

22 JULY 2021

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MIPS' presentation of the Q2 Interim report



Key highlights

- Strong sales in the quarter with 139% organic growth
- Growth mainly driven by high demand for Bicycle helmets, growth numbers are somewhat helped by soft prior year comparator
- Strong improvement in EBIT and Operating cash flow
- Challenges in Supply Chain have been well managed
- 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
- High demand for all type of bike helmets
- Challenges for factories producing bicycle helmets to meet demand remains
- Our current assumption is that the strong demand is expected to continue at least until the end of the year



Sports - snow – Growth expected for the year

- MIPS equipped helmets have been performing better than the winter sport market in general
- Two key reasons:
 - More helmet models and brands being launched with MIPS
 - Our key geographic markets US and Nordics has performed well
- Our outlook for the year has therefore changed from declining/flattish to growth

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Moto – good momentum continues

- Fantastic growth in the second quarter of 370%
- Momentum still highest in MX, we start to gain traction in Road motorcycle helmets
- We have launched several initiatives to improve awareness of MIPS in the category
- Good consumer demand expected coming quarters

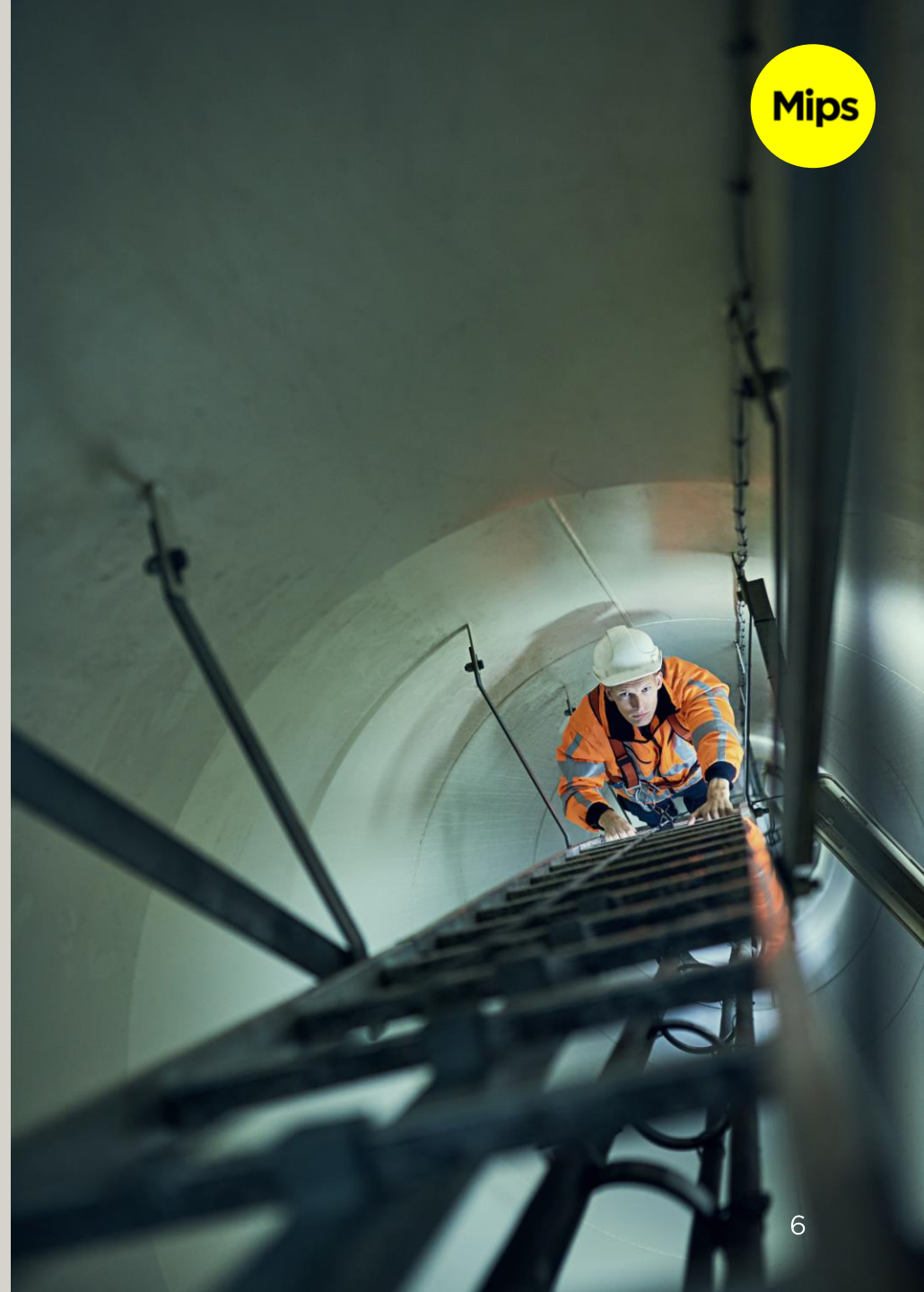
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Safety – Expanding to new markets

- Entry into the US market with US helmet manufacturer PIP
- More construction helmet brands will launch with MIPS during the autumn
- No change to previous communication, volumes will start to grow and become more material in end 2021

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Challenges in Supply Chain

- We have navigated very well in a challenging world around us
- We see the same issues in logistics, shortage of raw materials and an inflationary environment as in many other industries
- Price increases announced in Q2, will be implemented during Q3



Sustainability - Focus areas



OUR EMPLOYEES

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



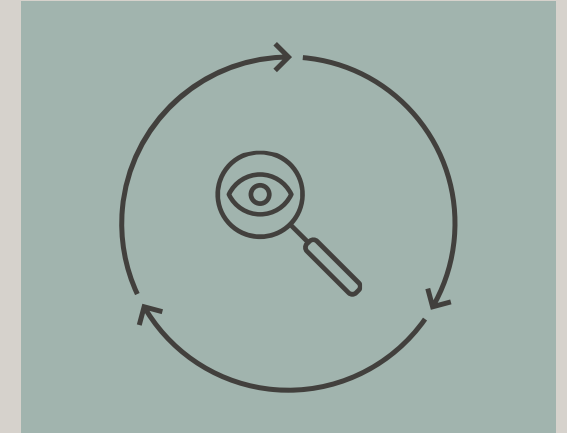
PRODUCTS THAT PROTECT USERS

- 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



SPORTS



MOTO



SAFETY



Second quarter/YTD

Revenue, SEKm	131 (64)/209 (114)
Growth, %	106/84
No. of brands	111 (98)

Second quarter/YTD

Revenue, SEKm	10 (2)/14 (8)
Growth, %	370/76
No. of brands	28 (20)

First quarter

Revenue, SEKm	0 (0)/1 (0)
Growth, %	156/514
No. of brands	3 (1)

MIPS has in total 128 buying customers (a customer can be active in several categories but only counted once in the “total customer” number)

Development in the second quarter

- Net Sales increased by 115%, organic growth was 139%
- Gross profit up 114% and a gross margin of 73.8% (-40 bps)
- OPEX – continue to invest in strategic priorities
- EBIT up 266% to SEK 72m (20), EBIT margin 50.7% (29.7)
- Cash flow – strong increase of operating cash flow to SEK 56m (23)

MIPS Group (SEKm)	Q2 21	Q2 20	▲
Net sales	142	66	115%
Gross profit	105	49	114%
Gross margin %	73.8	74.2	-0.4 pp
Operating profit (EBIT)	72	20	266%
Operating margin (EBIT) %	50.7	29.7	21.0 pp
Cash flow from operating activities	56	23	146%

Organic growth
139%

EBIT margin
51%

Operating cash flow
56
SEKm

Development first six month

- Net Sales increased by 84%, organic growth was 107%
- Gross profit up 86% and a gross margin of 73.3% (+60 bps)
- OPEX – continue to invest in strategic priorities
- EBIT up 209% to SEK 111m (36), EBIT margin 49.5% (29.4)
- Cash flow – strong increase of operating cash flow to SEK 125m (38)

MIPS Group (SEKm)	YTD 21	YTD 20	▲
Net sales	225	122	84%
Gross profit	165	89	86%
Gross margin %	73.3	72.7	0.6 pp
Operating profit (EBIT)	111	36	209%
Operating margin (EBIT) %	49.5	29.4	20.1 pp
Cash flow from operating activities	125	38	231%

Organic
growth

107%

EBIT margin

49%

Operating
cash flow

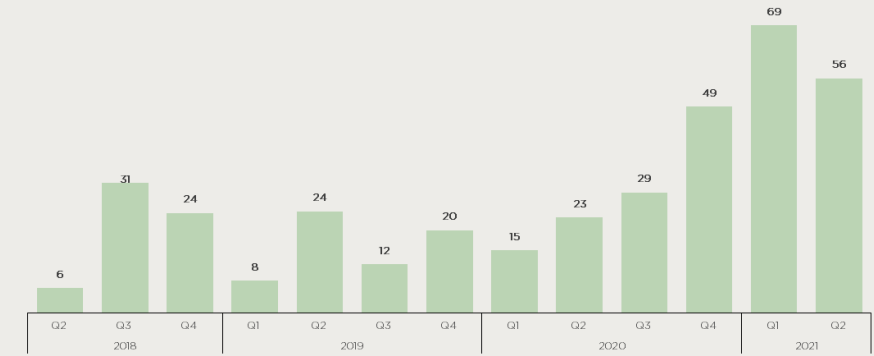
125
SEKm

Balance sheet and cash flow

- Cash and Cash Equivalents at SEK 302m (212)
- Dividend of 3.50 SEK (3.00) paid out in May
- Equity ratio 79% (85)



CASH FLOW FROM OPERATING ACTIVITIES (SEKm)



KEY BALANCE SHEET ITEMS AND CASH FLOW

MIPS Group (SEKm)	Q2 21	Q2 20	FY20
Total Assets	524	377	517
Equity	413	320	426
Equity ratio %	79	85	82
Cash & Equivalents	302	212	272

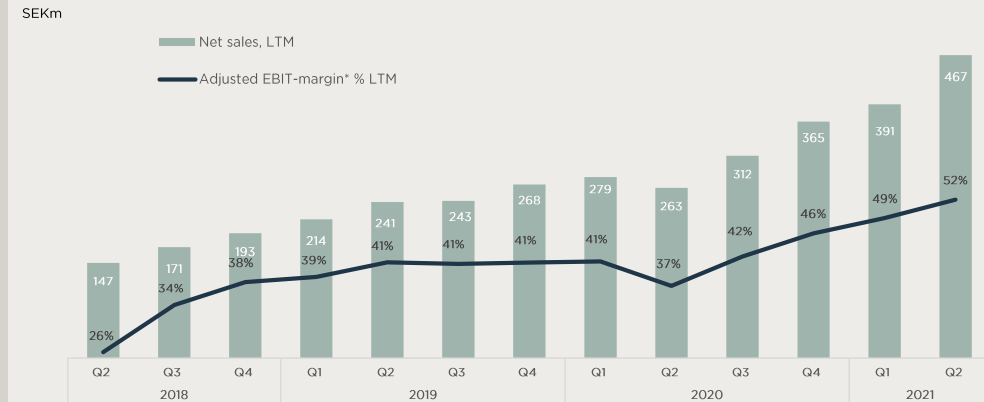
MIPS Group (SEKm)	Q2 21	Q2 20	FY20
Cash flow from operating activities	56	23	116

Summary

- Very strong quarter, good demand in Sport and Moto. Entering more markets in Safety
- Strong improvement in EBIT and operating cash flow
- The good consumer demand is expected to continue, assuming no dramatic change to current situation
- Continued high project activity, strong momentum in all three categories
- Accelerating activities in Sustainability
- 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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