

MilDef Group

INTERIM REPORT
JANUARY–JUNE 2021

Q2

This is a translation of the Swedish original of MilDef Group's interim report for the period 1 January–30 June 2021. In the event of any discrepancies between the two versions, the original Swedish version shall apply.



www.mildef.com

Your number one choice for tactical IT

Interim Report January–June 2021

SUSTAINED GROWTH AND IMPROVED GROSS MARGINS

Second quarter 2021

- Order bookings increased by 38% to SEK 181.7 million (131.5).
- Net sales increased by 59% to SEK 81.3 million (51.0).
- Gross margin amounted to 48% (32).
- Adjusted EBITDA amounted to SEK -2.3 million (-3.2), equivalent to an adjusted operating margin of -2.8% (-6.3).
- Operating profit (EBIT) amounted to SEK -10.5 million (-5.0) including non-recurring items of SEK -3.4 million (0).
- Operating cash flow amounted to SEK -0.1 million (-49.4).

January–June 2021

- Order bookings increased by 38% to SEK 261.2 million (189.9).
- Net sales increased by 55% to SEK 132.3 million (85.5).
- Gross margin amounted to 43% (36).
- Adjusted EBITDA amounted to SEK -17.2 million (-18.8), equivalent to an adjusted operating margin of -13.0% (-22.0).
- Operating profit (EBIT) amounted to SEK -33.4 million (-24.6) including non-recurring items of SEK -7.1 million (0).
- Operating cash flow amounted to SEK -20.1 million (-2.7).

Summary of significant events in the second quarter, April - June 2021

- An Extraordinary General Meeting on April 29 resolved on a 2:1 share split.
- On June 4, the company's share was listed on Nasdaq Stockholm. In connection with the listing, a new share issue was carried out of 10,958,904 shares at a price of SEK 36.50. The new share issue provided the company with a total of approximately SEK 400 million before deductions for listing costs.
- The company's revolving credit facility was expanded by SEK 25 million to a total of SEK 50 million.
- The acquisition credit raised in connection with the acquisition of Sysint AS was amortized in its entirety (SEK 30 million).

Summary of significant events after the end of the period

- As a result of the over-allotment option being exercised, an issue of 449,939 shares was carried out.
- On July 20, MilDef announced that it had signed an agreement to acquire all shares in Defcon Solutions AB.
- Issue of 321,512 shares was carried out in connection with the acquisition of Defcon Solutions AB.

ROLLING 12 MONTHS, JULY 2020–JUNE 2021

NET SALES	ADJUSTED OPERATING PROFIT (EBITDA)	ADJUSTED OPERATING MARGIN (EBITDA)
SEK 445 m	SEK 76.7 m	17.2%

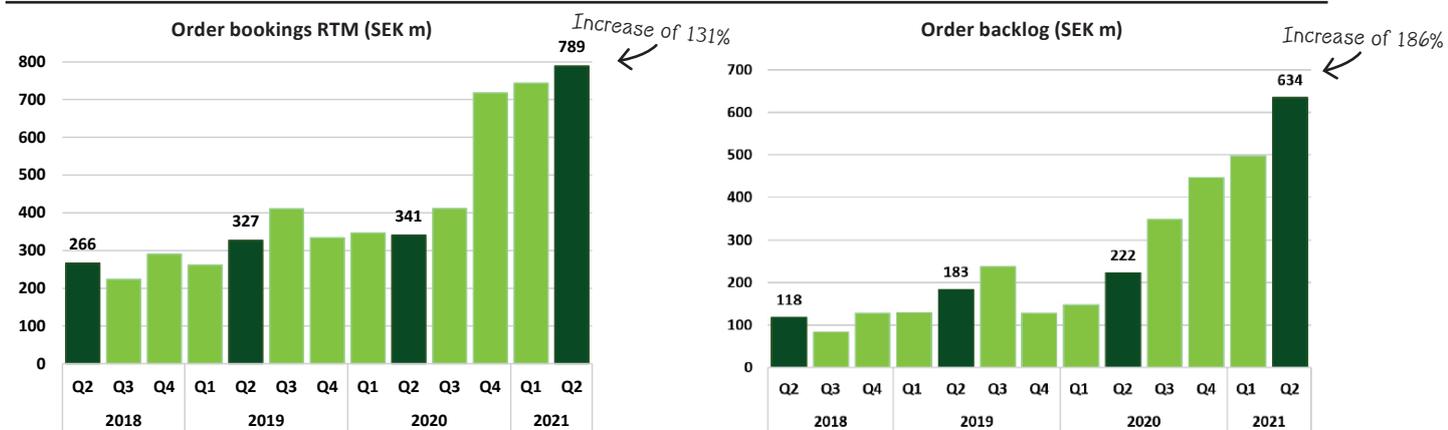
FINANCIAL SUMMARY	April 1–June 30		January 1–June 30		Rolling 12 months	Full year
	2021	2020	2021	2020	July 2020–June 2021	2020
All figures are in SEK million unless otherwise indicated						
Order bookings	181.7	131.5	261.2	189.9	789.8	718.0
Order backlog	634.0	226.8	634.0	226.8	634.0	446.3
Net sales	81.3	51.0	132.3	85.5	445.3	398.5
Sales growth, %	59	-38	55	-29	49	19
Of which organic sales growth, %	17	-38	17	-29	38	19
Of which acquisition-driven sales growth, %	42	-	38	-	11	-
Gross margin, %	48	32	43	36	47	46
Adjusted operating profit (EBITDA)	-2.3	-3.2	-17.2	-18.8	76.7	72.8
Adjusted operating margin (EBITDA), %	-2.8%	-6.3%	-13.0%	-22.0%	17.2%	18.3%
Operating cash flow	-0.1	-49.4	-20.1	-2.7	35.6	53.1

For more information see the section "Financial overview" on page 8 under the heading "Order situation".

All amounts are presented in SEK m unless otherwise indicated. Rounding differences in totals may occur in the amount of +/- SEK 1 million. If, when rounded off, an underlying number becomes SEK 0 m, this is written as 0.

MilDef's financial development

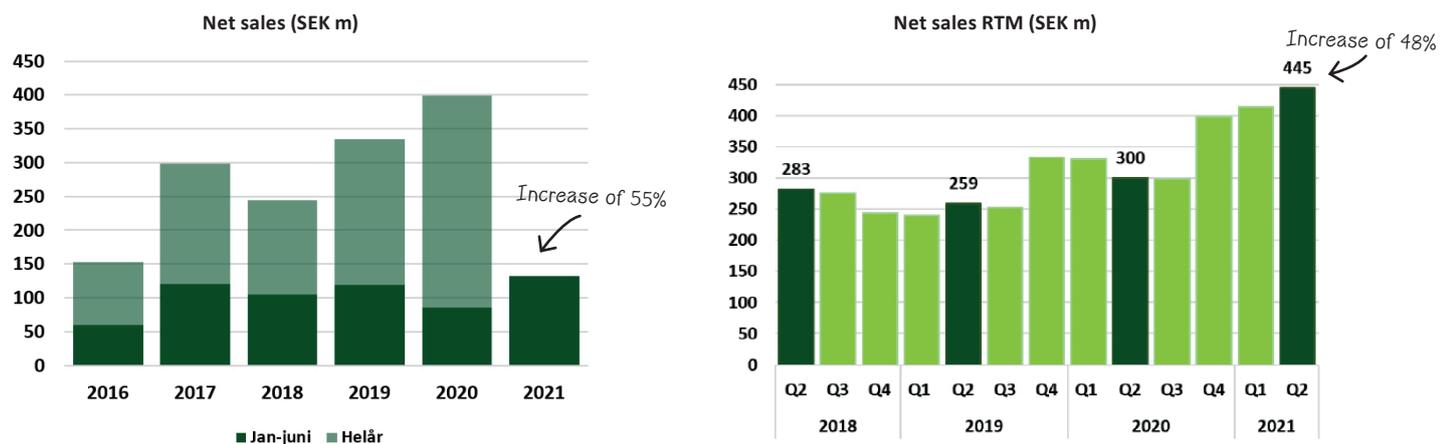
ORDERS



Each individual column in the diagram above shows MilDef's order bookings over the past 12 months in SEK million. The order bookings are the total orders received during the period in question. Deliveries may take place over a number of years. MilDef monitors order bookings to analyze future revenue streams and to validate forecasts.

The columns in the diagram above show MilDef's current order backlog at the end of each calendar quarter in SEK million. The order backlog represents the total value of orders received. Deliveries may take place over a number of years. The Group's order backlog is measured to assess and calculate future revenue streams and cash flows.

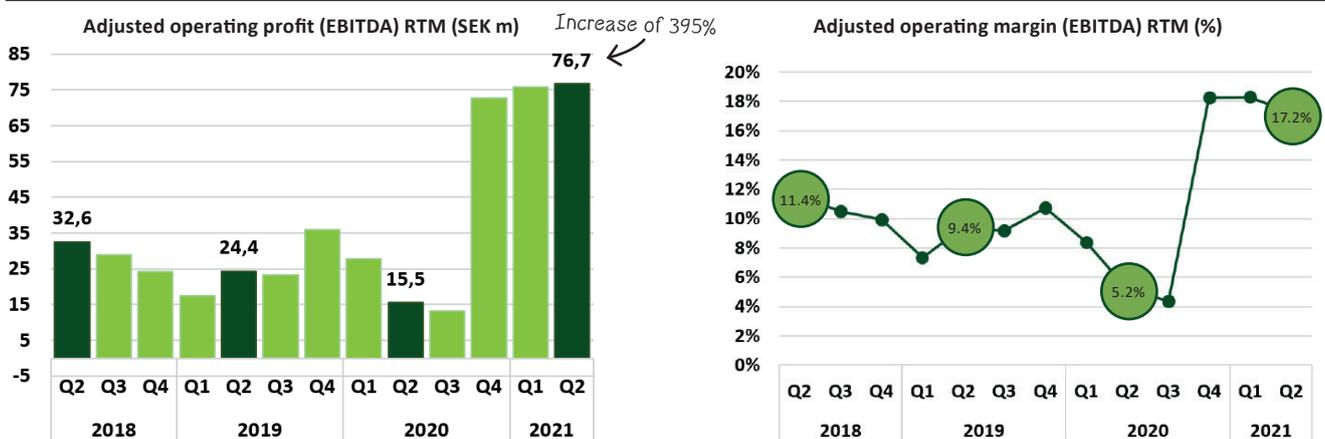
NET SALES



The columns above show MilDef's net sales for full years 2016–2020 and for January–June 2016–2021. The diagram shows the clear seasonal variation in MilDef's net sales.

The diagram's columns show MilDef's net sales over the past 12 months in SEK million. The columns show the data excluding seasonal variations during the year.

ADJUSTED OPERATING PROFIT (EBITDA) AND ADJUSTED OPERATING MARGIN (EBITDA)



Each column in the diagram above shows MilDef's operating profit (EBITDA) over the past 12 months in SEK million, adjusted for non-recurring items. The non-recurring items are specified in detail on page 18 in Note 2. The purpose is to assess the Group's profits that are generated in operating activities.

The diagram above shows MilDef's operating margin (EBITDA) over the past 12 months as a percentage, adjusted for non-recurring items. The non-recurring items are specified in detail on page 18 in Note 2. The adjusted EBITDA margin is stated as a percentage of net sales. MilDef considers the adjusted EBITDA margin to be a useful indicator to measure the Group's operational efficiency.

CEO'S COMMENTS

Accelerated growth and sustained increase in order bookings

Activity in the defense market remained favorable in the second quarter. With significant orders in Sweden and Norway, the Nordic investments in defense capabilities and preparedness set the tone for MilDef's business in the second quarter. Order bookings in the quarter amounted to SEK 181.7 million, an increase of 38%. Net sales increased by 59%. After the end of the quarter MilDef implemented an additional strategically significant acquisition.

Life as a listed company

Following the listing on Nasdaq Stockholm on June 4 the Company has continued to deliver on both its operational and strategic agenda. The list of acquisition candidates has been developed and prioritized, and received an extra boost from favorable publicity generated by the stock market listing. The Company has in an excellent way shown that it is prepared for the regulatory changes that being in a stock exchange environment entails.

“The acquisition in the first quarter of Norwegian Sysint AS helped to increase both the growth rate and the number of new international business opportunities in the second quarter.”

Acquisitions

The acquisition in the first quarter of Norwegian Sysint AS helped to increase both the growth rate and the number of new international business opportunities in the second quarter. Sysint AS provides services and software – two areas in which MilDef is expanding. Total sales growth in the second quarter amounted to 59%, of which Sysint AB contributed 42%. Cooperation and integration efforts have been successful.

After the end of the second quarter MilDef implemented the acquisition of Swedish Defcon Solutions AB. This acquisition also addresses the services segment, with a focus on integration. In a Swedish defense market experiencing strong growth it is considered of significant importance for MilDef to be able to quickly and effectively deliver comprehensive solutions, and the acquisition will contribute to this.

Supply chain risk

The global supply chain for semiconductor components remains unstable and has low transparency. The shortage of semiconductor components may negatively impact lead times and component prices. The risk of delays and price increases in the second half of this year is considered to have grown significantly. We remain in close dialogue with our supply chain to prevent negative effects, but the risk of some of our planned deliveries being moved to 2022 cannot be ruled out.

Summary of the first half of the year

Strong growth continued in the second quarter, which means that we are entering the second half of the year with a record-strong order book. As a result of continued investment in growth and personnel, the operating profit in the first half of the year did not develop as well as sales and gross margins. Looking forward, our assessment is that the market potential justifies continuing to prioritize accelerated growth – both organic and acquisition-driven.



Björn Karlsson,
CEO, MilDef Group AB



MilDef in brief

Digitalization of operations and functions that are crucial for society is increasing and there is therefore a need for tactical IT in demanding environments. MilDef is taking an active role in this development. The goal is to be the most reliable partner in the industry. MilDef adds value through industry-leading quality and high delivery precision.

Brief facts

MilDef's shares are listed on the Nasdaq Stockholm Small Cap index. Ticker: MILDEF.

- Specialist in the global niche for tactical IT
- Operations in four countries
- Partner network in more than 30 countries
- Founded in 1997
- Around 190 employees at the time of this report



MilDef's head office is in Helsingborg, Sweden.

Vision

Your number one choice for tactical IT.

Mission

In an ever-changing and highly digitalized world, there is urgent need for tactical IT systems that are fit for purpose and produce the desired effect. MilDef provides unique solutions to those needs with high quality, speed, and accuracy.

Business concept

MilDef's business concept is to develop, deliver and offer tactical IT products and services for operations and functions that are crucial for society. We customize solutions to meet our customers' specific requirements in the demanding environments in which they are used. MilDef's hardware and software products are combined with services to deliver effective digitalization. MilDef Group operates in the global security and defense market and in other areas that are crucial for society.

Growth strategy

MilDef's growth strategy is based on three prioritized areas. The intention is to drive growth organically and through acquisitions, but also by expanding the customer offering. This strategy includes MilDef expanding both geographically and by adding products and services.

Organic growth

In established markets MilDef is aiming to increase the share of long-term contracts and framework agreements. A long-term presence, strong position and proven delivery capability increase the opportunities to win large contracts in markets that are already established.

Acquisitions

MilDef has a structured acquisition strategy to support market entry and add complementary technologies to its portfolio where the Company's strong international distribution channels can be reused. Based on implemented acquisitions, MilDef has created a structured model to identify potential acquisition candidates, address and evaluate these and, once the transaction is complete, integrate them.

Expanded customer offering

MilDef also intends to expand its customer offering – which today is mainly focused on hardware – to include services and software. MilDef considers these three areas – hardware, services and software – to have the potential to be equally strong business divisions over time.

Financial targets

Growth

MilDef's target is to grow sales over time by at least 15% per year, including acquisitions.

Profitability

MilDef's target is an operating margin (EBITDA) over time of at least 10%.

Capital structure

MilDef's target is for interest-bearing net debt not to exceed 2.5 times operating profit (EBITDA), other than temporarily.

Dividend policy

MilDef's target is to pay out an annual dividend of 20–40% of profit after tax. However, MilDef's long-term development, capital structure and the prevailing market conditions are to be taken into account.

The MilDef Way

The MilDef Way is the name given to the Company's core values which serve as guidance for the employees. All MilDef employees have agreed to observe these. MilDef's relationships are based on trust and the business is to be operated in an open, honest, respectful and transparent way. Integrity must always be maintained. The core values are as follows:

Priority

Put 80% effort into the 20% that matters most

Proactivity

Plan for the future; act today

Integrity

We say what we do and we do what we say

Unity

Work together as one



Sustainability

MilDef aims to maintain a good balance between business, environmental and social sustainability. This is considered crucial in order to meet current needs without jeopardizing the ability of future generations to meet their needs.

MilDef complies with mandatory requirements, such as those in laws and regulations, applicable organization and industry standards, contractual obligations and codes of conduct. MilDef strives to maintain a sustainable strategy to ensure that investments are made responsibly.

A framework for KYC (know your customer) is used to ensure that the actors MilDef chooses to do business with live up to both regulatory and ethical standards.

Financial overview

Profit/loss items and cash flow are compared with the corresponding period the previous year. The balance sheet items are at the end of the period and compared with the corresponding date the previous year.

Second quarter: April–June 2021

Orders

Order bookings increased by 38% to SEK 181.7 million (131.5), of which the negative effect of exchange differences was SEK -2.7 million. Sysint AS, which was acquired in the first quarter of 2021, has not had any impact on order bookings or order backlog in the second quarter, instead the entire increase is organic.

Net sales

Net sales in the first quarter of 2021 amounted to SEK 81.3 million (51.0), representing growth of 59%. Acquisition-driven growth amounted to SEK 21.7 million in the quarter and is fully attributable to the acquisition of Norwegian company Sysint AS. Organic growth amounted to 17% in the second quarter and acquisition-driven growth made up 42% of total sales growth.

Gross profit

Gross profit amounted to SEK 38.9 million (16.4), equivalent to a gross margin of 48% (32). The Company's gross margin may vary from quarter to quarter depending on sales volumes and the product and customer mix.

Operating expenses

Operating expenses amounted to SEK 49.6 million (23.9), of which SEK 9.3 million relates to Sysint AS and SEK 3.4 million consists of costs relating to the Company's stock exchange listing in the second quarter of 2021. Excluding these items, the operating expenses increased by 54%, equivalent to SEK 13.0 million. The increase in expenses is a result of resources being added to the organization and higher consultancy expenses related to the Company's growth, internationalization and the listing process. The adjusted operating expenses represented 45% (47) of sales.

Operating profit (EBIT)

Operating profit (EBIT) in the second quarter of 2021 amounted to SEK -10.5 million (-5.0). Adjusted for non-recurring items, operating profit for the quarter amounted to SEK -7.1 million (-5.0) corresponding to an operating margin of -8.7% (-9.8). The Company's negative operating profit is explained by normal seasonal variations. The fourth quarter is generally the Company's strongest in terms of sales and profits.

Adjusted operating profit (EBITDA)

Adjusted operating profit before depreciation/amortization and impairment amounted to SEK -2.3 million (-3.2), equivalent to a margin of -2.8% (-6.3). Depreciation/amortization and impairment amounted to SEK 4.7 million (1.8). The acquired company, Sysint AS, contributed SEK 7.0 million to the quarter's operating profit. The adjusted operating profit does not include non-recurring items of SEK -3.4 million (0). These items are specified in Note 2 on page 18.

Financial items

Net financial income/expense for the period amounted to SEK 1.6 million (-0.5).

Tax

The tax effect in the second quarter had a positive impact on net profit in the amount of SEK 5.3 million (0.3) and relates to a deferred tax asset based on tax loss carryforwards in the second quarter as well as increased temporary differences attributable to the Company's listing process.

Net profit for the quarter

Profit after tax amounted to SEK -3.6 million (-5.2). Earnings per share were SEK -0.18 (-0.44).

Cash flow

Cash flow reported for the quarter amounted to SEK 326.0 million (-25.5). The operating cash flow improved to SEK -0.1 million (-49.4), with most of the improvement coming from changes in working capital.

Cash flow from operating activities amounted to SEK 2.6 million (-48.9). Cash flow from changes in working capital amounted to SEK 9.7 million (-44.8).

Cash flow from investing activities amounted to SEK -2.7 million (-0.5). Cash flow from investments in property, plant and equipment and intangible assets amounted to SEK -2.3 million (-0.5).

Cash flow from financing activities amounted to SEK 326.1 million (23.9). The change compared to the previous year is mainly explained by the Company issuing new shares in connection with the listing on Nasdaq Stockholm. The second quarter was impacted by dividends paid to the shareholders amounting to SEK -17.4 million (0). Amortization of leases was charged to financing activities in the amount of SEK -2.1 million (-1.1).

First half of the year: January–June 2021

Ordes

Order bookings increased by 38% to SEK 261.2 million (189.9), of which the negative effect of exchange differences was SEK -7.7 million, equivalent to 4.1%. Order backlog increased by 180% to SEK 634.0 million (226.8). Sysint AS, which was acquired in the first quarter of 2021, has not had any impact on order bookings or order backlog during the period, instead the entire increase is organic. The Company received a significant customer contract in the fourth quarter of 2020 in the UK market. The total value of the contract is around SEK 275 million. The contract spans 10 years and serial delivery is not expected to start until 2023. MilDef is expecting planned deliveries to proceed according to the contract, in terms of both schedule and volume. However, the risk of changes or reduction in scope cannot be excluded.

Net sales

Net sales in the first half of 2021 amounted to SEK 132.3 million (85.5), representing growth of 55%. Acquisition-driven growth amounted to SEK 31.9 million for the period, and is fully attributable to the acquisition of Sysint AS in Norway. Organic growth was 17% and acquisition-driven growth made up 38% of total sales growth.

Gross profit

Gross profit amounted to SEK 56.4 million (31.0), equivalent to a gross margin of 43% (36). The Company's gross margin may vary slightly over time depending on sales volumes and the product and customer mix.

Operating expenses

Operating expenses amounted to SEK 91.2 million (52.6), of which SEK 12.2 relates to Sysint AS and SEK 7.1 million is non-recurring items (see Note 2). Excluding these items, the operating expenses increased by 37%, equivalent to SEK 19.3 million. The increase in expenses is a result of resources being added to the organization and higher consultancy expenses related to the Company's growth, internationalization and the listing process. The adjusted operating expenses represented 54% (62) of sales.

Operating profit (EBIT)

Operating profit (EBIT) in the first half of 2021 amounted to SEK -33.4 million (-24.6). Adjusted for non-recurring items, operating profit for the quarter amounted to SEK -26.3 million, (-24.6) corresponding to an operating margin of -19.9% (-28.7). The Company's negative operating profit is explained by normal seasonal variations. The fourth quarter is generally the Company's strongest in terms of sales and operating profits.

Adjusted operating profit (EBITDA)

Adjusted operating profit before depreciation/amortization and impairment amounted to SEK -17.2 million (-18.8), equivalent to a margin of -13.0% (-22.0). Depreciation/amortization and impairment amounted to SEK 9.1 million (5.7). The acquired company, Sysint AS, contributed SEK 8.0 million to operating profit for the period. The adjusted operating profit does not include non-recurring items of SEK -7.1 million (0). These items are specified in Note 2 on page 18.

Financial items

Net financial income/expense for the period amounted to SEK 0.2 million (-0.3).

Tax

The tax effect for the period had a positive impact on net profit in the amount of SEK 10.4 million (4.0) and relates to a deferred tax asset based on tax loss carryforwards for the period, as well as increased temporary differences attributable to the Company's listing process.

Net profit for the quarter

Profit after tax amounted to SEK -22.8 million (-20.8). Earnings per share amounted to SEK -1.42 (-1.79).

Cash flow

Cash flow reported for the period amounted to SEK 305.4 million (-1.4). Operating cash flow amounted to SEK -20.1 million (-2.7).

Cash flow from operating activities amounted to SEK -8.5 (-2.2). Cash flow from changes in working capital amounted to SEK 25.3 million (18.4).

Cash flow from investing activities amounted to SEK -40.1 million (-0.5). Cash flow from investments in property, plant and equipment and intangible assets amounted to SEK -11.2 (-0.5).

Cash flow from financing activities amounted to SEK 354.0 million (1.2). The change compared to the previous year is mainly explained by the Company issuing new shares in connection with the listing on Nasdaq Stockholm. The first half of the year was impacted by dividends paid to the shareholders amounting to SEK -17.4 million (0). Amortization of leases was charged to financing activities in the amount of SEK -4.1 million (-2.2).

Equity

The Group's equity amounted to SEK 513.0 million (83.4) at the end of the period. The equity-assets ratio as of June 30, 2021 was SEK 73.1% (41.1).

Net working capital

Net working capital amounted to SEK 45.9 million (68.4) at the end of the period. Higher accounts receivable and an increase in inventory volumes have had a negative impact on working capital. The increase is a consequence of the Company's growth. The negative impact from increased accounts receivable and inventory volumes was offset by increased accounts payable and other current liabilities. Net working capital in relation to net sales decreased by 13 percentage points, from 23% for the previous period to 10% as of June 30, 2021.

SEK m	June 30, 2021	Dec. 31, 2020	June 30, 2020
Inventories	79.9	57.3	60.0
Accounts receivable	48.6	161.4	30.5
Other current receivables	14.4	13.3	17.0
Accounts payable	-33.3	-62.8	-18.3
Other current liabilities	-63.7	-96.4	-20.8
Net working capital	45.9	72.7	68.4
<i>as a percentage of net sales RTM (%)</i>	<i>10%</i>	<i>18%</i>	<i>23%</i>

Net debt and cash and cash equivalents

The net debt including lease liabilities amounted to SEK -271.1 million (66.2) at the end of the period. The change in cash and cash equivalents is mainly the result of the Company issuing new shares in connection with the stock exchange listing. At the end of the period there was also an unutilized overdraft facility of SEK 51.1 million (27.1). Net debt at the end of the period in relation to adjusted operating profit (EBITDA) over the past 12 month-period, excluding the effects of IFRS 16 Leases, amounted to -4.5 (-0.3). When calculated including the effects of IFRS 16 the net indebtedness was -3.6 (5.9).

SEK m	June 30, 2021	Dec. 31, 2020	June 30, 2020
Liabilities to credit institutions	-	-	4.1
Other interest-bearing liabilities	18.7	-	-
Lease liabilities	64.0	66.7	69.3
Cash and cash equivalents	-353.9	-46.8	-7.2
Net debt incl. IFRS 16	-271.1	19.9	66.2
<i>in relation to adjusted operating profit (EBITDA) RTM, multiple</i>	<i>-3.6</i>	<i>0.3</i>	<i>5.9</i>



Other information

Parent Company

The operations of MilDef Group AB (corp. reg. no. 556893-5414), registered office in Helsingborg, Sweden, are primarily focused on the Group's strategic development and group-wide functions such as HR, IT, finance, etc. Most of the funds from the Group's external financing are held within the Parent Company. As of the end of the period the Company had 32 employees.

MilDef Group AB's share

MilDef Group AB (publ) is listed on the Nasdaq Stockholm Small Cap index in the Industrial Goods and Services sector. The total number of shares at the end of the period was 35,617,922.

Accounting principles

MilDef prepares its consolidated accounts in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The parent company applies the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities and the Annual Accounts Act. The accounting principles applied correspond to the accounting and valuation principles presented in the 2020 Annual Report. The 2020 Annual Report is available at www.mildef.com. MilDef applies the guidelines for alternative performance measures issued by ESMA, the European Securities and Markets Authority (measures not defined by IFRS).

Significant events during the period

On March 11, 2021 MilDef acquired all of the shares in the Norwegian service and software provider Sysint AS ("Sysint"). The acquisition was financed by an acquisition loan of SEK 30 million, the transfer of 711,087 treasury shares and the Company's own cash and cash equivalents. Sysint is an IT company with a service offering aimed at Norwegian public-sector and industrial customers. For two decades Sysint has delivered IT services to defense actors, government agencies and sectors critical for society, such as health and energy. Software product development includes the NATO-compliant system OneCIS for fast and secure rollout of IT systems. This complements MilDef's hardware offering and creates a strong, comprehensive offering for MilDef's customers, and good potential for both further development locally

and exports to other markets. Sysint's head office is in Oslo and the company had 23 employees as of the acquisition date.

MilDef's shares were listed on Nasdaq Stockholm's main index on June 4, 2021. In connection with admission to trading of the Company's shares, 10,958,904 new shares were issued.

Significant events after the end of the period

On July 5, 2021 MilDef received a strategically important order from the Norwegian FMA (Forsvarsmateriell). The value of the order is around NOK 30 million. MilDef's solution will supply armored vehicles with computers, displays and network infrastructure for management systems. MilDef delivered prototypes of the complete solution in 2020. The prototypes have undergone rigorous tests which have demonstrated their performance, utility and durability.

On July 20, 2021 MilDef announced the signing of an agreement to acquire all of the shares in Defcon Solutions AB ("Defcon"). Defcon supplies integration services to the defense market in Sweden and is considered to have good potential for continued business growth in the years ahead. Combined with MilDef's product portfolio of tactical IT in hardware and software there are considerable opportunities for synergies between the companies – both in the Swedish market and internationally. Defcon is consolidated into MilDef's consolidated accounts as of July 1, 2021.

Seasonal variations

MilDef's sales and profits are affected by seasonal variations. Year-on-year comparisons between quarters can be made. The Group's strongest quarter in terms of sales and profits is normally Q4. Most of the seasonal variations are in the Nordic market.

Uneven division between order inflow and sales

MilDef's markets are characterized by large procurements with irregular frequency. The lead times are often long due to extensive administrative processes and long sales cycles. Both order bookings and sales may fluctuate significantly between the quarters. The Company's development should therefore be evaluated in a longer perspective and not based on an individual quarter or year.

Employees

The number of employees in the Group, recalculated to full-time equivalents (FTEs), was 149 (108) at the end of the period. 116 (80) of the employees were men and 33 (28) were women. The average number of FTEs amounted to 148 during the period compared with 107 in the corresponding period the previous year.

Research and development

MilDef conducts extensive research and development. This is considered a critical factor for continued organic growth and for penetrating new markets. It is important to identify the customers' changing demands and transform them through R&D into the best solutions for every given market situation. In the first half of 2021 resources were added to the R&D department to handle an increasing number of projects, many of which are highly complex. Around 20% of MilDef's employees work in R&D-related positions.

Significant risks and factors of uncertainty

MilDef's operations and results are affected by a number of external and internal factors. A constant process is under way to identify all the risks that occur and to assess how to manage each risk. MilDef's risks can be divided into market-related, operational and financial risk. For a more detailed description of financial risks, see pages 32–33 in the Company's 2020 Annual Report. No other material risks, other than those described there, have occurred.

Transactions with related parties

In the second quarter senior executives subscribed for call options within the framework of the long-term share-based incentive program decided on at a shareholders' meeting on terms that are described in more detail below. There were no other transactions of significant scope with related parties during the period or the comparison period.

Long-term share-based incentive program

At an extraordinary meeting of shareholders on April 29, 2021 a decision was made to implement a long-term share-based incentive program based on call options for the Group's employees by issuing warrants with the subsequent right to subscribe for new shares in MilDef. For tax reasons the incentive program is only for employees who are required to pay taxes in Sweden. The program is for a maximum of 578,000 call options, equivalent to around 1.6% of the total number of shares in the

Company. The right to acquire warrants is based on the following principles with respect to allocation categories: (i) CEO and members of the Management Team: maximum 30,000 warrants per participant; (ii) other senior executives and key individuals: maximum 15,000 warrants per participant and (iii) other employees: maximum 3,000 warrants per participant. The warrants have been transferred on market terms at a price (premium) that was established based on an estimated market value using the recognized Black & Scholes model. The calculation was carried out by an independent appraisal institution. Each warrant entitles the holder to subscribe for one new share in MilDef at a subscription price of SEK 48.55, which is equivalent to 133% of the price per share in the new share issue implemented in connection with admission to trading of the Company's shares on Nasdaq Stockholm on June 4, 2021. Registration to subscribe for shares can take place from September 1, 2024 until August 31, 2025. The Company reserves the right to buy back warrants if the participant's employment is terminated or if the participant wishes to transfer the warrants. Buy-back may take place at the market price of the warrants at the time the preferential right is exercised. The Company has no outstanding share-based incentive programs other than the warrants described above.

Contingent liabilities

There have been no changes in the Group's contingent liabilities, which are described in detail on page 55 in Note 20 of the 2020 Annual Report.

Forward-looking statements

This report may contain forward-looking statements based on the Management Team's current expectations. Even though management determines that the expectations expressed in such forward-looking statements are reasonable, there can be no guarantee that these expectations will prove to be correct. Consequently, future outcomes may vary significantly compared with those expressed in forward-looking statements, depending on factors such as changed conditions in the market for MilDef's products and more general changes in, for example, the economy, markets and competition, legal requirements and other political measures, and fluctuations in exchange rates.

Audit review

This report has not been reviewed by the Company's auditors.

Condensed consolidated income statement

SEK m	Note	April 1–June 30		January 1–June 30		Rolling 12 months	Full year
		2021	2020	2021	2020	July 2020– June 2021	2020
Net sales	1	81.3	51.0	132.3	85.5	445.3	398.5
Cost of goods sold		-42.5	-34.6	-75.9	-54.5	-237.8	-216.4
Gross profit		38.9	16.4	56.4	31.0	207.4	182.1
Selling expenses		-23.0	-9.8	-39.9	-24.5	-71.8	-56.4
Administrative expenses		-14.9	-6.4	-29.5	-16.3	-49.1	-36.0
Research and development expenses		-11.6	-7.6	-21.8	-11.9	-43.1	-33.1
Other operating income/expenses		0.2	2.5	1.4	-3.0	4.6	0.3
Operating profit		-10.5	-5.0	-33.4	-24.6	48.0	56.9
Net financial items		1.6	-0.5	0.2	-0.3	-1.0	-1.5
Profit after financial items		-8.9	-5.5	-33.2	-24.9	47.0	55.4
Income tax		5.3	0.3	10.4	4.0	-6.5	-12.8
Net profit for the period		-3.6	-5.2	-22.8	-20.8	40.6	42.5
Other comprehensive income for the Group							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Translation differences		-4.1	-1.1	-0.1	2.9	-5.6	-2.6
Other comprehensive income for the period		-4.1	-1.1	-0.1	2.9	-5.6	-2.6
Comprehensive income for the period		-7.7	-6.3	-22.9	-17.9	35.0	40.0

Earnings per share

	April 1–June 30		January 1–June 30		Rolling 12 months	Full year
	2021	2020	2021	2020	July 2020– June 2021	2020
Number of shares at end of period	35,617,922	11,618,422	35,617,922	11,618,422	35,617,922	11,618,422
Weighted average number of shares in the period	20,544,997	11,618,422	16,106,369	11,618,422	13,843,952	11,618,422
Earnings per share (SEK)	-0.18	-0.44	-1.42	-1.79	2.93	3.66

Condensed consolidated balance sheet

SEK m	June 30, 2021	Dec. 31, 2020	June 30, 2020
ASSETS			
Non-current assets			
Capitalized product development expenses	6.9	8.0	5.3
Acquisition-related intangible assets	112.9	2.7	5.3
Right-of-use assets	63.4	66.5	69.2
Other property, plant and equipment	15.9	6.6	2.1
Deferred tax assets	5.4	5.0	5.8
Other financial non-current assets	0.3	0.4	0.5
Total non-current assets	204.9	89.1	88.2
Inventories	79.9	57.3	60.0
Accounts receivable	48.6	161.4	30.5
Other current receivables	14.4	13.3	17.0
Cash and cash equivalents	353.9	46.8	7.2
Total current assets	496.7	278.8	114.6
TOTAL ASSETS	701.6	367.9	202.8
EQUITY AND LIABILITIES			
Equity	513.0	132.6	83.4
Non-current liabilities			
Lease liabilities	55.5	58.8	62.9
Non-current interest-bearing liabilities	9.1	-	-
Provisions for taxes	8.9	9.4	6.9
Total non-current liabilities	73.5	68.2	69.8
Current liabilities			
Current interest-bearing liabilities	9.7	-	4.1
Lease liabilities	8.5	7.9	6.4
Accounts payable	33.3	62.8	18.3
Other current liabilities	63.7	96.4	20.8
Total current liabilities	115.1	167.1	49.6
TOTAL EQUITY AND LIABILITIES	701.6	367.9	202.8

Condensed consolidated statement of changes in equity

SEK m	June 30, 2021	Dec. 31, 2020	June 30, 2020
Equity, opening balance	132.6	101.3	101.3
Comprehensive income for the period after tax	-22.9	40.0	-17.9
New share issue	420.8	-	-
Dividend	-17.4	-8.7	-
Equity, closing balance	513.0	132.6	83.4

Condensed consolidated cash flow statement

SEK m	April 1–June 30		January 1–June 30		Rolling 12 months	Full year
	2021	2020	2021	2020	July 2020– June 2021	2020
Cash flow from operating activities						
Operating profit	-10.5	-5.0	-33.4	-24.6	48.0	56.9
Reversal of depreciation, amortization and impairment	4.7	1.8	9.1	5.7	14.9	11.6
Other non-cash items	-0.1	2.0	-0.5	2.6	0.9	4.0
Net interest income/expense	1.6	-0.5	0.2	-0.3	-1.0	-1.5
Income taxes paid	-2.9	-2.4	-9.2	-4.0	-24.1	-18.9
Change in working capital	9.7	-44.8	25.3	18.4	16.5	9.6
Cash flow from operating activities	2.6	-48.9	-8.5	-2.2	55.3	61.7
Cash flow from investing activities						
Investments in intangible assets	-0.6	-	-0.6	-	-4.2	-3.5
Investments in property, plant and equipment	-1.7	-0.5	-10.6	-0.5	-15.5	-5.4
Acquisition of subsidiaries, net of acquired cash and cash equivalents	-	-	-28.5	-	-28.5	-
Change in other non-current receivables	-0.3	-	-0.3	0.1	-	0.3
Cash flow from investing activities	-2.7	-0.5	-40.1	-0.5	-48.2	-8.6
Cash flow from financing activities						
Dividend	-17.4	-	-17.4	-	-26.1	-8.7
New share issue	375.6	-	375.6	-	375.6	-
Change in overdraft facilities	-	25.0	-0.1	3.4	-4.2	-0.7
Change in liabilities to credit institutions	-	-	30.0	-	30.0	-
Amortization in liabilities to credit institutions	-30.0	-	-30.0	-	-30.0	-
Repayment of lease liabilities	-2.1	-1.1	-4.1	-2.2	-6.8	-4.9
Cash flow from financing activities	326.1	23.9	354.0	1.2	338.5	-14.4
Total cash flow for the period	326.0	-25.5	305.4	-1.4	345.5	38.7
Change in cash and cash equivalents						
Cash and cash equivalents at beginning of period	28.5	33.1	46.8	9.1	7.2	9.1
Translation differences	-0.7	-0.4	1.7	-0.4	1.2	-1.0
Cash and cash equivalents at end of period	353.9	7.2	353.9	7.2	353.9	46.8

Quarterly overview for the Group

SEK m	2021		2020			2019			Q2
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	
Net sales	81.3	51.0	257.7	55.2	51.0	34.5	158.9	55.5	82.3
Cost of goods sold	-42.5	-33.5	-131.1	-30.8	-34.6	-19.9	-98.7	-34.8	-48.6
Gross profit	38.9	17.5	126.6	24.4	16.4	14.6	60.2	20.7	33.7
Operating expenses	-49.4	-40.4	-49.5	-23.7	-21.4	-34.2	-38.8	-17.2	-22.5
Operating profit	-10.5	-22.9	77.1	0.7	-5.0	-19.6	21.4	3.5	11.2
Net financial items	1.6	-1.4	-0.7	-0.3	-0.5	0.2	-1.5	1.0	0.1
Profit before tax	-8.9	-24.3	76.4	0.4	-5.5	-19.4	19.9	4.5	11.3
Income tax on profit for the period	5.3	5.1	-13.6	0.2	0.3	3.7	-5.3	-0.3	-0.1
Net profit for the period	-3.6	-19.2	62.8	0.6	-5.2	-15.7	14.6	4.2	11.2

Multi-year overview for the Group

	2020	2019	2018	2017	2016	2015	2014	2013
Net sales, SEK m	398.5	334.0	243.8	298.8	153.1	146.0	135.5	180.3
Gross margin	46%	37%	38%	34%	34%	29%	30%	34%
Operating margin (EBITDA)	17%	10.7%	9.9%	15%	7%	7%	12%	23%
Operating margin (EBIT)	14%	7.4%	7.3%	12%	4%	5%	9%	10%
Profit margin	14%	8%	8%	11%	5%	5%	9%	10%
Earnings per share for the period, SEK	3.66	1.64	1.04	2.24	0.48	0.55	0.83	1.26
Net cash, SEK m	46.8	9.1	31.5	26.7	-10.1	34.9	38.7	57.0
Cash flow from operating activities, SEK m	61.7	-7.9	25.8	35.0	-19.0	2.3	-1.9	55.8
Total assets, SEK m	367.9	285.2	178.2	167.6	134.6	89.0	96.9	102.2
Equity, SEK m	132.6	101.3	87.7	85.2	61.9	59.4	61.2	66.4
Equity/assets ratio	36%	36%	49%	51%	46%	67%	63%	65%
Return on capital employed	36%	20%	25%	36%	10%	12%	19%	30%
Return on equity	36%	20%	14%	34%	9%	10%	14%	23%
Equity per share, SEK	11.41	8.72	7.55	8.10	5.61	5.41	5.58	6.04
Dividend per share, SEK	1.50	0.75	0.50	1.22	0.00	0.18	0.44	1.25
Average number of employees	97	85	81	75	64	54	50	46
Number of employees at end of period	119	93	86	76	69	57	51	51

Condensed Parent Company income statement

SEK m	April 1–June 30		January 1–June 30		Rolling 12 months	Full year
	2021	2020	2021	2020	July 2020– June 2021	2020
Net sales	15.6	11.3	31.1	22.8	58.4	50.1
Selling expenses	-5.6	-3.6	-10.8	-7.1	-20.1	-16.5
Administrative expenses	-10.2	-4.0	-19.6	-7.9	-34.7	-22.9
Research and development expenses	-4.5	-2.8	-8.6	-5.4	-16.0	-12.8
Other operating income/expenses	0.4	-0.5	1.6	-0.6	-1.0	-3.2
Operating profit	-4.3	0.5	-6.3	1.8	-13.4	-5.3
Net financial items	-0.3	0.3	-0.8	0.6	-6.7	-5.3
Profit after financial items	-4.6	0.8	-7.1	2.4	-20.1	-10.6
Year-end appropriations	-	-	-	-	37.2	37.2
Profit before tax	-4.6	0.8	-7.1	2.4	17.1	26.6
Income tax	6.0	-0.2	6.5	-0.5	-0.3	-7.3
Net profit for the period	1.4	0.6	-0.6	1.9	16.8	19.3
Other comprehensive income						
Net profit for the period	1.4	0.6	-0.6	1.9	16.8	19.3
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-
Comprehensive income for the period	1.4	0.6	-0.6	1.9	16.8	19.3

Condensed Parent Company balance sheet

SEK m	June 30, 2021	Dec. 31, 2020	June 30, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	10.9	4.6	0.8
Financial non-current assets	178.4	65.2	71.7
Total non-current assets	189.2	69.8	72.5
Current receivables from Group companies	76.3	94.8	49.2
Other current receivables	10.7	5.2	8.6
Cash and cash equivalents	328.0	7.0	-
Total current assets	414.9	107.0	57.8
TOTAL ASSETS	604.2	176.8	130.3
EQUITY AND LIABILITIES			
Equity	502.6	99.9	91.2
Untaxed reserves	23.8	23.8	14.9
Non-current liabilities			
Non-current interest-bearing liabilities	8.9	-	-
Total non-current liabilities	8.9	0.0	0.0
Current liabilities			
Current interest-bearing liabilities	9.7	-	4.1
Current liabilities to Group companies	32.4	25.6	13.3
Accounts payable	3.4	3.8	1.4
Other current liabilities	23.5	23.8	5.3
Total current liabilities	68.9	53.1	24.2
TOTAL EQUITY AND LIABILITIES	604.2	176.8	130.3

Condensed Parent Company statement of changes in equity

(SEK m)	June 30, 2021	Dec. 31, 2020	June 30, 2020
Equity, opening balance	99.9	89.3	89.3
Comprehensive income for the period after tax	-0.6	19.3	1.9
New share issue	420.8	-	-
Dividend	-17.4	-8.7	-
Equity, closing balance	502.6	99.9	91.2

Notes

Note 1. Net sales by geographic area

SEK m	Q2 2021	Q2 2020	Jan–June 2021	Jan–June 2020	July 2020–June 2021	Full year 2020
Nordics	55.7	26.6	80.4	41.0	310.6	271.1
Europe (excl. Nordics)	14.6	12.7	27.2	18.3	58.5	49.6
North America	10.6	9.3	24.0	23.2	68.2	67.5
Other countries	0.4	2.4	0.7	3.0	8.0	10.3
Total revenue	81.3	51.0	132.3	85.5	445.3	398.5

Note 2. Non-recurring items

Refers to items reported separately to aid comparability, since these items are material in nature and are not deemed to form part of the ordinary core business. For example, acquisition-related items, expenses for listing on a stock exchange or restructuring costs.

SEK m	Q2 2021	Q2 2020	Jan–June 2021	Jan–June 2020	July 2020–June 2021	Full year 2020
Listing expenses	-3.4	-	-6.7	-	-11.0	-4.3
Acquisition-related expenses	-	-	-0.4	-	-0.4	0.0
Total non-recurring items	-3.4	0.0	-7.1	0.0	-11.4	-4.3

Additional performance measures

The Group's performance measures are detailed below. Some of these are defined in accordance with IFRS, and other than these the Group has identified certain additional performance measures that provide the Company's investors and management with supplementary information to facilitate the assessment of relevant trends as well as the Company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable with measures used by other companies. These financial measures are therefore to be seen as supplementing the performance measures defined according to IFRS.

Operating profit (EBIT), SEK m	Q2 2021	Q2 2020	Jan–June 2021	Jan–June 2020	July 2020–June 2021	Full year 2020
Operating profit (EBIT)	-10.5	-5.0	-33.4	-24.6	48.0	56.9
Listing expenses	3.4	0.0	6.7	0.0	11.0	4.3
Acquisition-related expenses	0.0	0.0	0.4	0.0	0.4	0.0
Adjusted operating profit (EBIT)	-7.1	-5.0	-26.3	-24.6	59.5	61.2
Adjusted operating profit (EBIT)	-7.1	-5.0	-26.3	-24.6	59.5	61.2
Net sales	81.3	51.0	132.3	85.5	445.3	398.5
Adjusted operating margin (EBIT), %	-8.7%	-9.8%	-19.9%	-28.7%	13.4%	15.4%
Operating profit (EBITA), SEK m						
Operating profit (EBIT)	-10.5	-5.0	-33.4	-24.6	48.0	56.9
Amortization of intangible assets	1.6	1.5	3.3	3.1	6.1	5.9
Operating profit (EBITA)	-8.9	-3.5	-30.1	-21.4	54.1	62.8
Adjusted operating profit (EBITA), SEK m						
Operating profit (EBITA)	-8.9	-3.5	-30.1	-21.4	54.1	62.8
Listing expenses	3.4	0.0	6.7	0.0	11.0	4.3
Acquisition-related expenses	0.0	0.0	0.4	0.0	0.4	0.0
Adjusted operating profit (EBITA)	-5.5	-3.5	-23.0	-21.4	65.5	67.1
Adjusted operating profit (EBITA)	-5.5	-3.5	-23.0	-21.4	65.5	67.1
Net sales	81.3	51.0	132.3	85.5	445.3	398.5
Adjusted operating margin (EBITA), %	-6.7%	-6.8%	-17.4%	-25.0%	14.7%	16.8%
Operating profit (EBITDA), SEK m						
Operating profit (EBIT)	-10.5	-5.0	-33.4	-24.6	48.0	56.9
Depreciation/amortization	4.7	1.8	9.1	5.7	17.2	11.6
Operating profit (EBITDA)	-5.8	-3.2	-24.3	-18.8	65.2	68.5
Adjusted operating profit (EBITDA), SEK m						
Operating profit (EBITDA)	-5.8	-3.2	-24.3	-18.8	65.2	68.5
Listing expenses	3.4	0.0	6.7	0.0	11.0	4.3
Acquisition-related expenses	0.0	0.0	0.4	0.0	0.4	0.0
Adjusted operating profit (EBITDA)	-2.3	-3.2	-17.2	-18.8	76.7	72.8
Adjusted operating profit (EBITDA)	-2.3	-3.2	-17.2	-18.8	76.7	72.8
Net sales	81.3	51.0	132.3	85.5	445.3	398.5
Adjusted operating margin (EBITDA), %	-2.8%	-6.3%	-13.0%	-22.0%	17.2%	18.3%

Available cash and cash equivalents

SEK m	June 30, 2021	Mar. 31, 2021	Dec. 31, 2020	June 30, 2020
Cash and bank balances	353.9	28.5	46.8	7.2
Unutilized overdraft facilities	51.1	27.2	27.1	27.1
Available cash and cash equivalents	405.0	55.7	73.9	34.3

Working capital including cash and bank balances

SEK m	June 30, 2021	Mar. 31, 2021	Dec. 31, 2020	June 30, 2020
Total current assets	142.8	124.1	232.0	107.4
Cash and bank balances	353.9	28.5	46.8	7.2
Current liabilities, non-interest-bearing	-96.9	-99.1	-159.2	-39.1
Working capital including cash and bank balances	399.8	53.5	119.6	75.5
Net sales last 12 months	445.3	414.9	398.5	299.9
Working capital including cash and bank balances in relation to net sales, %	89.8%	12.9%	30.0%	25.2%

Working capital excluding cash and bank balances

SEK m	June 30, 2021	Mar. 31, 2021	Dec. 31, 2020	June 30, 2020
Inventories	79.9	67.4	57.3	60.0
Current receivables	62.9	56.7	174.7	47.5
Current liabilities, non-interest-bearing	-96.9	-99.1	-159.2	-39.1
Working capital excluding cash and bank balances	45.9	25.0	72.8	68.4
Net sales last 12 months	445.3	414.9	398.5	299.9
Working capital excluding cash and bank balances in relation to net sales, %	10.3%	6.0%	18.3%	22.8%

Return on capital employed

SEK m	June 30, 2021	Mar. 31, 2021	Dec. 31, 2020	June 30, 2020
Profit after financial items, last 12 months	47.0	50.5	55.4	0.1
Financial expense, last 12 months	2.6	2.3	1.7	1.8
Profit before financial expense, last 12 months	49.6	52.8	57.1	1.9
Capital employed at beginning of period	156.8	156.2	173.5	99.3
Capital employed at end of period	595.7	259.7	199.3	156.8
Average capital employed	376.3	207.9	186.4	128.1
Return on capital employed, %	13.2%	25.4%	30.6%	1.5%

Return on equity

SEK m	June 30, 2021	Mar. 31, 2021	Dec. 31, 2020	June 30, 2020
Profit after tax, last 12 months	40.6	39.1	42.5	-1.6
Equity at beginning of period	83.4	70.4	101.3	82.1
Equity at end of period	513.0	145.1	132.6	83.4
Average equity	298.2	107.7	117.0	82.8
Return on equity, %	13.6%	36.3%	36.3%	-1.9%

Net debt/EBITDA

SEK m	June 30, 2021	Mar. 31, 2021	Dec. 31, 2020	June 30, 2020
Non-current liabilities, interest-bearing	64.6	66.1	58.8	62.9
Current liabilities, interest-bearing	18.2	48.4	7.9	10.5
Cash and bank balances	-353.9	-28.5	-46.8	-7.2
Net debt incl. IFRS 16	-271.1	86.0	19.9	66.2
Operating profit, last 12 months	48.0	53.6	56.9	0.3
Depreciation, amortization and impairment, last 12 months	14.9	14.2	11.6	10.9
Non-recurring items, last 12 months	11.4	8.0	4.3	0.0
Adjusted EBITDA, last 12 months	74.3	75.8	72.8	11.2
Net debt/EBITDA, multiple	-3.6	1.1	0.3	5.9

Definitions

NUMBER OF OUTSTANDING SHARES

Number of registered shares less repurchased shares, held by the Company.

RETURN ON EQUITY

Profit after tax attributable to owners of the parent as a percentage of average equity.

RETURN ON CAPITAL EMPLOYED

Profit after financial income as a percentage of average capital employed.

EBIT

Earnings before interest and taxes according to the income statement.

EBITDA

Earnings before interest, taxes, depreciation and amortization of property, plant and equipment and intangible asset.

NON-RECURRING ITEMS

Non-recurring items are specific material items that are reported separately because of their size or frequency, e.g. restructuring costs, impairment, divestments and acquisition-related expenses.

NET DEBT

Long-term and short-term interest-bearing liabilities less financial income-bearing assets.

OPERATING CASH FLOW

Cash flow from operating activities and cash flow from investing activities excluding acquisitions and divestments of intangible assets and of property, plant and equipment.

ORGANIC GROWTH

Annual growth in net sales excluding acquisition-related net sales, calculated as an increase in net sales excluding acquisition-related net sales compared with the previous year, expressed as a percentage.

WORKING CAPITAL

Current assets, excluding cash and cash equivalents and current tax assets, less interest-free current liabilities, excluding current tax liabilities.

OPERATING MARGIN

Operating profit as a percentage of net sales.

EQUITY/ASSETS RATIO

Equity as a percentage of total assets.

CAPITAL EMPLOYED

Equity plus interest-bearing net debt.

EARNINGS PER SHARE BEFORE DILUTION

Profit after tax attributable to owners of the parent as a percentage of average number of outstanding shares.

EARNINGS PER SHARE AFTER DILUTION

Profit after tax attributable to owners of the parent as a percentage of average number of outstanding shares plus average number of shares added upon conversion of outstanding convertibles and warrants.

The Board of Directors and CEO affirm that the half-year report presents fairly the operations, position and results of the Parent Company and the Group, and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Helsingborg, August 4, 2021

Jan Andersson
Chairman

Marianne Trolle
Board member

Lennart Pihl
Board member

Charlotte Darth
Board member

Berndt Grundevik
Board member

Christian Hammenborn
Board member

Björn Karlsson
CEO

Financial calendar:

Interim Report Q3 2021 October 27, 2021
Year-End Report 2021 February 10, 2022
Annual General Meeting May 12, 2022

For further information contact:

Björn Karlsson, CEO +46 70 525 01 07, bjorn.karlsson@mildef.com

Daniel Ljunggren, CFO/EVP
+46 70 668 00 15, daniel.ljunggren@mildef.com

This information is the information that MilDef Group AB (publ) is required to publish in accordance with the EU's market abuse regulation and the Swedish Securities Market Act. The information is disclosed through the above-mentioned contact persons for publication on August 4, 2021 at 8 a.m. CEST.

MilDef was founded in 1997 in Helsingborg, Sweden, and is a supplier of tactical IT for demanding environments. Tactical IT includes rugged electronics, software and services. MilDef's products are currently sold to more than 160 customers through MilDef's subsidiaries in Sweden, Norway, the UK and the USA, and through a network of partners in more than 30 countries, mainly within the EU. The product portfolio encompasses all of the components in an IT system – from servers and client computers to network equipment and intelligent displays. The products have been developed to withstand extreme heat, cold, moisture, vibration, shock and other environmental impacts. MilDef is listed on Nasdaq Stockholm.

MilDef Group AB
Muskötgatan 6
SE-254 66 Helsingborg
Sweden

Tel: +46 42 25 00 00
email: infomildef@mildef.com
<https://mildef.com>
Corp. reg. no. 556893-5414

