

MILDEF GROUP

YEAR-END REPORT

JANUARY – DECEMBER 2024



YEAR-END REPORT JANUARY – DECEMBER 2024

SUMMARY OF THE PERIOD

TRANSFORMATIVE QUARTER WITH SUSTAINED STRONG ORDER INTAKE

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).

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).

LAST 12 MONTHS, JANUARY – DECEMBER 2024

NET SALES	ADJUSTED OPERATING PROFIT (EBITA)	ADJUSTED OPERATING MARGIN (EBITA)
SEK 1,201 m	SEK 149.7 m	12.5%

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.

YEAR-END REPORT JANUARY – DECEMBER 2024

SUMMARY OF THE PERIOD

FINANCIAL SUMMARY

	October 1 – December 31		January 1 – December 31		Last 12 months	Full year
All figures are in SEK million unless otherwise indicated	2024	2023	2024	2023	Jan-Dec 2024	2023
Net sales	418	353	1,201	1,151	1,201	1,151
Sales growth, %	18	12	4	56	4	56
Of which organic, %	18	12	4	47	4	47
Of which acquisition-driven, %	-	-	-	8	-	8
Gross margin, %	47.4	48.2	49.0	48.3	49.0	48.3
Adjusted operating profit (EBITA)	71.0	52.0	149.7	140.2	149.7	140.2
Adjusted operating margin (EBITA), %	17.0	14.7	12.5	12.2	12.5	12.2
Order intake	773	408	1,810	1,214	1,810	1,214
Order backlog	2,055	1,327	2,055	1,327	2,055	1,327
Free cash flow	47.8	26.2	127.7	8.7	127.7	8.7

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



CEO'S COMMENTS

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.

"MilDef's strongest quarter to date"

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.



CEO'S COMMENTS

+18%

NET SALES
October – December
2024

+89%

ORDER INTAKE
October – December
2024

17.0%

ADJUSTED EBITA
October – December
2024

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.

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.

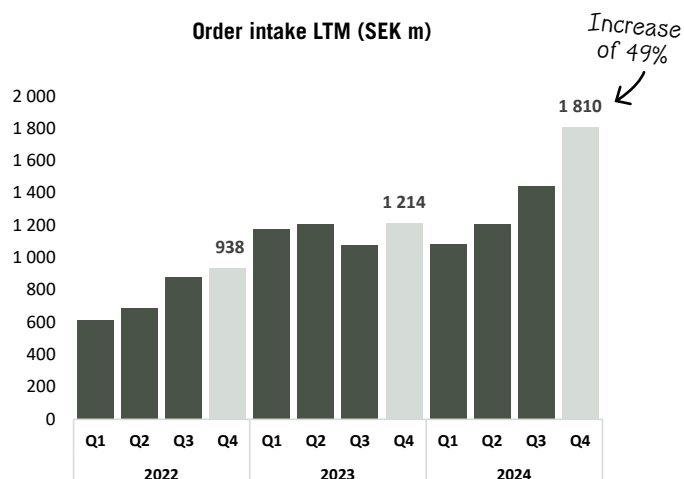
In closing I would like to express my great appreciation to our employees for their commitment and hard work during the year. Your efforts are crucial for MilDef's continued growth journey. I would also like to thank our 18,000 shareholders for choosing to invest in the Company and for the confidence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



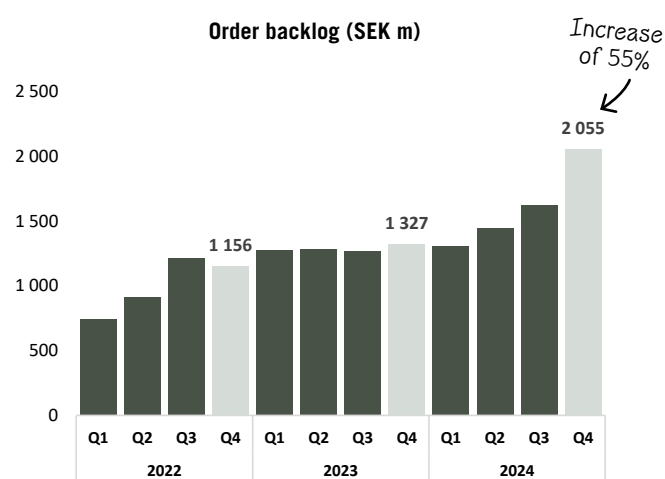
Daniel Ljunggren, President and CEO of MilDef Group

MILDEF'S FINANCIAL DEVELOPMENT

ORDER STATUS

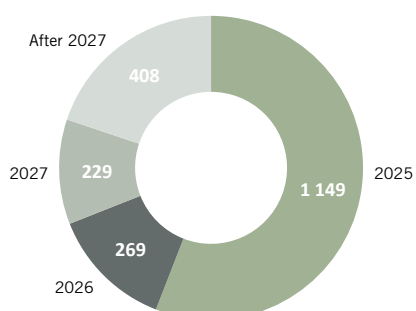


The columns in the chart show MilDef's order intake over the last 12 months (LTM) in SEK million. Order intake is the total orders received during the period in question.



The columns in the chart show MilDef's order backlog at the end of each calendar quarter in SEK million. Delivery may take place over a number of years.

Order backlog by planned deliveries (SEK m)



The pie chart above shows future planned deliveries by year in SEK m and is based on MilDef's order backlog at the end of the period. The actual outcome may differ significantly from the above planned deliveries, above all due to delays.

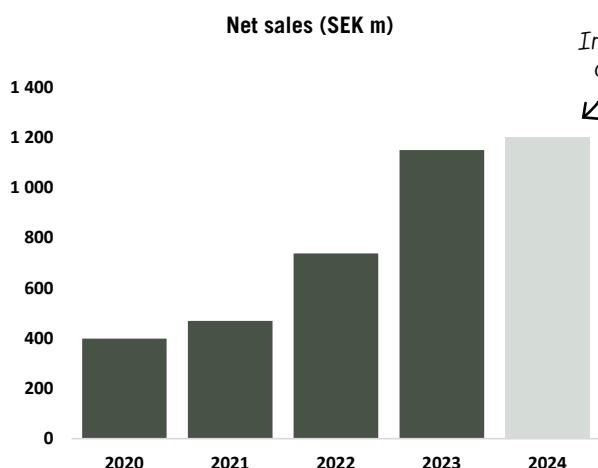
Change in order backlog January–December 2024 (SEK m)

Order backlog as of January 1, 2024	1,327
Order intake January–December 2024	1,810
Sales January–December 2024	-1,201
Sales January–December 2024 not impacting order backlog	107
Order backlog acquired in the period	0
Currency effect in order backlog during the period	12
Order backlog as of December 31, 2024	2,055

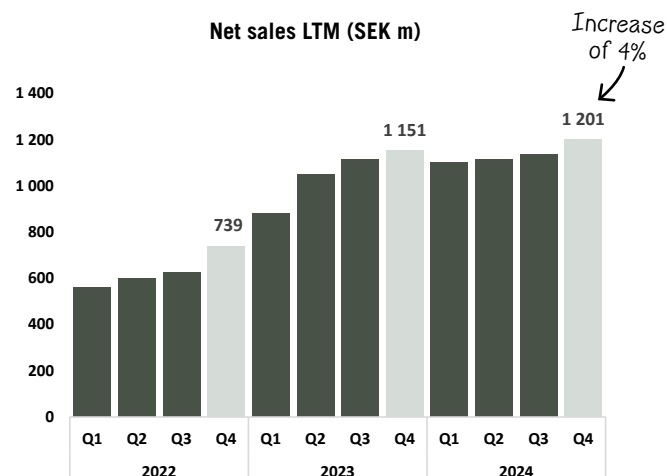
The table above presents the development of MilDef's order backlog in SEK million during the year, and the size of the components included, to arrive at the difference in the order backlog as of January 1, 2024 in comparison with December 31, 2024.

MILDEF'S FINANCIAL DEVELOPMENT

NET SALES

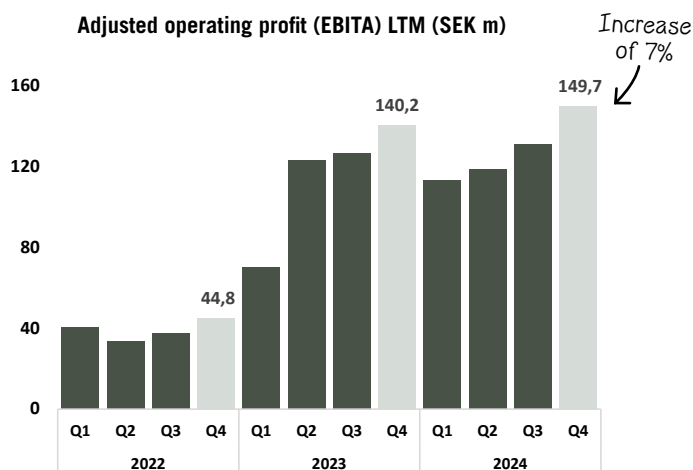


The columns above show MilDef's net sales for full years for the period 2020–2024.

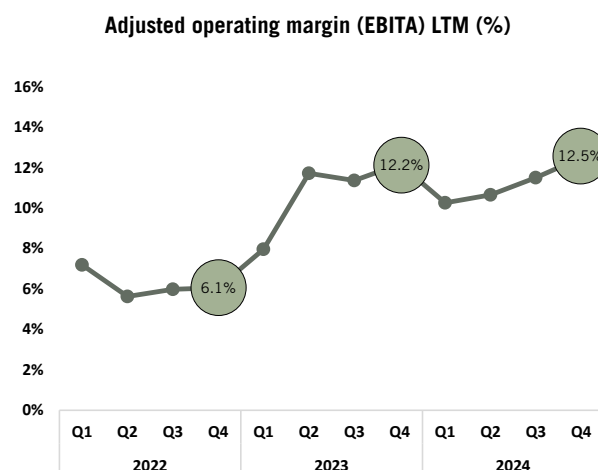


The columns above show MilDef's net sales over the last 12 months (LTM) in SEK million.

ADJUSTED OPERATING PROFIT (EBITA) AND ADJUSTED OPERATING MARGIN (EBITA)



The columns in the chart shows MilDef's operating profit (EBITA) over the last 12 months (LTM) in SEK million, adjusted for non-recurring items.



The chart above shows MilDef's operating margin (EBITA) over the last 12 months (LTM) as a percentage, adjusted for non-recurring items. The adjusted EBITA margin is stated as a percentage of net sales. MilDef considers the adjusted EBITA margin to be a useful indicator to measure the Group's operational efficiency.

FINANCIAL OVERVIEW

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

Fourth quarter: October – December 2024

Order status

The order intake saw strong growth in the fourth quarter compared with the last quarter of 2023. The order intake grew during the period by 89% to SEK 773 million, compared with SEK 408 million in the fourth quarter of 2023. During the quarter several orders were won that were of a relevant size and/or strategic importance for press releases on them to be issued. The strongest growth during the quarter was in the Nordic market. The underlying trend in all markets remains positive.

Net sales

Net sales increased in the fourth quarter of 2024 by 18% compared with the same quarter the previous year and amounted to SEK 418 million (353). Development during the quarter was in line with the Company's expectations, with all markets driving growth, except for North America.

Gross profit

Gross profit amounted to SEK 198 million (170), equivalent to a gross margin of 47.4% (48.2). The Company's gross profit may vary quarter on quarter depending on sales volumes, and the gross margin may vary based on the product and customer mix. In the fourth quarter of 2024 MilDef made substantial deliveries from framework agreements with a relatively lower margin than with a normalized customer and product mix.

Operating expenses

Operating expenses amounted to SEK 456 million (129). Non-recurring items of SEK 321 million (-) were reported for the quarter. These were made up in part of acquisition costs relating to the acquisition of roda computer GmbH, and in part of a restructuring cost for streamlining MilDef's business to focus on the security and defense domain. The underlying operating costs amounted to SEK 135 million (129). These increased during the period in an amount equivalent to SEK 5 million compared with the fourth quarter of 2023.

The Company's underlying operating expenses increased sequentially by 31% in the fourth quarter of 2024 compared with the third quarter of 2024. The Company's operating costs vary from quarter to quarter depending on factors such as vacation periods, which had a strong impact on the third quarter. The underlying costs as a percentage of sales and excluding non-recurring items were 32.3% (36.4) in the fourth quarter of 2024.

Non-recurring items

During the quarter, acquisition costs relating to the acquisition of roda computer GmbH were reported at SEK 11 million. In addition, a restructuring program was announced in the fourth quarter aimed at streamlining MilDef's business to focus on the security and defense domain. A restructuring cost has been reported amounting to a total of SEK 310 million, SEK 285 million of which had no effect on cash flow.

Operating profit (EBIT)

Operating profit (EBIT) in the fourth quarter of 2024 amounted to SEK -258.0 million (41.4). This is equivalent to an operating margin of -61.8% (11.7). Non-recurring items as described above impacted operating profit for the period by SEK -321 million. Adjusted operating profit (EBIT) amounted to SEK 62.8 million (41.4), which corresponds to an operating margin of 15.0% (11.7).

Adjusted operating profit (EBITA)

Adjusted operating profit before amortization and impairment of intangible non-current assets amounted to SEK 71.0 million (52.0) during the quarter, equivalent to a margin of 17.0% (14.7). Amortization and impairment of intangible non-current assets amounted to SEK 8.2 million (10.5). The adjusted operating profit includes adjustments for non-recurring items as described above.

Financial items

Net financial expense for the period amounted to SEK -1.7 million (-4.6). The shift is due to increased interest income relating to the completed new share issue, the proceeds of which will be used to pay for the acquisition of roda computer GmbH in connection with completion of that acquisition. This is expected to happen in Q1, 2025.

Tax

The fourth quarter's tax effect impacted net profit in the amount of SEK 10.2 million (-11.3). The main impact on MilDef's tax position during the quarter compared to the comparison quarter comes from the reported restructuring cost.

Net profit for the quarter

Profit after tax amounted to SEK -249.5 million (25.7). Earnings per share before dilution amounted to SEK -5.83 (0.64) and earnings per share after dilution to SEK -5.78 (0.64). Adjusted for non-recurring items, earnings per share before dilutions was SEK 1.67 (0.64) and earnings per share after dilution SEK 1.65 (0.64).

Cash flow

Cash flow for the quarter was recognized at SEK 487.0 million (22.6). Free cash flow for the quarter amounted to SEK 47.8 million (26.2). A directed issue of shares was implemented in the fourth quarter for a value of SEK 500 million before transition costs. A smaller number of new shares were also issued for the Group's employees under "Incentive program 2021/2025".

FINANCIAL OVERVIEW

Cash flow from operating activities amounted to SEK 46.3 million (36.1). Cash flow from changes in working capital amounted to SEK -19.7 million (-41.7). The restructuring program is the main factor in this shift. Reversal of impairment of goodwill and brands from the restructuring program amounted to SEK 185 million.

Cash flow from investing activities amounted to SEK -2.6 million (-9.9).

Cash flow from financing activities amounted to SEK 443.3 million (-3.5). The new share issue and repayment of the overdraft facility are the main driving factors in this shift. Repayment of loans taken out in connection with the acquisition of Handheld Group in September 2022 amounted to SEK 7.5 million in the fourth quarter of 2024. Amortization of leases was charged to financing activities in the amount of SEK -5.5 million (-6.3) in the quarter.

Full year 2024: January – December 2024

Order status

The order intake for full year 2024 increased by 49% to SEK 1,810 million, compared with full year 2023 when it was SEK 1,214 million. The underlying market trend remains positive in all markets. The order backlog on December 31, 2024 was at a historically high level, amounting to SEK 2,055 million (1,327), an increase of 55%.

Net sales

MilDef's sales for full year 2024 increased, amounting to SEK 1,201 million, compared with SEK 1,151 million for full year 2023. This is an increase in net sales of 4%. Net sales development was stronger during the second half of the year than in the first half.

Gross profit

Gross profit amounted to SEK 589 million (556), equivalent to a gross margin of 49.0% (48.3). The Company's gross profit may vary across periods depending on sales volumes, and the gross margin may vary based on the product and customer mix.

Operating expenses

Operating expenses amounted to SEK 798 million (448). Non-recurring items of SEK 321 million (-) were reported during the year. These were made up in part of acquisition costs relating to the acquisition of roda computer GmbH, and in part of a restructuring cost for streamlining MilDef's business to focus on the security and defense domain. The underlying operating costs amounted to SEK 477 million (448). As a percentage of sales these amounted to 39.7% (38.9) for full year 2024. The increase in expenses was planned for and tracks the Company's growth trajectory.

Non-recurring items

During the quarter, acquisition costs of SEK 11 million were reported relating to the acquisition of roda computer GmbH. In addition, a restructuring program was announced in the fourth quarter aimed at streamlining MilDef's business to focus on the security and defense domain. A restructuring cost has been reported amounting to a total of SEK 310 million, SEK 285 million of which had no effect on cash flow.

Operating profit (EBIT)

Operating profit (EBIT) for full year amounted to SEK -209.0 million (108.1). This is equivalent to an operating margin of -17.4% (9.4). Non-recurring items as described above impacted operating profit for the period by SEK -321 million. Adjusted operating profit (EBIT) amounted to SEK 111.8 million (108.1), which corresponds to an operating margin of 9.3% (9.4).

MilDef's profits are affected by quarter-on-quarter volume variations. Year-on-year comparisons between quarters can be made. The lack of EBIT growth during the period is related to slower sales development combined with the Company's increased costs, mainly relating to an increased number of employees to meet the needs of future growth.

Adjusted operating profit (EBITA)

Adjusted operating profit before amortization and impairment of intangible non-current assets amounted to SEK 149.7 million (140.2), equivalent to a margin of 12.5% (12.2). Amortization and impairment of intangible non-current assets amounted to SEK 37.9 million (32.1), with impairment of capitalized product development accounting for the increase. The adjusted operating profit includes adjustments for non-recurring items as described above.

Financial items

Net financial expense for the period amounted to SEK -13.6 million (-19.6). The shift is due primarily to increased interest income relating to the completed new share issue in the fourth quarter, the proceeds of which will be used to pay the purchase consideration for roda computer GmbH once the acquisition is completed. This is expected to happen in Q1, 2025.

Tax

The tax effect for the full year 2024 impacted net profit in the amount of SEK 2.2 million (-19.6). This makes the effective tax rate 1.0% (22.1). Accounting of restructuring costs in 2024 brought a negative profit before tax and for this reason the Group is reporting a negative effective tax rate.

FINANCIAL OVERVIEW

Net profit for the period

Profit after tax amounted to SEK -220.3 million (69.0). Earnings per share before dilution amounted to SEK -5.43 (1.73) and earnings per share after dilution to SEK -5.37 (1.71). Adjusted for non-recurring items, earnings per share before dilution amounted to SEK 2.47 (1.73) and earnings per share after dilution to SEK 2.45 (1.71).

Cash flow

Cash flow reported for the period amounted to SEK 446.2 million (24.2). A directed issue of shares was implemented in the fourth quarter of 2024 for a value of SEK 500 million before transition costs. A smaller number of new shares were also issued for the Group's employees under "Incentive program 2021/2025".

Free cash flow for full-year 2024 amounted to SEK 127.7 million (8.7). Cash flow from operating activities amounted to SEK 144.4 million (54.5). Cash flow from changes in working capital amounted to SEK 8.4 million (-90.1). The restructuring program is the main factor in this shift. Reversal of impairment of goodwill and brands from the restructuring program amounted to SEK 185 million.

Cash flow from investing activities amounted to SEK -33.3 million (-68.9).

The lower pace of investment in intangible non-current assets is due to the focus in 2024 being on delivering customer-specific development projects, which are not capitalized in the consolidated accounts. During the year the final payment was made on the purchase consideration for Defcon Solutions AB in the form of a contingent consideration of SEK 12.5 million.

Cash flow from financing activities amounted to SEK 335.1 million (38.5). The new share issue and repayment of the overdraft facility are the main driving factors in this shift. Repayment of loans taken out in connection with the acquisition of Handheld Group in September 2022 amounted to SEK 30 million in the full year 2024. Amortization of leases was charged to financing activities in the amount of SEK -22.2 million (-21.4) in the full year 2024.

Equity

The Group's equity amounted to SEK 1,101.7 million (844.6) at the end of the period. The equity/assets ratio as of December 31, 2024 was SEK 65.4% (55.4). The "Incentive program 2021/2025" described in the 2023 Annual and Sustainability Report has been open for subscribing for shares since September 1. This has been utilized by several participants on a number of occasions and the Company has therefore issued new shares for the program. Moreover, in November MilDef implemented a directed issue of 5,434,782 shares for a subscription price of SEK 92 per share in connection with

closing a deal to acquire roda computer GmbH. This issue resulted in issue proceeds of SEK 500 million before transaction costs. The total number of shares after the new share issue is 45,573,068 and the share capital is SEK 11,393,267.

Net working capital

Net working capital amounted to SEK 331 million (386) at the end of the period. The decrease in stocks is driving this shift and much of this is explained by impairment losses on stocks within the framework of the restructuring program. The net amount of operating receivables and operating liabilities was at the same level at the end of 2024 as at the end of 2023. Compared with the same period the previous year, net working capital in relation to net sales decreased to 27.6% (33.5).

SEK m	Dec. 31 2024	Sept. 30, 2024	Dec. 31 2023
Inventories	234.4	326.4	290.2
Accounts receivable	330.1	143.4	284.5
Other current receivables	87.4	139.5	92.5
Accounts payable	-85.6	-88.6	-114.0
Other current liabilities	-235.3	-143.9	-167.2
Net working capital	330.9	376.7	386.0
<i>as a percentage of net sales LTM (%)</i>	<i>27.6%</i>	<i>33.2%</i>	<i>33.5%</i>

Net debt and cash and cash equivalents

The net debt including lease liabilities amounted to SEK -310 million (286) at the end of the period. Cash and cash equivalents as of December 31, 2024 amounted to SEK 530 million (82). At the end of the period there was an unutilized revolving overdraft facility of SEK 120 million (0). Net debt at the end of the period in relation to adjusted operating profit (EBITDA) over the last 12-month period, excluding the effects of IFRS 16 Leases, amounted to -2.2 (1.1). Calculated including the effects of IFRS 16, the net debt/equity ratio was -1.7 (1.7).

SEK m	Dec. 31 2024	Sept. 30, 2024	Dec. 31 2023
Other interest-bearing liabilities	133.9	176.6	263.9
Lease liabilities	86.5	88.5	103.5
Cash and cash equivalents	-530.4	-41.5	-81.5
Net debt incl. IFRS 16	-310.0	223.5	285.9
<i>relative to adjusted operating profit (EBITDA) LTM, times</i>	<i>-1.7</i>	<i>1.4</i>	<i>1.7</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 57 employees.

MilDef Group AB's share

MilDef Group AB (publ) has been listed on NASDAQ Stockholm since June 4, 2021 in the Industrial Goods and Services sector. The share's ISIN code is SE0016074249. The share is traded under the ticker MILDEF. A trading unit is one (1) share. As of January 1, 2023 the share is being traded on NASDAQ Stockholm in the Mid Cap Index.

Share capital and number of shares

The total number of shares as of December 31, 2024 was 45,573,068 (39,859,566) and the share capital was SEK 11,393,267 (9,964,891.50). All of the shares are ordinary shares carrying the same voting rights. The shares have a quota value of SEK 0.25. At the end of the period the closing price was SEK 124.8 and the market value was SEK 5,688 million. The total number of shareholders at the end of the period was 18,161.

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 Swedish 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 2023 Annual Report. The 2023 Annual Report has been available at www.mildef.com since April 30, 2024.

Judgements and estimates in the financial statements

Preparation of the financial statements in accordance with IFRS requires the Management Team to make judgements and estimates that affect the application of the accounting principles and the carrying amounts of assets, liabilities,

revenue and expenses. Actual outcomes may deviate from these estimates and judgements. Estimates and assumptions are reviewed on a regular basis. Changes in estimates are reported in the period the change is made if the change has only affected that period, or in the period the change is made and in future periods if the change affects both the current period and future periods.

Alternative performance measures

MilDef applies the guidelines for alternative performance measures issued by ESMA, the European Securities and Markets Authority. Alternative performance measures are financial metrics that cannot be directly derived or deduced from the financial statements. These financial metrics are intended to facilitate the Management Team's and investors' analysis of the Group's development. Investors should not regard these alternative performance measures as substitutes for the financial statements prepared in accordance with IFRS, but rather as complements to the statements. Definitions of the alternative performance measures are presented on page 25.

Segments

MilDef's operations are treated as one segment as this reflects the Group's business, financial monitoring and management structure. MilDef's CEO, who is the chief operating decision-maker, monitors and analyzes results and financial position for the Group as a whole. The CEO does not monitor results on a disaggregated level lower than at consolidation level. The CEO thus also decides on allocation of resources and takes strategic decisions based on consolidation as a whole. Based on IFRS 8, the analysis concludes that the MilDef Group consists of only one reporting segment.

Volatility between periods

MilDef's sales and profits are affected by quarter-on-quarter volatility. Year-on-year comparisons between quarters can be made. The Group's strongest quarter in terms of sales and profits is normally the fourth quarter.

MilDef's markets are characterized by substantial procurements at irregular intervals. The lead times are often long due to extensive administrative processes and long sales cycles. Both order intake 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.

OTHER INFORMATION

Significant events during the first quarter of 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 direct-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.

Acquisition and acquisition analysis

At the time of acquisition, preliminary acquisition analysis is performed based on estimates and judgments that are as accurate as possible. This analysis may, however, need to be adjusted at some point in the future. All acquisition analysis is subject to final adjustments no later than twelve months after the acquisition date.

Employees

The number of employees in the Group, recalculated to full-time equivalents (FTEs), was 327 (309) at the end of the period. 244 (227) of the employees were men and 83 (82) were women. The average number of FTEs during the period was 319, compared with 313 in the same period the previous year.

Research and development

MilDef conducts extensive research and development. This is considered a critical factor for continued organic growth and to penetrate new markets. It is important to quickly identify changing customer requirements and transform them into the best solutions for every given market situation. Around 8% of MilDef's employees work in R&D-related positions. Further resources were added in 2024 to the R&D department – both contracted staff and MilDef employees – to handle an increased number of projects, many of which are highly complex.

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 of 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 risk, see pages 79–81 in the Company's 2023 Annual and Sustainability Report. No other material financial risks, other than those described there, have been identified.

Transactions with related parties

No board member or senior executive has or has had any direct or indirect participation in any business transactions with Group companies during the current or previous financial years on terms that are or were unusual in nature. Nor has any Group company provided loans or guarantees to, or entered into any surety agreement for, any of the members of the Board or senior executives.

Contingent liabilities

There have been no changes in the Group's contingent liabilities. These are described in more detail on page 110 in Note 20 of the 2023 Annual and Sustainability Report.

Disputes

The Company was not a party in any material dispute as of the end of the period.

OTHER INFORMATION

Annual General Meeting 2025

The Board has decided to hold the Annual General Meeting in Helsingborg on May 22, 2025. Notice will be given in due order.

Forward-looking statements

This report may contain forward-looking statements based on the Management Team's current expectations. Even though management considers the expectations expressed in such forward-looking statements to be 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 the 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.

Dividend proposal

The Board of Directors is proposing that a dividend for the 2024 financial year be set at SEK 0.50 per share. The proposed record date for the right to receive a dividend is May 26, 2025. If the Annual General Meeting votes in favor of the proposal the dividend is expected to be paid out on May 30, 2025.

Audit review

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

Condensed consolidated statement of comprehensive income

SEK m	Note	October 1 – December 31		January 1 – December 31		Last 12 months	Full year
		2024	2023	2024	2023	Jan-Dec 2024	2023
Net sales	1	417.5	352.8	1,200.9	1,151.3	1,200.9	1,151.3
Cost of goods sold		-219.8	-182.8	-611.8	-595.0	-611.8	-595.0
Gross profit		197.8	170.0	589.0	556.3	589.0	556.3
Selling expenses		-76.4	-85.4	-279.0	-282.8	-279.0	-282.8
Administrative expenses		-28.5	-26.2	-105.7	-85.9	-105.7	-85.9
Research and development expenses		-21.7	-23.1	-84.0	-80.7	-84.0	-80.7
Acquisition costs	2	-10.8	-	-10.8	-	-10.8	-
Restructuring costs	2, 3	-310.0	-	-310.0	-	-310.0	-
Other operating income/expenses		-8.3	6.1	-8.4	1.2	-8.4	1.2
Operating profit		-258.0	41.4	-209.0	108.1	-209.0	108.1
Net financial items		-1.7	-4.6	-13.6	-19.6	-13.6	-19.6
Profit after financial items		-259.7	36.9	-222.6	88.6	-222.6	88.6
Income tax		10.2	-11.3	2.2	-19.6	2.2	-19.6
Profit for the period		-249.5	25.7	-220.3	69.0	-220.3	69.0
Other comprehensive income for the Group							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Translation differences		7.7	-9.4	2.4	-12.2	2.4	-12.2
Other comprehensive income for the period		7.7	-9.4	2.4	-12.2	2.4	-12.2
Comprehensive income for the period		-241.8	16.2	-217.9	56.8	-217.9	56.8

Earnings per share

	October 1 – December 31		January 1 – December 31		Last 12 months	Full year
	2024	2023	2024	2023	Jan-Dec 2024	2023
Number of shares at year-end	45,573,068	39,859,566	45,573,068	39,859,566	45,573,068	39,859,566
Weighted average number of shares in the period before dilution	42,800,055	39,859,566	40,598,903	39,859,566	40,598,903	39,859,566
Weighted average number of shares in the period after dilution	43,136,604	40,301,066	41,013,824	40,301,066	41,013,824	40,301,066
Earnings per share before dilution (SEK)	-5.83	0.64	-5.43	1.73	-5.43	1.73
Earnings per share after dilution (SEK)	-5.78	0.64	-5.37	1.71	-5.37	1.71

Condensed consolidated balance sheet

SEK m	Note	Dec. 31, 2024	Dec. 31, 2023
ASSETS			
Non-current assets			
Capitalized product development expenses		12.7	68.5
Acquisition-related intangible assets		378.8	576.4
Other intangible non-current assets		0.2	0.3
Right-of-use assets		70.1	100.5
Other property, plant and equipment		20.3	21.5
Deferred tax assets		19.2	9.5
Other financial non-current assets		0.3	0.3
Total non-current assets		501.5	777.0
Inventories		234.4	290.2
Accounts receivable		330.1	284.5
Other current receivables		87.4	92.5
Cash and cash equivalents		530.4	81.5
Total current assets		1,182.2	748.7
TOTAL ASSETS		1,683.7	1,525.7
EQUITY AND LIABILITIES			
Equity		1,101.7	844.6
Non-current liabilities			
Lease liabilities		60.7	76.4
Non-current interest-bearing liabilities		102.5	132.5
Deferred tax liabilities		24.8	32.6
Total non-current liabilities		188.0	241.5
Current liabilities			
Current interest-bearing liabilities		31.4	131.4
Lease liabilities		25.8	27.1
Accounts payable		85.6	114.0
Other provisions	3	15.8	1.7
Other current liabilities		235.3	165.5
Total current liabilities		393.9	439.7
TOTAL EQUITY AND LIABILITIES		1,683.7	1,525.7

Condensed consolidated statement of changes in equity

SEK m	Dec. 31, 2024	Dec. 31, 2023
Equity, opening balance	844.6	787.9
Comprehensive income for the period	-217.9	56.8
New share issues	495.0	-
Dividend	-19.9	-
Equity, closing balance	1,101.7	844.6

Condensed consolidated cash flow statement

	October 1 – December 31		January 1 – December 31		Last 12 months	Full year
SEK m	2024	2023	2024	2023	Jan–Dec 2024	2023
Cash flow from operating activities						
Operating profit	-258.0	41.4	-209.0	108.1	-209.0	108.1
Reversal of depreciation, amortization and impairment	251.8	18.4	303.4	59.9	303.4	59.9
Other non-cash items	77.4	8.6	77.1	8.6	77.1	8.6
Net interest income/expense	-1.7	-4.5	-13.5	-19.5	-13.5	-19.5
Income taxes paid	-3.5	13.9	-22.1	-12.6	-22.1	-12.6
Change in working capital	-19.7	-41.7	8.4	-90.1	8.4	-90.1
Cash flow from operating activities	46.3	36.1	144.4	54.5	144.4	54.5
Cash flow from investing activities						
Investments in intangible non-current assets	-1.4	-5.0	-9.8	-31.9	-9.8	-31.9
Investments in property, plant and equipment	-0.8	-4.9	-10.7	-13.9	-10.7	-13.9
Acquisition of subsidiaries, net of acquired cash and cash equivalents	-0.3	-	-12.8	-23.1	-12.8	-23.1
Change in other non-current receivables	-	-	-	-	-	-
Cash flow from investing activities	-2.6	-9.9	-33.3	-68.9	-33.3	-68.9
Cash flow from financing activities						
Dividend	-	-	-19.9	-	-19.9	-
New share issues, net	491.5	-	495.0	-	495.0	-
Increase in liabilities to credit institutions*	-35.2	10.2	-87.8	89.9	-87.8	89.9
Repayment of interest-bearing liabilities	-7.5	-7.5	-30.0	-30.0	-30.0	-30.0
Repayment of lease liabilities	-5.5	-6.3	-22.2	-21.4	-22.2	-21.4
Cash flow from financing activities	443.3	-3.5	335.1	38.5	335.1	38.5
Total cash flow for the period	487.0	22.6	446.2	24.2	446.2	24.2
Change in cash and cash equivalents						
Cash and cash equivalents at beginning of period	41.5	61.9	81.5	59.9	81.5	59.9
Exchange rate difference in cash and cash equivalents	1.9	-3.0	2.7	-2.6	2.7	-2.6
Cash and cash equivalents at end of period*	530.4	81.5	530.4	81.5	530.4	81.5

* During the year the reclassification of the Group's overdraft facility and cash pool was finalized.

As a result of this adjustment, the accounts show a decrease in liabilities to credit institutions, as well as a decrease in cash and cash equivalents in the period.

Quarterly overview for the Group

SEK m	2024				2023				2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales	417.5	249.9	301.5	231.9	352.8	226.5	288.8	283.2	315.3
Cost of goods sold	-219.8	-125.0	-147.5	-119.6	-182.8	-113.2	-144.0	-155.0	-170.8
Gross profit	197.8	124.9	154.0	112.3	170.0	113.3	144.8	128.2	144.5
Operating expenses	-455.8	-103.1	-120.0	-119.2	-128.5	-101.9	-111.2	-106.5	-113.0
Operating profit	-258.0	21.8	34.1	-6.8	41.4	11.4	33.6	21.7	31.5
Net financial items	-1.7	-0.5	-5.0	-6.5	-4.6	-6.0	-5.4	-3.6	-3.7
Profit before tax	-259.7	21.4	29.0	-13.3	36.9	5.4	28.2	18.1	27.8
Income tax on profit for the period	10.2	-4.1	-5.7	1.9	-11.3	0.4	-6.9	-1.8	-7.3
Profit for the period	-249.5	17.2	23.3	-11.4	25.7	5.8	21.3	16.3	20.5

Multi-year overview for the Group

	2024	2023	2022	2021	2020
Net sales, SEK m	1,201	1,151	739	470	398
Gross margin	49.0%	48.3%	47.7%	44.7%	45.7%
Adjusted operating margin (EBITA)	12.5%	12.2%	6.1%	4.2%	16.9%
Adjusted operating margin (EBIT)	9.3%	9.4%	4.0%	1.8%	15.4%
Adjusted profit margin (EBT)	8.2%	7.7%	2.6%	1.3%	15.0%
Earnings per share before dilution, SEK	-5.43	1.73	0.38	-0.03	1.83*
Earnings per share after dilution, SEK	-5.37	1.71	0.37	-0.03	1.83*
Cash and cash equivalents, SEK m	530.4	81.5	59.9	169.2	46.8
Cash flow from operating activities, SEK m	144.4	54.5	-76.8	-55.5	61.7
Total assets, SEK m	1,684	1,526	1,394	808	368
Equity, SEK m	1,102	845	788	568	133
Equity/assets ratio	65.4%	55.4%	56.5%	70.3%	36.0%
Return on capital employed	-15.7%	10.1%	3.4%	0.0%	30.6%
Return on equity	-22.6%	8.5%	2.1%	-0.2%	36.4%
Equity per share, SEK	24.17	21.19	19.77	15.61	5.71
Dividend per share, SEK	0.50	0.50	-	0.75	0.75
Number of employees at year-end	327	309	291	188	119
Average number of employees	319	302	233	154	97

*To enable year-on-year comparisons, data for 2020 has been adjusted for the 2:1 share split implemented in 2021.

Condensed Parent Company income statement

	October 1 – December 31		January 1 – December 31		Last 12 months	Full year
SEK m	2024	2023	2024	2023	Jan–Dec 2024	2023
Net sales	21.2	26.3	111.2	96.5	111.2	96.5
Selling expenses	-11.1	-11.9	-41.7	-34.6	-41.7	-34.6
Administrative expenses	-12.0	-12.5	-46.1	-39.2	-46.1	-39.2
Research and development expenses	-7.7	-8.0	-29.1	-25.3	-29.1	-25.3
Acquisition costs	-10.8	-	-10.8	-	-10.8	-
Restructuring costs	-4.9	-	-4.9	-	-4.9	-
Other operating income/expenses	0.0	-1.6	0.2	-1.9	0.2	-1.9
Operating profit	-25.3	-7.8	-21.0	-4.6	-21.0	-4.6
Net financial items	-241.1	-0.6	-238.5	0.1	-238.5	0.1
Profit after financial items	-266.4	-8.4	-259.5	-4.5	-259.5	-4.5
Year-end appropriations	27.1	1.4	27.1	1.4	27.1	1.4
Profit before tax	-239.3	-7.0	-232.4	-3.0	-232.4	-3.0
Income tax	0.5	0.7	-0.9	-0.2	-0.9	-0.2
Profit for the period	-238.8	-6.3	-233.3	-3.2	-233.3	-3.2
Other comprehensive income						
Profit for the period	-238.8	-6.3	-233.3	-3.2	-233.3	-3.2
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	-238.8	-6.3	-233.3	-3.2	-233.3	-3.2

Condensed Parent Company balance sheet

SEK m	Dec. 31, 2024	Dec. 31, 2023
ASSETS		
Non-current assets		
Property, plant and equipment	6.6	8.3
Financial non-current assets	542.5	781.3
Total non-current assets	549.1	789.6
Current assets		
Current receivables from Group companies	255.6	288.7
Other current receivables	18.0	14.8
Cash and cash equivalents	474.4	36.1
Total current assets	747.9	339.6
TOTAL ASSETS	1,297.0	1,129.2
EQUITY, PROVISIONS AND LIABILITIES		
Equity	992.4	750.6
Untaxed reserves	3.6	3.6
Provisions		
Charity	1.4	-
Restructuring reserve	4.9	-
Total provisions	6.3	-
Non-current liabilities		
Non-current interest-bearing liabilities	102.5	132.5
Total non-current liabilities	102.5	132.5
Current liabilities		
Current interest-bearing liabilities	30.0	166.2
Current liabilities to Group companies	139.4	54.9
Accounts payable	8.1	4.7
Other current liabilities	14.7	16.7
Total current liabilities	192.2	242.5
EQUITY, PROVISIONS AND LIABILITIES	1,297.0	1,129.2

Condensed Parent Company statement of changes in equity

SEK m	Dec. 31, 2024	Dec. 31, 2023
Equity, opening balance	750.6	753.8
Comprehensive income for the period	-233.3	-3.2
Dividend	495.0	-
New share issues	-19.9	-
Equity, closing balance	992.4	750.6

Notes

Note 1. Net sales by geographic area

	October 1 – December 31		January 1 – December 31		Last 12 months	Full year
SEK m	2024	2023	2024	2023	Jan-Dec 2024	2023
Nordics	257	236	695	689	695	689
Europe (excl. Nordics)	97	53	310	231	310	231
North America	41	59	153	185	153	185
Other countries	23	6	43	46	43	46
Total revenue	418	353	1,201	1,151	1,201	1,151

Note 2. Non-recurring items

	October 1 – December 31		January 1 – December 31		Last 12 months	Full year
SEK m	2024	2023	2024	2023	Jan-Dec 2024	2023
Acquisition-related expenses	10.8	-	10.8	-	10.8	-
Restructuring costs	310.0	-	310.0	-	310.0	-
Total	320.8	-	320.8	-	320.8	-

Note 3. Provisions

	October 1 – December 31		January 1 – December 31		Last 12 months	Full year
SEK m	2024	2023	2024	2023	Jan-Dec 2024	2023
Charity	1.4	-	1.4	-	1.4	-
Restructuring costs	12.4	-	12.4	-	12.4	-
Warranty expenses	2.0	1.7	2.0	1.7	2.0	1.7
Total	15.8	1.7	15.8	1.7	15.8	1.7

Charity

For many years MilDef has been donating around 1% of its operating profit to charitable causes. These organizations span everything from protecting victims of domestic violence to giving hope to people with substance abuse problems, offering a safe and dry place to sleep and get a meal, helping young students to finish school, and giving underserved people the chance to take part in sport. Quite simply, actions that make things a little easier and restore hope to those who have lost hope.

Restructuring costs

In the fourth quarter of 2024 MilDef decided to focus fully on its business in the defense and security domain. Accordingly, the Company intends to integrate the defense industry products of its Handheld subsidiary into the rest of the business and to cease operations in Handheld's other sales segments. As a consequence of this, MilDef has reported an initial restructuring reserve of SEK 310 million made up of the following items:

- Personnel costs SEK 7.6 million
- Cost of premises (lease assets) SEK 12.6 million
- Stock obsolescence SEK 61.0 million
- Impairment of goodwill and brands SEK 185.2 million
- Impairment of capitalized product costs SEK 38.8 million
- Other operating expenses SEK 4.8 million

Total SEK 310.0 million

These costs were recognized in the income statement for the fourth quarter of 2024.

Outstanding provisions as of December 31, 2024 amounted to SEK 12.4 million and consist of the following items:

- Personnel costs SEK 7.6 million
- Other operating expenses SEK 4.8 million

Total SEK 12.4 million

Warranty expenses

A provision has been made to assess the warranty costs for products that have been sold where warranties were still in effect as of the end of the financial year. The warranties are expected to be adjusted in the upcoming financial year.

Alternative performance measures

The Group's performance measures are detailed below. Some of these are defined in accordance with IFRS. 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.

	October 1 – December 31		January 1 – December 31		Last 12 months	Full year
SEK m	2024	2023	2024	2023	Jan–Dec 2024	2023
Operating profit (EBIT)	-258.0	41.4	-209.0	108.1	-209.0	108.1
Restructuring costs	310.0	-	310.0	-	310.0	-
Acquisition-related expenses	10.8	-	10.8	-	10.8	-
Adjusted operating profit (EBIT)	62.8	41.4	111.8	108.1	111.8	108.1
Adjusted operating profit (EBIT)	62.8	41.4	111.8	108.1	111.8	108.1
Net sales	418	353	1,201	1,151	1,201	1,151
Adjusted operating margin (EBIT), %	15.0%	11.7%	9.3%	9.4%	9.3%	9.4%
Operating profit (EBITA), SEK m						
Operating profit (EBIT)	-258.0	41.4	-209.0	108.1	-209.0	108.1
Amortization of intangible non-current assets	8.2	10.5	37.9	32.1	37.9	32.1
Operating profit (EBITA)	-249.8	52.0	-171.1	140.2	-171.1	140.2
Adjusted operating profit (EBITA), SEK m						
Operating profit (EBITA)	-249.8	52.0	-171.1	140.2	-171.1	140.2
Restructuring costs	310.0	-	310.0	-	310.0	-
Acquisition-related expenses	10.8	-	10.8	-	10.8	-
Adjusted operating profit (EBITA)	71.0	52.0	149.7	140.2	149.7	140.2
Adjusted operating profit (EBITA)	71.0	52.0	149.7	140.2	149.7	140.2
Net sales	418	353	1,201	1,151	1,201	1,151
Adjusted operating margin (EBITA), %	17.0%	14.7%	12.5%	12.2%	12.5%	12.2%
Operating profit (EBITDA), SEK m						
Operating profit (EBIT)	-258.0	41.4	-209.0	108.1	-209.0	108.1
Depreciation/amortization	15.4	18.4	67.1	59.9	67.1	59.9
Operating profit (EBITDA)	-242.6	59.8	-141.9	168.0	-141.9	168.0
Adjusted operating profit (EBITDA), SEK m						
Operating profit (EBITDA)	-242.6	59.8	-141.9	168.0	-141.9	168.0
Restructuring costs	310.0	-	310.0	-	310.0	-
Acquisition-related expenses	10.8	-	10.8	-	10.8	-
Adjusted operating profit (EBITDA)	78.2	59.8	178.9	168.0	178.9	168.0
Adjusted operating profit (EBITDA)	78.2	59.8	178.9	168.0	178.9	168.0
Net sales	418	353	1,201	1,151	1,201	1,151
Adjusted operating margin (EBITDA), %	18.7%	17.0%	14.9%	14.6%	14.9%	14.6%

Available cash and cash equivalents

SEK m	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023
Cash and bank balances	530.4	41.5	106.9	113.2	81.5
Unutilized overdraft facility	120.0	84.7	36.1	10.4	0.0
Available cash and cash equivalents	650.4	126.2	143.0	123.6	81.5

Working capital including cash and bank balances

SEK m	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023
Total current assets excluding cash and bank balances	651.9	609.3	625.1	592.3	667.3
Cash and bank balances	530.4	41.5	106.9	113.2	81.5
Current liabilities, non-interest-bearing	-321.0	-232.6	-234.9	-224.8	-281.2
Working capital including cash and bank balances	861.3	418.2	497.1	480.7	467.6
Net sales last 12 months	1,201	1,136	1,113	1,100	1,151
Working capital including cash and bank balances in relation to net sales, %	71.7%	36.8%	44.7%	43.7%	40.6%

Working capital excluding cash and bank balances

SEK m	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023
Inventories	234.4	326.4	305.0	316.5	290.2
Current receivables	417.5	282.8	320.2	275.7	377.1
Current liabilities, non-interest-bearing	-321.0	-232.6	-234.9	-224.8	-281.2
Working capital excluding cash and bank balances	330.9	376.6	390.3	367.5	386.1
Net sales last 12 months	1,201	1,136	1,113	1,100	1,151
Working capital excluding cash and bank balances in relation to net sales, %	27.6%	33.2%	35.1%	33.4%	33.5%

Return on capital employed

SEK m	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023
Profit after financial items, last 12 months	-222.6	74.0	57.9	57.2	88.6
Financial expense, last 12 months	-23.2	-25.0	-22.3	-30.5	-28.4
Profit before financial expense, last 12 months	-199.4	99.0	80.1	87.7	117.0
Capital employed at beginning of period	1,212	1,208	1,129	1,118	1,103
Capital employed at end of period	1,322	1,117	1,215	1,216	1,212
Average capital employed	1,267	1,163	1,172	1,167	1,157
Return on capital employed, %	-15.7%	8.5%	6.8%	7.5%	10.1%

Return on equity

SEK m	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023
Profit after tax, last 12 months	-220.3	54.8	43.2	41.3	69.0
Equity at beginning of period	845	829	821	796	788
Equity at end of period	1,102	852	840	835	845
Average equity	973	840	830	816	816
Return on equity, %	-22.6%	6.5%	5.2%	5.1%	8.5%

Net debt/EBITDA

SEK m	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023
Non-current liabilities, interest-bearing	163.2	172.8	184.9	199.7	208.9
Current liabilities, interest-bearing	57.2	92.3	190.4	181.5	158.6
Cash and bank balances	-530.4	-41.5	-106.9	-113.2	-81.5
Net debt incl. IFRS 16	-310.0	223.5	268.4	268.0	285.9
Operating profit, last 12 months	-209.0	90.5	80.0	79.6	108.1
Depreciation, amortization and impairment, last 12 months	67.1	70.1	68.6	63.1	59.9
Non-recurring items, last 12 months	320.8	-	-	-	-
Adjusted EBITDA, last 12 months	178.9	160.6	148.6	142.7	168.0
Net debt/EBITDA, multiple	-1.7	1.4	1.8	1.9	1.7

BOARD OF DIRECTORS' ASSURANCE

Board of Directors' assurance

The Board of Directors and CEO affirm that this year-end 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 other companies included in the Group.

MilDef Group AB (publ)

Helsingborg, February 6, 2025

Björn Karlsson
Chair

Jan Andersson
Board member

Marianne Trolle
Board member

Christian Hammenborn
Board member

Charlotte Darth
Board member

Lennart Pihl
Board member

Bengt-Arne Molin
Board member

Daniel Ljunggren
Chief Executive Officer

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 before tax after reversal of financial expense, on a last 12-month basis, expressed as a percentage of average capital employed.

EBIT

Earnings before interest and taxes according to the income statement.

EBITA

Operating profit excluding amortization of intangible non-current assets.

EBITDA

Earnings before interest, taxes, depreciation and amortization of property, plant and equipment and intangible non-current assets.

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 income-bearing financial assets.

FREE CASH FLOW

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

ORGANIC GROWTH

Annual growth in net sales excluding acquisition-related net sales, calculated as 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, minus 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

Average total assets less non-interest-bearing liabilities and provisions.

EARNINGS PER SHARE BEFORE DILUTION

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

MILDEF IN BRIEF

BRIEF FACTS

MilDef's shares are listed on the NASDAQ Stockholm Mid Cap Index. Ticker: MILDEF.

- Supplier of tactical IT solutions
- Founded in 1997
- Stock exchange listing on June 4, 2021
- +300 employees
- Key markets: Nordics, Europe and selected NATO nations
- Customers: Security and defense
- Product portfolio: Hardware, software and services

VISION

Your number one choice for tactical IT.

MISSION

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

BUSINESS CONCEPT

MilDef's business concept is to develop, offer and deliver tactical IT products and services for operations and functions that are critical for society. MilDef customizes solutions to meet the 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 operates in the international security and defense market and within other areas that are critical for society.

FINANCIAL TARGETS

Growth

MilDef's target is to grow sales over time by at least 25% per year, including acquisitions.

Profitability

MilDef's target is an operating margin (EBITA) over time of at least 15%.

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. MilDef will, however, take long-term development, capital structure and prevailing market conditions into account.

GROWTH STRATEGIES

MilDef's growth strategy is based on three prioritized areas.

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 has expanded its customer offering, which in the past was mainly focused on hardware, to also include services and software. Complete solutions for a strong defense and increased safety.

MILDEF IN BRIEF

SUSTAINABILITY STRATEGY

Our reason to exist is to safeguard society's sustainable structures. To stand up for freedom and democracy. To make the world a safer place and protect our way of life. We integrate our focus on sustainability into all aspects when taking responsibility for a sustainable world.

We aim 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.





Important information

This year-end report may contain forward-looking information that reflects MiDef's current view of future events, as well as financial and operational development. Words such as "intends," "sees," "expects," "may," "assesses," "plans," "considers," "estimates" and other expressions that convey indications or predictions regarding future development or trends, and that are not based on historical fact, constitute forward-looking information. Forward-looking information is by nature associated with both known and unknown risks and factors of uncertainty because it depends on future events and circumstances. Forward-looking information does not offer any guarantee regarding future performance or development, and actual outcomes may differ materially from those expressed in forward-looking information.

Invitation to a presentation of MilDef's Year-End Report January–December 2024

The presentation will be held in English and will conclude with a Q&A. The meeting will start at 10:00 CET on February 6, 2025 and will last for about 45 minutes. The report will be made available at www.mildef.com the same morning.

Connecting to the meeting

Connect to the meeting either by clicking on this [Teams link](#) or by calling the relevant telephone number below (audio only).

Telephone numbers:

+46 8 502 413 79 (Sweden)
+47 23 52 52 25 (Norway)
+45 32 73 03 21 (Denmark)
+358 9 23106849 (Finland)
+44 20 3855 6017 (UK)
+1 323 486 4735 (USA)

Enter conference ID: **635 593 87#**

Financial calendar

Annual report 2024	April 10, 2025
Interim Report Q1 2025	April 29, 2025
Annual General Meeting 2025	May 22, 2025
Interim Report Q2 2025	July 18, 2025
Capital Markets Day 2025	September 18, 2025
Interim Report Q3 2025	October 23, 2025

The Company's financial reports are made available via the Cision news service and on MilDef's website, www.mildef.com.

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 was disclosed through the above-mentioned contact persons for publication on February 6, 2025 at 08:00 CET.

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MilDef – WE ARMOR IT.

MilDef is a global systems integrator and full-spectrum supplier of rugged IT for defense and security applications as well as for national and critical infrastructure sectors. MilDef provides hardware, software and services that protect critical information flows and systems where the stakes are the highest. MilDef's products are sold to more than 200 customers through MilDef's companies in Sweden, Norway, Finland, Denmark, the UK, Germany, Switzerland, the USA and Australia, and through a network of partners in more than 40 countries. MilDef was founded in 1997 and has been listed on NASDAQ Stockholm since 2021.

WE ARMOR IT.™

Letters. Words. Codes. Coordinates. Orders.

Every moment vital information is transmitted around us and at risk. Enter MilDef. We create rugged IT solutions for the harshest conditions and most challenging environments, which prevent your information from being interrupted, intercepted or disrupted.

Put simply; we armor your IT, when and where the stakes are the highest.