

29 APRIL 2021



MIPS' presentation of the Q1 Interim report



Key highlights

- Strong performance in the quarter with 48% net sales growth (66% organic)
- High consumer demand for bicycle helmets continue, positive outlook in all three categories
- Good development in EBIT and Operating cash flow
- Challenges in Supply Chain have so far been manageable, global logistics and helmet manufacturers capacity still challenged coming quarters
- High customer activity, more customer coming onboard
- On track to deliver on the 2025 financial plan

Sports - bike – Strong demand

- Strong demand for MIPS solutions in bike helmets
- Demand increase for all type of helmets
- Challenges for factories producing bicycle helmets to meet demand
- Current assumption is that inventory levels will not normalize during this season



Sports - snow – Situation not as bad as expected

- At the release of the Year-end report, we projected a soft ski season
- Retail sell out numbers around the world varies with low sales in South and Central Europe. In North America and Nordic's, which are the bigger markets for MIPS, sell out numbers were better than expected
- We do not see that stock levels will hamper sales for next season, to the extent we previously anticipated



Moto – good consumer demand remains

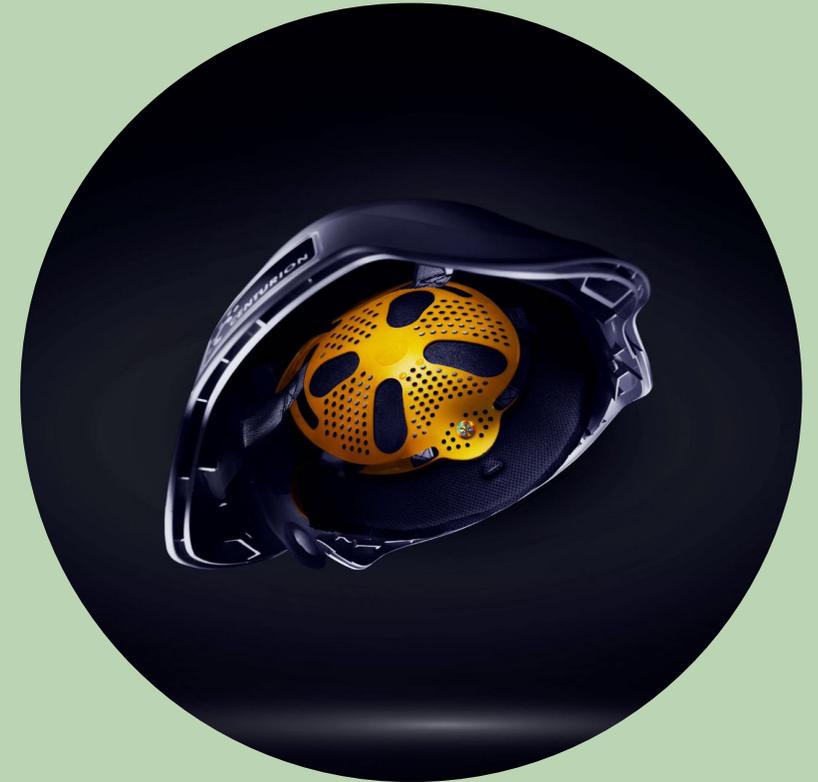
- We did see declining numbers in the quarter, explained by phasing of helmet production in factories
- Momentum still highest in MX, however we do see more brands in street signing up with MIPS
- Initiatives to continue to strengthen the awareness of MIPS in the category continues
- Good consumer demand expected coming quarters

Mips



Safety – Global expansion started

- Good interest in Safety category from both helmet manufacturers and construction companies
- Entry into the US market started, PR activities to educate market first initiative
- Launch with Centurion in March first helmets already on the market
- No change to previous communication, volumes will start to ramp up in 2021



Challenges in Supply Chain

- Our ingredient brand business model have worked well, in the challenging environment around us
- We see the same issues in logistics and shortage of raw materials as in many other industries. Even though there are daily challenges, we have managed the situation well
- We do see indication of cost increases, if material and long-term, we will pass those forward



Team MIPS expanding



LEADING WORLD CLASS ATHLETES

New



HENRIC HARLAUT

Most decorated x-games skier of all time



TIM GAJSER & TEAM HRC

Only WC winner of all MX classes

New



KATE COURTNEY & SCOTT SRAM TEAM

Xc world champion 2019
Uci world cup winner 2019



BRANDON SEMENUK

Most ever Red Bull Rampage wins

Sustainability - Focus areas



OUR EMPLOYEES

- Diversity
- Gender Equality
- Health
- Wellbeing
- Non-discrimination

PRODUCTS THAT PROTECT USERS

- Patents
- Technologies
- Complaints

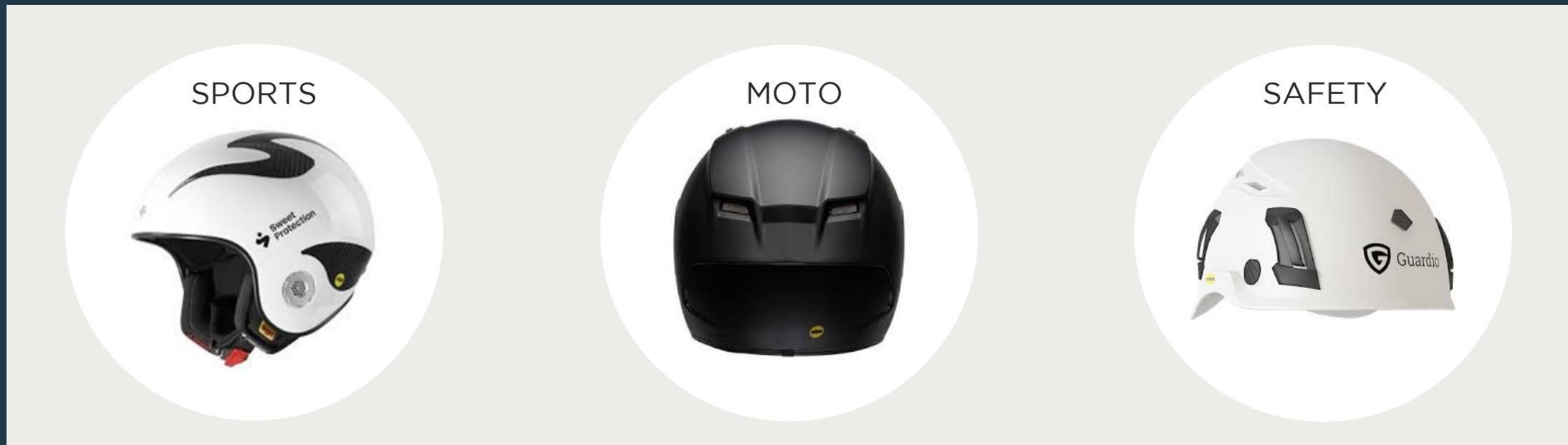
ENVIRONMENTAL IMPACT

- Packaging Material
- Green house gases
- Hazardous Chemicals

SUSTAINABILITY IN THE SUPPLY CHAIN

- Supplier Audits
- Incidents Of Corruption
- Violations Of Human Rights

Development in our different categories



First quarter	
Revenue, SEKm	78 (50)
Growth, %	55
No. of brands	109 (98)

First quarter	
Revenue, SEKm	4 (6)
Growth, %	-27
No. of brands	27 (20)

First quarter	
Revenue, SEKm	1 (0)
Growth, %	-
No. of brands	3 (1)

MIPS has in total 125 buying customers (a customer can be active in several categories but only counted once in the “total customer” number)

Development in the first quarter

- Net Sales increased by 48%, organic growth was 66%
- Gross profit up 51%, gross margin up 170 bps to 72.5%
- OPEX - continue to invest in strategic priorities
- EBIT up 141% to SEK 39m (16), EBIT margin 47.4% (29.1)
- Cash flow - strong increase of operating cash flow to SEK 69m (15)

MIPS Group (SEKm)	Q1 21	Q1 20	▲
Net sales	83	56	48%
Gross profit	60	40	51%
Gross margin %	72.5	70.8	1.7 pp
Operating profit (EBIT)	39	16	141%
Operating margin (EBIT) %	47.4	29.1	18.3 pp
Cash flow from operating activities	69	15	361%

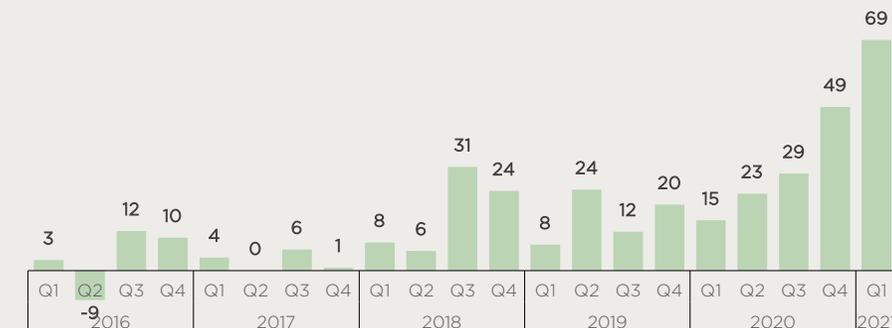


Balance sheet and cash flow

- Strong improvement of Cash flow from operating activities with SEK 69 (15) in the quarter
- Cash and Cash Equivalents at SEK 341m (255)
- Dividend of 3.50 SEK (3.00) being proposed
- Equity ratio 84% (85)



CASH FLOW FROM OPERATING ACTIVITIES (SEKm)



KEY BALANCE SHEET ITEMS AND CASH FLOW

MIPS Group (SEKm)	Q1 21	Q1 20	FY20
Total Assets	535	421	517
Equity	449	356	426
Equity ratio %	84	85	82
Cash & Equivalents	341	255	272

MIPS Group (SEKm)	Q1 21	Q1 20	FY20
Cash flow from operating activities	69	15	116

Summary

- Strong start of the year, mainly from good demand of bicycle helmets. Snow not as bad as expected
- Good development in EBIT and operating cash flow
- 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
- On track to deliver on the 2025 financial 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



Q&A

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