Mips × CMD 2022
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Agenda

01 Our performance and what has changed
02 Our sustainability commitment
03 Our brand and our product
04 Our sales priorities
05 What does this mean in numbers
06 Wrap up
07 Q&A
Our performance and what has changed
Our previous long-term targets

- **SEK 1bn**
  - Net sales by 2025

- **>40%**
  - EBIT margin

- **50%**
  - Dividend of net earnings
Performance has been stronger than planned

Net sales development

<table>
<thead>
<tr>
<th>Year</th>
<th>Net sales MSEK</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>268</td>
</tr>
<tr>
<td>2020</td>
<td>365</td>
</tr>
<tr>
<td>2021</td>
<td>608</td>
</tr>
</tbody>
</table>

CAGR 47%

EBIT development

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT MSEK</th>
<th>EBIT margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>54</td>
<td></td>
</tr>
</tbody>
</table>

Dividend distribution

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per share (SEK)</th>
<th>% Dividend of net earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>3.5</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>
Key wins

- We have established ourselves with great partners in the Safety category
- We have started to win in Moto
- We are winning in the U.S.
- We are starting to replicate our story in Europe
- We have doubled our competence in 3 years
- We have accelerated our investments in capabilities

“All this, during a pandemic”
WHY ARE WE HERE

We are here to talk about the future

01. We are ahead of our own plan.
02. Our market opportunity has increased.
03. The market has grown more than we anticipated.
04. All valid reason to change our ambition going forward
Our long term targets

- **SEK 2bn**
  Net sales by 2027

- **>50%**
  EBIT margin

- **50%**
  Dividend of net earnings
Ambitious but realistic targets
ESG focus is increasing
Safety @work is key
Helmet use increasing
Strong outdoor trend
MARKETS EXPECTED TO GROW

Expected market growth in volume per annum

<table>
<thead>
<tr>
<th>Volume</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>+5%</td>
<td></td>
</tr>
<tr>
<td>0%</td>
<td>↑</td>
</tr>
<tr>
<td>+3-5%</td>
<td>↑</td>
</tr>
<tr>
<td>+5%</td>
<td>↑</td>
</tr>
<tr>
<td>+5%</td>
<td>↑</td>
</tr>
</tbody>
</table>

SPORTS | MOTO | SAFETY
STATUS OF THE BUSINESS

All of our categories remain strong

- We see good demand in all our three categories
- We continue to invest for growth
- The world is expected to remain unpredictable
Next level in helmet development
MIPS SNOW HELMET - PITCHED IMPACT
North America

MIPS AWARENESS

45%
Mips’ *total* helmet market has grown by 140m to 550m
Mips’ focus market has expanded to 195m helmets
Still a lot of untapped potential

98% of Total Market

94% of Focus Market
Reduce head injuries
- Save more lives
OUR MISSION

Leading the world to safer helmets
OUR POSITION

Leader in helmet safety
OUR STRATEGY IN THREE KEY PILLARS

01
Grow existing business

02
Open up new channels and markets

03
Capture new opportunities within helmet safety
What does that actually mean?

01  
Grow existing business

02  
Open up new channels and markets

03  
Capture new opportunities within helmet safety
MIPS WILL BE MORE THAN MIPS

A paradigm shift

- Focus will not only be rotational protection
- We will optimize the whole helmet performance
02

Our sustainability commitment

Karin Rosenthal
Chief Financial Officer
OUR FOCUS AREAS IN SUSTAINABILITY

Our employees

Our product

Our supply chain
GROWTH AND ENVIRONMENTAL IMPACT

- Sold units
- If no action
- 1.5 degree ambition (Science Based Targets)

CMD 2022

2021 2022 2023 2024 2025 2026 2027 2028 2029 2030

If no action vs. 1.5 degree ambition (Science Based Targets)
TOTAL CLIMATE EMISSIONS

**TOTAL** 9,400 tCO2e

**MANUFACTURING**
- Electricity: 46%
- Raw materials: 48%
- Other: 1%
- **Total**: 95%

**OTHER**
- Refrigerants, AC: 1%
- Distribution: 2%
- Other: 2%
- **Total**: 5%
Of our emissions is from producing our products

95%
Science based targets

Un - global compact

Circular product offering
Leading the world to safer and more sustainable helmets
The Mips brand and our product

Fredrik Kjellberg
Chief Marketing Officer
OUR TAGLINE
Global sales premium

“If you know Mips, you buy Mips.”

VOLUME

36%

PRICE

35%
Total reach in bn

2018: 1.4
2019: 2.5
2020: 3.9
2021: 5.1

Forbes

“The Mips label usually adds twenty to forty bucks to the price - but simply do not buy a helmet that does not have it, there's no sense in that, and every major manufacturer offers Mips.”
02 Paid media - Reaching wide
03 In-store concept – Claiming our space
E-tail – Support sell-through
Design DNA

Makeover
Blend in - or **stand out**
Attention to detail
Highlighting safety features
Our sales priorities

Johan Sauer
Head of Sales
The market opportunity has grown

<table>
<thead>
<tr>
<th>Category</th>
<th>Updated total market</th>
<th>Updated Mips focus market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bike</td>
<td>50</td>
<td>35</td>
</tr>
<tr>
<td>Snow</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>EQ</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Team</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Sport</strong></td>
<td><strong>65</strong></td>
<td><strong>45</strong></td>
</tr>
<tr>
<td>On-Road</td>
<td>78</td>
<td>34</td>
</tr>
<tr>
<td>Off-Road</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total Moto</strong></td>
<td><strong>85</strong></td>
<td><strong>40</strong></td>
</tr>
<tr>
<td>Industry</td>
<td>390</td>
<td>100</td>
</tr>
<tr>
<td>LEAF</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total Safety</strong></td>
<td><strong>400</strong></td>
<td><strong>110</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>550</td>
<td>195</td>
</tr>
</tbody>
</table>
Our business is doing **extremely well**

01
We are outperforming the market

02
Brand awareness increase

03
Independent testing and new standards
We have a great customer base

Top priority: Organic growth
Sports
SPORTS CATEGORY:
WINNING WITH EXISTING PARTNERS

Keep on winning in the U.S.

Replicate U.S. success in Europe
It’s time to focus on the kids
Moto
Trusted by the best

34
Total number of factory and factory-supported riders equipped with Mips

156
Combined AMA Supercross & Pro Motocross podium finishes for riders equipped with Mips

95%
Combined Supercross & Pro Motocross victories for riders equipped with Mips

Mips partners:

CMD 2022
TOP PRIORITIES IN MOTO

01 Keep on winning in the U.S.

02 Replicate U.S. success in Europe

03 Convince on-road brands, it starts with racing.
Safety
We have established a great base

10
signed and announced helmet partners

3 out of 5
largest Nordic construction companies now offer at least one helmet with Mips to their employees. In other words: Construction companies choosing to make Mips available to their workers.
NOW IT IS ABOUT GENERATING

Volumes

- We have the brands
- We are working with the right partners
- We are building the organization
Actions to **grow the existing business** across all categories
Open up new markets and channels

01 New channels
02 New markets
03 New helmet opportunities
Get Mips out there
In volumes
New markets
Capture new opportunities in helmet safety
Capture new opportunities in helmet safety

01 Competence
02 Aftermarket & add-ons
03 New innovation
Financials

Karin Rosenthal
Chief Financial Officer
Previous financial targets 2025

- SEK 1bn net sales by 2025
- >40% EBIT margin
- >50% dividend of net earnings

New financial targets 2027

- SEK 2bn net sales by 2027
- >50% EBIT margin
- Unchanged
Net sales bn SEK

- CAGR of 22%
- Built up by three parts:
  - Grow existing business
  - Open up new channels and markets
  - Capture new opportunities
MIPS’ FINANCIAL MODEL

Enables >50% EBIT

- Ingredient brand with a highly scalable business model. Continued strong growth.
- Fuel awareness, we will increase marketing spend to 7% of net sales
- R&D: Research and product is key, we will continue to invest heavily with 5% of net sales
- Enables an EBIT margin >50%
ASSET LIGHT MODEL

Enables >50% dividend

- Asset light model, outsourced production, limited finished goods inventory
- Invoicing at delivery
- Investments in IP and testing facilities, no investments in manufacturing
- Enable a dividend payout of >50%
Granularity of reporting

- Quarterly net sales per category (Safety, Moto, Sports)
- Quarterly net sales per region

Strategy to Increase our value proposition per sold helmet:

- No yearly reporting on volume
- No reporting on number of brands or models

This reporting format will be applied from Q2 2022
Wrap up

Max Strandwitz
Chief Executive Officer
OUR STRATEGY IN THREE KEY PILLARS

01 Grow existing business

02 Open up new channels and markets

03 Capture new opportunities within helmet safety
First of all:
We have the vision
We have the opportunity
We have the **capabilities**
Let’s get going
It’s time to become the true leader in helmet safety
Mips Safety for helmets