). Administrative expenses amounted to SEK 15m (15) during the quarter. Research and development costs amounted to SEK 10m (9).

Profit for the period and earnings per share

Profit before tax amounted to SEK 69m (21). Tax expenses for the quarter amounted to SEK -17m (-6), corresponding to an effective tax rate of 23.9 percent (26.3). Profit for the period was SEK 53m (16). Diluted earnings per share amounted to SEK 1.99 (0.60).

Cash flow

Cash flow from operating activities amounted to SEK 87m (31). The change is mainly explained by increased earnings and repaid preliminary tax regarding 2023.

Cash flow from investing activities was SEK -4m (-3). Cash flow from financing activities was SEK -1m (12), where previous year is attributable to exercising of warrants under the warrant-based incentive programs of SEK 9m and received premium payments for issued warrants of SEK 4m.

Cash flow for the period amounted to SEK 81m (41).

January – December

Net sales

Net sales for the full year amounted to SEK 483m (357), an increase by 35 percent. Adjusted for exchange rate effects, the organic development was 35 percent. The increase in net sales is mainly explained by higher sales within the bike sub-category.

Gross profit

Gross profit increased by 38 percent to SEK 350m (253). The gross margin amounted to 72.5 percent (70.9) where the increase mainly is an effect of increase in net sales.

Operating profit (EBIT)

Operating profit increased to SEK 174m (70), corresponding to an operating margin of 36.1 percent (19.7). The increase in operating profit is mainly explained by increased sales during the year and lower negative exchange rate effects in other operating costs.

Selling expenses amounted to SEK 77m (74), mainly driven by strategic initiatives within marketing. Administrative expenses amounted to SEK 60m (59). Research and development costs amounted to SEK 39m (35) mainly attributable to strengthening the organization.

Profit for the period and earnings per share

Profit before tax amounted to SEK 183m (84). Tax expenses during the year amounted to SEK -42m (-20), corresponding to an effective tax rate of 22.8 percent (23.9). Profit for the period was SEK 141m (64). Diluted earnings per share amounted to SEK 5.32 (2.42).

Cash flow

Cash flow from operating activities amounted to SEK 142m (11). 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 -10m (-89), where previous year mainly is driven by the investment in Quin of SEK -80m. Cash flow from financing activities was SEK -162m (-42) mainly attributable to dividend payment of SEK -159m (-144) and previous year exercising of warrants under the warrant-based incentive programs of SEK 103m.

Cash flow for the full year of 2024 amounted to SEK -29m (-121).

Financial position

The Group's total assets as of 31 December 2024 amounted to SEK 739m (738).

Non-current assets as of 31 December 2024 amounted to SEK 165m (176). Short-term investments of SEK 0m (183) 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 31 December 2024 amounted to SEK 382m (408).

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. During 2024 Mips has discontinued with hedging arrangements and the last hedge was completed in October 2024. During the year derivatives have been valued at fair market value and previous year the derivatives amounted to a net financial asset of SEK 5m. Hedge accounting has been applied, whereby the unrealized change in the fair value of the derivatives is primarily reported in Other comprehensive income. From 2025, the strategy is that fluctuations in exchange rates will fully affect the income statement.

Investments

During the fourth 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 (0).

During the year, investments amounted to SEK 10m (89), where previous year mainly is driven by the investment in Quin of SEK 80m. Investments in intangible assets amounted to SEK 6m

(7) 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 31 December 2024 related to investments.

Parent company

Net sales for the year for the parent company amounted to SEK 338m (254). Profit for the same period was SEK 144m (63).

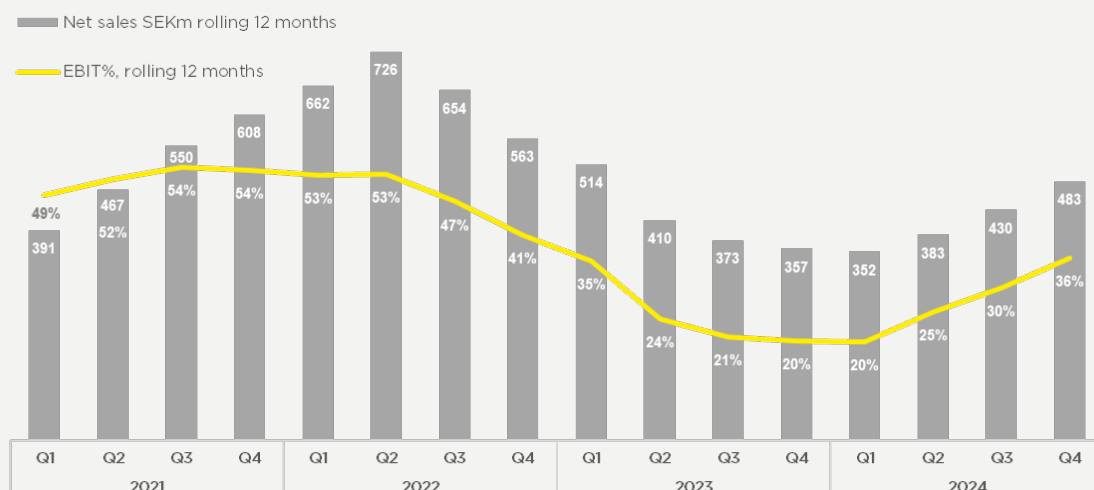
During the fourth quarter, financial income is mainly explained by dividend from Mips' Chinese subsidiary Mips AB (Dongguan) of SEK 21m.

Cash and cash equivalents, including short-term investments, as of 31 December 2024 amounted to SEK 340m (363).

Employees

The average number of employees during the fourth quarter was 106 (104), of whom 24 (24) were employed in the Chinese subsidiary. The number of employees at the end of the period was 109 (105), 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 15-16.



Condensed consolidated income statement

SEKm	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	144	91	483	357
Cost of goods sold	-39	-27	-133	-104
Gross profit	105	64	350	253
Selling expenses	-20	-21	-77	-74
Administrative expenses	-15	-15	-60	-59
Research and development expenses	-10	-9	-39	-35
Other operating income and expenses	2	-2	0	-15
Operating profit/loss	62	17	174	70
Financial income and expenses	8	4	8	14
Net financial items	8	4	8	14
Profit/loss before tax	69	21	183	84
Income taxes	-17	-6	-42	-20
Profit/loss for the period	53	16	141	64
Earnings per share basic, SEK	2.00	0.60	5.32	2.43
Earnings per share diluted, SEK	1.99	0.60	5.32	2.42
Average number of shares for the period, basic (thousand)	26,491	26,490	26,491	26,277
Average number of shares for the period, diluted (thousand)	26,521	26,490	26,503	26,398

Condensed consolidated statement of comprehensive income

SEKm	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Profit/loss for the period	53	16	141	64
Other comprehensive income				
Items that may subsequently be transferred to profit or loss				
Foreign currency translation	3	-3	4	-4
Changes in the fair value of cash flow hedges	-	8	-5	10
Tax on components in other comprehensive income	-	-2	1	-2
Items that cannot be transferred to profit or loss	-	-	-	-
Other comprehensive income for the period	3	4	0	4
Comprehensive income for the period	56	20	141	68

Condensed consolidated balance sheet

SEKm	31 Dec 2024	31 Dec 2023
ASSETS		
Non-current assets		
Intangible assets	69	71
Property, plant and equipment	8	10
Right-of-use assets	13	15
Participations in associated companies	74	80
Other long term receivables	0	0
Total non-current assets	165	176
Current assets		
Inventories	8	4
Accounts receivable	156	91
Other current receivables	29	59
Current investments	0	183
Cash and cash equivalents	382	225
Total current assets	575	562
TOTAL ASSETS	739	738
EQUITY AND LIABILITIES		
Equity		
Share capital	3	3
Other paid in capital	383	381
Reserves	6	6
Retained earnings incl profit/loss for the period	250	268
Total equity	641	657
Non-current liabilities		
Lease liability	6	9
Other liabilities	10	9
Deferred tax liability	4	7
Total non-current liabilities	20	25
Current liabilities		
Lease liability	6	5
Accounts payable	45	30
Other liabilities	26	20
Total current liabilities	78	56
TOTAL EQUITY AND LIABILITIES	739	738

Condensed consolidated statement of changes in equity

SEKm	Jan-Dec 2024	Jan-Dec 2023
Opening equity for the period	657	626
<i>Comprehensive income for the period</i>		
Profit/loss for the period	141	64
Other comprehensive income for the period	0	4
Comprehensive income for the period	141	68
<i>Transactions with owners</i>		
Premium on issue of warrants	3	4
Equity settled share based payments	-	0
New share issues	-	103
Dividend	-159	-144
Total transactions with the owners	-156	-37
Closing equity for the period	641	657

Consolidated statement of cash flows

SEKm	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Operating activities				
Profit before tax	69	21	183	84
Adjustment for non-cash items	2	7	21	17
Income taxes paid	23	-10	-21	-98
Cash flow from operating activities before change in working capital	95	19	183	4
Cash flow from changes in working capital				
Increase (-)/decrease (+) of inventories	-2	1	-4	2
Increase (-)/decrease (+) of current receivables	-11	8	-56	11
Increase (+)/decrease (-) of current liabilities	4	4	19	-6
Cash flow from operating activities	87	31	142	11
Investing activities				
Acquisition of intangible assets	-2	-2	-6	-7
Acquisition of property, plant and equipment	-2	0	-4	-2
Gain on sale of property, plant and equipment	-	-	-	0
Investments in associated companies	-	-	-	-80
Cash flow from investing activities	-4	-3	-10	-89
Financing activities				
New share issues	-	9	-	103
Premium received from issue of warrants	-	4	3	4
Paid dividend	-	-	-159	-144
Amortization of lease debt	-1	-1	-6	-5
Cash flow from financing activities	-1	12	-162	-42
Net change in cash & cash equivalents	81	41	-29	-121
Cash & cash equivalents at beginning of period	296	371	408	532
Exchange-rate difference, cash and cash equivalents	5	-4	4	-4
Cash & cash equivalents at end of period	382	408	382	408

Condensed parent company income statement

SEKm	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	99	64	338	254
Cost of goods sold	-8	-7	-29	-27
Gross profit	91	57	309	227
Selling expenses	-19	-20	-75	-71
Administrative expenses	-15	-14	-58	-58
Research and development expenses	-10	-9	-37	-34
Other operating income and expenses	6	-2	5	-15
Operating profit/loss	53	12	144	49
Financial income and expenses	29	24	30	33
Profit after financial items	82	36	174	82
Appropriations	3	-5	3	-5
Appropriations	3	-5	3	-5
Profit/loss before tax	85	31	177	77
Income taxes	-14	-3	-33	-14
Profit/loss for the period	71	27	144	63

Condensed parent company statement of comprehensive income

SEKm	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Profit/loss for the period	71	27	144	63
Other comprehensive income				
Items that may subsequently be transferred to profit or loss				
Changes in the fair value of cash flow hedges	-	8	-5	10
Tax on components in other comprehensive income	-	-2	1	-2
Items that cannot be transferred to profit or loss	-	-	-	-
Other comprehensive income for the period	-	6	-4	8
Comprehensive income for the period	71	34	140	71

Condensed parent company balance sheet

SEKm	31 Dec 2024	31 Dec 2023
ASSETS		
Non-current assets		
Intangible assets	69	71
Property, plant and equipment	8	10
Participations in Group companies	1	1
Participations in associated companies	80	80
Other financial assets	1	-
Total non-current assets	159	161
Current assets		
Inventories	0	-
Accounts receivable	100	62
Other current receivables	25	55
Current investments	0	183
Cash & cash equivalents	340	180
Total current assets	465	480
TOTAL ASSETS	624	641
EQUITY AND LIABILITIES		
Equity		
Restricted equity	4	4
Non restricted equity	556	573
Total equity	560	577
Untaxed reserves	24	26
Total untaxed reserves	24	26
<i>Non-current liabilities</i>		
Other liabilities	10	9
Deferred tax liability	-	2
Total non-current liabilities	10	11
Current liabilities		
Accounts payable	12	12
Other current liabilities	17	14
Total current liabilities	29	26
TOTAL EQUITY AND LIABILITIES	624	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 15-16. 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. The new American president has now taken office, and it remains to be seen how his administration will affect the business relationships with international companies and the geopolitical landscape. Mips sells all products based on Incoterms Ex Works, which means that the buyer takes responsibility for transport costs, fees, taxes, tariffs and so on. 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.

Income by nature

SEKm	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
<i>Revenue recognized at the time of delivery</i>				
Sales of goods	136	85	457	334
<i>Revenues reported over time</i>				
Sales of services	7	6	26	23
Total	144	91	483	357

Income by region

SEKm	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
North America	67	55	256	207
Europe	43	20	120	82
Sweden	16	5	42	18
Asia and Australia	17	11	64	50
Total	144	91	483	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. During the fourth quarter all regions showed positive growth. Revenues increased during the fourth quarter with 58 percent mainly driven by Europe with a growth of 112 percent, North America with a growth of 24 percent and Sweden with a growth of 245 percent.

Income per helmet category

SEKm	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Sports	133	85	437	323
Motorcycle	5	3	28	22
Safety	6	3	18	12
Total	144	91	483	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 fourth quarter in Sports increased by 56 percent. In Motorcycle revenues increased by 57 percent and in Safety revenues increased by 119 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 31m (23) on the full-year figures for 2024. Up until October 2024 Mips has hedged part of the company's USD exposure, but has since then discontinued with hedging arrangements. The last hedge was 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

As of 31 December 2024, no derivatives remain in the Group. The fair value of the derivatives as of 31 December 2023 amounted to a financial asset of SEK 5m. Hedge accounting has been applied whereby the unrealized change in fair value of the outstanding derivatives has primarily been 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 31 December 2024 amounted to SEK 0m (183). As of 31 December 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 year a profit share of SEK -5m has been reported on the line Other operating income and expenses in the income statement.

Share capital and number of shares

As of 31 December 2024, the total registered number of shares amounted to 26,491,122 (26,493,273) and the share capital amounted to SEK 2,649,112 (2,649,327). All shares are ordinary shares and carry equal voting rights. The shares have a nominal value of SEK 0.10.

During the year, 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 own 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 31 December 2024 was 26,491,122.

Dividend

Prior to the Annual General Meeting in May, the Board of Directors will propose a dividend of SEK 6.50 per share (6.00) for 2024, which corresponds to SEK 172m, based on the number of outstanding shares as per 31 December 2024. The proposed dividend corresponds to 122% of the Group's net earnings during the year.

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. 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 (before recalculation) and in the second program it amounts to 388.25 SEK per Mips share (before recalculation). Each warrant entitles to subscription of one new share in the company. 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. In the first program the exercise price after paid dividend is SEK 390.73. In the second program the exercise price after paid dividend is SEK 382.82.

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

Stockholm 5 February 2025

Max Strandwitz
President and CEO

Quarterly consolidated performance measures

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	LTM
Net sales	144	123	133	83	91	77	102	88	107	113	206	137	198	483
Net sales growth, %	58	61	31	-6	-15	-32	-51	-35	-46	-39	45	65	41	35
Gross profit	105	91	97	57	64	56	71	62	77	78	151	99	145	350
Gross margin, %	72.9	73.4	72.9	69.4	70.2	73.1	70.0	70.8	72.3	69.0	73.4	72.5	73.0	72.5
Operating profit	62	48	52	14	17	15	23	15	24	37	107	62	104	174
Operating margin, %	42.9	38.5	38.9	16.5	18.8	19.5	22.6	17.5	22.0	32.8	51.7	45.3	52.6	36.1
Adjusted operating profit	62	48	52	14	17	15	23	15	24	37	107	62	104	174
Adjusted operating margin, %	42.9	38.5	38.9	16.5	18.8	19.5	22.6	17.5	22.0	32.8	51.7	45.3	52.6	36.1
EBITDA	66	52	57	18	22	20	28	20	29	41	110	65	107	194
EBITDA-margin, %	46.3	42.4	42.4	22.2	23.9	25.5	27.1	22.5	27.1	36.3	53.5	47.6	54.2	40.1
Depreciation/ amortization	5	5	5	5	5	5	5	4	6	4	4	3	3	19
Earnings per share basic, SEK	2.00	1.37	1.53	0.44	0.60	0.52	0.76	0.55	0.71	1.10	3.04	1.83	3.05	5.32
Earnings per share diluted, SEK	1.99	1.37	1.53	0.44	0.60	0.52	0.76	0.55	0.71	1.10	3.01	1.81	3.00	5.32
Equity ratio, %	87	87	85	89	89	89	85	88	82	76	74	80	76	87
Cash flow from operat- ing activities	87	36	29	-10	31	12	9	-42	47	97	55	37	81	142
Average number of employees	106	102	100	103	104	102	99	98	96	93	89	80	77	103

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

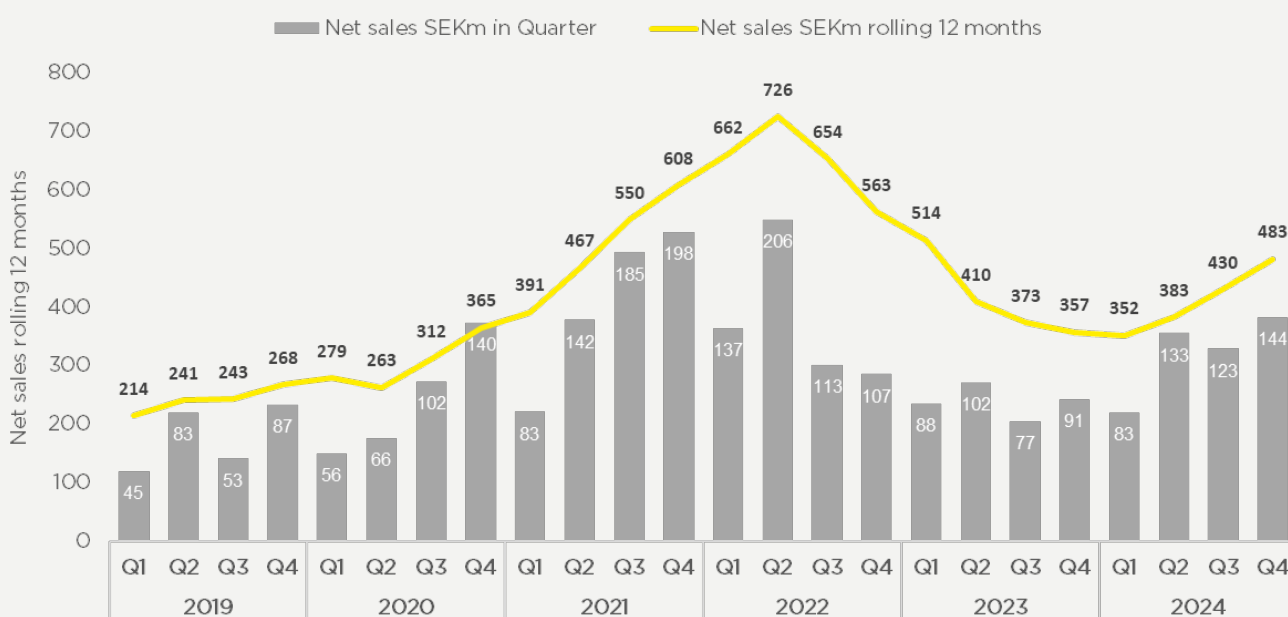
Since Mips invoices its goods and services in USD and CNY at the same time as the accounting currency is SEK, it is essential to create an understanding of how the company performs excluding currency exchange effects when recalculating sales.

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.

	Oct-Dec 2024	Jan-Dec 2024
Organic growth		
Net sales growth	58%	35%
Net Sales in USDm	9	32
Net Sales in SEKm at 2024 average USD exchange rate	99	336
Net Sales in SEKm at 2023 average USD exchange rate	94	333
Impact currency in absolute numbers	5	3
Net Sales 2023 SEKm	91	357
USD impact on growth	5%	1%
Net Sales in CNYm	30	99
Net Sales in SEKm at 2024 average CNY exchange rate	44	145
Net Sales in SEKm at 2023 average CNY exchange rate	44	148
Impact currency in absolute numbers	0	-3
Net Sales 2023 SEKm	91	357
CNY impact on growth	0%	-1%
Organic growth	52%	35%

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:

Max Strandwitz, President and CEO
Max.Strandwitz@Mipsprotection.com
tel +46 709 61 17 54

Karin Rosenthal, CFO

Karin.Rosenthal@Mipsprotection.com
tel +46 768 34 63 66

Mips will present the interim report at an audiocast via teleconference on 6 February 2025 at 10.00 a.m. CET. To participate, please register at the webcast or telephone conference at below links:

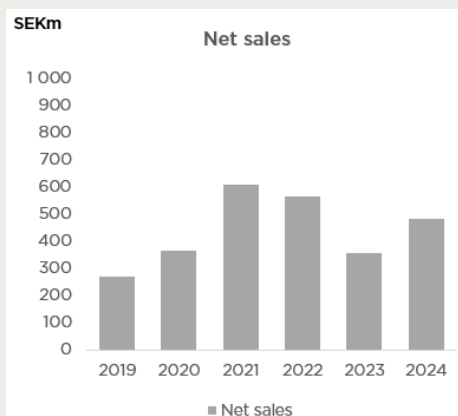
Webcast: <https://edge.media-server.com/mmc/p/ncwpat4f>

Telephone conference: <https://register-conf.media-server.com/register/B10a545f92fde64d46b1eedd607273c9e1>

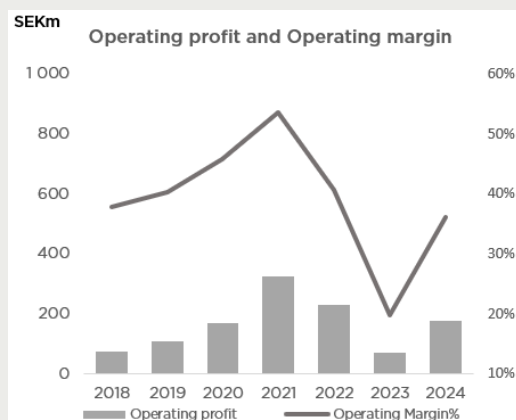
FINANCIAL CALENDAR	2025
20 March 2025:	Annual and Sustainability report 2024
24 April 2025:	Interim report January-March 2025
7 May 2025:	Annual General Meeting Mips AB Kemistvägen 1B Täby
16 July 2025:	Interim report January-June 2025
22 October 2025:	Interim report January-September 2025

About Mips

Growth



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:

Net sales >SEK 2 billion no later than 2029

PROFITABILITY:

EBIT margin >50%

DIVIDEND POLICY:

>50% dividend of annual net earnings

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 Targets 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. Long term target 2030: Reach an average supplier social audit score of 90 (out of 100) with our manufacturing suppliers.

CIRCULAR PRODUCT OFFERING:

Mips uses post industrial recycled plastic in its solutions but the ambition is however to create solutions that are more sustainable and support the climate transition. Long term target 2030: Reach 90 percent recycled material usage in total solutions sold.

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 2024 amounted to SEK 483m and the operating margin was 36 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 5 February 2025 at 6.10 p.m. CET.

This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish interim report and the English translation, the former shall take precedence.



Safety for helmets

Mips AB
Kemistvägen 1B, SE-183 79 Täby
Mipsprotection.com