MIPS’ presentation of the Q3 interim report 2020
Key highlights

• Strong performance in the quarter with 94% net sales growth (108% organic)

• Continued high customer interaction with large amount of new projects

• Launch of Team MIPS, first athlete out is Henrik Harlaut

• Good consumer demand, mainly driven by bike helmets. Good growth anticipated coming quarters

• Long-term financial target remains intact
Bike – Strong demand for MIPS

- High demand for MIPS solutions in bike helmets
- We do expect the high demand situation to carry over to 2021
- Increase both in bike helmets for commuting and recreational use all over the world
- Historically bike helmet volumes have been concentrated at Q3 and Q4, however due to the demand situation we do expect high production will continue into 2021
Snow – Recovered, but still soft numbers

• Improvement in sales to ski helmet manufacturers in the quarter, mainly relating to the late orders due to the pandemic situation

• The uncertainty of winter holiday season remains
  - Booking situation at ski resorts has improved vs. last quarter
  - Infrastructure challenges at ski resorts remains
  - Even if there is a strong season, there is limited possibility for brands to react to sales uplift, given the heavy demand situation in bike and limited capacity at factories
  - Due to the current restrictions, the outlook for the winter season may change rapidly
Moto – Strong sales in the quarter

• Strong sales, volumes improved vs. previous quarter, as communicated before

• Similar trend in Moto as in bike, but not to the same magnitude

• More brands launching MIPS. Demand is supported by the implementation of new standard (ECE 22.06), which includes rotational motion in the test protocol

• Good consumer demand expected coming quarters
Safety – Lined up for a good 2021

- Good interest in Safety category from both helmet manufacturers and construction companies
- Intensified debate and media attention around work related injuries with focus on brain traumas
- We only announce new brands when first orders are delivered
- Increased interest of MIPS internationally and volumes will start to ramp up in 2021
Launch of Team MIPS

- MIPS should be the obvious choice when buying a helmet
- Key strategic initiative to increase awareness of the MIPS brand
- Revision of brand platform done; several activities being rolled out, one of them is to create a Team MIPS with Mips ambassadors
- Henrik Harlaut, the most decorated x-games skier in the world is the first athlete to join Team MIPS
- Additional athletes will be announced coming months, great way to increase awareness of the MIPS brand

MIPS - Makes helmets safer
Development in our different categories

**SPORTS**
- Third quarter/YTD 2020
  - Revenue, SEKm: 96 / 210
  - Growth, %: 91 / 24
  - No. of brands: 102 (+3)

**MOTO**
- Third quarter/YTD 2020
  - Revenue, SEKm: 6 / 14
  - Growth, %: 142 / 24
  - No. of brands: 22 (+1)

**SAFETY**
- Third quarter/YTD 2020
  - Revenue, SEKm: 0 / 0
  - Growth, %: - / -
  - No. of brands: 2

MIPS has in total 111 buying customers (a customer can be active in several categories but only counted once in the “total customer” number)
Development in the third quarter

- Net Sales increased by 94%, organic growth was 108%
- Gross profit up 91%, gross margin down 80 bps to 72.2%
- OPEX – continue to invest in strategic priorities
- EBIT was SEK 55m (20), EBIT margin 53.6% (38.6)
- Cash flow – strong increase of operating cash flow to SEK 29m (12)

<table>
<thead>
<tr>
<th>MIPS Group (SEKm)</th>
<th>Q3 20</th>
<th>Q2319</th>
<th>△%</th>
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<tbody>
<tr>
<td>Net sales</td>
<td>102</td>
<td>53</td>
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<tr>
<td>Gross profit</td>
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<tr>
<td>Gross margin %</td>
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<tr>
<td>Operating profit (EBIT)</td>
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<td>Operating margin (EBIT) %</td>
<td>53.6</td>
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<tr>
<td>Cash flow from operating activities</td>
<td>29</td>
<td>12</td>
<td>138</td>
</tr>
</tbody>
</table>
Development first nine months

- Net Sales increased by 24%, organic growth was 27%
- Gross profit up 22%, gross margin down 120 bps to 72.5%. Adjusting for acquisitions, gross margin down 60 bps to 73.0%
- OPEX - continue to invest in strategic priorities
- Adjusted EBIT was SEK 92m (71), adjusted EBIT margin 41.0% (39.2)
- Cash flow - increase in operating cash flow to SEK 66m (43)

<table>
<thead>
<tr>
<th>MIPS Group (SEKm)</th>
<th>YTD 20</th>
<th>YTD 19</th>
<th>△ %</th>
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<tbody>
<tr>
<td>Net sales</td>
<td>225</td>
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<tr>
<td>Gross profit</td>
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<td>13.3</td>
<td>22</td>
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<tr>
<td>Gross margin %</td>
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<td>Operating profit (EBIT)</td>
<td>91</td>
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<tr>
<td>Operating margin (EBIT) %</td>
<td>40.5</td>
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<tr>
<td>Adjusted Operating profit (EBIT)</td>
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<td>Adjusted Operating margin (EBIT) %</td>
<td>41.0</td>
<td>39.2</td>
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<tr>
<td>Cash flow from operating activities</td>
<td>66</td>
<td>43</td>
<td>54</td>
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</table>
Balance sheet and cash flow

- Strong improvement of Cash flow from operating activities with SEK 29m (12) in the quarter

- Cash and Cash Equivalents at SEK 233m (176)

- Equity ratio 84% (86)
Summary

- Strong quarter mainly driven by good demand for bike helmets
- The increased demand expected to continue into next year, assuming no dramatic change to current situation
- Continued high project activity, strong momentum in all three categories
- Roll out of the new brand platform continues, launch of Team MIPS
- Good position to deliver according to the 2025 plan

*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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