

Message from the CEO

## Strong progress in a challenging market

2024 was another challenging year. The geopolitical situation remained unpredictable, the economy has been weak, and many post-effects of the pandemic have lingered for much longer than I think anyone could have foreseen. These circumstances are challenging for most companies. But in spite of this, we have shown strong progress. We grew in all our categories. We grew in all the geographies we sell to. We implemented Mips' technology in more helmets than in any other year. Three different factors make this possible. The first is that we are gaining market share in all the markets we sell to. The second is that we continue to increase Mips' penetration of the market, more products are being equipped with our technology. And the third factor is that our customers' inventory situation has improved significantly.



We have reviewed our strategy during the year but have made very few revisions to it. We believe our strategy is just as relevant today as when we launched it in 2022. But the consumer market has been much slower than we anticipated then. Since we are still seeing customer demand for our product, and since consumers are still choosing helmets equipped with Mips' technology, we have continued to invest in our strategic initiatives. In 2024 we equipped more helmets with Mips' technology than in any other year.

#### Updated long-term financial target

We are still confident in the strategic plan we presented at our Capital Markets Day in June 2022. The plan is built on three strategic pillars:

- 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. We've also increased our penetration of the number of customer helmet models equipped with Mips' technology via 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



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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)

Our vision to reduce head injuries and save more lives, and our ambition to take a leading position in helmet safety are what drive us to keep investing in raising the awareness of Mips and in researching to be able to develop more solutions that make a difference to as many people as possible.

#### Sustainability –

##### continued to focus on achieving our long-term targets

We continued our journey towards our long-term sustainability targets this year. One of our targets this year was to reduce Mips' carbon dioxide emissions by 8 percent per solution sold, and I am delighted to say that 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. We have thus delivered on this 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 – growth every quarter in bike**

The helmet category Sports has developed very well this year, despite not having the market with us. We have seen that the European bike helmet market has developed well, but from relatively low levels. We've also seen that the north-American market, an important market for Mips, has been slower with a decrease in sales volumes during the year. In spite of that, Mips has managed to grow in all markets in the category Sports. This means that our customers have started to purchase from us instead of only taking products from their own stocks. All these factors have had a positive effect on our business.

In the snow sub-category, it was a mixed story in the consumer market. The European market started well with a large amount of snow early in the season when many people buy gear, but the conditions were bad at the end of the season. It was the opposite in north America, a slow start but a good end to the season. Overall it was a relatively slow season. However, business developed well for us with a continued increase in market share and greater market penetration of products equipped with Mips' safety system.

In the equestrian sub-category we saw continued progress. Even though this market is not that big, we are seeing very good growth and great interest in implementing Mips' products in new equestrian helmets around the world.



### **Helmet category Motorcycle – our activities are having the desired effect**

In the Motorcycle category, at the beginning of the year we assumed we would see a return to growth by mid-year, and even though it was small, the growth came a quarter earlier than we had expected. As with the bike sub-category, times have been tough in the Motorcycle category with lower demand, higher inventories after the pandemic, and the introduction of a new helmet standard. Growth accelerated during the year, and it is gratifying to see that many of the activities we implemented have started to have an effect. Many of our new solutions in Motorcycle are now

reaching the market and I'm very happy to see how well these products are being received. We also announced a partnership with MXGP, the organizer of the motocross World Championship. We are seeing that more and more motocross drivers use helmets fitted with Mips' technology, and it makes sense for us to be visible in competition settings.

### **Helmet category Safety – good position in this category**

We are very happy with developments in the Safety category in terms of the number of brands and products launched. It has taken longer than we had expected to



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get the products onto the market though. This is nothing to do with Mips, but since we are an ingredient brand we are reliant on a product being fully complete before that helmet can be equipped with our technology. We are through the worst of the bottleneck, and we look forward to seeing how the market receives these helmets. The awareness of Mips is growing quickly in the industrial sector and it will be interesting to see what 2025 brings for our Safety category.

**Looking forward to continue our positive development**

Bolstered by strong progress and a very strong market position, we are looking forward to continuing our positive trajectory in 2025. I am very satisfied with and grateful for the responsibility taken by all our employees at Mips. We are dealing with a troubling and challenging market, but despite this, we continue to work with our partners to make the world safer by equipping more helmets with the Mips safety system.

Stockholm, March 2025

**Max Strandwitz**  
President and CEO