

Press Release

Helsingborg, 6 February 2025

Year-End Report January – December 2024

TRANSFORMATIVE QUARTER WITH SUSTAINED STRONG ORDER INTAKE

Financial development fourth quarter 2024

- Net sales increased by 18.3% to SEK 418 million (353).
- The gross margin was 47.4% (48.2).
- Adjusted EBITA amounted to SEK 71.0 million (52.0), equivalent to an adjusted operating margin of 17.0% (14.7).
- Adjusted operating profit (EBIT) amounted to SEK 62.8 million (41.4), corresponding to an operating margin of 15.0% (11.7).
- Order intake increased by 89.5% to SEK 773 million (408).
- Free cash flow amounted to SEK 47.8 million (26.2).

Financial development January - December 2024

- Net sales increased by 4.3% to SEK 1,201 million (1,151).
- The gross margin was 49.0% (48.3).
- Adjusted EBITA amounted to SEK 149.7 million (140.2), equivalent to an adjusted operating margin of 12.5% (12.2).
- Adjusted operating profit (EBIT) amounted to SEK 111.8 million (108.1), corresponding to an operating margin of 9.3% (9.4).
- Order intake increased by 49.1% to SEK 1,810 million (1,214).
- Order backlog as of December 31, 2024 increased by 54.9% to SEK 2,055 million compared with the same date in 2023 (1,327).
- Free cash flow amounted to SEK 127.7 million (8.7).
- Adjusted earnings per share after dilution over the last 12-month period amounted to SEK 2.45 (1.71).
- The Board of Directors is proposing that a dividend for the 2024 financial year be set at SEK 0.50 per share (0.50).

Summary of significant events in the fourth quarter, October – December 2024

- MilDef entered into a binding contract during the quarter to acquire roda computer GmbH, a supplier of military IT solutions that has a strong market presence in Central Europe. This acquisition will make MilDef one of Europe's leading actors within tactical and rugged IT for security and defense. Completion of the acquisition is expected to take place in Q1 2025. In connection with the signing of the contract a directed issue of 5.4 million shares was implemented, raising SEK 500 million before issue costs.
- In the fourth quarter MilDef decided to focus fully on its business in the defense and security domain. The reason for choosing this strategic course of action is the strong market conditions prevailing in the defense sector. To this end MilDef intends to integrate the defense industry products of its Handheld subsidiary into the rest of the business and to cease operations in the other sales segments within Handheld. As a consequence of this, during the quarter the Company reported a restructuring cost of SEK 310 million. See Note 3.
- The Company received a number of large and strategically significant orders during the quarter. Examples include: BAE Systems Hägglunds for IT equipment in CV90 combat vehicles for delivery to Central Europe – an order worth SEK 200 million; a OneCIS software contract and hardware orders from the Swedish Defence Materiel Administration worth SEK 81 million; and command systems orders also from the Swedish Defence Materiel Administration worth SEK 63 million. For more information on these orders, see the individual press releases.

MilDef - WE ARMOR IT.

MilDef is a global systems integrator and full-spectrum provider specializing in rugged IT for military, government and critical infrastructure sectors. MilDef provides hardware, software and services that shield and protect critical information streams and systems, when and where the stakes are the highest. MilDef's products are sold to more than 200 customers through companies in Sweden, Norway, Finland, Denmark, United Kingdom, Germany, Switzerland, the United States and Australia, and through partner networks in more than 40 countries. MilDef was founded in 1997 and is listed on Nasdaq Stockholm since 2021.

Statement by Daniel Ljunggren, President and CEO MilDef Group

MILDEF'S GROWTH JOURNEY ACCELERATES

2024 ended strong for MilDef. The fourth quarter was MilDef's strongest to date in terms of both order intake and sales. Order intake saw the most improvement, increasing by 89% to SEK 773 million. The order backlog grew by 55% for a record high of SEK 2,055 million at the end of the year. This increase confirms the fact that MilDef has a relevant offering, high customer confidence and that rearmament is now entering a new phase with growing demand for tactical IT solutions.

Getting serious about our European expansion

As part of our strategy to increase the pace of expansion in Europe, MilDef acquired the German company roda computer GmbH ("roda") in the fourth quarter. Roda is a well-established supplier of military IT solutions with a strong market presence in Central Europe, mainly in the DACH region. This acquisition will make MilDef one of Europe's leading actors within tactical and rugged IT for the defense sector. It will also give us access to vital market channels, long-term customer relationships and existing framework agreements in attractive markets. Several of the global platform manufacturers are also in the German market. Concerning these actors, MilDef sees an opportunity to increase sales as we are adding the German sales force to the Group. We expect the acquisition to be completed in the first quarter of 2025.

Full focus on defense

Following the acquisition of roda it became clear to us that MilDef needs to prioritize being an important actor in the defense capacity build-up now taking place in Europe and that will continue for many years to come. Based on this, MilDef has decided to focus fully on its business in the defense sector. In essence, we have opted to concentrate our efforts rather than split them between different segments; the reason being to further strengthen MilDef's competitiveness, profitability and cash flow.

As a consequence of this change of course, our Handheld subsidiary will cease operations and products that are relevant to the defense sector will be integrated into MilDef's existing operations. One crucial factor in this strategic decision is the fast-growing demand we are seeing within the defense sector. We have determined that this focus on defense will best serve MilDef over time.

Growing software business

One piece of good news during the quarter was that MilDef signed a contract with the Swedish Defence Materiel Administration to deliver command systems. The order is for MilDef's OneCIS software as well as the Company's hardware and integration services. OneCIS enables NATO interoperability and connectivity. The contract is initially worth SEK 81 million and deliveries will take place during 2025. If all of the options are utilized the total value could reach up to SEK 127 million. MilDef is proud of being able to supply a system that facilitates communication between cooperating NATO member states. This has become even more important for the Swedish Armed Forces now that Sweden has become an integrated part of NATO. This order also shows that the Swedish Defence Materiel Administration has significant confidence in MilDef's capacity to deliver a complete solution involving the full breadth of our portfolio, including software.

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Market conditions going forward

Sweden, the Nordics and other countries in Europe are on the brink of significant rearmament processes and this demand must be increasingly met by European defense companies in line with the European defense technology directive. Increased defense budgets are now beginning to have a major impact on several parts of the defense industry. As time goes by, the planning, prioritization and resource allocation strategies of armed forces are becoming increasingly clear. Orders aimed at raising capacity previously impacted the larger actors such as BAE Systems, Kongsberg and SAAB, but they are now being reflected in MilDef's order intake as well.

We are often asked what peace in Ukraine would mean for MilDef. We believe that the war could end in a variety of ways and that this will not necessarily reduce the threats in Europe. Defense experts have stated that the threats may even get worse and in such a case defense spending would rise regardless of the length or outcome of the conflict.

Summary of 2024 and outlook for 2025

Now we are closing the books and putting 2024 behind us. It was a year of important progress for MilDef. The Company is reporting record sales, a strong order intake and a clearly improved cash flow. Also, MilDef started 2025 with the largest order backlog to date as well as important acquisitions in place. We are also well prepared to meet the growing demand in the market. All this makes me very optimistic about our progress in 2025.

In closing I would like to express my great appreciation to our employees for their commitment and hard work during the year. Your efforts are crucial for MilDef's continued growth journey. I would also like to thank our 18,000 shareholders for choosing to invest in the Company and for the confidence you show in MilDef.

**Daniel Ljunggren,
President and CEO of MilDef Group**

MILDEF GROUP'S YEAR-END REPORT JANUARY-DECEMBER 2024 PRESENTATION

MilDef Group's President and CEO Daniel Ljunggren and CFO Viveca Johnsson will present the Year-End Report for January - December 2024.

Date: Thursday, February 6 at 10:00 a.m. (CEST). The report is published at 08:00 a.m. (CEST) the same day at www.mildef.com and the news platform Cision. You are welcome to watch the live webcast via Teams or dial in to the conference call. It is possible to post questions over the conference call and the web.

Connecting to the meeting

To connect to the meeting, [click this Teams link](#) or phone in on one of the phone numbers below (audio only). Notification is not required for participation in the conference call but please connect/call in five minutes prior to the specified time to ensure a punctual start of the meeting.

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The interim report, the presentation material and the webcast will be available on www.mildef.com.

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This information is the information that MilDef Group AB (publ) is required to publish in accordance with the EU market abuse regulation and the Swedish Securities Market Act. The information is disclosed through the contact person above for publication on February 6, 2025 at 08:00 CEST.

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