



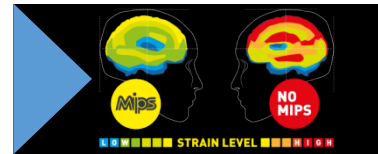
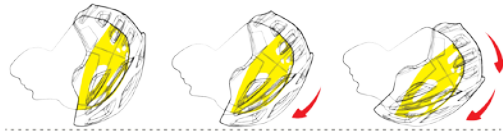
MIPS Q4 2017

15 February, 2018

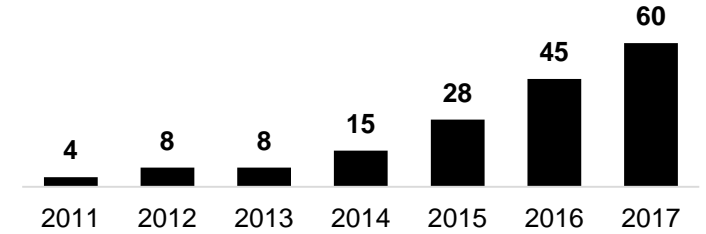


MIPS in brief

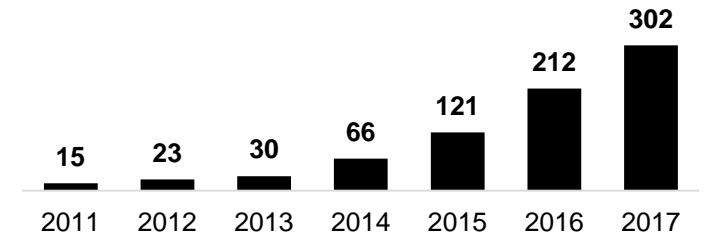
- MIPS is a market leader in helmet solutions protecting the brain against rotational motion
- Patented technology based on over 20 years of research and testing, partnered with some of the world's leading researchers from KTH and Karolinska Institute
- MIPS operates as an ingredient brand, with leading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



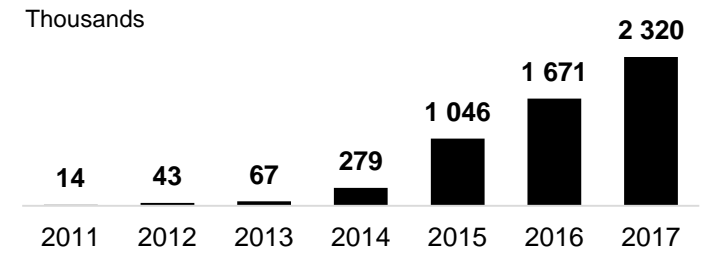
60
active
brands²



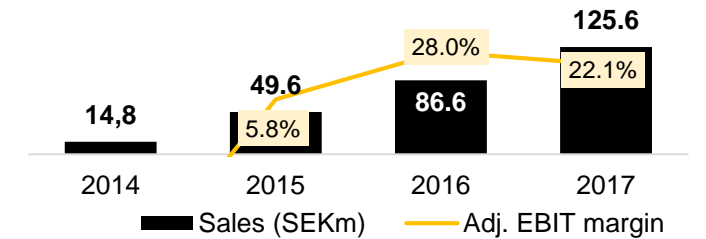
300+
models
sold in
2017²



5.4m+
units sold
to date



104%
sales
CAGR³



Note: 1. Brain Protection System. 2. Based on sold MIPS BPS units during the period. 3. CAGR for the period 2014 to 2017. EBIT margin 2014 was -89.7%.

MIPS financial targets

>SEK 400m
net sales
2020

>40%
EBIT margin
2020

Q4 Highlights

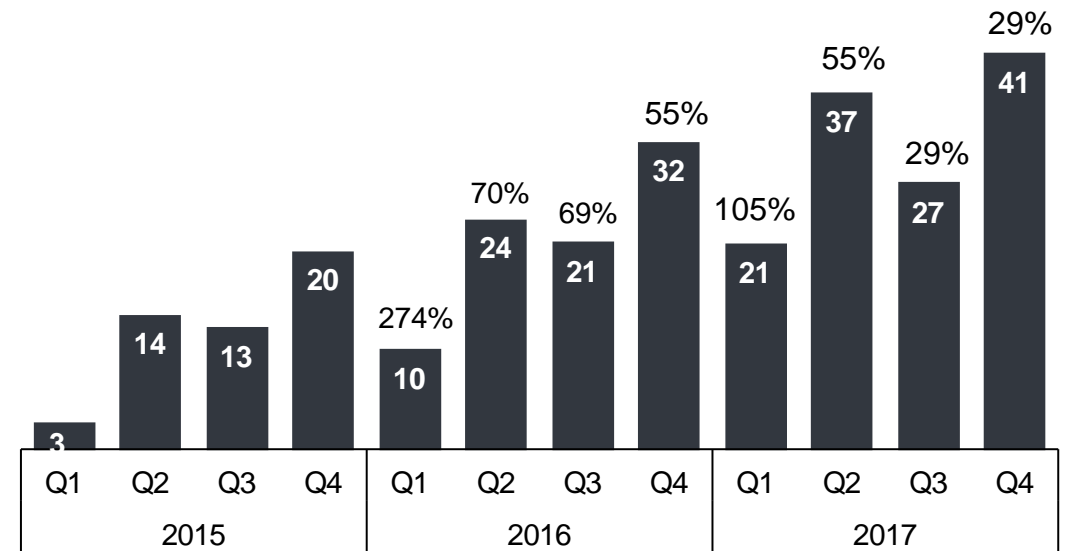
- Net sales growth at +29% in the quarter, +37% organic growth adjusting for currency effects
- Adjusted EBIT 36.0%, legal cost of MSEK 4.1 included
- Gaining traction in Motorcycle category
- First helmet with MIPS BPS delivered in Mountaineering category
- Legal process against POC initiated
- Progress towards 2020 target



Q4 Net Sales development

- Growth in all key categories, with +29% for the quarter and +45% FY
- Growth mainly from existing customers expanding their range and penetration of MIPS BPS

Net Sales development (MSEK) and quarterly growth rates*



*No quarterly growth rates available for 15'

Q4 in figures

- Net Sales increased +29%, currency adjusted +37%
- Gross margin improvement in Q4, +1.0 p/p to 75.2%
- Higher Opex
 - legal costs of MSEK 4.1 included
 - strengthening of organization
 - increase in marketing investments
 - cost relating to being a listed company
- Negative impact from forex in the quarter
- Adjusted EBIT MSEK14.6, 36.0% Adjusted EBIT margin
- Cash – decrease in operating cash flow

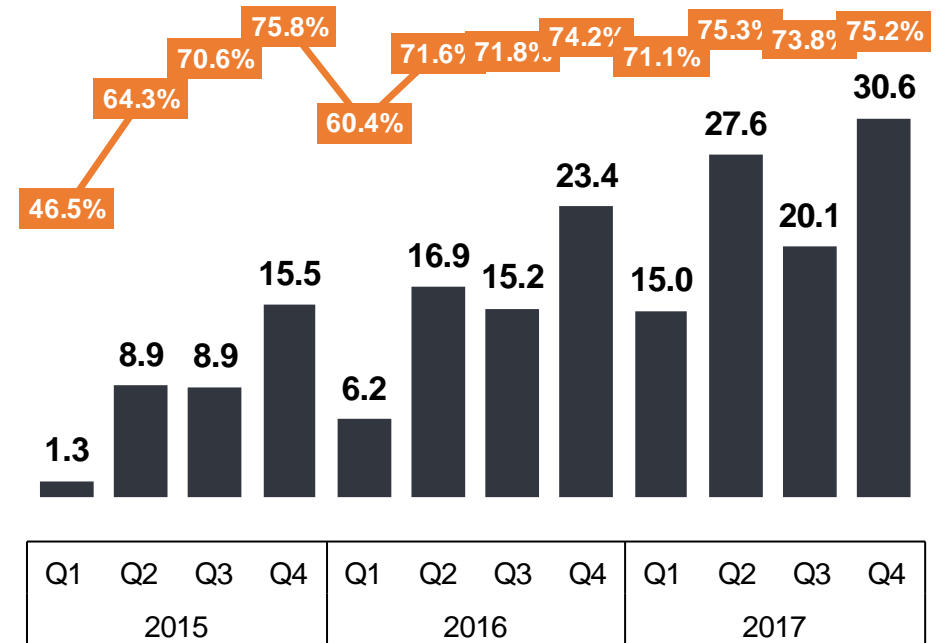
MSEK	2017 Q4	2016 Q4	Change %	2017 FY	2016 FY
Net sales	40.6	31.5	29	125.6	86.6
Gross profit	30.6	23.4	31	93.3	61.7
Gross margin %	75.2	74.2	-	74.3	71.3
Adjusted operating profit/loss	14.6*	13.7*	7	27.8*	24.2*
Adjusted operating margin %	36.0	43.5	-	22.1	28.0
Cash flow after operating activities	0.9	9.8	-91	11.1	16.0

*Adjusted for items affecting comparability (IPO costs)
 Q4 2017 -, Q4 2016 MSEK +0.1, 2017 MSEK -7.0, 2016 MSEK -5.8

Q4 Gross profit and margin development

- Gross margin up +1.0 p/p vs. Q4 2016 to 75.2%
- Lower sourcing costs key driver of margin improvement

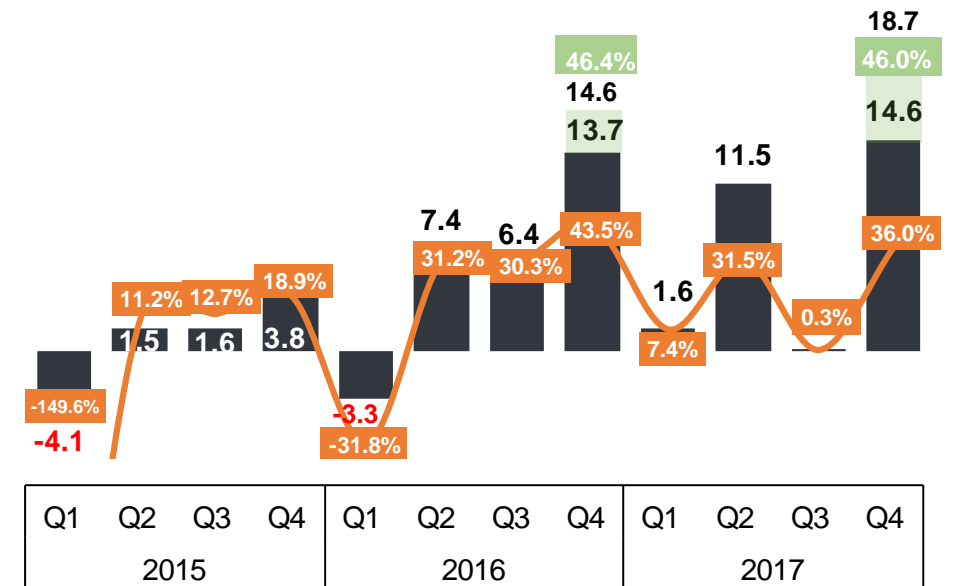
Gross profit (MSEK) and gross margin development



Q4 Adjusted EBIT margin development

- EBIT increase with MSEK +0.9 to 14.6 MSEK
- Increase in EBIT mainly explained by higher sales partly offset by:
 - legal cost in the quarter
 - negative impact of currency
 - strengthening of organization
 - cost related to being a listed company

Adjusted EBIT (MSEK) and adjusted EBIT-margin development



Adjusted EBIT/EBIT margin excluding litigation costs: 4.1 MSEK in Q4 2017 and 0.9 MSEK in Q4 2016

Q4 Balance sheet and cash flow

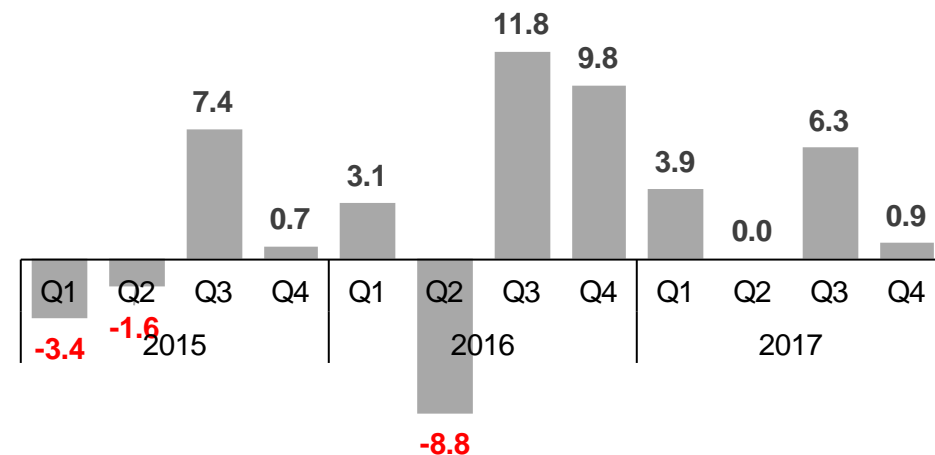
- Deferred tax asset decreased with MSEK 2.9 to 8.7 vs. Q3 2017
- Cash flow decreased for the quarter, mainly due to higher sales and lower current liabilities

Key balance sheet items and cash flow

MIPS Group (MSEK)	31 Dec 2017	31 Dec 2016
Total Assets	242.2	75.4
Equity	220.6	57.3
Equity ratio %	91	76
Cash & Equivalents	179.8	28.5
Deferred tax asset	8.7	11.5

MIPS Group (MSEK)	Q4 2017	Q4 2016
Q4 Cash flow from operating activities	0.9	9.8

Cash flow after operating activities (MSEK)

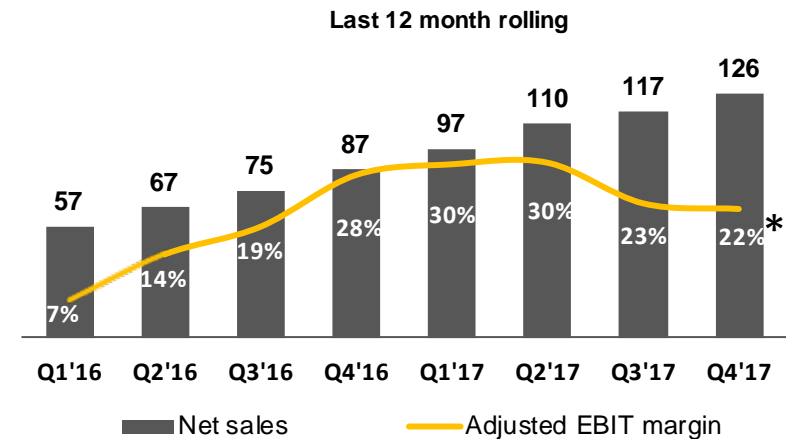


Update on litigation situation

- Bauer trial ended 19 October 2017, main part of litigation cost recognized
- The Court reserved the right to award formal judgement within 3 to 6 months after ending of Bauer trial.
- Legal process initiated against POC in Germany

Summary

- Net sales growth at **45%** for the year
- We are growing with our key customers, in all our categories and geographies
- Profitability impacted by litigation costs of MSEK 4.1 in the quarter and MSEK 16.5 for the year
- Excluding litigation cost profitability increased for the year
- Defending our patents
- Good progress against 2020 plan



*FY17 EBIT adjusted, includes legal costs of MSEK 16.5 (3.6). Adjusted EBIT% excluding legal cost FY17: 35% (32)