

Year-end & Q4 report 2021



Björn Karlsson, CEO



Your number one choice for tactical IT



Daniel Ljunggren, EVP/CFO

Agenda

MilDef's universe
2021 summary
Business highlights
Financial overview
2022 outlook
Q&A



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



This is MilDef

Leading provider of tactical IT

- Founded 1997 - IPO June 4, 2021
- 190 employees in five countries
- Core markets: Nordics, EU and NATO
- Customers: Governments, global defense companies
- Product portfolio: Hardware, software & services
- Expansion through:
 - Organic growth
 - Partner networks
 - Acquisitions



State of the art HQ and production facility in Helsingborg

Multi-domain offering on land, air and sea

Products and services that enable digitalization – everywhere

CYBER



LAND



AIR



NAVAL

Photo: Jimmie Adamsson, Försvarmakten

Complete portfolio for strong capabilities

Products and services that enable digitalization – as turnkey solutions



HARDWARE



SOFTWARE



SERVICES



MilDef Q4 development

- Sales at SEK 200.7 million (257.7)
- Adjusted EBITDA SEK 34.6 million (87.5)
- Adjusted EBITDA margin 17.2% (34.0%)
- Order intake SEK 213.2 (376.0)*
- Operating cash flow SEK -13.3 million (39.5)

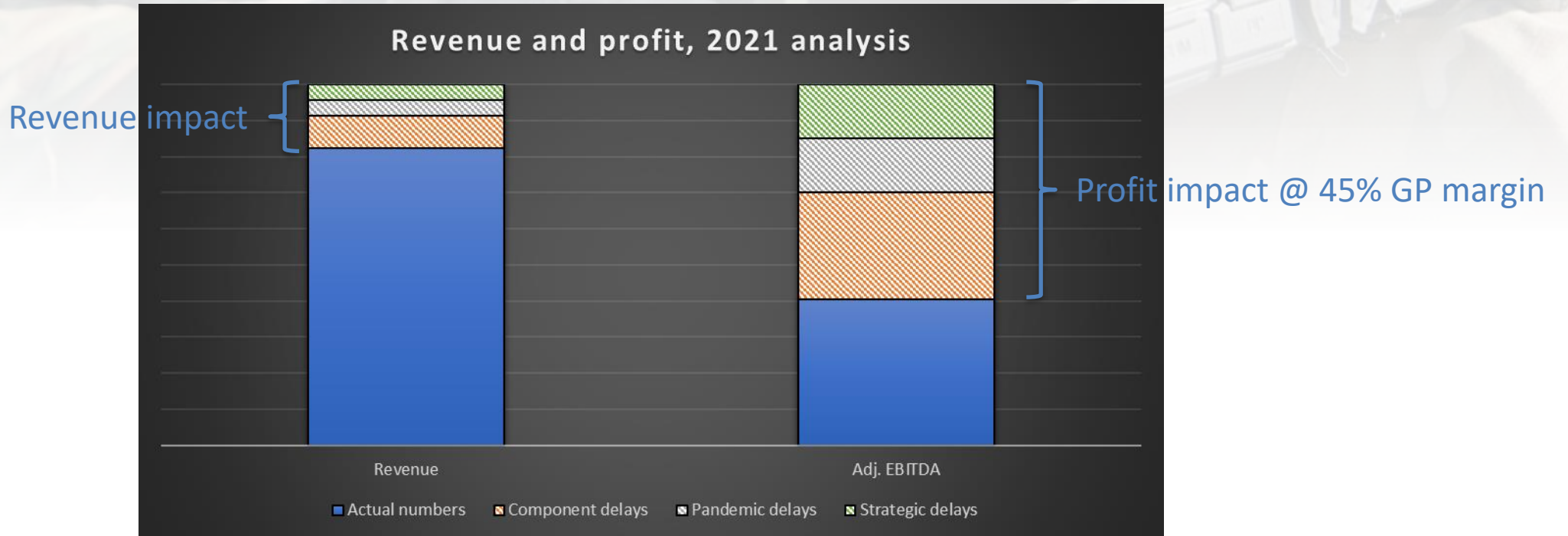


MilDef full year development

- Reached all time high turnover for a full year and invested for future growth
- Completed two value-adding acquisitions
- Listing on Nasdaq Stockholm
- Sales growth to SEK 469,6 million (398.5)
- Adjusted EBITDA SEK 32.2 million (72.8), a margin of 6.9% (18.3%)
- Operating cash flow SEK -71.4 million (53.1)
- The board proposes a dividend of SEK 0.75 per share for 2021 (0.75 SEK after adjustment of split 2:1)



2021 in summary



1. Component delays → added to the 2022 order book
2. Pandemic delays → customers needed extra time to place orders
3. Strategic delays → increased spending required adjustments before financial effect

Business highlights – acquisition Sysint

Sysint



The acquisition of Sysint in March 2021 was successful.

Our market position in Norway is significantly strengthened and the export potential in OneCIS (tactical IT software) for additional NATO countries is actively explored.

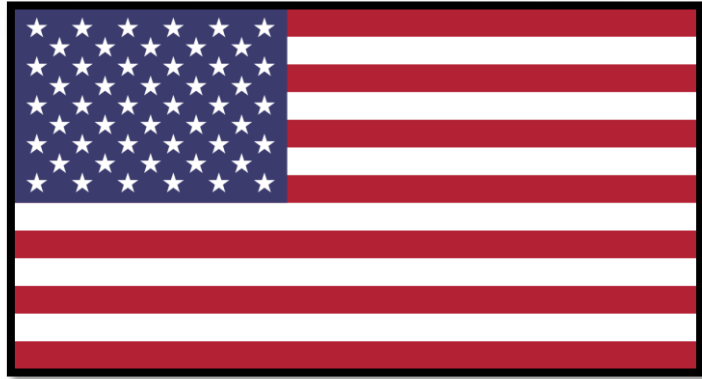
Business highlights – acquisition Defcon



The acquisition of Defcon in July 2021 was successful.

Our market position in Sweden is well aligned with our expansion strategies, and the newly formed business unit for the Swedish market is transforming our offering.

Business highlights – US market



The US market is returning after Covid-19 lockdown effects.

High-potential B2B business with some of the biggest actors on the US markets and MilDef has also entered a government contract vehicle during the year.

Business highlights – MilDef Oy



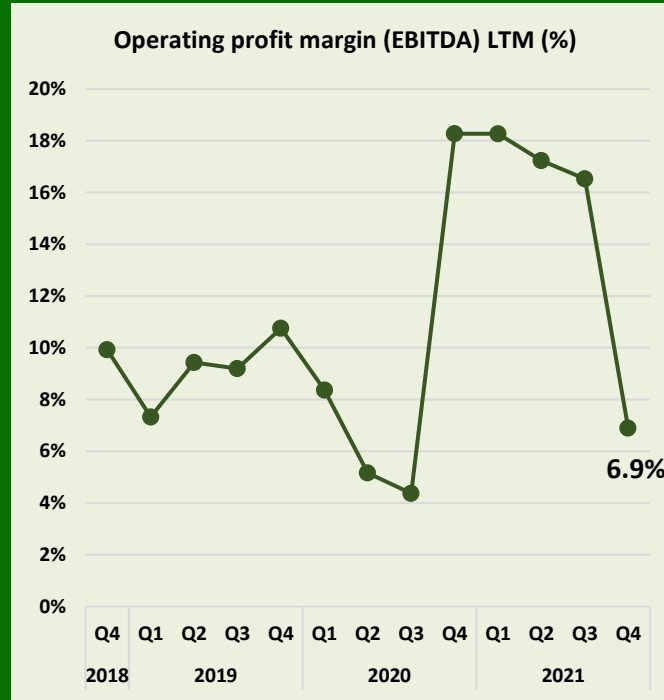
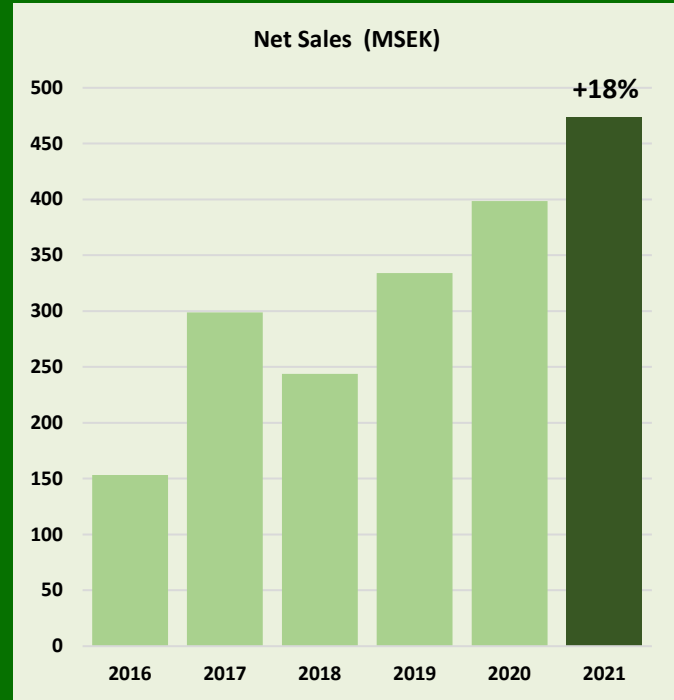
MilDef recently announced MilDef Finland, led by **Eero Valkola** – former Colonel and previous Inspector of Signals within the Finnish Armed Forces.

Local presence in Finland addresses both existing and new customers and is well aligned with the increasing Nordic collaboration in security and defence.

Financials

Daniel Ljunggren - CFO

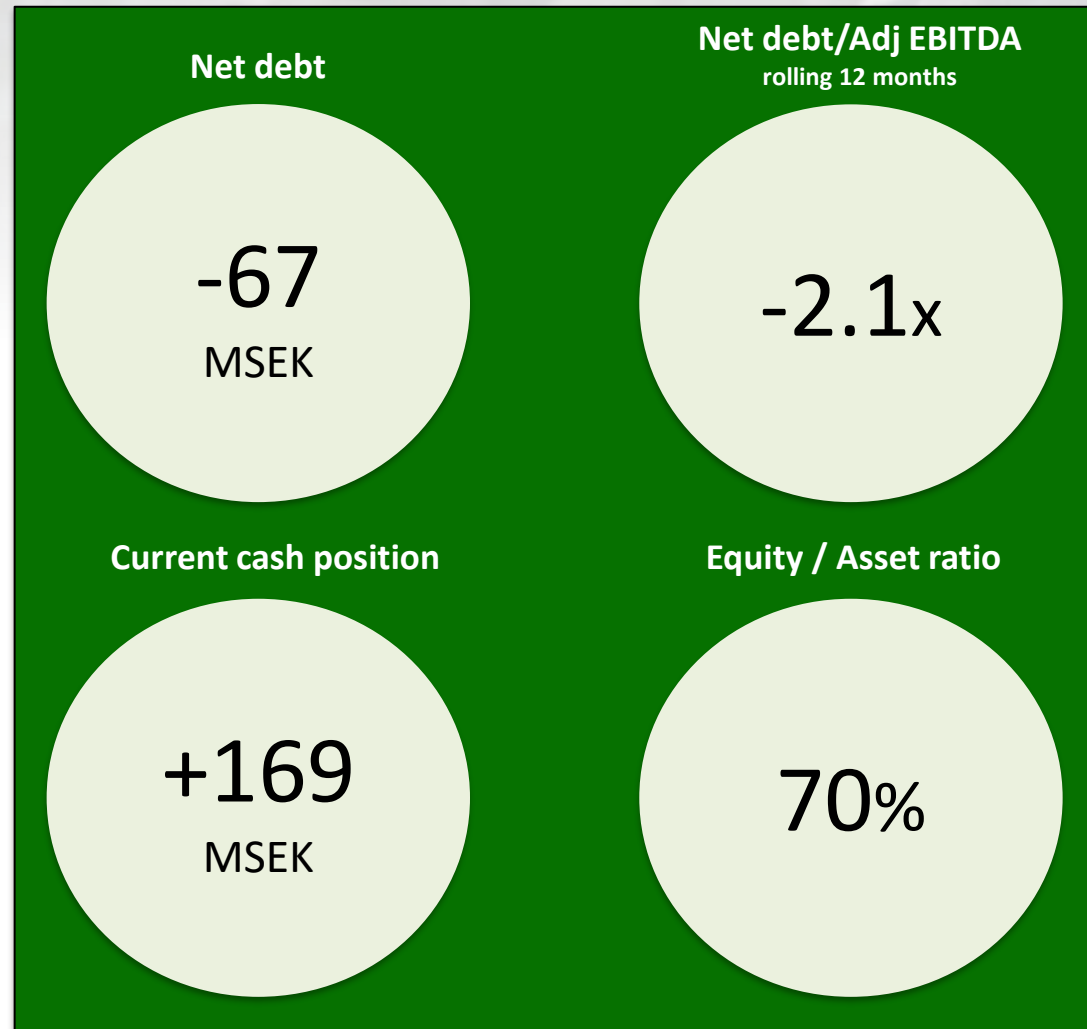
Net sales and adj EBITDA (%) trend



Net sales and adj EBITDA trend comments

- Net sales increased with 18% y/y
- Organic sales decreased with 14% y/y
- Adjusted EBITDA-margin (6.9%) below current financial target
- Organic sales and EBITDA heavily impacted by delayed deliveries due to the component situation
- Gross Margin continue to stay on a healthy level (mid-40%)
- Operating expenses excl IPO and acquisition-driven expenses increased with 15% y/y due to investment in personnel in order to secure continued growth

Net debt & current cash position Q4 2021



Net debt & current cash position comments

- Current cash position at SEK 169 million
- Equity / Asset ratio of 70%
- 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

M&A strategy & outlook 2022

Björn Karlsson - CEO

Potential for accelerated growth – investing in the future



Expansion into multiple dimensions to explore untapped opportunities on a market that grows >5% per year

MilDef markets



Organic growth

Portfolio expansion



M&A agenda



Acquired growth

Outlook 2022



- 1 Quickly growing **order book** @ 731.5 MSEK creates an environment for growth
- 2 Strong **order intake** in Q4 signals that positive market trends continue
- 3 Component market continues to be challenging, but there are **signs of improvement**
- 4 Continued focus on value-added **M&A activities** to accelerate growth, market presence, and capabilities
- 5 **Untapped potential** in portfolio addressed by skilled organization in prioritized markets

Questions & answers

