MIPS’ presentation of the Year end report 2020
Key highlights

• Strong performance in the quarter with 60% net sales growth (77% organic). Despite challenging start of the year, we manage to deliver 36% net sales growth (43% organic)

• Good consumer demand in Bike continues. Record amount of customer projects, strong increase of customers and models on the market

• First international customer in Safety announced in January

• MIPS brand awareness - Next MIPS team athlete out. Launch of Product range structure. More consumer centric communication

• Proposed dividend om SEK 3.50 per share, 71% of net earnings, well above ambition of 50%

• Long-term financial target remains intact
We continue to expand our customer base

- We now have 121 active brands all over the world
- We grew with all our key customers, in all categories and all geographies we are present in
- We have delivered MIPS BPS to 729 different helmet models
- During 2020, we delivered 7.2m MIPS BPS units and have now delivered more than 20m units since inception
- At the end of 2020 we had 6% of our addressable market
Bike – Good demand continue

- High demand for MIPS solutions in bike helmets
- Sales to bicycle helmets has been the main part of the sales for the fourth quarter
- Industry expectations is that inventory levels will not normalize prior to mid 2021, which means that there will be bike helmets being produced also in Q1 and Q2
- We see good interest for commuter helmets, recreational use and E-bike helmets
Snow – Different situation around the world

• High interest for winter sports around the world but restrictions limits possibilities

• Nordic and US ski resorts are to large extent open. Still limited possibilities to ski in South and Central Europe

• The uncertainty of winter holiday season remains
  - Mixed retail sales on different markets. Nordic and US markets have decent sell out. Soft performance south and central Europe
  - Our expectations of a soft winter 20/21 remains
Moto – Strong sales continue

- Strong sales in MOTO continues, mainly through increased penetration with existing customers
- MX still the key driver, but Road motorcycle is gaining traction
- Several initiatives launched to improve our position in Motorcycle
- Good consumer demand expected coming quarters
Safety – International expansion started

- Good interest in Safety category from both helmet manufacturers and construction companies
- First larger customer onboard. Centurion, key PPE supplier for the UK market
- New harness solution developed, bring possibilities for MIPS also in harness equipped helmets
- No change to previous communication: Volumes will start to ramp up in 2021
Launch of Product ranges

- Simplified product range makes it easier to choose and diversify our offering
- Focus on educating consumers, empowering them to make more informed decisions when buying a helmet
- MIPS has previously been a B2B-focused company. The launch is another step towards more consumer-centric brand identity
Team Mips
LEADING WORLD CLASS ATHLETES

HENRIK HARLAUT
Most decorated x-games skier of all time

BRANDON SEMENUK
Most ever RedBull Rampage wins
Development in our different categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Fourth quarter/YTD 2020</th>
<th>Fourth quarter/YTD 2020</th>
<th>Fourth quarter/YTD 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue, SEKm</td>
<td>130 / 341</td>
<td>10 / 24</td>
</tr>
<tr>
<td></td>
<td>Growth, %</td>
<td>59 / 36</td>
<td>79 / 42</td>
</tr>
<tr>
<td></td>
<td>No. of brands</td>
<td>107 (96)</td>
<td>26 / (20)</td>
</tr>
</tbody>
</table>

MIPS has in total 121 buying customers (a customer can be active in several categories but only counted once in the “total customer” number)
Development in the fourth quarter

- Net Sales increased by 60%, organic growth was 77%
- Gross profit up 57%, gross margin down 160 bps to 73.3%
- OPEX – continue to invest in strategic priorities
- EBIT up 96% to SEK 76m (39), EBIT margin 54.4% (44.6)
- Cash flow – strong increase of operating cash flow to SEK 49m (20)

<table>
<thead>
<tr>
<th>MIPS Group (SEKm)</th>
<th>Q4 20</th>
<th>Q4 19</th>
<th>△%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>140</td>
<td>87</td>
<td>60</td>
</tr>
<tr>
<td>Gross profit</td>
<td>103</td>
<td>66</td>
<td>57</td>
</tr>
<tr>
<td>Gross margin %</td>
<td>73.3</td>
<td>74.9</td>
<td>-</td>
</tr>
<tr>
<td>Operating profit (EBIT)</td>
<td>76</td>
<td>39</td>
<td>96</td>
</tr>
<tr>
<td>Operating margin (EBIT) %</td>
<td>54.4</td>
<td>44.6</td>
<td>-</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>49</td>
<td>20</td>
<td>146</td>
</tr>
</tbody>
</table>
Development full year 2020

- Net Sales increased by 36%, organic growth was 43%
- Gross profit up 34%, gross margin down 130 bps to 72.8%. Adjusting for acquisitions, gross margin down 100 bps to 73.1%
- OPEX – continue to invest in strategic priorities
- Adjusted EBIT was SEK 168m (110), adjusted EBIT margin 46.2% (41.2)
- Cash flow – increase in operating cash flow to SEK 116m (63)

<table>
<thead>
<tr>
<th>MIPS Group (SEKm)</th>
<th>FY 20</th>
<th>FY 19</th>
<th>△ %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>365</td>
<td>268</td>
<td>36</td>
</tr>
<tr>
<td>Gross profit</td>
<td>265</td>
<td>198</td>
<td>34</td>
</tr>
<tr>
<td>Gross margin %</td>
<td>72.8</td>
<td>74.1</td>
<td>-</td>
</tr>
<tr>
<td>Operating profit (EBIT)</td>
<td>167</td>
<td>108</td>
<td>55</td>
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<tr>
<td>Operating margin (EBIT) %</td>
<td>45.8</td>
<td>40.3</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted Operating profit (EBIT)</td>
<td>168</td>
<td>110</td>
<td>53</td>
</tr>
<tr>
<td>Adjusted Operating margin (EBIT) %</td>
<td>46.2</td>
<td>41.2</td>
<td>-</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>116</td>
<td>63</td>
<td>83</td>
</tr>
</tbody>
</table>
Balance sheet and cash flow

- Strong improvement of Cash flow from operating activities with SEK 49m (20) in the quarter
- Cash and Cash Equivalents at SEK 272m (192)
- Dividend of 3.50 SEK (3.00) being proposed
- Equity ratio 82% (87)
Summary

- Strong quarter mainly driven by good demand for bike helmets
- The strong consumer demand is expected to continue, assuming no dramatic change to current situation
- Continued high project activity, strong momentum in all three categories
- We continue our activities to drive the awareness of MIPS brand
- Good position to deliver according to the 2025 plan

Net sales and adjusted EBIT-margin 12 months rolling

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