MIPS Year-end result presentation
Key highlights

• Strong quarter with 41% net sales growth (35% organic). For the full year net sales increased with +67% (72% organic).

• Performance mainly driven by bicycle, but good consumer demand in all categories

• Strong improvement in EBIT and Operating Cash Flow

• Challenging Supply chain in the quarter, main disruption at Helmet manufacturers due to power restrictions in China

• Proposed dividend of SEK 5.00 (3.50) per share, corresponding to 51% of net earnings

• Initiating revision of long-term financial targets. Outcome will be presented at capital markets day in June
We continue to increase our Customer base

- **143** BRANDS
- **883** MODELS
- **12.6M** UNITS SOLD
- **10%** TOTAL ADDRESSABLE MARKET
Sports: bicycle
- Good performance continues

- Strong sales performance continues in bicycle helmets
- Good demand in all types of bicycle helmets
- The challenges for helmet factories to meet demand remains, especially in high end models
- Inventory in retail is still low. Our assumption is that bike helmet inventory levels will not normalize until Q2.
- Industry are forecasting a strong market demand also in 2022
Sports: snow – 2021 was better than expected

• Good growth for snow helmet throughout the year, despite a soft end-market in 2021

• We continue to outperform the market, with existing and new customers rolling out MIPS in a larger part of their assortment

• We see good consumer demand in all regions
Moto – soft quarter, fully explained by helmet factory priorities

- Soft sales in the quarter with -22%, fully explained by bicycle helmets getting manufacturing priority over motorcycle helmets in factories. Good growth in orders received

- First media campaign ever in MX during the fourth quarter with great success

- Good consumer demand expected coming quarters
Safety – Strong customer base established in 2021

- We launched partnership with 9 different helmet brands, with 8 of them having MIPS equipped products on the market
- We are creating an organization to continue to educate the market and to support sell-through with our partners
- Volumes will start increasing through the year
Challenging supply chain

- Supply chain continued to challenge us during the year and the quarter, but we have managed the situation very well.

- During the fourth quarter some of the helmet factories that we worked with faced power restrictions and that reduced their capacity in the quarter.

- We expect the challenging situation in supply chain to remain unpredictable also coming quarters.
Continued investment in the MIPS brand and products

- In November at the world’s largest Motorcycle fair, EICMA in Italy, we launched our new trade booth built on MIPS new visual identity.

- We also launched our new concept, Virtual Testlab (VTL), which is a tool that provides our partners unique capabilities in the helmet design process and a great expansion of our customer offering.

- In January we acquired the IP rights for a technology designed to optimize the foam materials often used in helmets. The acquired technology will be a great asset in VTL, to support our customers in optimizing the design of their helmets.

- We successfully ran our first media campaign in Snow and MX

- We finalized our new MIPS academy, with a 7-step educational program for our customers and store personnel
Review of financial target and long term ambition

- The combination of great progress within Sport and MOTO and the new customer base in Safety along with the strong market development during the pandemic has led to a more positive outlook for MIPS growth opportunities.

- The Board of Directors have decided to initiate a review of financial targets and the long-term ambition.

- Outcome of the review will be presented during a capital markets day in June.
### Development in our different categories

#### SPORTS
- **Revenue, SEKm**: 190 (130)/570 (341)
- **Growth, %**: 45/67
- **No. of brands**: 130 (107)

#### MOTO
- **Revenue, SEKm**: 8 (10)/35 (24)
- **Growth, %**: -22/47
- **No. of brands**: 29 (26)

#### SAFETY
- **Revenue, SEKm**: 1 (0)/3 (0)
- **Growth, %**: 2713/751
- **No. of brands**: 8 (2)

MIPS has in total 143 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 41%, organic growth was 35%
- Gross profit up 41% and a gross margin of 73.0% (-20 bps)
- OPEX – continue to invest in strategic priorities
- EBIT up 37% to SEK 104m (76), EBIT margin 52.6% (54.4)
- Cash flow – strong increase of operating cash flow to SEK 81m (49)

<table>
<thead>
<tr>
<th>MIPS Group (SEKm)</th>
<th>Q4 21</th>
<th>Q4 20</th>
<th>▲</th>
</tr>
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<tbody>
<tr>
<td>Net sales</td>
<td>198</td>
<td>140</td>
<td>41%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>145</td>
<td>103</td>
<td>41%</td>
</tr>
<tr>
<td>Gross margin %</td>
<td>73.0</td>
<td>73.3</td>
<td>-0.2 pp</td>
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<tr>
<td>Operating profit (EBIT)</td>
<td>104</td>
<td>76</td>
<td>37%</td>
</tr>
<tr>
<td>Operating margin (EBIT) %</td>
<td>52.6</td>
<td>54.4</td>
<td>-1.9 pp</td>
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<tr>
<td>Cash flow from operating activities</td>
<td>81</td>
<td>49</td>
<td>65%</td>
</tr>
</tbody>
</table>
Development for the year

- Net Sales increased by 67%, organic growth was 72%
- Gross profit up 68% and a gross margin of 73.2% (+50 bps)
- OPEX – continue to invest in strategic priorities
- EBIT up 95% to SEK 326m (167), EBIT margin 53.6% (45.8)
- Cash flow – strong increase of operating cash flow to SEK 277m (116)

<table>
<thead>
<tr>
<th>MIPS Group (SEKm)</th>
<th>2021</th>
<th>2020</th>
<th>▲</th>
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<tbody>
<tr>
<td>Net sales</td>
<td>608</td>
<td>365</td>
<td>67%</td>
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<tr>
<td>Gross profit</td>
<td>445</td>
<td>265</td>
<td>68%</td>
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<tr>
<td>Gross margin %</td>
<td>73.2</td>
<td>72.8</td>
<td>0.5 pp</td>
</tr>
<tr>
<td>Operating profit (EBIT)</td>
<td>326</td>
<td>167</td>
<td>95%</td>
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<tr>
<td>Operating margin (EBIT) %</td>
<td>53.6</td>
<td>45.8</td>
<td>7.7 pp</td>
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<tr>
<td>Cash flow from operating activities</td>
<td>277</td>
<td>116</td>
<td>139%</td>
</tr>
</tbody>
</table>
Balance sheet and cash flow

- Cash and Cash Equivalents at SEK 450m (272)
- Dividend of SEK 5.00 (3.50) per share, being proposed. Corresponding to 51% of net earnings
- Equity ratio 76% (82)
Summary

• Strong fourth quarter closes a successful year

• Strong improvement in EBIT and operating cash flow, both in the quarter and full year

• Helmet factories capacity challenged by power restrictions in the quarter

• We do expect Supply chain to remain unpredictable also coming quarters

• We assume strong consumer demand for 2022 in all our categories

• Review of financial targets initiated. Outcome will be presented in a capital markets day in June

*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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