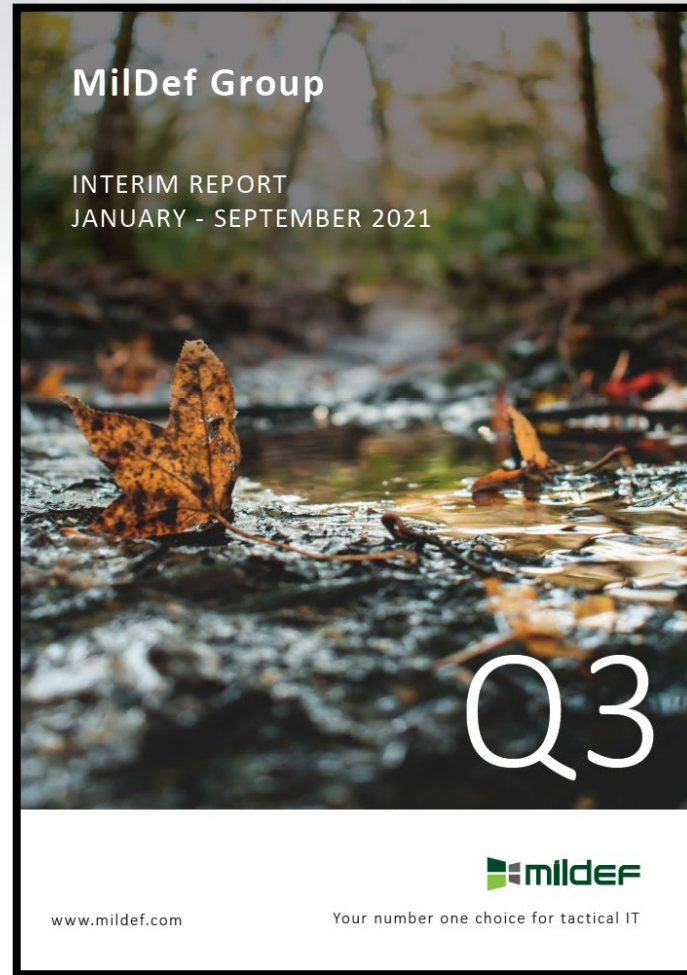


Interim report January – September 2021

Björn Karlsson, CEO



Daniel Ljunggren, EVP/CFO



Agenda Q3 presentation

- ▶ About MilDef
- ▶ Interim report
- ▶ Questions and answers



Your number one choice for tactical IT

We digitalize the world –
where the stakes are the highest,
the requirements the toughest,
and when technology has game-changing potential.



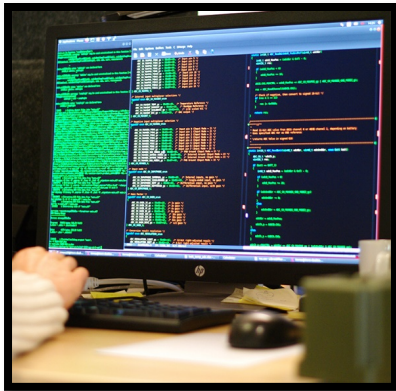
Tactical IT

Founded in 1997
HQ in Helsingborg, Sweden
200 employees in 4 countries
Customers in 30 countries
Listed on Nasdaq Stockholm since 2021

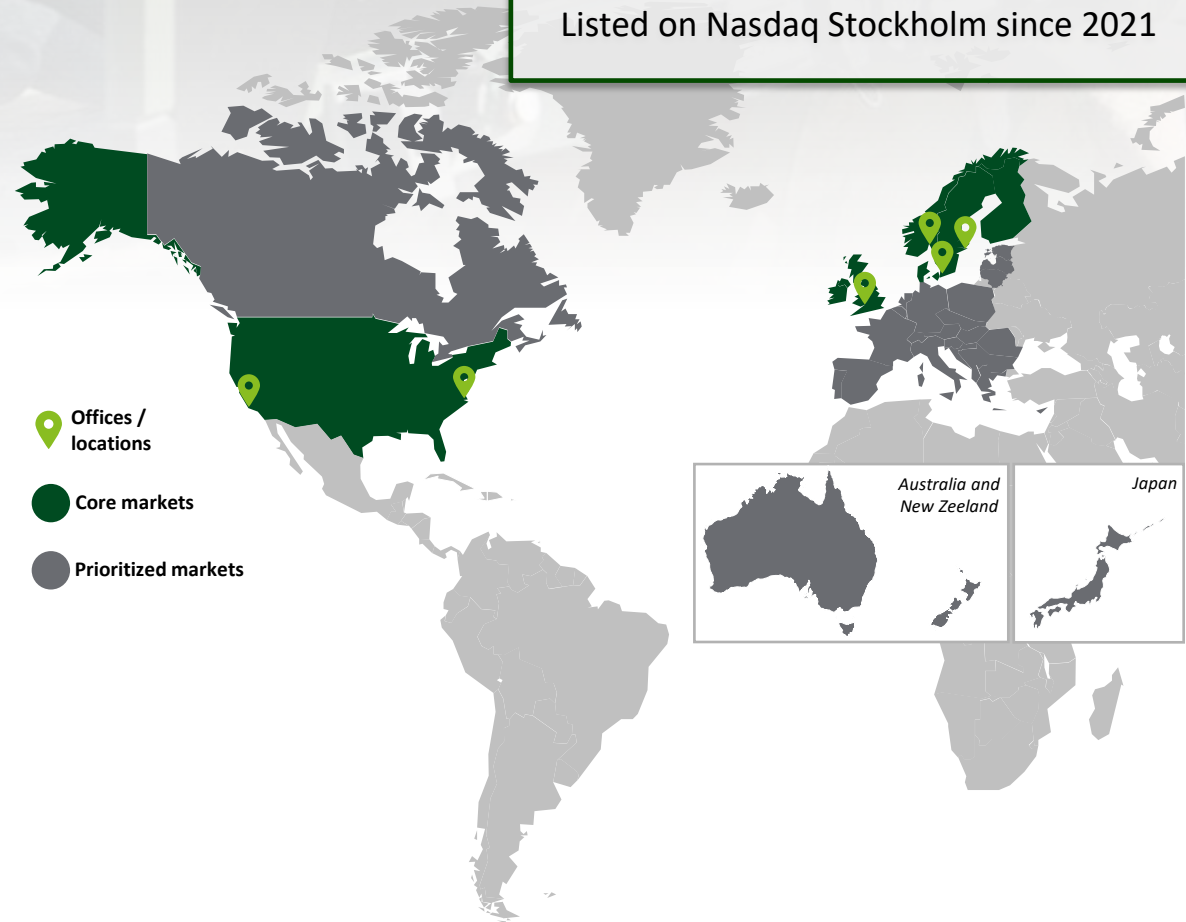
Hardware



Software



Services



Interim report January – September 2021



January – September 2021



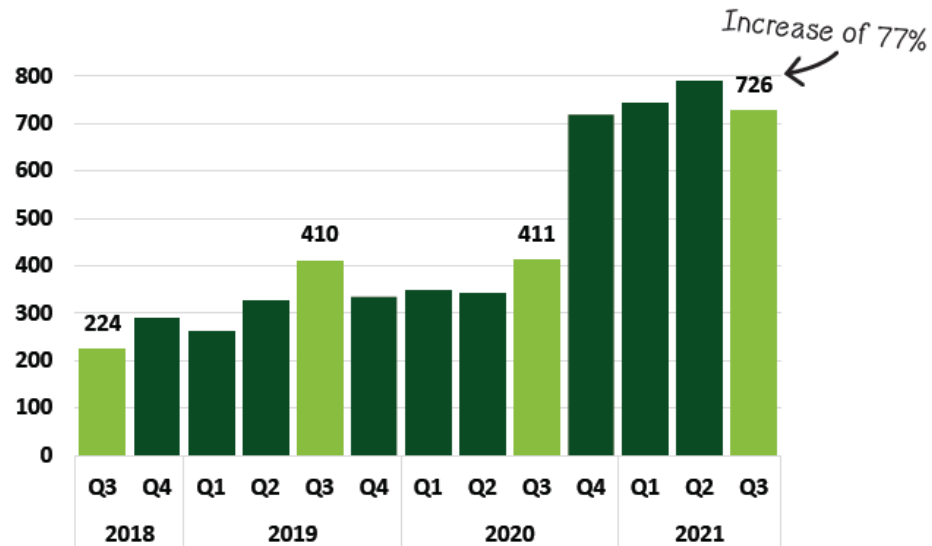
"In summary, the financial development and business development are combining to deliver a strong report with growth and improved profitability."

January – September 2021

Order bookings
2%
(380.4 vs. 372.3 MSEK)



Order bookings LTM (SEK m)



"The strong order intake from the same period last year is repeated and slightly improved. The third quarter was down 34% vs. last year, which is considered normal volatility."

January – September 2021

Order book growth

101%

(712.2 vs. 354.3 MSEK)

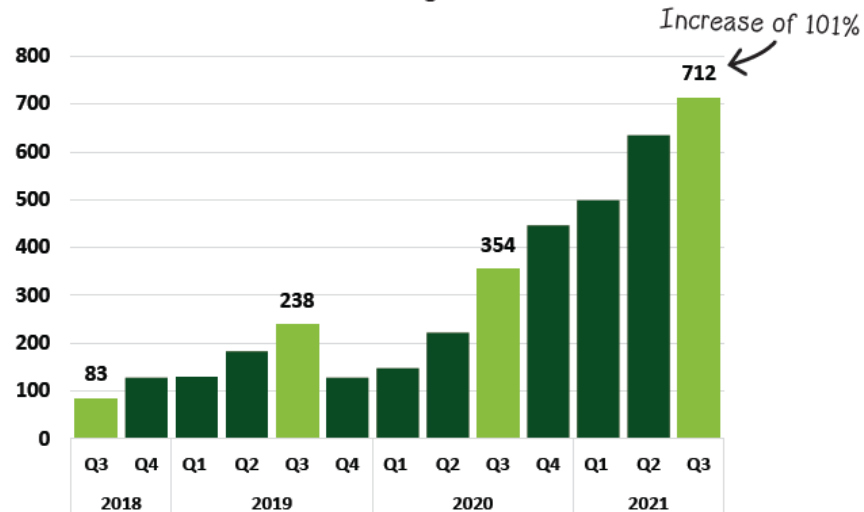
Order bookings

2%

(380.4 vs. 372.3 MSEK)



Order backlog



"A record-strong order book is driven by three contributing factors: Longer-term contracts, acquisitions, and an increase in financially significant orders."

January – September 2021

Revenue growth

78%

(268.9 vs. 151.2 MSEK)

Order book growth

101%

(712.2 vs. 354.3 MSEK)

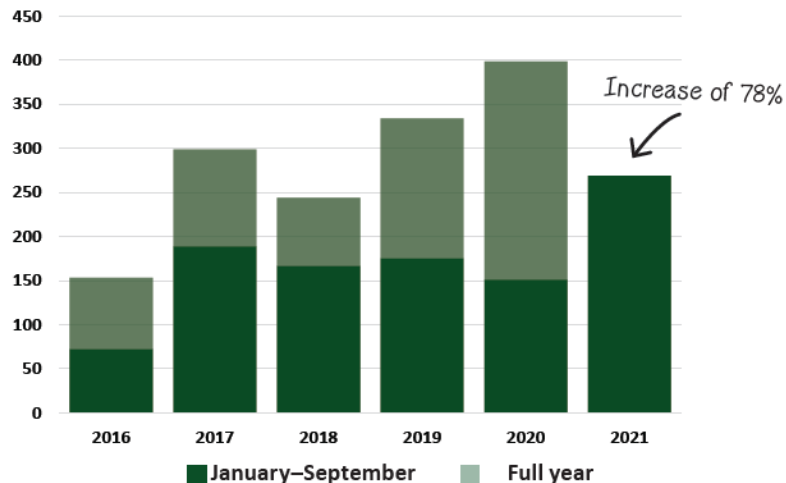
Order bookings

2%

(380.4 vs. 372.3 MSEK)

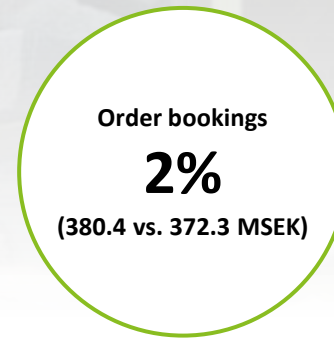
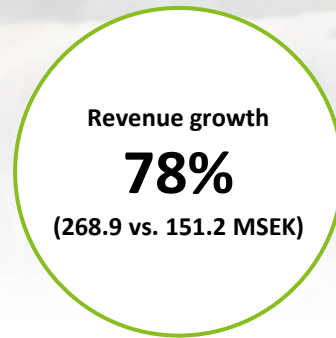


Net sales (SEK m)



"The acceleration in revenue is the result of consistent focus on growth; key account expansion on the Nordic home markets, acquisitions in services, and improved balance on production schedules."

January – September 2021



"In addition to the above, we delivered all-time high (516 MSEK) on a rolling 12 months basis"

ROLLING 12 MONTHS, OCTOBER 2020–SEPTEMBER 2021

NET SALES
SEK **516**_m

ADJUSTED
OPERATING PROFIT (EBITDA)
SEK **85.3**_m

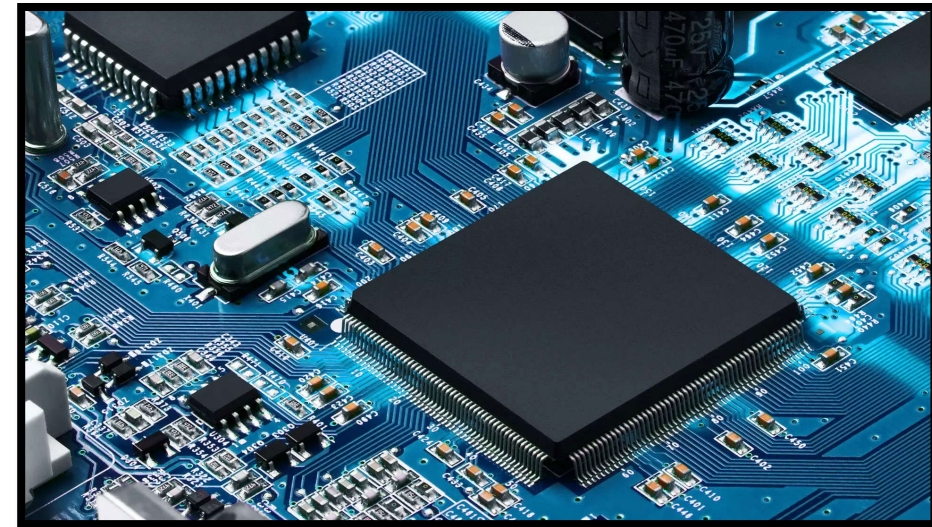
ADJUSTED
OPERATING MARGIN (EBITDA)
16.5%

Significant events

Component shortage is having an impact on lead times, and we are seeing delivery delays between quarters.

Three things of importance from a MilDef perspective:

- 1) Worst-case delays are observed in the 3-6 months range*
- 2) Low-risk binding of capital is used to reduce 2022 effects*
- 3) Using component equivalents is a mitigation strategy available to us*



Significant events

"On July 20, MilDef acquired Defcon, a Swedish company specialized in integration services with FMV and other customers.

It's the second acquisition of 2021, and both companies are contributing in line with or above expectations.

The next acquisition will address our strategy for geographic market access, complementary technology, or services that strengthen sales in the existing portfolio."

sysint.



Financial summary January - September 2021

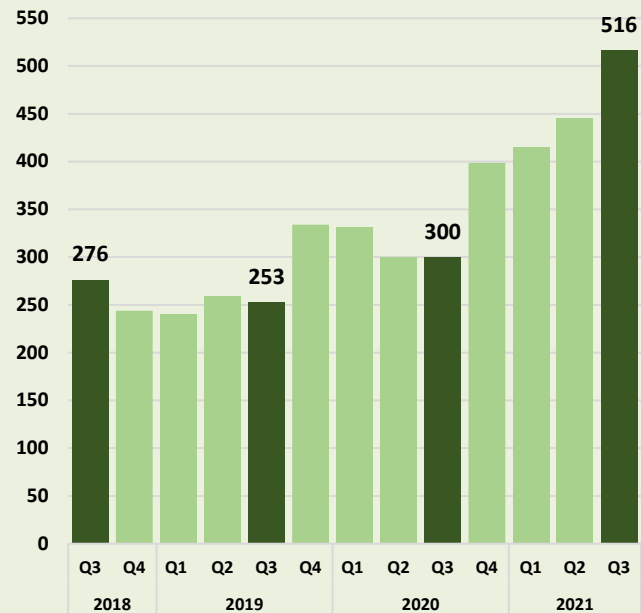
MSEK	Q3 2021	Q3 2020	Change	Jan-Sept 2021	Jan-Sept 2020	Change
Net sales	136.6	57.1	+139%	268.9	151.2	+78%
Gross profit	61.0	27.4	+123%	117.4	68.1	+72%
Gross Margin, %	45	48		44	45	
Adjusted EBITDA	14.9	4.8	+210%	-2.3	-14.8	+84%
Adjusted EBITDA, %	10.9	8.4		-0.9	-9.8	

P&L comments January – September 2021

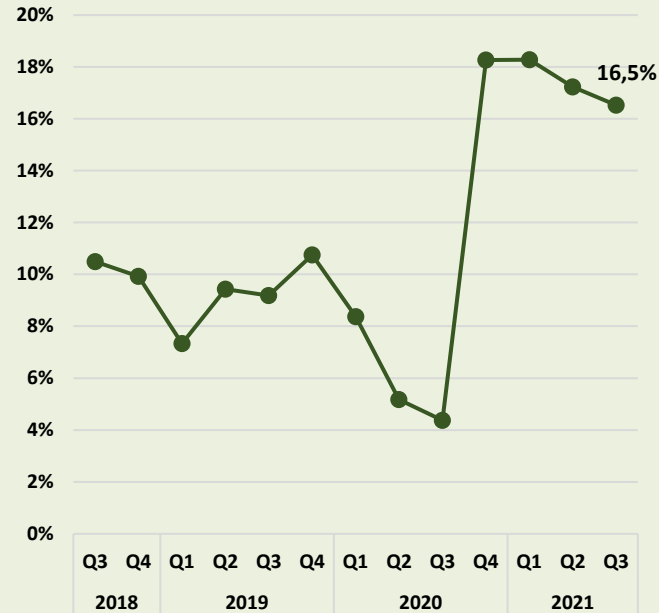
- Net sales increased with 78% the first nine months of 2021 compared to same period 2020
- Net sales growth mainly driven by the Nordic market, but we also see significant increase in the rest on Europe
- Organic growth in the period was 28%, acquisition-driven growth 50%
- Gross Margin continue to stay on a healthy level (mid-40%)
- Adj. EBITDA-margin in Q3 above long-term target (+10%)

Net sales and adj EBITDA (%) trend

Net Sales LTM (MSEK)



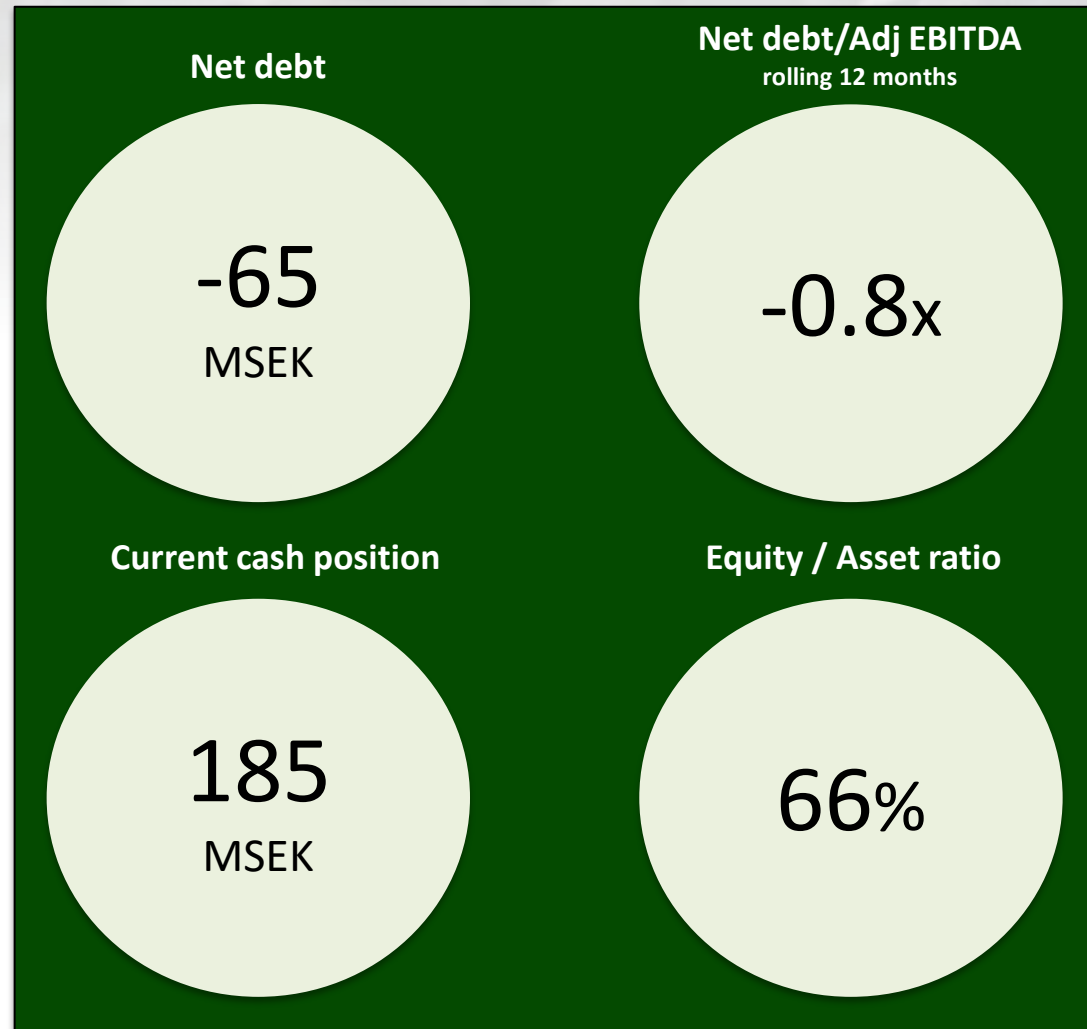
Adj operating margin (EBITDA) LTM (%)



Net sales and adj EBITDA trend comments

- Net sales at ATH on a rolling 12 months (R12m) basis
- Net sales increased with 72% on a R12m basis
- EBITDA-margin R12 (16.5%) still overperform against our financial targets of at least 10%
- The acquisitions made during 2021 contributes well on top-line and support increased EBITDA-margin

Net debt & current cash position Q3 2021



Net debt & current cash position comments

- Financial target that net debt shall not exceed 2.5 times EBITDA, which provides good potential for additional acquisition
- Major increase of cash due to new share issue in the IPO (June 2021)
- The acquisition of Defcon Solutions AB funded 100% with own cash (145 SEK million)
- Equity / Asset ratio of 66% (39)
- Unutilized revolving credit facilities SEK 50 million
- Our M&A activities in 2021 have already added +250 SEK million in annual revenue
- We still have a strong financial position, which provides conditions for continued M&A activities

Questions and answers

