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 world’s largest winter trade show ISPO, 5 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 the 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

*No quarterly growth rates available for 2015*
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)

<table>
<thead>
<tr>
<th></th>
<th>Q1 19</th>
<th>Q1 18</th>
<th>▲</th>
<th>%</th>
<th>FY 18</th>
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</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>44.9</td>
<td>23.6</td>
<td>91</td>
<td>192.5</td>
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<tr>
<td>Gross profit</td>
<td>32.7</td>
<td>17.3</td>
<td>90</td>
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<tr>
<td>Gross margin %</td>
<td>72.8</td>
<td>73.3</td>
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<td>73.9</td>
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<td>Operating profit (EBIT)</td>
<td>11.8</td>
<td>1.8</td>
<td>557</td>
<td>73.0</td>
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<tr>
<td>Operating margin (EBIT)</td>
<td>26.3</td>
<td>7.6</td>
<td>-</td>
<td>37.9</td>
<td></td>
</tr>
<tr>
<td>Cash flow from operating</td>
<td>7.7</td>
<td>8.4</td>
<td>-9</td>
<td>69.1</td>
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</table>
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
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
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

<table>
<thead>
<tr>
<th>MIPS Group (SEKm)</th>
<th>Q1 19</th>
<th>Q1 18</th>
<th>FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>333.4</td>
<td>239.8</td>
<td>319.4</td>
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<tr>
<td>Equity</td>
<td>283.8</td>
<td>221.2</td>
<td>275.6</td>
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<tr>
<td>Equity ratio %</td>
<td>85</td>
<td>92</td>
<td>86</td>
</tr>
<tr>
<td>Cash &amp; Equivalents</td>
<td>248.7</td>
<td>186.7</td>
<td>242.5</td>
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<tr>
<td>Deferred tax asset</td>
<td>1.1</td>
<td>8.6</td>
<td>0.7</td>
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### MIPS Group (SEKm) Q1 19 Q1 18 Q1 18 FY 18

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
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<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
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<th>Q4</th>
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<tbody>
<tr>
<td>-3.4</td>
<td>-1.6</td>
<td>3.1</td>
<td>11.8</td>
<td>9.8</td>
<td>3.9</td>
<td>6.3</td>
<td>8.4</td>
<td>5.9</td>
<td>7.7</td>
<td></td>
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</tr>
</tbody>
</table>

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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