

# Q1



## Interim Report January – March 2025



# In brief

## January-March 2025

- Net sales increased by 40% to SEK 116m (83), organic growth amounted to 42% during the quarter
- Operating profit increased by 78% to SEK 24m (14)
- Operating margin improved by 4.5 percentage points to 20.9% (16.5)
- Cash flow from operating activities increased by SEK 46m to SEK 36m (-10)
- Earnings per share, diluted, increased by 63% and amounted to SEK 0.71 (0.44)

## The Mips Group in brief

SEKm	Jan-Mar 2025	Jan-Mar 2024	Δ%	Full year 2024
Net sales	116	83	40	483
Gross profit	83	57	46	350
Gross margin, %	72.1	69.4	-	72.5
Operating profit (EBIT)	24	14	78	174
Operating margin (EBIT-margin), %	20.9	16.5	-	36.1
Profit for the period	19	12	63	141
Earnings per share basic, SEK	0.71	0.44	63	5.32
Earnings per share diluted, SEK	0.71	0.44	63	5.32
Cash flow from operating activities	36	-10	-	142
Dividend per share, SEK	-	-	-	6.00

For definitions and description of performance measures and alternative performance measures, please visit: [www.mipscorp.com](http://www.mipscorp.com)

# CEO's comments

## **Strong sales in all categories**

The very good sales development of recent quarters continued, and we delivered organic growth of 42 percent. We saw a good development in all our categories and in most geographies we sell to.

In early April, there was an announcement of high tariffs on goods imported into the US. The tariff package was extensive and larger than most people had expected and, despite the communication of a temporary pause in the introduction of the tariffs for many countries, the tariff level for China has been further elevated. Given the speed and scale of the changes, it is very difficult to assess the total impact. Our assessment is, in the short-term, that this can create uncertainty for our customers with a possible delay of orders which can result in postponed sales. This has nothing to do with the long-term demand for Mips products nor Mips position in the market, which remains strong. As regards the direct impact of the tariffs for Mips specifically, nothing has changed from what we have previously communicated. We sell all our products based on Incoterms Ex Works, which means that the buyer takes responsibility for transport costs, fees, taxes, tariffs and so on.

When it comes to the consumer markets where products with Mips' technology are sold, the developments differ. In the important US market, we are seeing that the consumers are more uncertain about what to expect going forward. The outlook for the economic situation and the impact of tariffs is unclear. This reflects the fact that many consumers are more cautious. At the same time, we are seeing a good level of demand in the bicycle helmet market so far.

In Europe, there are good developments on the consumer side and continued growth in sales, especially in Germany. The demand in our industry has been subdued for some time and the recovery of the market is now characterized as more normal, despite continued challenging economic developments.

Globally, our strong customer offering and brand strength mean that we continue to see a positive trend in the number of implementations of Mips' technology in new helmet models. Our project revenues were lower this quarter, which is exclusively due to the mix and the phasing of projects and the total number of customer projects remains at a high level.

## **Good profit development during a challenging time**

The strong growth in sales means we have seen a good improvement in the operating profit during the quarter, amounting to SEK 24m (14), an improvement of 78 percent. The quarter was negatively impacted by legal costs due to a lawsuit which one of Mips' US customers is a party to. Mips is not a party to the suit, but since the suit concerns areas where Mips has intellectual property rights, being an important cornerstone of our brand strength, we have chosen to engage to secure the best possible outcome. Mips' own intellectual property rights are not part of this suit. The operating profit was also affected by the impact of the revaluation of accounts receivable due to a weaker dollar in the quarter. The operating cash flow was strong this quarter and amounted to SEK 36m (-10).

## **Helmet category Sports – progress continues**

We achieved growth of 40 percent in the Sports helmet category this quarter, and for the sixth quarter in a row we delivered growth in the bike sub-category, Mips' largest sub-category. Inventory levels of bike helmets have now largely normalized around the world.

We see continued growth in the snow sub-category too, despite a relatively weak winter season in several geographies. As opening inventory levels for the winter season have generally been relatively low, we do not expect this to affect sales for the next season to any great extent as a whole during the year.

## **Helmet category Motorcycle – strong growth in the quarter**

In the Motorcycle helmet category we delivered sales growth of 32 percent this quarter. We are seeing the off-road sub-category, in particular, coming back strongly after a deep slump, but we are also still advancing our position in the on-road sub-category.

I am pleased to see that despite a generally challenging consumer market, we have seen good developments for Mips in this category. Our growth has mainly been driven by the fact that we are gaining greater market share, as well as the roll-out of new helmet models equipped with Mips' technology.

### **Helmet category Safety – an even better quarter**

The Safety helmet category once again delivered a strong quarter, with 60 percent growth and the best quarter ever in the category. This is despite the fact that seasonally we are not in the most active period. We continue to launch new helmets with brands such as HexArmor and so far this year, we have launched one new partnership with the brand Pyramex.

Through these launches we have sharpened our offering even further, and it will be exciting to follow developments in 2025.

### **Focus on our business**

The year has started strongly, and we have a broader and stronger offer than ever. However, it is currently unclear what the effects of the implementation of trade tariffs will be in the short-term. In these types of circumstances, we do best to focus on what we can influence; develop technical solutions that create safer helmets, win new customers and strengthen our brand.

Since we are convinced that helmet use will increase in the world over time, and that we will keep gaining market share, our ambition is to continue to grow and invest in our business, regardless of the world situation. We have a unique brand position in the helmet industry, broad expertise and patented technology. This means that I look forward to an exciting but challenging 2025, with a stronger market position than ever for Mips.

Stockholm, April 2025

Max Strandwitz  
President and CEO



”Strong sales in all categories”

# Financial performance

## January – March

### Net sales

Net sales for the first quarter increased to SEK 116m (83), an increase of 40 percent. Adjusted for exchange rate effects, the organic sales growth amounted to 42 percent. The increase in net sales is mainly explained by the development in the sub-category bike within Sports.

### Changes in net sales

%	Jan-Mar 2025
Organic growth	42
Change in exchange rates	-1
<b>Total</b>	<b>40</b>

### Gross profit

Gross profit increased by 46 percent to SEK 83m (57). The gross margin amounted to 72.1 percent (69.4) where the increase in the gross profit mainly is explained by an effect of increase in net sales.

### Operating profit (EBIT)

Operating profit increased by 78 percent to SEK 24m (14), corresponding to an operating margin of 20.9 percent (16.5). The increase in operating profit is mainly explained by increased sales, partly offset by negative exchange rate effects in other operating expenses.

Selling expenses amounted to SEK 20m (20). Administrative expenses amounted to SEK 23m (15), where the increase was mainly due to legal costs due to a lawsuit which one of Mips' US customers is a party to. Mips is not a party to the suit, but since the suit concerns areas where Mips has intellectual property rights, being an important cornerstone of our brand strength, Mips has chosen to engage to secure the best possible outcome. Mips' own intellectual property rights are not part of this suit. Research and development costs amounted to SEK 10m (9).

### Profit for the period and earnings per share

Profit before tax amounted to SEK 25m (15). Tax expenses for the quarter amounted to SEK -6m (-4), corresponding to an effective tax rate of 24.0 percent (23.5). Profit for the period was SEK 19m (12). Diluted earnings per share amounted to SEK 0.71 (0.44).

### Cash flow

Cash flow from operating activities amounted to SEK 36m (-10). The change is mainly explained by increased operating profit.

Cash flow from investing activities was SEK -3m (-2). Cash flow from financing activities was SEK -1m (1).

Cash flow for the period amounted to SEK 32m (-10).

### Financial position

The Group's total assets as of 31 March 2025 amounted to SEK 742m (751).

Non-current assets as of 31 March 2025 amounted to SEK 154m (172). Cash and cash equivalents, including short-term investments, as of 31 March 2025 amounted to SEK 408m (400). Short-term investments of SEK 0m (185) were previous year in their entirety invested in interest-bearing funds. The equity ratio was 87 percent (89).

Reported values for assets and liabilities are in all material aspects consistent with fair market value. From 2025 fluctuations in exchange rates fully affect the income statement. During 2024 Mips applied hedge accounting, which was discontinued in October 2024. Derivatives valued at fair market value has primarily been reported in Other comprehensive income and amounted as of 31 March 2024 to a net financial asset of SEK 1m.

### Investments

During the first quarter, investments having an impact on the cash flow amounted to SEK 3m (2). Investments in intangible fixed assets amounted to SEK 1m (1). Investments in tangible fixed assets amounted to SEK 2m (1).

The Group had no significant commitments as of 31 March 2025 related to investments.

### Parent company

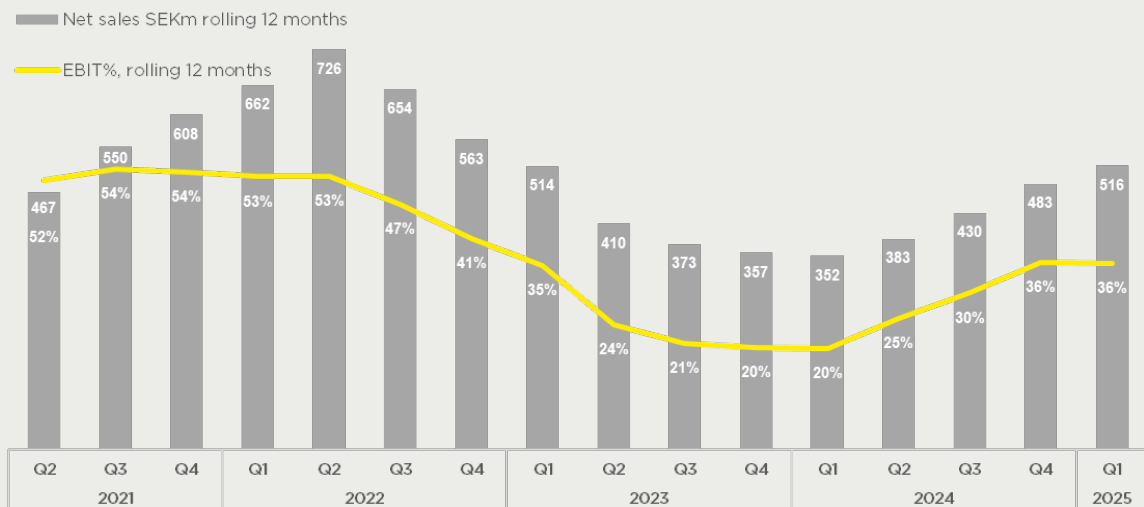
Net sales for the quarter for the parent company amounted to SEK 78m (59). Profit for the same period was SEK 15m (9).

Cash and cash equivalents, including short-term investments, as of 31 March 2025 amounted to SEK 365m (358).

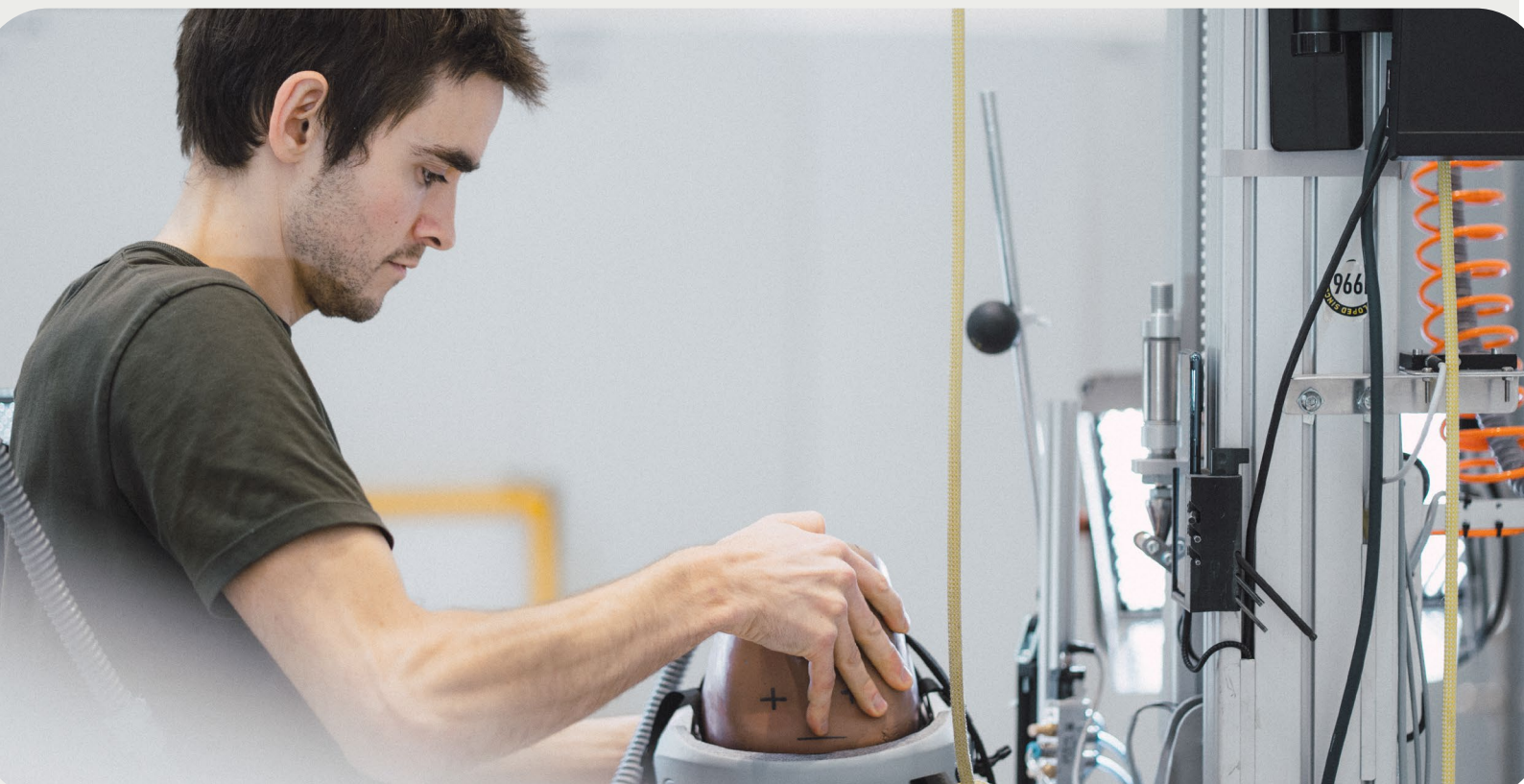
### Employees

The average number of employees during the first quarter was 106 (103), of whom 24 (24) were employed in the Chinese subsidiary. The number of employees at the end of the period was 110 (106), of whom 24 (24) were employed in the Chinese subsidiary. The number of men employed was 58 and number of women employed was 52 at the end of the period.

SEKm



\* For information and derivation of adjusted items, please see pages 16-17.



# Condensed consolidated income statement

SEKm	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Net sales	116	83	483
Cost of goods sold	-32	-25	-133
<b>Gross profit</b>	<b>83</b>	<b>57</b>	<b>350</b>
Selling expenses	-20	-20	-77
Administrative expenses	-23	-15	-60
Research and development expenses	-10	-9	-39
Other operating income and expenses	-6	0	0
<b>Operating profit/loss</b>	<b>24</b>	<b>14</b>	<b>174</b>
Financial income and expenses	1	2	8
<b>Net financial items</b>	<b>1</b>	<b>2</b>	<b>8</b>
<b>Profit/loss before tax</b>	<b>25</b>	<b>15</b>	<b>183</b>
Income taxes	-6	-4	-42
<b>Profit/loss for the period</b>	<b>19</b>	<b>12</b>	<b>141</b>
Earnings per share basic, SEK	0.71	0.44	5.32
Earnings per share diluted, SEK	0.71	0.44	5.32
Average number of shares for the period, basic (thousand)	26,491	26,491	26,491
Average number of shares for the period, diluted (thousand)	26,516	26,491	26,503

# Condensed consolidated statement of comprehensive income

SEKm	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
<b>Profit/loss for the period</b>	<b>19</b>	<b>12</b>	<b>141</b>
<b>Other comprehensive income</b>			
<b>Items that may subsequently be transferred to profit or loss</b>			
Foreign currency translation	-13	3	4
Changes in the fair value of cash flow hedges	-	-4	-5
Tax on components in other comprehensive income	-	1	1
<b>Items that cannot be transferred to profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the period</b>	<b>-13</b>	<b>0</b>	<b>0</b>
<b>Comprehensive income for the period</b>	<b>6</b>	<b>11</b>	<b>141</b>

# Condensed consolidated balance sheet

SEKm	31 Mar 2025	31 Mar 2024	31 Dec 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	68	70	69
Property, plant and equipment	9	9	8
Right-of-use assets	11	14	13
Participations in associated companies	66	79	74
Other long term receivables	0	0	0
<b>Total non-current assets</b>	<b>154</b>	<b>172</b>	<b>165</b>
<b>Current assets</b>			
Inventories	6	5	8
Accounts receivable	141	106	156
Other current receivables	33	68	29
Current investments	0	185	0
Cash and cash equivalents	408	215	382
<b>Total current assets</b>	<b>588</b>	<b>579</b>	<b>575</b>
<b>TOTAL ASSETS</b>	<b>742</b>	<b>751</b>	<b>739</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	3	3	3
Other paid in capital	383	383	383
Reserves	-7	6	6
Retained earnings incl profit/loss for the period	269	279	250
<b>Total equity</b>	<b>647</b>	<b>671</b>	<b>641</b>
<b>Non-current liabilities</b>			
Lease liability	4	8	6
Other liabilities	10	10	10
Deferred tax liability	4	6	4
<b>Total non-current liabilities</b>	<b>18</b>	<b>24</b>	<b>20</b>
<b>Current liabilities</b>			
Lease liability	6	5	6
Accounts payable	38	27	45
Other liabilities	33	24	26
<b>Total current liabilities</b>	<b>77</b>	<b>57</b>	<b>78</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>742</b>	<b>751</b>	<b>739</b>



# Condensed consolidated statement of changes in equity

SEKm	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
<b>Opening equity for the period</b>	<b>641</b>	<b>657</b>	<b>657</b>
<i>Comprehensive income for the period</i>			
Profit/loss for the period	19	12	141
Other comprehensive income for the period	-13	0	0
<b>Comprehensive income for the period</b>	<b>6</b>	<b>11</b>	<b>141</b>
<i>Transactions with owners</i>			
Premium on issue of warrants	-	3	3
Dividend	-	-	-159
<b>Total transactions with the owners</b>	<b>-</b>	<b>3</b>	<b>-156</b>
<b>Closing equity for the period</b>	<b>647</b>	<b>671</b>	<b>641</b>

# Consolidated statement of cash flows

SEKm	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
<b>Operating activities</b>			
Profit before tax	25	15	183
Adjustment for non-cash items	11	4	21
Income taxes paid	-8	-14	-21
<b>Cash flow from operating activities before change in working capital</b>	<b>27</b>	<b>5</b>	<b>183</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/decrease (+) of inventories	2	-1	-4
Increase (-)/decrease (+) of current receivables	3	-14	-56
Increase (+)/decrease (-) of current liabilities	4	0	19
<b>Cash flow from operating activities</b>	<b>36</b>	<b>-10</b>	<b>142</b>
<b>Investing activities</b>			
Acquisition of intangible assets	-1	-1	-6
Acquisition of property, plant and equipment	-2	-1	-4
<b>Cash flow from investing activities</b>	<b>-3</b>	<b>-2</b>	<b>-10</b>
<b>Financing activities</b>			
Premium received from issue of warrants	-	3	3
Paid dividend	-	-	-159
Amortization of lease debt	-1	-1	-6
<b>Cash flow from financing activities</b>	<b>-1</b>	<b>1</b>	<b>-162</b>
<b>Net change in cash &amp; cash equivalents</b>	<b>32</b>	<b>-10</b>	<b>-29</b>
<b>Cash &amp; cash equivalents at beginning of period</b>	<b>382</b>	<b>408</b>	<b>408</b>
Exchange-rate difference, cash and cash equivalents	-5	2	4
<b>Cash &amp; cash equivalents at end of period</b>	<b>408</b>	<b>400</b>	<b>382</b>

# Condensed parent company income statement

SEKm	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Net sales	78	59	338
Cost of goods sold	-4	-7	-29
<b>Gross profit</b>	<b>74</b>	<b>52</b>	<b>309</b>
Selling expenses	-19	-19	-75
Administrative expenses	-23	-15	-58
Research and development expenses	-10	-9	-37
Other operating income and expenses	-4	1	5
<b>Operating profit/loss</b>	<b>18</b>	<b>10</b>	<b>144</b>
Financial income and expenses	1	2	30
<b>Profit after financial items</b>	<b>19</b>	<b>12</b>	<b>174</b>
Appropriations	-	-	3
<b>Appropriations</b>	<b>-</b>	<b>-</b>	<b>3</b>
<b>Profit/loss before tax</b>	<b>19</b>	<b>12</b>	<b>177</b>
Income taxes	-4	-3	-33
<b>Profit/loss for the period</b>	<b>15</b>	<b>9</b>	<b>144</b>

# Condensed parent company statement of comprehensive income

SEKm	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
<b>Profit/loss for the period</b>	<b>15</b>	<b>9</b>	<b>144</b>
<b>Other comprehensive income</b>			
<b>Items that may subsequently be transferred to profit or loss</b>			
Changes in the fair value of cash flow hedges	-	-4	-5
Tax on components in other comprehensive income	-	1	1
<b>Items that cannot be transferred to profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-3</b>	<b>-4</b>
<b>Comprehensive income for the period</b>	<b>15</b>	<b>6</b>	<b>140</b>

# Condensed parent company balance sheet

SEKm	31 Mar 2025	31 Mar 2024	31 Dec 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	68	70	69
Property, plant and equipment	8	9	8
Participations in Group companies	1	1	1
Participations in associated companies	80	80	80
Other financial assets	1	-	1
<b>Total non-current assets</b>	<b>159</b>	<b>160</b>	<b>159</b>
<b>Current assets</b>			
Inventories	0	-	0
Accounts receivable	90	71	100
Other current receivables	32	65	25
Current investments	0	185	0
Cash & cash equivalents	365	173	340
<b>Total current assets</b>	<b>486</b>	<b>494</b>	<b>465</b>
<b>TOTAL ASSETS</b>	<b>645</b>	<b>653</b>	<b>624</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity	4	4	4
Non restricted equity	571	582	556
<b>Total equity</b>	<b>575</b>	<b>586</b>	<b>560</b>
Untaxed reserves	24	26	24
<b>Total untaxed reserves</b>	<b>24</b>	<b>26</b>	<b>24</b>
<i>Non-current liabilities</i>			
Other liabilities	10	10	10
Deferred tax liability	-	1	-
<b>Total non-current liabilities</b>	<b>10</b>	<b>11</b>	<b>10</b>
<b>Current liabilities</b>			
Accounts payable	15	12	12
Other current liabilities	22	18	17
<b>Total current liabilities</b>	<b>36</b>	<b>29</b>	<b>29</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>645</b>	<b>653</b>	<b>624</b>

# 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 2024 Annual and Sustainability report. The standards and interpretative statements applied were in effect as of 1 January 2025 and had been adopted by the EU. Changed accounting policies as of 1 January 2025 is described below. Furthermore, the Swedish Corporate 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 Corporate 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 2025

The new or amended IFRS effective as of 2025 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 16-17. Definitions of alternative performance measures are presented in the Annual and Sustainability report and on [www.mipscorp.com](http://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 Group's net sales and operating profit have historically been weakest during the first quarter of the year and strongest during the fourth quarter. Mips has chosen to divide its business into three main helmet categories: Sports, Motorcycle, and Safety. The largest helmet category, Sports, mainly consists of the bike and snow sub-categories which follow certain seasonable patterns. The majority of Mips' sales in the bike sub-category takes place during the second half of the year when bike helmets are manufactured for the important spring and summer season. In the snow sub-category, the majority of Mips' sales takes place in the first half of the year so that helmets can be delivered for the winter season. Sales in the Motorcycle and Safety categories comprise a smaller proportion of Mips total sales, which is why no clear seasonal patterns are evident in these categories.

## 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 technology 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. There is an evolving global trade landscape and a volatile macroeconomic situation. Mips still believes that long-term demand for the company's products is robust. 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. Mips see continued risks in the supply chain that could lead to insolvency among the company's 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 2024 on 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. Revenues from services were lower this quarter, which is exclusively due to the mix and the phasing of projects and the total number of customer projects remains at a high level.

### Income by nature

SEKm	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
<i>Revenue recognized at the time of delivery</i>			
Sales of goods	112	77	457
<i>Revenues reported over time</i>			
Sales of services	3	5	26
<b>Total</b>	<b>116</b>	<b>83</b>	<b>483</b>

### Income by region

SEKm	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
North America	63	46	256
Europe	32	21	120
Sweden	14	5	42
Asia and Australia	7	10	64
<b>Total</b>	<b>116</b>	<b>83</b>	<b>483</b>

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 first quarter with 40 percent mainly driven by North America with a growth of 35 percent, Europe with a growth of 51 percent and Sweden with a growth of 172 percent.

### Income per helmet category

SEKm	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Sports	100	71	437
Motorcycle	10	8	28
Safety	6	4	18
<b>Total</b>	<b>116</b>	<b>83</b>	<b>483</b>

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 increased by 40 percent. In Motorcycle revenues increased by 32 percent and in Safety revenues increased by 60 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. From 2025 fluctuations in exchange rates fully affect the income statement. During 2024 Mips has applied hedge accounting, which was discontinued in October 2024.

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 2024 page 78.

### **Derivatives, short-term investments and non-current liabilities**

As of 31 March 2025, no derivatives remain in the Group. The fair value of the derivatives as of 31 March 2024 amounted to a net financial asset of SEK 1m. 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 mars 2025 amounted to SEK 0m (185). As of 31 mars 2025, 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**

Quintessential Design, Inc. ("Quin") is an associated company to Mips and are reported by use of the equity method. During the quarter a profit share of 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 31 March 2025, 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.

The number of outstanding shares as of 31 March 2025 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 March 2025. The proposed dividend corresponds to 122 percent of the Group's net earnings for 2024.

### **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. The exercise price and number of shares shall be recalculated based on, among other things, 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 a party to any significant legal dispute.

### **Related-party transactions**

No material related-party transactions have been conducted during 2025.

### **Annual General Meeting**

The 2025 Annual General Meeting will be held at Mips, Kemistvägen 1B, in Täby on 7 May 2025.

### **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 24 April 2025

Max Strandwitz  
President and CEO

# Quarterly consolidated performance measures

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	LTM
Net sales	116	144	123	133	83	91	77	102	88	107	113	206	137	516
Net sales growth, %	40	58	61	31	-6	-15	-32	-51	-35	-46	-39	45	65	7
Gross profit	83	105	91	97	57	64	56	71	62	77	78	151	99	376
Gross margin, %	72.1	72.9	73.4	72.9	69.4	70.2	73.1	70.0	70.8	72.3	69.0	73.4	72.5	72.9
Operating profit	24	62	48	52	14	17	15	23	15	24	37	107	62	185
Operating margin, %	20.9	42.9	38.5	38.9	16.5	18.8	19.5	22.6	17.5	22.0	32.8	51.7	45.3	35.9
Adjusted operating profit	24	62	48	52	14	17	15	23	15	24	37	107	62	185
Adjusted operating margin, %	20.9	42.9	38.5	38.9	16.5	18.8	19.5	22.6	17.5	22.0	32.8	51.7	45.3	35.9
EBITDA	29	66	52	57	18	22	20	28	20	29	41	110	65	204
EBITDA-margin, %	25.0	46.3	42.4	42.4	22.2	23.9	25.5	27.1	22.5	27.1	36.3	53.5	47.6	39.6
Depreciation/ amortization	5	5	5	5	5	5	5	5	4	6	4	4	3	19
Earnings per share basic, SEK	0.71	2.00	1.37	1.53	0.44	0.60	0.52	0.76	0.55	0.71	1.10	3.04	1.83	5.60
Earnings per share diluted, SEK	0.71	1.99	1.37	1.53	0.44	0.60	0.52	0.76	0.55	0.71	1.10	3.01	1.81	5.60
Equity ratio, %	87	87	87	85	89	89	89	85	88	82	76	74	80	87
Cash flow from operat- ing activities	36	87	36	29	-10	31	12	9	-42	47	97	55	37	188
Average number of employees	106	106	102	100	103	104	102	99	98	96	93	89	80	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](http://www.mipscorp.com).



# Explanation of alternative performance measures

## Organic growth

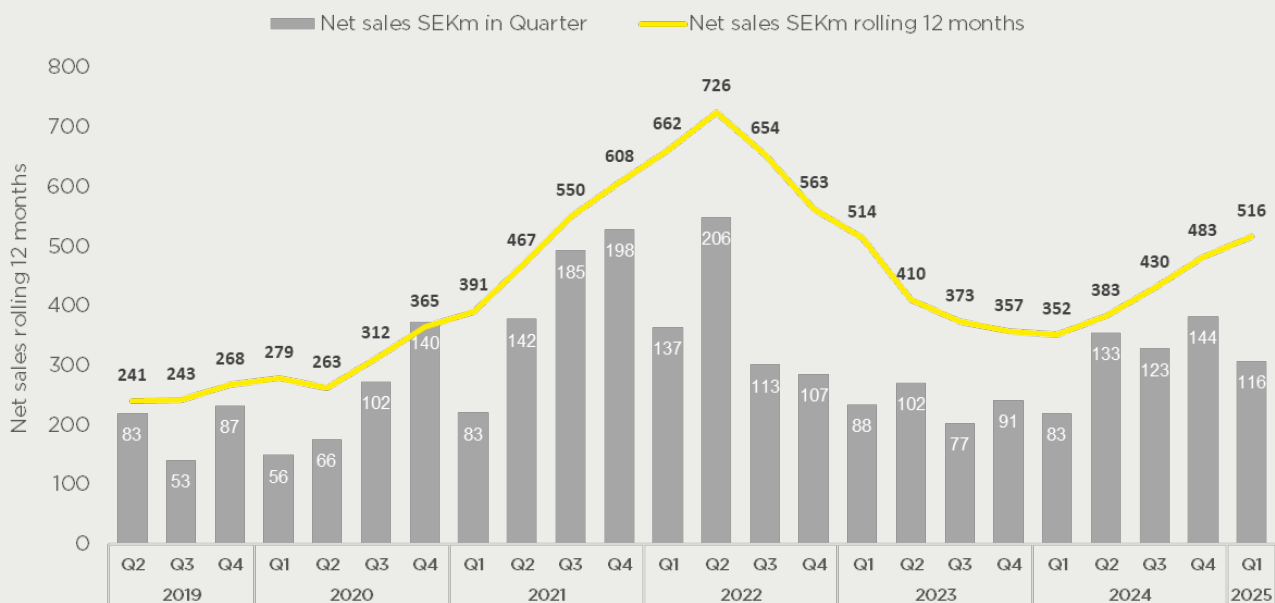
Since Mips invoices its goods and services in USD and CNY at the same time as the accounting currency is SEK, it is essential to create an understanding of how the company performs excluding currency exchange effects when recalculating sales.

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.

	Jan-Mar 2025
<b>Organic growth</b>	
<b>Net sales growth</b>	<b>40%</b>
Net Sales in USDm	8
Net Sales in SEKm at 2025 average USD exchange rate	81
Net Sales in SEKm at 2024 average USD exchange rate	83
Impact currency in absolute numbers	-2
Net Sales 2024 SEKm	83
<b>USD impact on growth</b>	<b>-2%</b>
Net Sales in CNYm	26
Net Sales in SEKm at 2025 average CNY exchange rate	38
Net Sales in SEKm at 2024 average CNY exchange rate	37
Impact currency in absolute numbers	1
Net Sales 2024 SEKm	83
<b>CNY impact on growth</b>	<b>1%</b>
<b>Organic growth</b>	<b>42%</b>

## Net sales, last 12 months rolling

Given the company's historical growth momentum, it is important to continuously follow the business performance from a long-term perspective and not focus solely on specific quarterly results.



## Other

**For further information, please contact:**

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**Karin Rosenthal, CFO**  
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Mips will present the interim report at an audiocast via teleconference on 24 April 2025 at 10.00 a.m. CET. To participate, please register at the webcast or telephone conference at below links:

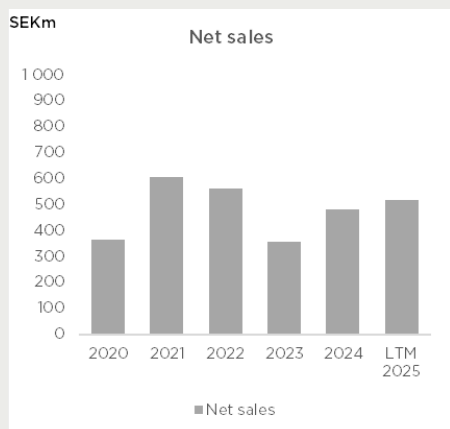
**Webcast:** <https://edge.media-server.com/mmc/p/8yu4ojz9>

**Telephone conference:** <https://register-conf.media-server.com/register/B180bc0909cb604b20b6276ad4a65451bc>

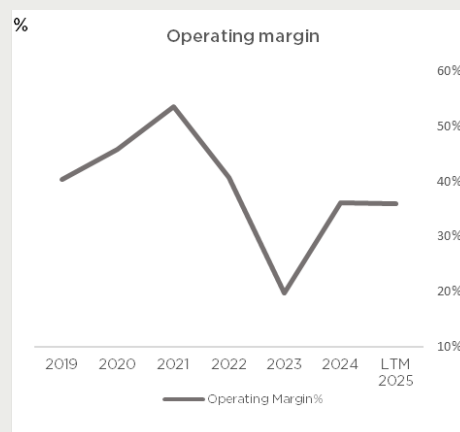
FINANCIAL CALENDAR	2025
7 May 2025:	Annual General Meeting Mips AB Kemistvägen 1B Täby
16 July 2025:	Interim report January-June 2025
22 October 2025:	Interim report January-September 2025

# 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 2024.

Our long-term ambition includes:

#### SCIENCE BASED TARGETS:

Mips has committed to reduce emissions in line with the Paris Agreement's goal to limit global warming to 1.5 degrees Celsius. This means that Mips has set a science-based target, approved by SBTi, 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 86 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 24 April 2025 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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