**Q2 Highlights**

- Continued good performance with a net sales increase of 49% and an organic growth of 38%
- Strong increase in adjusted EBIT margin to 46.0% (39.0%). Rolling 12m adjusted EBIT for the first time above the long-term target of +40%
- Exciting entries into two new categories
- Important complementary acquisitions
- Good progress towards 2020 financial goals
Q2 Net sales development

- Good growth in the quarter with +49%, organic growth +38%
- Largest quarter so far in history
- Good performance mainly in Snow category, growing with existing customers

<table>
<thead>
<tr>
<th>Changes in net sales %</th>
<th>2019 Apr-Jun</th>
<th>2019 Jan-Jun</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic growth</td>
<td>58%</td>
<td>48%</td>
</tr>
<tr>
<td>Changes in exchange rates</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>Structural changes</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>49%</td>
<td>61%</td>
</tr>
</tbody>
</table>

Net Sales development (SEKm) and quarterly growth rates*

*No underlying growth rates available for 2015
Launch of the first Industry safety helmet equipped with MIPS BPS

- In May MIPS announced the launch of the first Industry safety helmet equipped with MIPS Brain Protection system
- The helmet was launched together with a Swedish start-up company named Guardio Safety that manufactures and markets safety helmets
- Good publicity and interest of the launch, both domestically and internationally
- Interesting launch in a large category, the addressable market with that category will be presented during the MIPS Capital Markets Day on 20 September 2019
Launch of the first hockey helmet equipped with MIPS BPS

- In May MIPS announced the launch of the first MIPS equipped hockey helmet
- MIPS partnered with the brand True, which has previously been focused on Sticks and Skates within the Hockey category
- The brand is originating from True Temper Sports, which is a world leading Brand in golf shafts
- The helmet will be available instore in November 2019
- Limited impact for 2019 but interesting category for MIPS
Acquisition of the Fluid technology

- In May, MIPS announced that we acquired the patent rights, certain customer agreements and other intellectual property rights related to the Fluid technology
- Sellers were Oblique Technology L.P. and University of Ottawa
- Purchase price amounted to approx. USD 3.3m with a potential earn out element of up to USD 2.0m based on future sales
- Key reason for the acquisition was to acquire the patent rights, strengthening the relationship with the University of Ottawa and to increase our knowledge in Teamsport
- Complementary to the MIPS technology, will be marketed under the MIPS brand
- Limited impact on 2019 EBIT
Acquisition of the GlideWear technology

- In June, MIPS announced the acquisition the of patent rights and other intellectual property rights related to the GlideWear technology
- Seller was Tamarack Habilitation Technologies, Inc.
- Purchase price amounted to USD 1.0m
- Technology has mainly been used in skin protection solutions and the seller has been granted an 8-year royalty free license for use of the technology within certain medical areas
- MIPS has previously used the technology for its products within LEAF category but wanted to explore opportunities with low-friction fabric within brain protection systems, both from a performance and cost point of view
- Technology will be marketed under the MIPS brand
- Limited impact on 2019 EBIT
As we are closing in on our 2020 ambitions, we have started to look at the longer-term strategy. We will present our revised long-term strategy and launch new long-term financial ambitions in September.

The Capital Markets Day is targeting investors, financial analysts and media.

Presentation material will be made available on our website the same day.
MIPS’ financial targets

>SEK 400m net sales 2020

>40% EBIT margin 2020
**Q2 Development**

- **Net Sales** increased +49%, organic growth +38%
- **Gross profit** up 51%, gross margin up with +1.0 p/p
- **OPEX** – continue to invest for growth
- **Adjusted EBIT** SEK 38.0m (21.7), 46.0% adjusted EBIT margin (39.0)
- **Cash flow** – good operating cash flow of SEK 24.2m (5.9)

<table>
<thead>
<tr>
<th>MIPS Group (SEKm)</th>
<th>Q2 19</th>
<th>Q2 18</th>
<th>△ %</th>
<th>YTD 19</th>
<th>YTD 18</th>
<th>△ %</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>82.6</td>
<td>55.6</td>
<td>49</td>
<td>127.5</td>
<td>79.1</td>
<td>61</td>
<td>192.5</td>
</tr>
<tr>
<td>Gross profit</td>
<td>61.6</td>
<td>40.9</td>
<td>51</td>
<td>94.3</td>
<td>58.2</td>
<td>62</td>
<td>142.2</td>
</tr>
<tr>
<td>Gross margin %</td>
<td>74.6</td>
<td>73.6</td>
<td>-</td>
<td>74.0</td>
<td>73.5</td>
<td>-</td>
<td>73.9</td>
</tr>
<tr>
<td>Operating profit (EBIT)</td>
<td>36.8</td>
<td>21.7</td>
<td>70</td>
<td>48.6</td>
<td>23.4</td>
<td>107</td>
<td>73.0</td>
</tr>
<tr>
<td>Operating margin (EBIT) %</td>
<td>44.5</td>
<td>39.0</td>
<td>-</td>
<td>38.1</td>
<td>29.6</td>
<td>-</td>
<td>37.9</td>
</tr>
<tr>
<td>Adjusted Operating profit (EBIT)</td>
<td>38.0</td>
<td>21.7</td>
<td>76</td>
<td>49.8</td>
<td>23.4</td>
<td>113</td>
<td>73.0</td>
</tr>
<tr>
<td>Adjusted Operating margin (EBIT) %</td>
<td>46.0</td>
<td>39.0</td>
<td>-</td>
<td>39.1</td>
<td>29.6</td>
<td>-</td>
<td>37.9</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>24.2</td>
<td>5.9</td>
<td>312</td>
<td>31.9</td>
<td>14.3</td>
<td>123</td>
<td>69.1</td>
</tr>
</tbody>
</table>
Q2 Gross profit and Gross margin development

- Gross profit up 51% to SEK 61.6m
- Gross margin up +1.0 p/p vs. Q2 2018 to 74.6%
- Different sales mix, key reason for the higher gross margin
Q2 Adjusted EBIT and adjusted EBIT margin development

- EBIT increased by SEK 15.1m to SEK 36.8m (21.7m)
- Adjusted EBIT increased with SEK 16.3m to SEK 38.0m (SEK 21.7m)
- Adjusted EBIT margin 46.0% (39.0)
- Increase is mainly explained by higher sales, positive effects from currency and litigation costs in prior year comparators, partly offset by:
  - Strengthening of organization
  - Continued investment in Marketing and R&D
  - Negative impact from currency derivatives
Balance sheet and Cash flow

- Good cash flow from operating activities with SEK 24.2m (5.9)
- Cash and Cash Equivalents at SEK 166.6m (191.9)
- Equity ratio 79% (87)

Key balance sheet items and cash flow

<table>
<thead>
<tr>
<th>MIPS Group (SEKm)</th>
<th>Q2 19</th>
<th>Q2 18</th>
<th>FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>316.9</td>
<td>271.8</td>
<td>319.4</td>
</tr>
<tr>
<td>Equity</td>
<td>250.3</td>
<td>236.1</td>
<td>275.6</td>
</tr>
<tr>
<td>Equity ratio %</td>
<td>79</td>
<td>87</td>
<td>86</td>
</tr>
<tr>
<td>Cash &amp; Equivalents</td>
<td>166.6</td>
<td>191.9</td>
<td>242.5</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>0.9</td>
<td>4.5</td>
<td>0.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<td>5.9</td>
<td>69.1</td>
</tr>
</tbody>
</table>
Summary

• Organic growth at +38%, adjusted EBIT-margin of 46.0% for the quarter

• First time above our long-term EBIT target in a Rolling 12m period

• Continued focus on growing with existing customers but also expansion into new categories

• Investing for future growth in organization, product development, behind the MIPS brand and through complementary acquisitions

• Good progress towards our 2020 plan

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