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Press release 2021-05-24

MilDef publishes prospectus for its initial public offering on Nasdaq Stockholm

MilDef Group AB ("**MilDef**" or the "**Company**"), a Nordic provider of rugged electronics and complete hardware systems for security and defense customers, announced on 12 May 2021 its intention to carry out a new issue of shares and in connection therewith list the Company's shares on Nasdaq Stockholm (the "**Offering**"). Today, MilDef publishes its prospectus for the Offering and the listing on Nasdaq Stockholm. The first day of trading is expected to be 4 June 2021. Svolder, Carnegie Fonder, Grenspecialisten, LMK Venture Partners and a consortium of Erik Syrén, Martin Bjäringer, Tedde Jeansson and Carl Rosvall (together the "**Cornerstone Investors**"), have undertaken to subscribe for shares in the Offering corresponding to a total value of SEK 300 million.

The Offering in brief

- The price in the Offering is SEK 36.50 per share, corresponding to a total market value of the Company's shares of approximately SEK 900 million prior to the Offering
- The Offering comprises 12,680,012 shares, corresponding to approximately 36 percent of the total number of shares in the Company after the completion of the Offering. The Offering comprises 10,958,904 newly issued shares and 1,721,108 existing shares sold by some of the Company's shareholders
- The newly issued shares are expected to provide the Company with proceeds of approximately SEK 400 million before transaction costs
- The selling shareholders have reserved the right to, in consultation with SEB, increase the Offering with a further maximum of 2,995,846 existing shares. If the Offering is fully increased, the Offering will comprise 4,716,954 existing shares
- In order to cover a potential over-allotment in connection with the Offering, the Company has committed to issue additional new shares, corresponding to a maximum of 10 percent of the number of shares in the Offering ("**Over-Allotment Option**")
- If the Offering is fully increased, the Offering will consist of 15,675,858 shares, equivalent to approximately 42 per cent of the total number of shares and votes in the Company after the completion of the Offering. If the Offering is fully increased and the Over-Allotment Option is fully exercised, the Offering will consist of 16,943,859 shares, equivalent to approximately 46 per cent of the total number of shares and votes in the Company after completion of the Offering
- Provided that the Offering is fully subscribed, the total value of the Offering will amount to approximately SEK 463 million, and approximately SEK 509 million if the Over-Allotment Option is exercised in full before deduction of transaction costs related to the Offering. Under the assumption that the Over-Allotment Option is fully exercised and the Offering is fully increased the Offering will amount to approximately SEK 618 million

- The Cornerstone Investors have undertaken to subscribe for shares in the Offering under certain conditions, and at the same price as other investors, corresponding to a total value of SEK 300 million
- The Offering is directed to institutional investors in Sweden and abroad and to the general public in Sweden
- The application period for the general public in Sweden is expected to take place between 25 May and 2 June 2021
- The application period for institutional investors is expected to take place between 25 May and 3 June 2021
- The first day of trading on Nasdaq Stockholm for MilDef's shares is expected to commence on 4 June 2021 under the ticker "MILDEF"
- A prospectus (in Swedish and an English translation), including full information on the terms of the Offering, is being published today on 24 May 2021 on the Company's webpage (www.mildef.com), SEB's webpage (sebgroup.com/prospectuses) and Avanza's webpage (avanza.se).

Björn Karlsson, CEO of MilDef, comments:

"The listing on Nasdaq Stockholm is an important component of our strategic plan and will provide further support and fuel to our M&A agenda. Furthermore, the public environment will also have positive effects for future organic growth. The Company has built a stable international platform for further expansion and looks with confidence at future opportunities for both current and future shareholders. I look forward to welcoming cornerstone and other new investors to be part of MilDef's ownership base and our exciting journey."

Background and reasons for the Offering

MilDef sees good opportunities for future profitable growth and the main purpose of listing the Company's shares on Nasdaq Stockholm is to create conditions for continued good growth. The Offering will expand the Company's ownership base and provide greater access to the Swedish and international capital markets, which is expected to promote the Company's future growth and development. Furthermore, the listing is expected to raise capital for the Company and thereby improve the conditions for organic and acquisition-driven growth. The listing also enables the Company to use the Company's shares as payment in future acquisitions. MilDef's Board of Directors and management regard the listing as a natural and important step in the Company's development and have made the assessment that it will increase awareness of the Company and its operations, and thereby strengthen its brand.

About MilDef

MilDef was founded in 1997 in Helsingborg, Sweden, and is a supplier of rugged electronics within tactical IT for challenging environments. MilDef's products are sold to more than 160 customers through MilDef's subsidiaries in Sweden, Norway, United Kingdom and the United States and through partner networks in more than 30 countries, predominantly within the EU. The product portfolio encompasses all components of an IT system – from servers and client computers to network equipment and intelligent displays and have been developed to withstand heat, cold, moisture, vibration, shock and other environmental impacts.

Prospectus and application

The prospectus was approved and registered today by the Swedish Financial Supervisory Authority and published on MilDef's webpage, mildef.com. The prospectus has also been published on SEB's webpage for prospectuses (sebgroupp.com/prospectuses) and Avanza's webpage (avanza.se). Applications can be made on the online platforms of SEB and Avanza.

Preliminary timeplan

- Application period for the general public in Sweden: 25 May - 2 June 2021
- Application period for institutional investors: 25 May - 3 June 2021
- First day of trading on Nasdaq Stockholm: 4 June 2021
- Settlement date: 8 June 2021

Stabilization measures

Skandinaviska Enskilda Banken AB (publ) ("SEB") may, in its role as stabilization manager, in connection with the Offering, conduct transactions in order to maintain the market price for the shares at a level above that which might otherwise prevail in the open market. Such stabilization transactions may be carried out on Nasdaq Stockholm, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq Stockholm and ending not later than 30 calendar days thereafter. However, SEB has no obligation to undertake any stabilization measures and there is no assurance that stabilization measures will be undertaken. Under no circumstances will transactions be conducted at a price higher than the one set in the Offering. The Over-Allotment Option may be utilized to over-allot shares in order to facilitate any stabilization transaction. The stabilization transactions, if conducted, may be discontinued at any time without prior notice but must be discontinued no later than within the aforementioned 30-day period.

Advisors

SEB is acting as Global Coordinator and Bookrunner in connection with the Offering. HWF Advokater AB is acting as legal advisor to MilDef and Advokatfirman Cederquist KB is acting as legal advisor to SEB. Avanza Bank AB (publ) is acting as Retail Manager alongside SEB in connection with the Offering.

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The information was submitted for publication, through the agency of the contact persons set out above, at 17:30 CET on 24 May 2021.

Important information

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in MilDef Group AB.

Copies of this announcement are not being made and may not be distributed or sent into the United States, Australia, Canada, Japan or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, and with respect to the United Kingdom, such regulation as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal Act 2018) the "**Prospectus Regulation**"). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA member state other than Sweden, and in the United Kingdom, this press release is only addressed to and is only directed at qualified investors in that member state or the United Kingdom within the meaning of the Prospectus Regulation (as applicable), i.e., only to investors who can receive the offer without an approved prospectus in such EEA member state or in the United Kingdom.

This communication is only being distributed to and is only directed at persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words

such as “believe,” “expect,” “anticipate,” “intend,” “estimate,” “will,” “may,” “continue”, “should”, “could” and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond the Company’s control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.