



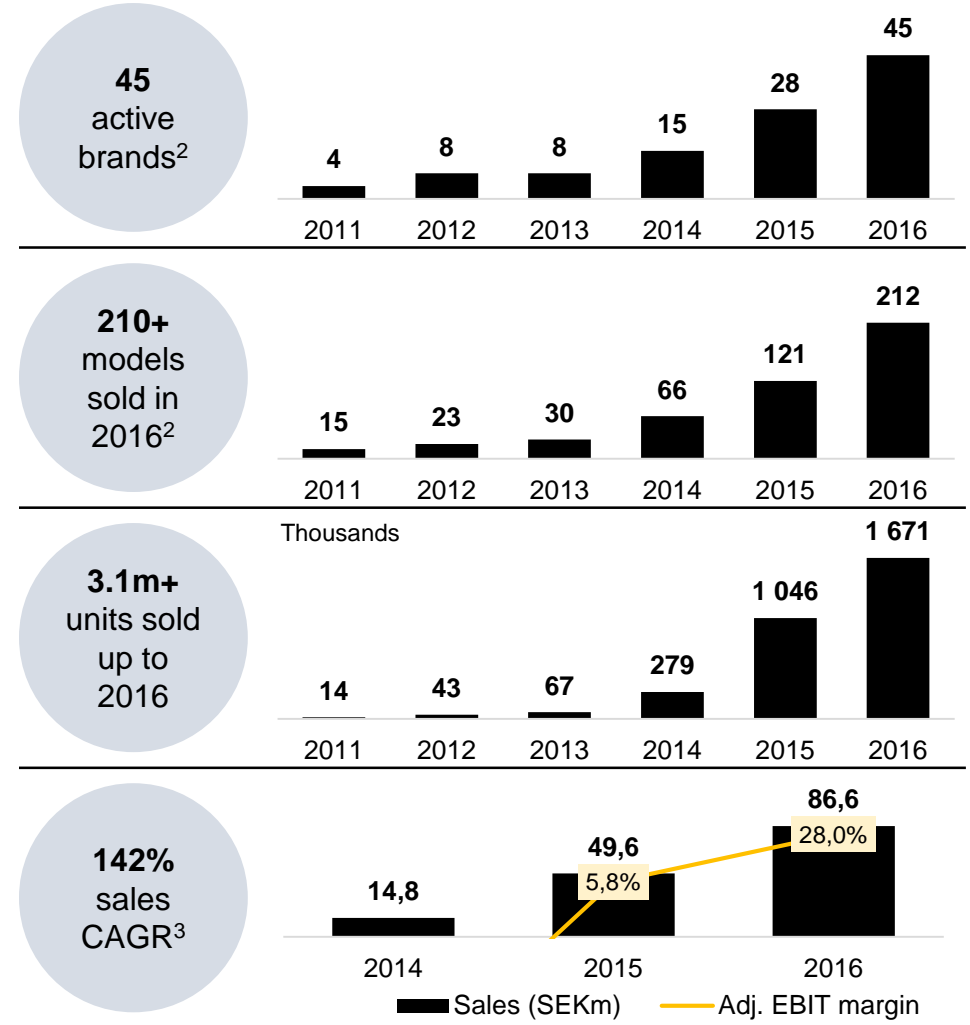
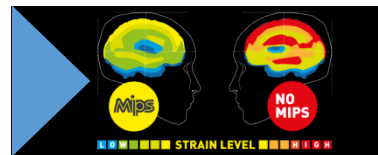
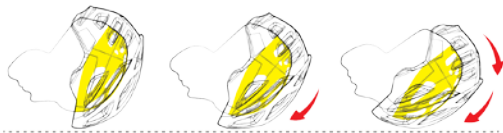
MIPS Q2 2017

August 17, 2017



MIPS in brief

- MIPS is a market leader in helmet solutions protecting the brain against rotational motion
- Patented technology based on over 20 years of research and testing, partnered with some of the world's leading researchers from KTH and Karolinska Institute
- MIPS operates as an ingredient brand, with leading helmet brands as customers including Bell, Fox Head, Giro, POC, Scott, Smith and Trek
- MIPS BPS¹ is an easily implemented safety feature, which offers helmet brands incremental safety performance and allows higher price points



Note: 1. Brain Protection System. 2. Based on sold MIPS BPS units during the period. 3. CAGR for the period 2014 to 2016. EBIT margin 2014 was -89.7%.

MIPS' financial targets

>SEK 400m
net sales
2020

>40%
EBIT margin
2020

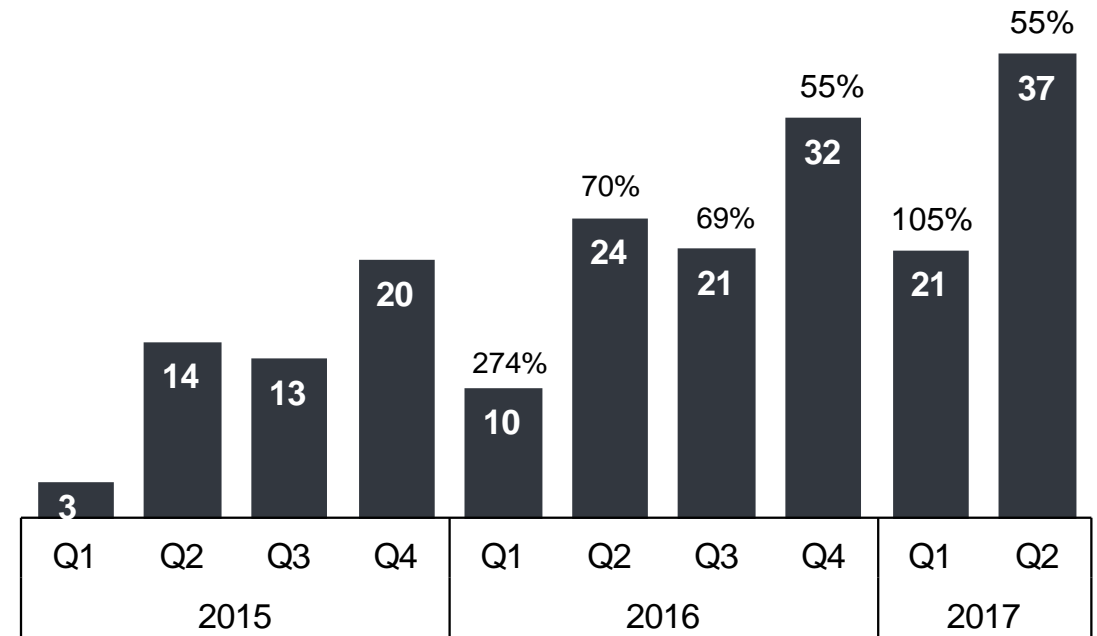
Q2 Highlights

- Progress towards 2020 target
 - Growth 55% (organic 43%)
 - Adjusted EBIT 31.5%
- Focus on R&D and strengthening of marketing organization
- Establishment of the WFOE in China
- New solutions of MIPS BPS

Q2 Net sales development

- Snow key category during the quarter
- Growth mainly from existing customers expanding their range and penetration of MIPS

Net Sales development (MSEK) and quarterly growth rates*



*No quarterly growth rates available for 15'

Q2 in figures

- Net sales increase 55%, organic 43%
- Gross margin improvement, +3.8 p/p to >75%
- Higher Opex
 - continuous investment for growth
 - higher costs due to being a listed company
 - legal costs
- Adjusted EBIT +11.5 MSEK, 31.5% EBIT margin
- Cash – improvement in operating cash flow,
 - improvement from higher operating profit, comparable figures includes one-off payments
 - IPO related costs fully paid

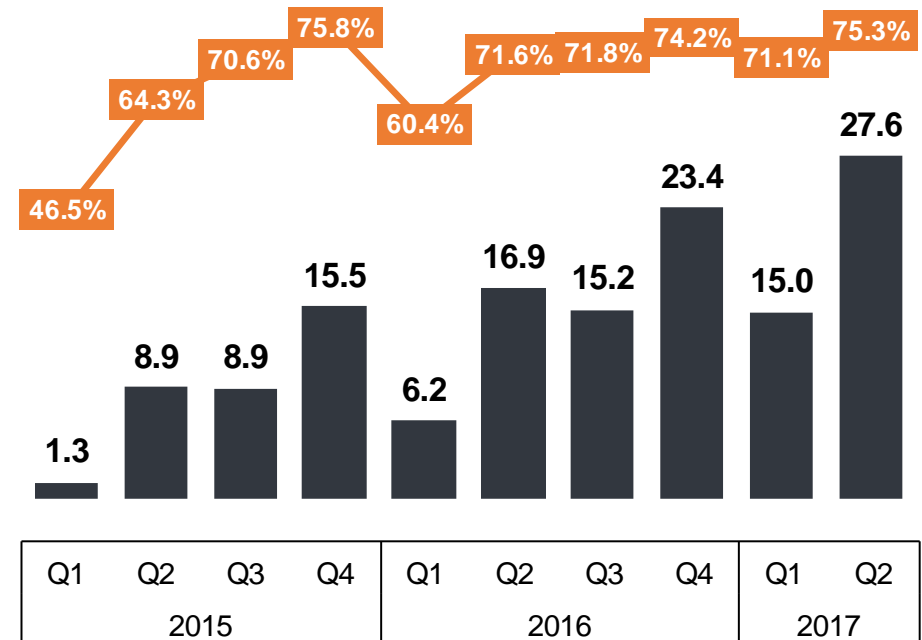
MSEK	2017 Q2	2016 Q2	Change %	2016/17 LTM	2016 FY
Net sales	36.6	23.6	55	110,4	86.6
Gross profit	27.6	16.9	63	81.2	61.7
Gross margin %	75.3	71.6	-	73.5	71.3
Adjusted operating profit/loss	11.5*	7.4*	57	33.2*	24.2*
Adjusted operating margin %	31.5	31.2	-	30.1	28.0
Cash flow from operating activities	0.0	-8.8	N/A	25.6	16.0

*Adjusted for items affecting comparability (IPO costs)
 Q2 2017 0.5 MSEK, Q2 2016 1.8 MSEK, LTM 11.1 MSEK, 2016 5.8 MSEK

Q2 Gross profit and margin development

- Gross margin up +3.8 p/p to 75.3% vs. Q2 2016
- Margin improvement derives from:
 - Lower sourcing costs
 - Favorable sales mix

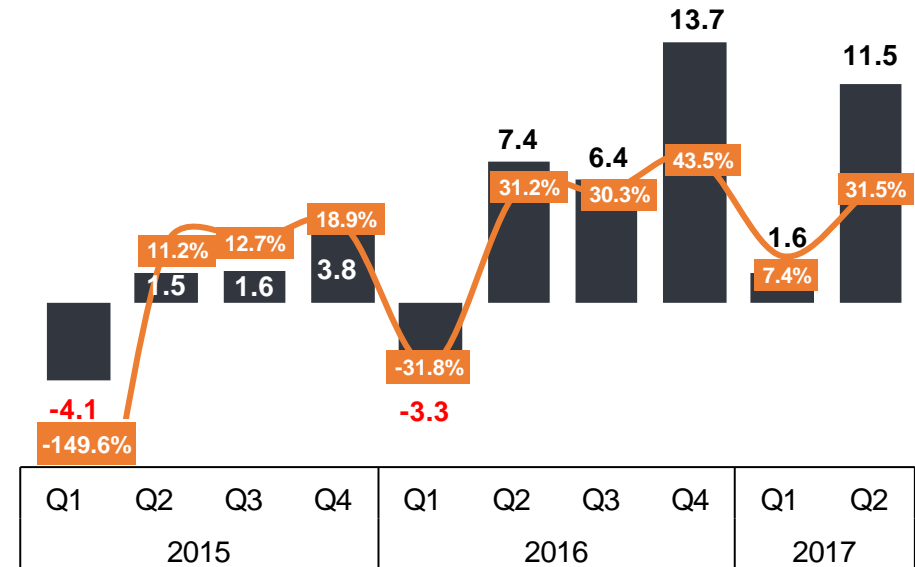
Gross profit (MSEK) and gross margin development



Q2 Adjusted EBIT margin development

- Improvement of adjusted EBIT +4.2 MSEK to 11.5 MSEK
- Higher net sales and improved gross margin, key drivers of increased EBIT
- Higher OPEX from strengthening of organization, R&D activities, being a listed company and legal cost

Adjusted EBIT (MSEK) and adjusted EBIT-margin development



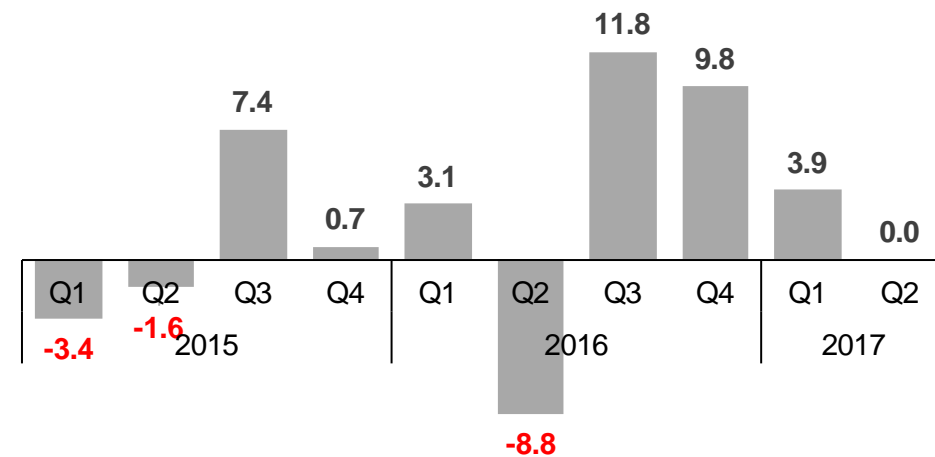
Q2 Balance sheet and cash flow

- IPO related costs fully paid
- Deferred tax asset decreased by 3.0 MSEK vs. previous quarter
- Continued focus on improving operating cash flow

Key balance sheet items and cash flow

MIPS Group (MSEK)	Q22017	Q22016	FY2016
Total Assets	229,8	54,7	75,4
Equity	210,4	44,9	57,3
Equity ratio %	92	82	76
Cash & Equivalents	175,2	8,2	28,5
Deferred tax asset	11,5	15,0	11,4
Cash flow after operating activities	0,0	-8,8	16,0

Cash flow from operating activities (MSEK)



Two new MIPS BPS solutions launched

- Two new solutions developed based on MIPS patented technology



The A-series solution is a combination of plates anchored between fabric layers and housed beneath a helmet's comfort pads. Aimed towards all helmet categories and especially ventilated bike helmets.



E-series solution, is an integrated soft, cap-like insert that acts as a full-headed low-friction layer for full-face cycling, snow, motocross, and street sport helmets.

Update litigation

- Ongoing patent dispute in Canada
- Costs mainly related for legal advice
 - Q2 MSEK 1.9 (1.2)
 - Q1+Q2 MSEK 3.0 (2.1)
- Court date is set for September 5, 2017

Summary

- Progress against 2020 plan
- Continue to increase penetration with customers and signing of new clients
- Explore opportunities within LEAF (Professional)
- Launching two new MIPS solutions and customers introducing 40 new bike helmet models at Eurobike trade show
- Increased investment behind MIPS brand and R&D activities

