

An aerial photograph of a snowy mountain landscape. On the right, a skier in a yellow and black jacket is descending a steep, snow-covered slope. To the left, a large field of jagged, blue-tinted icebergs is scattered across the snow. The scene is brightly lit, creating high contrast between the white snow and the blue ice.

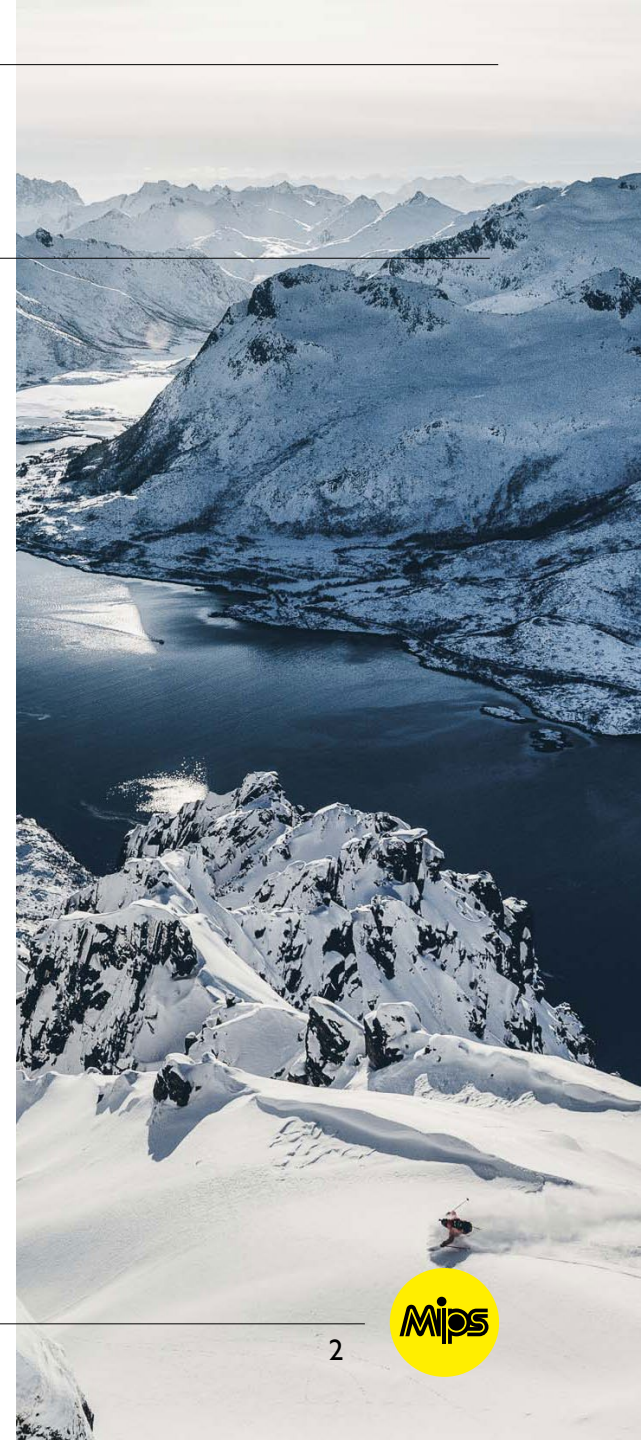
**MIPS' presentation of the
Q1 interim report 2020**

29 April 2020



KEY HIGHLIGHTS

- 25% net sales growth (16% organic) in the quarter despite challenging situation. Strong improvement in EBIT and cash flow
- Continued high activity with more helmet projects than ever. Per today, 30,000 tests have been performed. Two new brands within the Sports category
- Relocated to new office premises and test lab – increased capabilities mainly in Safety
- Key recruitments in Sales and Marketing finalized. Interim CFO in place, search for long-term solution initiated
- Long-term financial ambition 2025 remains intact



WE EXPECT A VOLATILE MARKET THE COMING QUARTERS

- All third-party manufacturing units are fully up and running, no third-party capacity shortages
- The sales development the coming quarters is fully dependent on the lock-down situation and government restrictions
- Strong increase in online sales channels, however not mitigating shortfall in traditional sales channels
- Close dialogue with customers regarding their cash flow situation
- Record high inflow of new helmet projects. No change in the long-term underlying demand of MIPS' products



COVID-19

DEVELOPMENT IN OUR DIFFERENT CATEGORIES

SPORTS		MOTO		SAFETY	
					
First quarter 2020		First quarter 2020		First quarter 2020	
Revenue, SEKm	50	Revenue, SEKm	6	Revenue, SEKm	0
Growth, %	23%	Growth, %	39%	Growth, %	-
No. of brands	98 (+2)	No. of brands	20	No. of brands	1

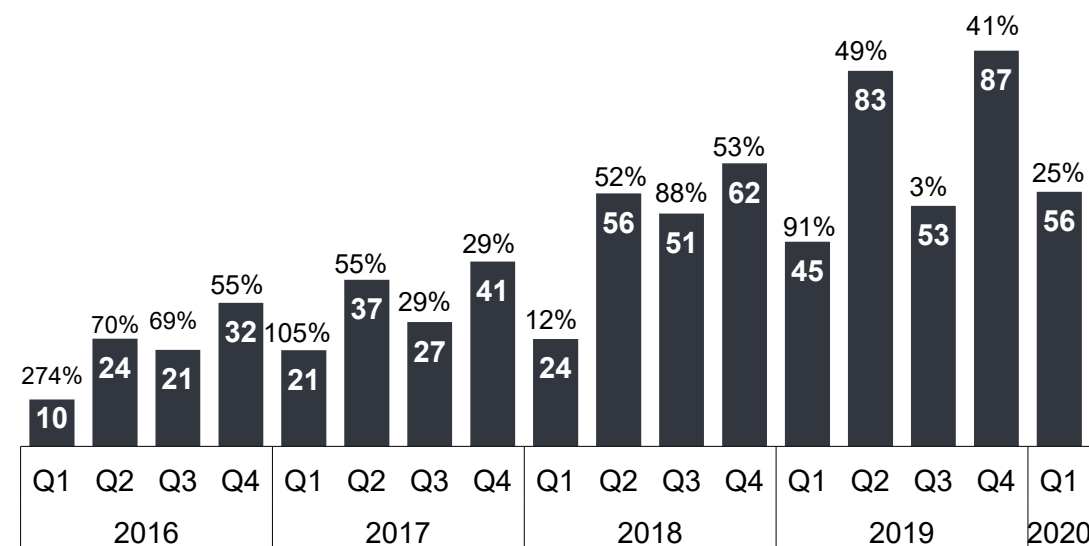
- MIPS has in total 105 buying customers*

NET SALES DEVELOPMENT IN FIRST QUARTER

- Good performance with 25% growth in the quarter, an organic growth of 16%
- Growth mainly driven by existing customer base expanding their assortment with MIPS
- Sports category remains the key driver in absolute terms

Change in net sales, %	Jan-Mar 2020	Jan-Mar 2019
Organic growth	16.0	71.4
Changes in exchange rates	7.9	19.4
Structural changes	1.0	-
Total	24.9	90.8

Net Sales development (SEKm) and quarterly growth rates*



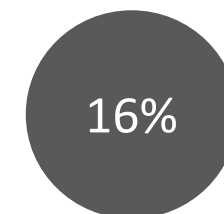
*No underlying growth rates available for 2015



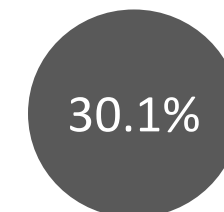
DEVELOPMENT IN FIRST QUARTER

- Net Sales increased by 25%, organic growth was 16%
- Gross profit up 22%, gross margin down 200 bps to 70.8%.
Adjusting for acquisitions, gross margin down 90 bps to 71.9%
- OPEX – continue to invest in strategic priorities
- Adjusted EBIT was SEK 17m, adjusted EBIT margin 30.1%
- Cash flow – operating cash flow of SEK 15m

MIPS Group (SEKm)	Q1 20	Q1 19	Δ %
Net sales	56	45	25
Gross profit	40	33	22
Gross margin %	70.8	72.8	-
Operating profit (EBIT)	16	12	38
Operating margin (EBIT) %	29.1	26.3	-
Adjusted Operating profit (EBIT)	17	12	43
Adjusted Operating margin (EBIT) %	30.1	26.3	-
Cash flow from operating activities	15	8	95



Organic growth



Adjusted EBIT margin



Operating cash flow
(SEKm)

BALANCE SHEET AND CASH FLOW

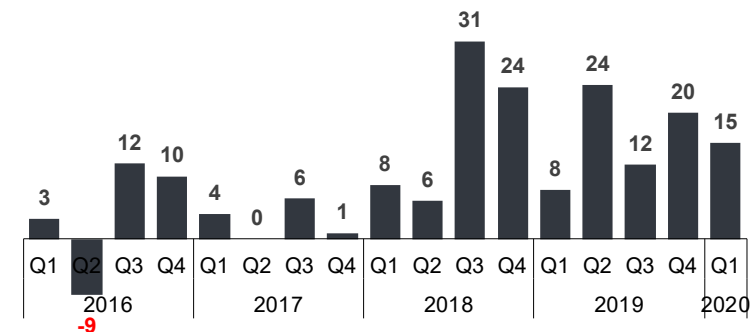
- Cash flow from operating activities increased in the quarter with 95% to SEK 15m (8)
- Cash flow from financing activities was SEK 52m (-0) attributable to the new issue of shares following the exercising of warrants under incentive programs
- Cash and Cash Equivalents at SEK 255m (249)
- Equity ratio 85% (85)
- The Board's proposal regarding a dividend of SEK 3.00 per share for 2019 remains unchanged

Key balance sheet items and cash flow

MIPS Group (SEKm)	Q1 2020	Q1 2019
Total Assets	421	333
Equity	356	284
Equity ratio %	85	85
Cash & Equivalents	255	249

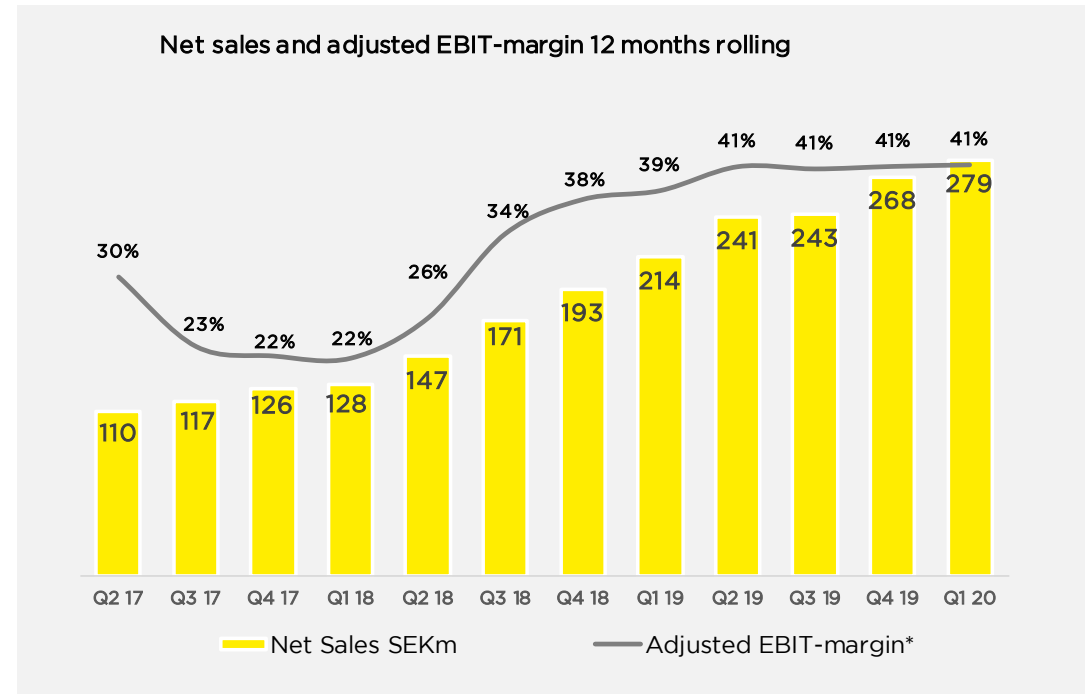
MIPS Group (SEKm)	Q1 2020	Q1 2019
Cash flow from operating activities	15	8

Cash flow from operating activities (SEKm)



SUMMARY

- Good growth despite a challenging quarter
- Healthy profit, EBIT margin and cash flow improvements
- High helmet project activity, more brands coming onboard
- Short-term demand fluctuations likely, long-term demand unchanged
- New office premises and test lab increase our capabilities
- Sales and marketing organization fully in place
- Good position to deliver according to the 2025 plan



*Adjusted for costs in connection with the company's IPO during 2016 and 2017 and costs relating to acquisitions during 2019 and 2020. Adjusted EBIT margin includes legal costs relating to the company's previous litigation processes





Q&A

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