AGENDA – MIPS’ CAPITAL MARKETS DAY 2019

- Introduction – Max Strandwitz, CEO
- Our reason to be – Peter Halldin, CSO
- MIPS’ long-term plan – Max Strandwitz, CEO
- Sales and category priorities – Johan Sauer, Head of Sales
- Key activities supporting the plan and financials – Max Strandwitz, CEO
- Q&A
THE MARKET LEADER IN BRAIN PROTECTION SYSTEMS

- >78 helmet brands using the MIPS technology worldwide
- >448 helmet models in the market equipped with MIPS BPS
- >9.2m units delivered
- Established in three main categories:
  - Sports (Bike, Snow, EQ, Hockey and Mountaineering)
  - Moto (Road motorcycle and MX)
  - Safety (Industry and LEAF)
- Eight different MIPS solutions currently being sold
OUR HISTORY – FROM RESEARCH TO COMMERCIAL SUCCESS

1995 Swedish neurosurgeon Hans von Holst contacts University to discuss solutions

2000-2001 First scientific publication regarding MIPS

2009 The first third party helmet with the MIPS Brain Protection System (BPS) is launched

2010 MIPS becomes a true ingredient brand offering a global solution

2014 Establishment of the BRG and MIPS collaboration

2015 MIPS achieves profitability

2016 The first street motorcycle helmet model with the MIPS BPS is launched

2017 March 23, MIPS IPO on Nasdaq Stockholm

2018 Major legal disputes settled → proven strong patent portfolio

2019 Launches the new 2025 long-term targets

1996-1998 Initial testing and seed funding, set up and patent filing costs

2001-2007 In 2001, MIPS AB is founded, followed by a start-up phase including a Swedish launch of a helmet with a MIPS solution
SCIENTIFICALLY VALIDATED TECHNOLOGY

• The MIPS technology is developed by leading scientists at the Karolinska University Hospital and the Royal Institute of Technology in Stockholm, Sweden

• More than 20 years of academic research at the Karolinska Institute and the Royal Institute of Technology

• Three doctoral thesis published validating the technology

Peter Halldin
• Founder of MIPS
• Assistant Professor, Royal Institute of Technology

Hans von Holst
• Founder of MIPS
• Professor and neurosurgeon, Karolinska University Hospital
OUR REASON TO BE

PETER HALLDIN, CSO
HOW DOES MIPS WORK IN PRACTICE?

Traditional helmet

Designed to protect against linear motion

Helmet equipped with MIPS BPS

Designed to protect against linear motion AND rotational motion

Rotational motion can lead to brain injuries
A blink of an eye takes 100 milliseconds

Strain in your brain occurs during just a few milliseconds after the impact.
At the moment of impact the point load on the head and the helmet is approximately **750 kg**
WHY IS THE BRAIN SENSITIVE TO ROTATION?
VALIDATION OF THE KTH FE MODEL

Kleiven and Hardy, Stapp Car Crash Journal 2002
HELMETS HAVE NOT BEEN DESIGNED TO ADDRESS REAL IMPACTS

TEST METHODS

MOST IMPACTS ARE ANGULAR
# VALIDATED TECHNOLOGY & WORLD LEADING SCIENCE

## Proven technology

- +20 years of research
- +27,000 experimental tests
- Validated by third parties

## Unique state-of-the-art test center and know-how

- World leading testing capabilities

## Unique capabilities to validate safety levels of helmets

---

Access to unique validation technology
ONGOING WORK TOWARDS A NEW SPORT AND MOTORCYCLE HELMET TEST METHOD

• Bike, Ski and EQ: **CEN TC158** (EU) New rotational test method

• Motorcycle: **FIM** (Federation Internationale de Motorcyclisme)

• **ECE22.06** (Started the work to ad rotation into the European test standard)

• Bike: **Virginia Tech** (new rating methods including tangential impacts)
MIPS LONG-TERM PLAN
MAX STRANDWITZ, CEO
PERFORMANCE TOWARDS 2020 TARGETS

+64% growth R12m Q2 19 vs Q2 18

+SEK 400m net sales

41% R12m

+40% EBIT margin

112% in 2018

+50% payout ratio
Our ambition is to make MIPS BPS an obvious safety feature demanded by consumers and the helmet industry for improved safety.

**WE INTEND TO BECOME AN EXPECTED HELMET SAFETY FEATURE**

Our evolution phases:

- 2009: "Unexpected"
- 2019: "Accepted"
- 2025: "Expected"
We want to better protect every single person using a helmet!

To achieve this, we aim to be the preferred business partner to all helmet brands by:
- Providing the superior and most cost-effective technology based on science
- Developing solutions that facilitate inclusion of MIPS technology in all relevant types of helmets
- Developing our IP portfolio to continue to protect our technology
- Strengthening the brand to ensure that the consumer understands MIPS BPS’ functionality and always looks for the yellow logo
Safety at work is increasing in importance and improved helmets are enabling inclusion of MIPS BPS

Consumers understand that it is important to protect the brain and not only the skull

Standards and 3rd party tests are validating the MIPS technology

Safety at work is increasing in importance and improved helmets are enabling inclusion of MIPS BPS
MIPS’ FOCUS MARKET OF 130 MILLION HELMETS

Focus market logic

Helmets at consumer price points that allow brands to focus on overall safety profitably

Current evaluation shows focus to be at the following consumer prices of helmets:

**SPORTS**
- Bike >30 USD
- Snow >50 USD
- Other sports >60 USD

**MOTO**
- >100 USD

**SAFETY**
- Industrial >60 USD
- LEAF >500 USD
MIPS’ FOCUS MARKET HAS INCREASED SIGNIFICANTLY

- We have included 60 million helmets for industrial use in the Safety category, which was previously not considered as addressable
- The Moto category has grown and we see a potential to address even more helmets
- The Sports category has also grown and we consider more helmets to be addressable

MIPS focus market has increased from 43 to 130 million helmets
KEY STRATEGIC THRUST 1 - SPORTS

- Strengthen partnership with current leading global customers to broaden range within their portfolios.

- Continue to gain trust and credibility in media and among consumers to become the “expected” solution.

- A +30 million units market opportunity where we already have the largest brands as customers today.
KEY STRATEGIC THRUST II - MOTO

- Duplicate the MIPS journey in Moto by adopting the same strategy as in Sports
- Partner with the key brands
- Key brands in Motocross are already MIPS’ customers but the major brands in Road motorcycle are still to be onboarded
- A 30 million units market opportunity
KEY STRATEGIC THRUST III - SAFETY

- Initiate the journey in Safety
- Become the relevant partner also in the Safety category
- Large market which presents a 70 million helmet opportunity
- MIPS has just launched the first Industry helmet equipped with MIPS BPS
FINANCIAL TARGETS 2025

>SEK 1bn net sales 2025

>40% EBIT margin

>50% dividend of net earnings
SALES AND CATEGORY PRIORITIES
JOHAN SAUER, HEAD OF SALES
# THREE KEY CATEGORIES

<table>
<thead>
<tr>
<th>SPORTS</th>
<th>MOTO</th>
<th>SAFETY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bike helmets</td>
<td>Roadbike helmets</td>
<td>Helmets for industrial use</td>
</tr>
<tr>
<td>Snowsport helmets</td>
<td>MX helmets</td>
<td>Military helmets</td>
</tr>
<tr>
<td>Equestrian helmets</td>
<td>Other moto helmets</td>
<td>Police and fire squad helmets</td>
</tr>
<tr>
<td>Hockey helmets</td>
<td></td>
<td>Other helmets within safety</td>
</tr>
<tr>
<td>Mountaineering helmets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other helmets within sports</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## TRENDS IN EACH KEY CATEGORY

<table>
<thead>
<tr>
<th>SPORTS</th>
<th>MOTO</th>
<th>SAFETY</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Sports Image" /></td>
<td><img src="image2" alt="Moto Image" /></td>
<td><img src="image3" alt="Safety Image" /></td>
</tr>
<tr>
<td>Volumes are growing, customers are pricing up</td>
<td>Volumes are growing, price stable</td>
<td>Volumes are growing, sales in relevant markets accelerating</td>
</tr>
</tbody>
</table>
### Significant Potential in the Three Categories

<table>
<thead>
<tr>
<th>Sports</th>
<th>MIPS Total Market</th>
<th>MIPS' Focus Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bike</td>
<td>&gt;35</td>
<td>&gt;20</td>
</tr>
<tr>
<td>Snow</td>
<td>&gt;6</td>
<td>&gt;5</td>
</tr>
<tr>
<td>Equestrian</td>
<td>&gt;2</td>
<td>&gt;2</td>
</tr>
<tr>
<td>Team sports</td>
<td>&gt;2</td>
<td>&gt;2</td>
</tr>
<tr>
<td>Other</td>
<td>&gt;4</td>
<td>&gt;2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>~50</td>
<td>~30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Moto</th>
<th>MIPS Total Market</th>
<th>MIPS' Focus Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moto Road</td>
<td>&gt;47</td>
<td>&gt;28</td>
</tr>
<tr>
<td>Moto MX</td>
<td>&gt;3</td>
<td>&gt;2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>50</td>
<td>30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Safety</th>
<th>MIPS Total Market</th>
<th>MIPS' Focus Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td>&gt;300</td>
<td>&gt;60</td>
</tr>
<tr>
<td>LEAF</td>
<td>&gt;10</td>
<td>&gt;10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>310</td>
<td>70</td>
</tr>
</tbody>
</table>

**Total**       | >410              | >130               |

MIPS has only captured 3% of the total focus market as of 2018.
## OUR KEY THREE STRATEGIC AMBITIONS

<table>
<thead>
<tr>
<th>SPORTS</th>
<th>MOTO</th>
<th>SAFETY</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="Sports Helmet" /></td>
<td><img src="image" alt="Moto Helmet" /></td>
<td><img src="image" alt="Safety Helmet" /></td>
</tr>
<tr>
<td>Continue to grow with wide customer group to become expected solution</td>
<td>Partner with existing customers and additional key brands to become accepted solution</td>
<td>Enter into category with new customer relationships</td>
</tr>
</tbody>
</table>
## WINNING WITH OUR CUSTOMERS

<table>
<thead>
<tr>
<th>Broaden the product portfolio</th>
<th>Share technical insights</th>
<th>Support sell-through</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offering competitive products at as many price points as possible making all-in commitments possible</td>
<td>Giving our customers a further competitive edge based on MIPS’ science and know-how</td>
<td>Supporting successful sell-through via education and in-store execution</td>
</tr>
</tbody>
</table>
ACTIVITIES SUPPORTING THE PLAN AND FINANCIALS

MAX STRANDWITZ, CEO
CONTINUE TO INVEST IN THE MIPS BRAND – PROMOTE THE YELLOW LOGO

Make people look for the MIPS logo

- The yellow logo should be expected by the consumer in order to consider a specific helmet
- The yellow logo indicates that the helmet has added protection and is a safer alternative
- The yellow logo marking is mandatory for all helmets equipped with MIPS’ technology

Spend: 5-7% of net sales

2019
CONTINUE TO INVEST IN THE MIPS BRAND

Focus on earned media and supporting helmet brands to drive consumer awareness

- PR is instrumental to build general brand awareness and educate media
- Continue to educate retail and distributors with live training and online training material
- Continue to invest in in-store execution (online and Brick & Mortar)
- Accelerate social media presence

Spend: 5-7% of net sales
CONTINUE TO INVEST IN RESEARCH

Maintain our position as the global leader in brain protection systems

- Continue research and collaboration with key Universities that ensure MIPS remains at the forefront of the industry
- Use our competence and unique tools (such as the FE modelling) to ensure a competitive advantage
- Continue to be active in harmonization of standards and development of testing methods

Spend: 5-7% of net sales
CONTINUE TO INVEST IN PRODUCT DEVELOPMENT

Enable entry into new categories

Offer the right products at the right price

- Develop the relevant products for various price points
- Integrate MIPS’ acquired technologies into the product portfolio
- Develop scalable solutions

Spend: 5-7% of net sales
WE WILL CONTINUE TO EXPAND OUR IP

- Continue to invest in our patent portfolio
- Actively filing to broaden our protection
- Tactical IP acquisitions when identified
- Complementary technologies when needed

36 patent families
180 granted patents
93 filed applications
CONTINUE TO LEVERAGE OUR SCALABLE BUSINESS MODEL

<table>
<thead>
<tr>
<th>Operating leverage</th>
<th>COGS</th>
<th>Selling expenses</th>
<th>Research and Development</th>
<th>General and administration</th>
<th>Outourced production</th>
<th>Inventory</th>
<th>Invoicing model</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Outsourced production, manufacturing in Asia/US/Europe</td>
<td>Ingredient brand marketing and sales model</td>
<td>In-house R&amp;D capabilities, customer implementation projects paid by customers</td>
<td>Admin cost, legal, support organization &quot;Highly Scalable&quot;</td>
<td>Limited capital requirement, investment in patents and testing facilities</td>
<td>Production upon order/no finished goods inventory held, limited inventory of MIPS unique components</td>
<td>Full invoicing at delivery</td>
</tr>
</tbody>
</table>

- Ingredient brand model that is highly scalable
- Leverage enables a +40% EBIT margin
- Asset light model
- Low working capital requirement

2019
## DEVELOPMENT OF MIPS’ ORGANIZATION

<table>
<thead>
<tr>
<th>Grow in line with net sales</th>
<th>Grow slower than net sales</th>
<th>Infrastructure in place</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Research – continue to invest in research to maintain competitive advantage</td>
<td>- Sales – organization strengthened to also address the key categories Moto and Safety</td>
<td>- ERP systems in place to facilitate growth agenda</td>
</tr>
<tr>
<td>- Invest in product development</td>
<td>- Continue to recruit engineers to ensure growth</td>
<td>- Limited increase in back-office functions</td>
</tr>
<tr>
<td>- Invest in marketing and strengthening of the marketing organization</td>
<td>- Supply chain organization will grow with volume</td>
<td>- Legal functions in place to coordinate IP and legal activities</td>
</tr>
</tbody>
</table>
RECENT ACQUISITIONS AND THOUGHTS ON M&A

• Two complementary acquisitions completed
  • Will be marketed under the MIPS technology
  • Product development ongoing

• Exploring and scouting for new IP to acquire that would complement our current portfolio within brain protection

• No third-party technology of interest at the moment
MIPS’ FINANCIAL MODEL LONG-TERM

- Continue rapid growth with attractive gross margin
- Continue to invest behind key priorities
  - Spend 5-7% of net sales in the MIPS brand
  - Spend 5-7% of net sales in R&D
  - Invest less than growth in other OPEX such as Selling, Legal and Admin

Enable a +40% EBIT margin
GOOD CASH GENERATION ENABLES +50% DIVIDEND

Asset light model

- Invoice at delivery
- Operational model requires low inventory
- Investments in IP and testing facilities, no investments in manufacturing

Enable a +50% dividend payout
FINANCIAL TARGETS 2025

>SEK 1bn net sales 2025

>40% EBIT margin

>50% dividend of net earnings
GRANULARITY OF REPORTING GOING FORWARD

QUARTERLY

• Net sales per category (Sports, Moto and Safety)
• Number of buying helmet brands per category (Sports, Moto and Safety)

YEARLY

• Volume per category (Sports, Moto and Safety)
• Number of models per category (Sports, Moto and Safety)

This reporting format will be applied from Q1 2020
RELOCATING TO NEW FACILITIES

New office and testing facility from Dec 2019

• Facilities located within same area as the current office

• Will enable MIPS to extend test lab to facilitate increased inhouse capabilities and further category expansion
US-China trade tariffs

- Tariffs of 15% implemented on helmets from 1st of September 2019

- MIPS does not export products to US and is therefore not directly exposed

- MIPS’ components will impact total tariff value for helmet brands as part of the cost for helmets imported from China to US

- Short-term volatility expected in coming quarters in our biggest geographical market but should in our opinion not impact long-term demand
Q&A
DISCLAIMER

Important message from MIPS AB

This presentation has been prepared by MIPS AB (publ) (the “Company”) solely for use at this presentation and is furnished to you solely for your information and may not be reproduced or redistributed, in whole or in part, to any other person. The presentation does not constitute an invitation or offer to acquire, purchase or subscribe for securities. By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations.

Statements in this presentation, which are not historical facts, such as expectations, anticipations, beliefs and estimates, are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties which may cause actual results to materially differ from those expressed in such forward-looking statements.

This presentation may contain various forward-looking statements that reflect management’s current views with respect to future events and financial and operational performance. The words “believe,” “expect,” “anticipate,” “intend,” “may,” “plan,” “estimate,” “should,” “could,” “aim,” “target,” “might,” or, in each case, their negative or similar expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Company’s control and may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. These risks include but are not limited to the Company’s ability to operate profitably, maintain its competitive position, to promote and improve its reputation and the awareness of the brand, to successfully operate its growth strategy and the impact of changes in pricing policies, political and regulatory developments in the markets in which the Company operates, and other risks.

The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.

No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained herein. Accordingly, none of the Company, or any of its principal shareholders or subsidiary undertakings or any of such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.