

THE BOARD'S PROPOSAL FOR RESOLUTION ON A LONG-TERM CASH-BASED INCENTIVE PROGRAMME (LTIP 2026/2029)

The Board of Directors of MilDef Group AB (publ) proposes that the Annual General Meeting resolves on the implementation of a long-term cash-based incentive programme for 2026 ("LTIP 2026/2029") for MilDef's group management as follows.

The rationale for the proposal

The purpose of LTIP 2026/2029 is to strengthen the MilDef Group's ability to retain and recruit competent employees, provide competitive remuneration and to align the interests of the shareholders with the interests of the employees concerned. Through a share price-related cash-based incentive programme, the employees' remuneration is tied to the company's earnings and value growth and creates long-term incentives for the programme participants. In light of the above, the Board of Directors believes that the implementation of LTIP 2026/2029 may be expected to have a positive effect on the long-term value growth of the Group and, consequently, that LTIP 2026/2029 is beneficial to both the shareholders and the company.

Participants in LTIP 2026/2029

LTIP 2026/2029 is proposed to include MilDef's group management, approximately six (6) employees. Invitation to participate in the programme shall be provided by MilDef on or about 31 May 2026. Persons that have been recruited, but not yet started their employment with MilDef Group when the notification of participation in the programme must be made at the latest, can be offered participation provided that their employment starts no later than 31 December 2026. The reason why any future members of the group management may be offered participation in the incentive programme at such a time that the time between the offer of participation and the payment in accordance with the terms and conditions of LTIP 2026/2029 may be less than three years, is that the Board of Directors deems it important that such employees are given the opportunity to take part in a value growth linked to the company's share already at the beginning of their employment.

Cash Compensation

Participants in LTIP 2026/2029 have the opportunity to receive a cash compensation ("**Cash Compensation**") approximately three (3) years after the offer of participation in LTIP 2026/2029 has been made (the "**Vesting Period**"), provided that the performance targets set out below have been fulfilled. The Cash Compensation may for each participant amount to a maximum of 50 per cent of the participant's total fixed annual cash salary (gross) during the Vesting Period.

Performance Targets

The performance targets that must be achieved or exceeded in order for payment of the Cash Compensation to take place relate to (i) the development of the company's earnings per share¹

¹ Adjusted for the impact of non-recurring items.

("EPS") during the period 1 January 2026 up to and including 31 December 2028 (the "**Measurement Period**"), where the last financial year during the Measurement Period is compared with the financial year immediately preceding the Measurement Period (the "**EPS Target**") and (ii) the company's score in the EcoVadis sustainability rating for the financial year 2028 compared with the financial year 2025 (the "**ESG Target**") (each a "**Performance Target**" and together the "**Performance Targets**"). The relative weighting between the EPS Target and the ESG Target in respect of the maximum outcome amounts to 80 per cent and 20 per cent respectively.

A prerequisite for payment of Cash Compensation in respect of the EPS Target is that the company's EPS development has amounted to at least thirty (30) per cent during the Measurement Period. If the minimum level is not achieved, no Cash Compensation related to the EPS Target will be paid. For maximum payment of Cash Compensation in respect of the EPS Target, MilDef's EPS development during the Measurement Period must have amounted to sixty (60) per cent. If MilDef's EPS development is between the minimum and maximum levels, participants will receive a linear Cash Compensation in proportion to the EPS outcome.

A prerequisite for payment of Cash Compensation in respect of the ESG Target is that MilDef receives a higher score in the EcoVadis sustainability rating for the financial year 2028 than the score received for the financial year 2025, which amounted to 69 points. If MilDef's EcoVadis score for the financial year 2028 does not exceed the 2025 score, no Cash Compensation in respect of the ESG Target will be paid. If the EcoVadis score for the financial year 2028 amounts to 70 points, one third (1/3) of the maximum Cash Compensation in respect of the ESG Target will be paid. If the score amounts to 71 points, two thirds (2/3) of the maximum Cash Compensation in respect of the ESG Target will be paid. If the score amounts to 72 points or higher, the maximum Cash Compensation in respect of the ESG Target will be paid. If EcoVadis ceases to provide its sustainability rating or if MilDef for reasons beyond the company's control is unable to obtain a rating during the Measurement Period, the Board of Directors shall have the right to resolve on an equivalent substitute measure or that the ESG Target shall lapse.

The Performance Targets are evaluated independently of each other, meaning that the fulfilment of one Performance Target entitles payment of Cash Compensation in respect of that part regardless of the outcome of the other Performance Target.

For payment of the Cash Compensation to take place, it is finally required that the total shareholder return, calculated as the share price development of MilDef's share on Nasdaq Stockholm including reinvested dividends (Total Shareholder Return, "**TSR**"), exceeds the development of the OMX Stockholm Mid Cap Gross Index (OMXSMCGI). In this calculation of TSR, the share price development shall be based on a comparison of the volume-weighted average price paid for the company's share on Nasdaq Stockholm during a period of ten (10) trading days, where the start value is calculated during the period beginning the day after the Annual General Meeting 2026 and the end value is calculated during the period beginning the day after the publication of MilDef's year-end report for the financial year 2028.

Through the link to EPS and the EcoVadis sustainability rating, the performance targets contribute to MilDef's long-term value creation and sustainability efforts. The Board of Directors intends to present the fulfilment of the Performance Targets in the Annual Report for the financial year 2028.

Payment of Cash Compensation

Provided that the Performance Targets have been fulfilled, the Cash Compensation will be paid in June 2029. A prerequisite for a participant to receive Cash Compensation is that the participant (i) has been employed within the MilDef Group during the entire Vesting Period, and (ii) remains employed on the payment date and has neither resigned nor been dismissed prior to such date. Exemptions from the requirement of employment may be granted by the Board of Directors in specific cases, including, but not limited to, a participant's disability or retirement.

Reinvestment of Cash Compensation

By participating in LTIP 2026/2029, the participant undertakes to reinvest an amount corresponding to at least fifty (50) per cent of the net payment of the Cash Compensation through private acquisition of shares in MilDef on the stock market. The acquisition shall take place no later than 60 days after the payment date, or, if the participant at such time is prevented from acquiring shares due to applicable insider rules, as soon as possible thereafter. Shares acquired in accordance with this undertaking may not be sold, pledged or otherwise transferred during a period of twelve (12) months from the date of acquisition. The Board of Directors has the right to grant exceptions in individual cases under extraordinary circumstances, such as death, serious illness or compulsory redemption.

Formulation and administration

The Board of Directors shall be responsible for preparing the detailed terms and conditions and administration of LTIP 2026/2029, in accordance with the established terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments to meet foreign regulations or market conditions. The Board of Directors may also make other adjustments, including for example a right to resolve on a reduced Cash Compensation, if significant changes in the MilDef Group, or its operational environment, would, as assessed by the Board of Directors, result in a situation where the established terms and conditions for LTIP 2026/2029 no longer are appropriate or reasonable.

Scope and costs

Assuming 100 per cent fulfilment of the Performance Targets, the total cost of LTIP 2026/2029, including social security costs and administration costs for the programme, is estimated to amount to approximately SEK twenty-one (21) million before tax. The costs are based on estimated salary costs for the participants in LTIP 2026/2029 during the financial years 2026–2028. On an annual basis, the total estimated cost for LTIP 2026/2029 is estimated to amount to approximately 1.2 per cent of MilDef's total staff costs, excluding costs for long-term incentive programmes, based on planned staffing during the financial year 2026.

The costs are expected to have a marginal effect on key ratios of the MilDef Group.

LTIP 2026/2029 is cash-based and does not entail any dilution for the company's shareholders. No hedging measures are intended to be taken in respect of the financial exposure of the incentive programme.

Preparation of the proposal

LTIP 2026/2029 has been initiated by the Board of Directors of MilDef and has been structured in consultation with external advisers. LTIP 2026/2029 has been prepared by the Remuneration Committee and reviewed at meetings with the Board of Directors in the spring of 2026.

Previous incentive programmes in MilDef

For a description of MilDef's other share-based incentive programmes that are still outstanding, please see the company's Annual Report for the financial year 2025, note 20, or the company's website www.mildef.com. In addition to the programme described therein, there are no other share-based incentive programmes in MilDef.

Majority requirements, etc.

A valid resolution requires that the resolution of the general meeting is supported by shareholders representing more than half of the votes cast at the Annual General Meeting.

Helsingborg in April 2026
The Board of Directors
MilDef Group AB (publ)