

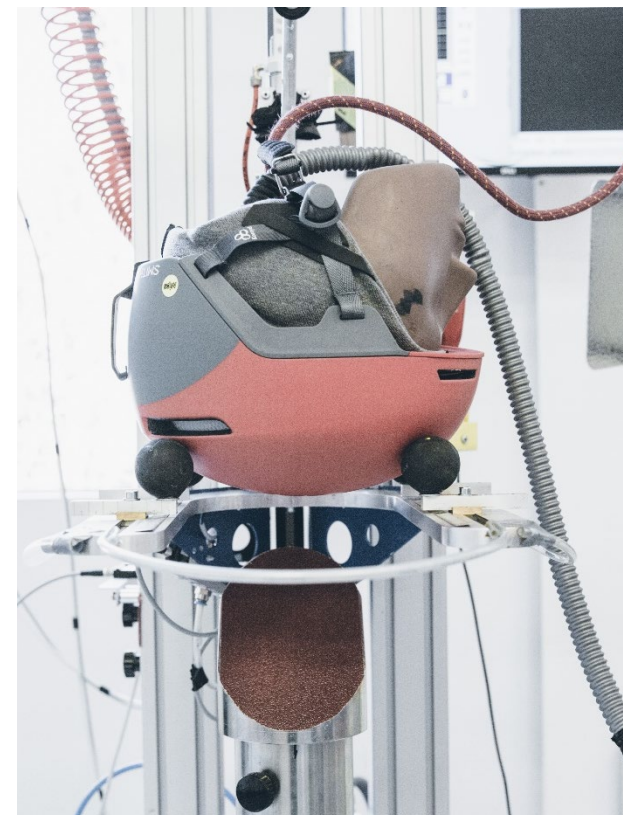


MIPS Q1 2019

3 May, 2019

Q1 Highlights

- Strong start of the year with a net sales increase of +91% and +71% organic growth
- All helmet categories showed a positive development, led by the Snow category
- Strong increase in EBIT margin to 26.3% (7.6)
- Continued high inflow of projects from both new and existing customers
- High turbulence from Bontrager's launch of the "new technology" WaveCel
- Good progress towards 2020 financial goals



WaveCel launch

- The material WaveCel was launched by bicycle helmet brand Bontrager in the end of March, with exclusive rights in Bike category
- Company behind the technology is Apex Biomedical. They have launched a material with a honeycomb structure aimed to reduce both linear and rotational forces
- Bold marketing claims, stating significant risk reduction
- 4-5 models launched in the premium range, USD 150-300
- MIPS have tested launched models, however, MIPS cannot replicate claimed test results



Successful launches at leading trade shows



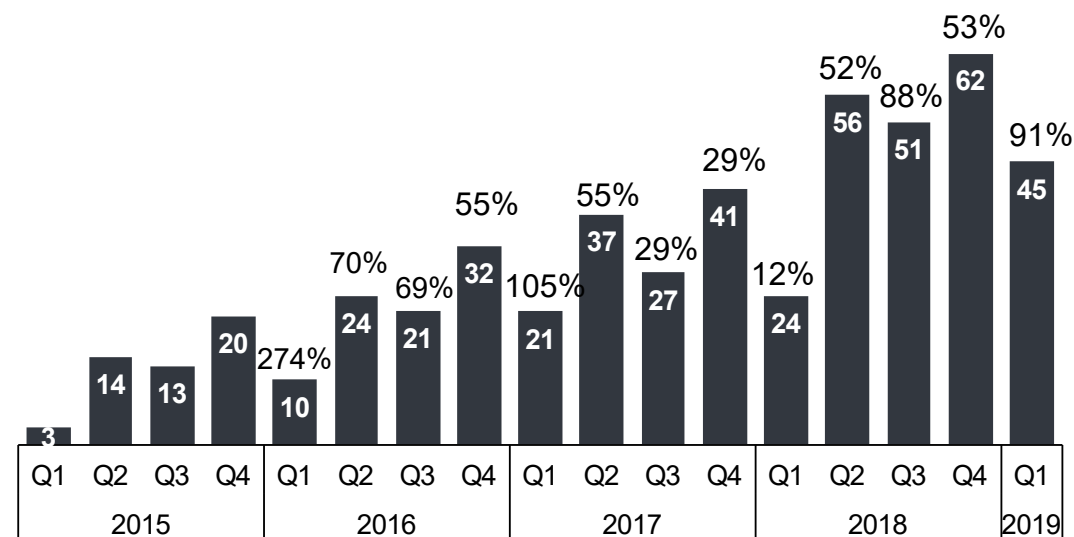
- At the worlds largest winter trade show ISPO, 5 to MIPS new brands (HEAD, Cebé, Vola, Protec, Flaxta) presented products equipped with MIPS BPS
- In total 14 new models equipped with MIPS BPS were launched
- Good exposure at leading Equestrian trade show in Birmingham, BETA international, where two major equestrian brands, Charles Owen and Champion launched models equipped with MIPS BPS
- MIPS was awarded best safety product together with Charles Owen at the same trade show



Q1 Net Sales development

- Strong growth in the quarter +91%, organic growth +71%
- Good performance mainly in Snow, but all key categories showed strong growth
- Somewhat soft prior year comparator

Net Sales development (SEKm) and quarterly growth rates*



MIPS financial targets

>SEK 400m
net sales
2020

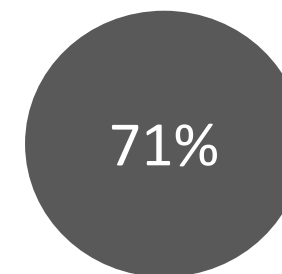
>40%
EBIT margin
2020



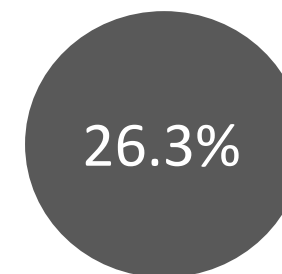
Q1 development

- **Net Sales** increased +91%, currency adjusted +71%
- **Gross profit** up 90%, gross margin down with -0.5 p/p
- **OPEX** continue to invest for growth
- **EBIT** SEK +11.8m (1.8), 26.3% EBIT margin (7.6)
- **Cash** – Good operating cash flow of SEK 7.7m (8.4) despite tax payment relating to 2018

MIPS Group (SEKm)	Q1 19	Q1 18	▲ %	FY 18
Net sales	44.9	23.6	91	192.5
Gross profit	32.7	17.3	90	142.2
Gross margin %	72.8	73.3	-	73.9
Operating profit (EBIT)	11.8	1.8	557	73.0
Operating margin (EBIT) %	26.3	7.6	-	37.9
Cash flow from operating activities	7.7	8.4	-9	69.1



Organic growth



EBIT margin

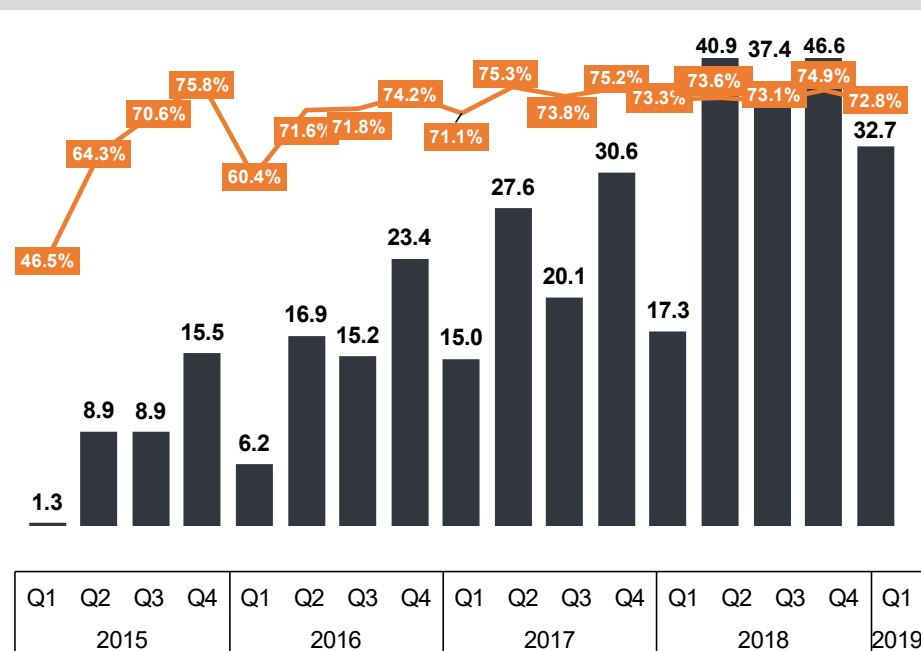


Operating Cash flow
(SEKm)

Q1 Gross profit and margin development

- Gross profit up 90% to SEK 32.7m
- Gross margin down -0.5 p/p vs. Q1 2018 to 72.8%
- Different sales mix key reason for the lower gross margin

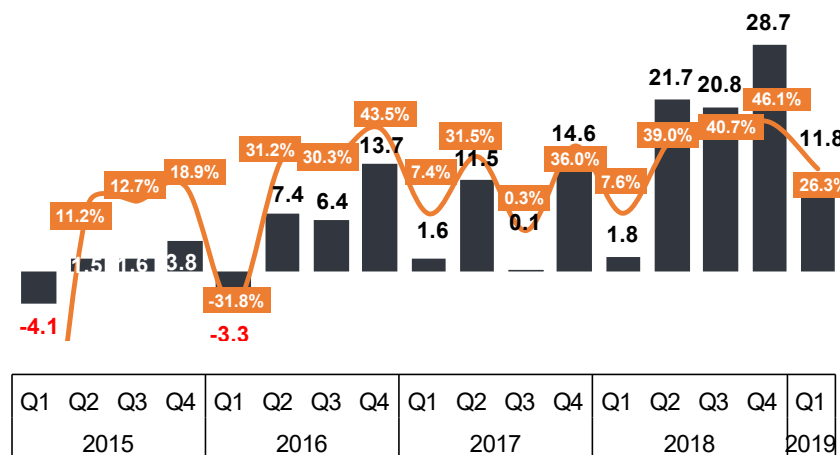
Gross profit (SEKm) and gross margin development



Q1 EBIT development

- EBIT increased with SEK 10.0m to SEK 11.8m (SEK 1.8m)
- EBIT margin 26.3% (7.6)
- Increase is mainly explained by higher sales, positive effects from currency and litigation costs in prior year comparator partly offset by:
 - Strengthening of organization
 - Negative impact from currency derivatives
 - Continued investment in Marketing and R&D

Adjusted EBIT (SEKm) and adjusted EBIT-margin development



Balance sheet and cash flow

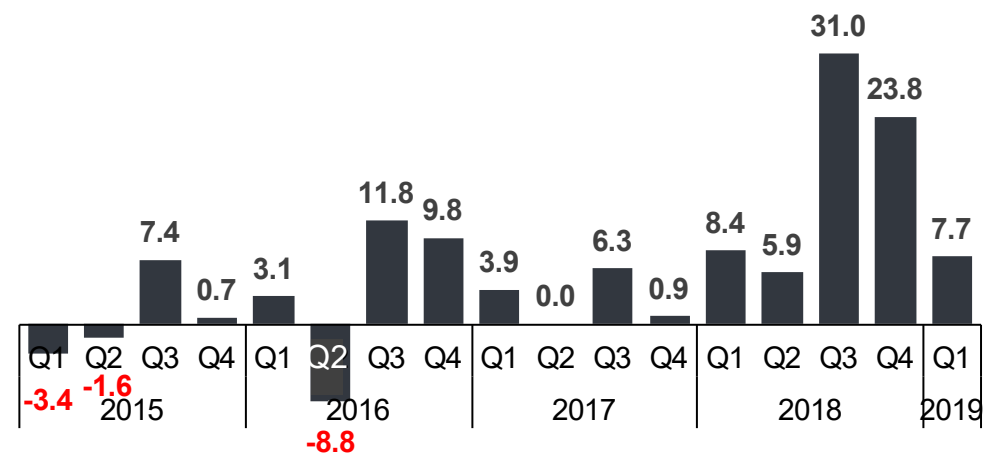
- Good operating cash flow delivery, despite payment of income tax relating to 2018
- Cash and Cash Equivalents at SEK 248.7m, Equity ratio 85%

Key balance sheet items and cash flow

MIPS Group (SEKm)	Q1 19	Q1 18	FY 18
Total Assets	333.4	239.8	319.4
Equity	283.8	221.2	275.6
Equity ratio %	85	92	86
Cash & Equivalents	248.7	186.7	242.5
Deferred tax asset	1.1	8.6	0.7

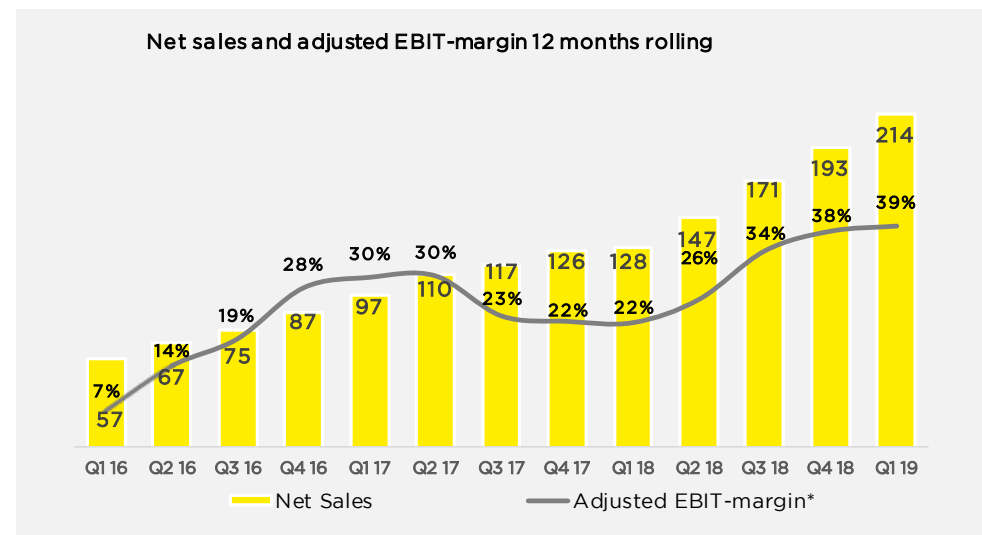
MIPS Group (SEKm)	Q1 19	Q1 18	FY 18
Cash flow from operating activities	7.7	8.4	69.1

Cash flow after operating activities (SEK m)



Summary

- Organic growth at +71% and with an EBIT margin of 26.3% for the quarter
- Continued focus on growing existing customers
- Still convinced on our technology and our position as the leading ingredient brand
- Continued high momentum at leading fairs
- Good start of 2019, we continue to deliver according to our 2020 plan



*Adjusted for costs in connection with the company's IPO during 2016 and 2017. Adjusted EBIT-margin includes legal costs relating to company's litigation processes.

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