

MILDEF GROUP

YEAR-END REPORT

JANUARY – DECEMBER 2025



YEAR-END REPORT JANUARY – DECEMBER 2025

SUMMARY OF THE PERIOD

A QUARTER WITH A POSITIVE CASH FLOW AND GOOD PROFITABILITY

Fourth quarter 2025

- The order intake for the fourth quarter amounted to SEK 1,005 million (773), an increase of 30%.
- Net sales increased by 87% to SEK 783 million (418), of which organic growth amounted to 13%.
- The gross margin amounted to 43.1% (47.4). As expected, the acquisition of roda negatively impacted the quarter's gross margin. Excluding the acquisition, the gross margin amounted to 52.8%.
- Adjusted EBITA amounted to SEK 150.8 million (71.0), equivalent to an adjusted operating margin of 19.3% (17.0).
- The adjusted operating profit (EBIT) amounted to SEK 131.6 million (62.8), equivalent to an adjusted operating margin of 16.8% (15.0).
- Free cash flow amounted to SEK 59.6 million (47.8). The improvement compared with the comparison period is mainly due to improved profitability.

January – December 2025

- The order intake amounted to SEK 3,193 million (1,810), equivalent to an increase of 76%.
- The order backlog as of December 31, 2025 increased by 75% to SEK 3,595 million compared with the same date in 2024 (2,055).
- Net sales increased by 70% to SEK 2,045 million (1,201). Organic growth accounted for 6% and acquired growth for 64%.
- The gross margin amounted to 45.0% (49.0). As expected, the acquisition of roda negatively impacted the gross margin for the period. Excluding the acquisition, the gross margin amounted to 53.5%.
- Adjusted EBITA amounted to SEK 276.3 million (149.7), equivalent to an adjusted operating margin of 13.5% (12.5).
- The adjusted operating profit (EBIT) amounted to SEK 209.0 million (111.8), equivalent to an adjusted operating margin of 10.2% (9.3).
- Free cash flow amounted to SEK -33.5 million (127.7). The change is due to working capital development, which is driven by the company's growth.
- Adjusted earnings per share after dilution over the last 12-month period amounted to SEK 3.04 (2.45).
- The Board of Directors is proposing that a dividend for the 2025 financial year be set at SEK 0.75 per share (0.50).

LAST 12 MONTHS, JANUARY – DECEMBER 2025

NET SALES	ADJUSTED OPERATING PROFIT (EBITA)	ADJUSTED OPERATING MARGIN (EBITA)
SEK 2,045 m	SEK 276.3 m	13.5%

Summary of significant events in the fourth quarter, October–December 2025

- MilDef won a contract with L3Harris worth SEK 52 million. The contract is MilDef's single largest order of robust 19"/2 hardware for a US customer and is for servers, routers and switches for armored vehicles for a NATO country.
- MilDef received a call-off order worth SEK 320 million from an unnamed European NATO country. The delivery is for IT equipment for digitalization of the country's army and deliveries are expected to take place 2026–2028.
- An order issued under a framework agreement was received by roda for delivery of robust IT equipment for a German defense and security company. The order value is SEK 320 million and deliveries are expected to take place in 2026.
- As a strategic capacity increase for strengthened defense capability, MilDef has opened Bastionen (The Bastion). This office and production space in Rosersberg – tailored specifically for MilDef's operations – quadruples the Company's capacity in integration services.

Summary of significant events after the end of the period

No significant events affecting the financial reporting have occurred after the balance sheet date.

YEAR-END REPORT JANUARY – DECEMBER 2025

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	2025	2024	2025	2024	Jan-Dec 2025	2024
Net sales	783	418	2,045	1,201	2,045	1,201
Sales growth, %	87	18	70	4	70	4
Of which organic, %	13	18	6	4	6	4
Of which acquisition-driven, %	75	-	64	-	64	-
Gross margin, %	43.1	47.4	45.0	49.0	45.0	49.0
Adjusted operating profit (EBITA)	150.8	71.0	276.3	149.7	276.3	149.7
Adjusted operating margin (EBITA), %	19.3	17.0	13.5	12.5	13.5	12.5
Order intake	1,005	773	3,193	1,810	3,193	1,810
Order backlog	3,595	2,055	3,595	2,055	3,595	2,055
Free cash flow	59.6	47.8	-33.5	127.7	-33.5	127.7

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

GROWTH WITH A HIGHER MARGIN

MilDef concluded 2025 on a strong note despite delivery chain challenges. The Group saw both good growth and improved profitability compared with the same period the previous year. This was the Group's strongest quarter so far – in order intake, sales and operating profit.

Net sales increased by 87%, with 13% growth in organic sales compared with the previous year. Acquisitions made a positive contribution of 75%. Excluding non-recurring items, EBITA increased by 112% and the corresponding margin was 19.3% (17.0). Free cash flow increased by 25% and earnings per share excluding non-recurring items increased by 20% as a result of the earnings improvement.

While delivering growth and improving our profitability, we also continued to invest in expanding the Company to meet a higher demand and strengthen our market position. Our pace of investment in increased delivery capacity is higher than ever. The expansion mainly involves an increased workforce and expanded production facilities. Equipping for larger volumes in a short time is challenging; it takes time to calibrate the resource situation to a level that matches order intake. It was gratifying to see MilDef's new production facility in Stockholm County ready for launch in the fourth quarter. We have also decided to invest in increased production capacity in Helsingborg. Our intention with this investment is a production capacity increase of up to 50% with expected completion in summer 2026. These are two examples of initiatives that will strengthen our delivery capacity and create the right conditions to seize future business opportunities, which will result in even more robust earning capacity for the Group.

With the growth journey that MilDef has embarked upon, it is crucial for the Company to meet customer needs and fulfill

delivery commitments. It is therefore encouraging that at the beginning of 2026 we saw continuing improvement in the delivery situation. In light of this, we are maintaining our cautiously optimistic view of the supply chain challenges, as some uncertainty still remains and new disruptions in the supply chain can quickly emerge. An example of this is the global market for DRAM and NAND components (SSDs), a market that is currently experiencing increased volatility in both prices and lead times, driven by high demand from the AI industry. MilDef is carefully following developments in close dialogue with customers and suppliers. Although steps have been taken to mitigate any negative consequences on margins and lead times, such consequences may still occur.

During the year we concluded the acquisition of German company roda computer GmbH ("roda"). The acquisition is part of the Company's strategy to increase the pace of expansion in Europe. A well-established supplier of military IT solutions, roda has a strong market presence in Central Europe, mainly in the DACH region (Germany, Austria, Switzerland) and particularly in Germany. The integration process is going according to plan and it is becoming increasingly clear that this acquisition came at the right time. With Germany's expressed rearmament ambition to support its defense capability, the prospects are good for continued growth for several years to come. As an example of MilDef's market position, in the fourth quarter roda won its largest contract to date, worth SEK 320 million. Deliveries will be taking place in 2026.

As we look ahead, it is clear that the uncertainties in the geopolitical security situation are making it hard to predict the future. We are focused on delivering on our order backlog and we are expecting continued good demand for our products and solutions. Meanwhile, we are seeing the potential to speed up MilDef's development by continuing to invest in increased capacity. In doing so, we are creating further opportunities in the market while also supporting our customers.

In conclusion I would like to extend my heartfelt gratitude to all of our employees for their dedication and hard work in 2025. Your efforts are crucial for MilDef's continued growth journey.

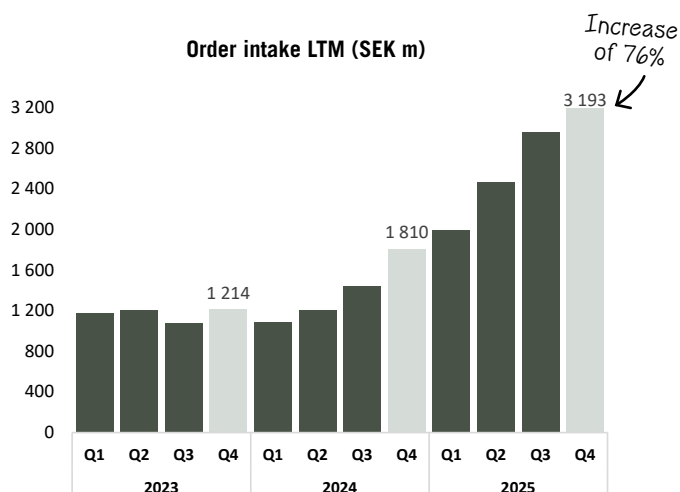


Daniel Ljunggren,
President & CEO

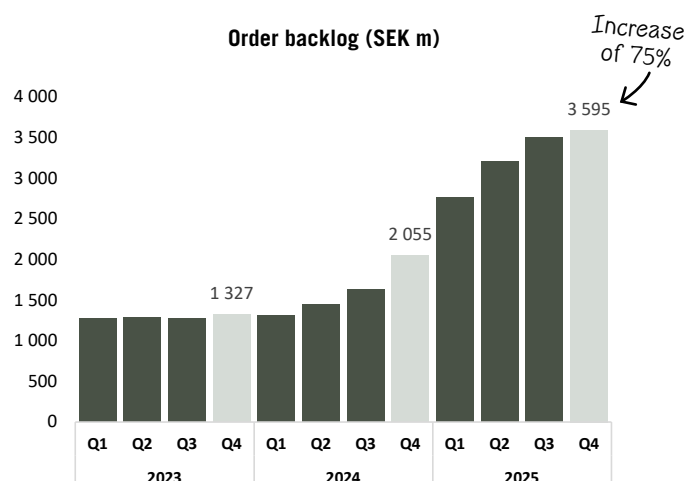


MILDEF'S FINANCIAL DEVELOPMENT

ORDER STATUS

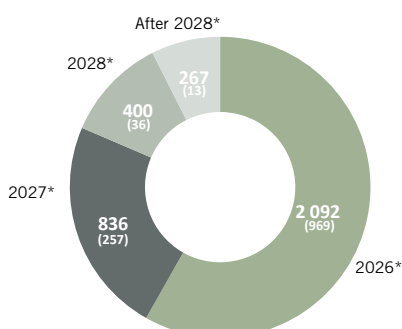


The columns in the chart show MilDef's order intake over the last 12 months (LTM) in SEK million. Order intake is the total orders received during the period in question.



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)



* In brackets is the breakdown of roda's order backlog

The pie chart shows future planned deliveries by year in SEK million and is based on MilDef's order backlog at the end of the period. The diagram above should not be seen as a guideline for 2026 because, in addition to the existing order backlog, additional orders will be invoiced during the year. In addition, the actual outcome may differ significantly from the above planned deliveries, mainly due to postponements.

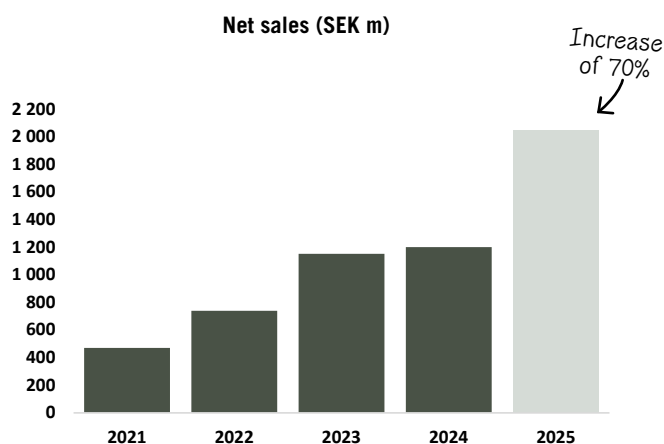
Change in order backlog January–December 2025 (SEK m)

Order backlog as of January 1, 2025	2,055
Order intake January–December 2025	3,193
Sales January–December 2025	-2,045
Sales January–December 2025 not impacting order backlog	88
Order backlog acquired in the period	693
Currency effect in order backlog during the period	-389
Order backlog as of December 31, 2025	3,595

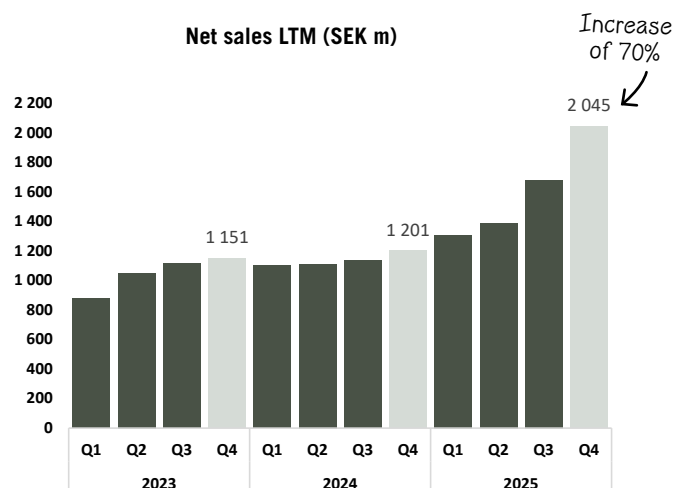
The table presents the development of MilDef's order backlog in SEK million during the year, and the size of the components included, to arrive at the difference in the order backlog as of December 31, 2025 in comparison with January 1, 2025.

MILDEF'S FINANCIAL DEVELOPMENT

NET SALES

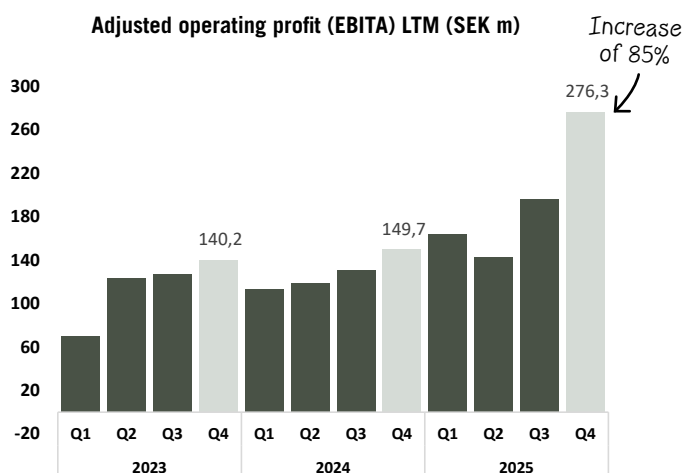


The columns above show MilDef's net sales for full years 2021–2025.

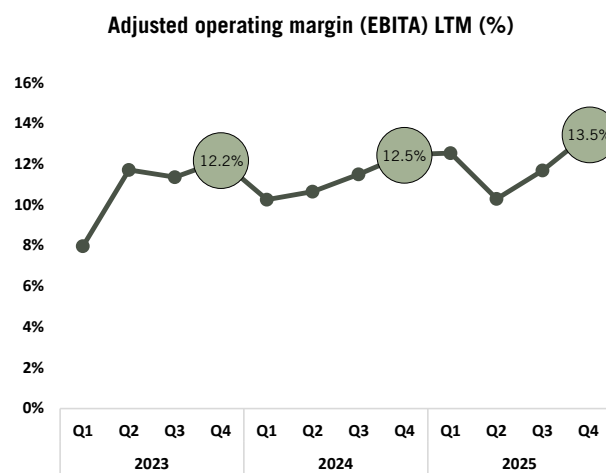


The columns above show MilDef's net sales over the last 12 months (LTM) in SEK million.

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



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



The chart 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 2025

Order status

The underlying trend in the market remains positive and the order intake increased during the period by 30% to SEK 1,005 million, compared with SEK 773 million in the fourth quarter of 2024. For the quarter, roda contributed an order intake of SEK 593 million. The organic order intake was negative in the quarter, compared with the strong fourth quarter in 2024. The organic order intake was affected by the divestment of Handheld and by the fact that there were external sales to roda in 2024, which were eliminated as internal sales after the acquisition.

Net sales

Net sales increased in the fourth quarter of 2025 by 87% compared with the same quarter the previous year, and amounted to SEK 783 million (418). Growth related to the acquisition of roda amounted to SEK 312 million.

Organic growth was 13%. This was negatively affected by the fact that, previously, there were external sales to roda, which have now been eliminated as internal sales, and also that MilDef divested Handheld. After correction for these items, growth in the underlying business is 22%.

Gross profit

Gross profit amounted to SEK 337 million (198), equivalent to a gross margin of 43.1% (47.4). 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.

The acquisition of roda contributed to an increase in the Group's gross profit in the fourth quarter of 2025, but as roda's business model is in general associated with a lower gross margin than the rest of the Group, roda had a negative impact on the combined Group gross margin. The Group's gross margin without roda was reported at 52.8%.

Operating expenses

Operating expenses in the fourth quarter 2025 amounted to SEK 206 million (135), of which SEK 55 million relates to roda.

Excluding operating expenses related to the roda acquisition, the operating costs were SEK 16 million higher in the fourth

quarter of 2025 compared with the same period the previous year. The change is mainly due to an increase in the workforce. Sequentially, the Company's operating expenses increased by 15% in the fourth quarter of 2025 compared with the third quarter of 2025. Adjusted for acquisition-related operating expenses, the Company's operating expenses increased sequentially by SEK 28 million, equivalent to an increase of 23%. The increase from the third to fourth quarter is primarily related to high sales volumes in the fourth quarter.

The operating expenses as a percentage of sales amounted to 26% (32) in the fourth quarter of 2025.

Non-recurring items

No non-recurring items were reported during the quarter.

Operating profit (EBIT)

Operating profit (EBIT) in the fourth quarter of 2025 amounted to SEK 131.6 million (-258.0). This is equivalent to an operating margin of 16.8% (-61.8).

Adjusted operating profit (EBITA)

Adjusted operating profit before amortization and impairment of intangible non-current assets amounted to SEK 150.8 million (71.0), equivalent to a margin of 19.3% (17.0). Amortization and impairment of intangible non-current assets amounted to SEK 19.2 million (8.2). The change is due to the roda acquisition. The acquisition of roda contributed SEK 50.3 million to the quarter's adjusted operating profit.

Financial items

Net financial expense for the period amounted to SEK -24.4 million (-1.7). The change is due to negative unrealized exchange rate changes, as well as increased interest expense on loans taken out to finance the acquisition of roda.

Tax

The fourth quarter's tax effect impacted net profit in the amount of SEK -13.8 million (10.2). The fourth quarter of 2024 was impacted by recognition of restructuring costs.

Net profit for the quarter

Profit after tax amounted to SEK 93.5 million (-249.5). Earnings per share before dilution amounted to SEK 1.98 (-5.83) and earnings per share after dilution to SEK 1.98 (-5.78).

Cash flow

Cash flow for the quarter was recognized at SEK 33.4 million (487.0). Free cash flow for the quarter amounted to SEK 59.6 million (47.8).

Cash flow from operating activities amounted to SEK 73.5 million (46.3). The positive development is primarily attributable to improved profitability. Cash flow from changes in working capital amounted to SEK -80,8 million (-19.7). The

FINANCIAL OVERVIEW

roda acquisition had a negative impact as the tied-up capital associated with it is higher than for the rest of the Group. This is mainly related to inventory levels. The working capital for the rest of the Group has grown as a consequence of large deliveries made in the latter part of the fourth quarter as well as some inventory build-up in preparation for upcoming deliveries.

Cash flow from investing activities amounted to SEK -13.9 million (-2.6).

Cash flow from financing activities amounted to SEK -26.1 million (443.3). Repayment instalments on the credit facility for the roda acquisition amounted to SEK 10.8 million during the fourth quarter of 2025. There was also a repayment instalment of SEK 3.3 million on a previous credit facility which was taken out in connection with the acquisition of Handheld Group in September 2022. Amortization of leases was charged to financing activities in the amount of SEK -9.0 million (-5.5) in the quarter.

Full year 2025: January – December 2025

Order status

The order intake for full year 2025 increased by 76% to SEK 3,193 million, compared with the corresponding period the previous year when it was SEK 1,810 million. After the acquisition date, roda made a positive contribution to the order intake of SEK 1,367 million, providing organic growth of 1%. The organic order intake was affected by the divestment of Handheld and by the fact that there were external sales to roda in 2024, which were eliminated as internal sales after the acquisition. Corrected for these items, the underlying order intake increased by 14%. The order backlog as of December 31 was at a historically high level, amounting to SEK 3,595 million (2,055), with roda making up around 35%.

Net sales

Net sales for full year 2025 increased by 70% compared with the previous year and amounted to SEK 2,045 million (1,201). Growth related to the acquisition of roda amounted to SEK 768 million. Organic growth was 6% and acquisition-driven growth made up 64 percentage points of total sales growth. From an organic perspective, it is mainly the Nordic market that has had strong growth during the period.

Organic growth was negatively affected by the fact that previously there were external sales to roda, which have now been eliminated as internal sales, and also that MilDef divested Handheld. After correction for these items, growth in the underlying business is 20%. Also, the Swedish krona became stronger during the year, which had a negative impact on sales.

Gross profit

Gross profit amounted to SEK 920 million (589), equivalent to a gross margin of 45.0% (49.0). 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. The acquisition of roda contributed to an increase in the Group's gross profit for full year 2025, but as roda's business model is associated with a lower gross margin in general than the rest of the Group, roda had a negative impact on the combined Group gross margin. The Group's gross margin without roda was recognized at 53.5%.

Operating expenses

Operating expenses amounted to SEK 711 million (477), of which SEK 181 million relates to acquired operating expenses. Excluding operating expenses related to the roda acquisition, the operating expenses increased by 11% during the period compared with the previous year. For full year 2025, integration costs relating to the roda acquisition negatively affected operating expenses by SEK 4.1 million. The integration costs of SEK 4.1 million were not reported as non-recurring items.

For full year 2025, non-recurring items were reported that reduce the Company's operating expenses by SEK 5.3 million net. The change is due to acquisition expenses relating to the acquisition of roda and by reversal of costs that were covered by the restructuring reserve made in the fourth quarter of 2024, including a reversal due to the divestment of Handheld Germany GmbH.

Non-recurring items

For full year 2025, acquisition costs relating to the acquisition of roda were reported at SEK -3.5 million. In addition, costs covered by the restructuring program in the fourth quarter of 2024 were reversed in the amount of SEK 8.9 million.

Operating profit (EBIT)

Operating profit (EBIT) for full year 2025 amounted to SEK 214.4 million (-209.0). This is equivalent to an operating margin of 10.5% (-17.4). MilDef's sales and profits are affected by volume variations between periods.

Adjusted operating profit (EBITA)

Adjusted operating profit before amortization and impairment of intangible non-current assets amounted to SEK 276.3 million (149.7), equivalent to a margin of 13.5% (12.5). Amortization and impairment of intangible non-current assets amounted to SEK 67.3 million (37.9), with amortization of acquired intangible non-current assets accounting for most of 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 -42.8 million (-13.6). The change is largely due to negative exchange rate changes, as well as increased interest expense on loans taken out to finance the acquisition of roda.

FINANCIAL OVERVIEW

Tax

The tax effect for full year 2025 impacted net profit in the amount of SEK -23.6 million (2.2). This makes the effective tax rate 13.7% (-1.0). For full year 2025, the effective tax rate was impacted by tax expenses relating to the restructuring program announced in the fourth quarter of 2024. Accounting for restructuring costs in 2024 resulted in a negative profit before tax and for this reason the Group is reporting a negative effective tax rate for the comparison year.

Net profit

Profit after tax amounted to SEK 148.0 million (-220.3). Earnings per share before dilution was SEK 3.16 (-5.43) and earnings per share after dilution, SEK 3.16 (-5.37).

Cash flow

Cash flow reported for the period amounted to SEK -374.8 million (446.2). Free cash flow for the full year amounted to SEK -33.5 million (127.7).

Cash flow from operating activities amounted to SEK -3.0 million (144.4). The cash flow was negatively impacted by the change in working capital of SEK -282.8 million (8.4). The roda acquisition had a negative impact as the tied-up capital associated with it is higher than for the rest of the Group. This is mainly related to inventory levels. The working capital for the rest of the Group has grown as a consequence of large deliveries made in the latter part of the fourth quarter as well as some inventory build-up in preparation for upcoming deliveries.

Cash flow from investing activities amounted to SEK -731.5 million (-33.3). The change is mainly due to the acquisition of roda, which had a negative impact on cash flow from investing activities in the amount of SEK -701.0 million.

Cash flow from financing activities amounted to SEK 359.7 million (335.1). Repayment instalments on the credit facility for the acquisition of roda amounted to SEK 43.9 million, and instalments on a past credit facility obtained in connection with the acquisition of Handheld in September 2022 amounted to SEK 13.2 million for full year 2025. Amortization of leases was charged to financing activities in the amount of SEK -28.9 million (-22.2). As of the end of 2025, SEK 41.9 million of the revolving credit facility had been utilized.

Equity

The Group's equity amounted to SEK 1,519.3 million (1,101.7) at the end of the period. The equity/assets ratio as of December 31, 2025 was SEK 52% (65).

The 2025 Annual General Meeting voted in favor of the Board's proposal for a performance-based long-term incentive program (LTIP 2025/2028) for MilDef's Management Team comprising six employees.

The total cost of this share-based remuneration amounted to SEK 0.5 million during the period, with an equivalent increase reported directly in equity. In addition to this, the cost of

social security contributions has been expensed at SEK 0.2 million with an equivalent liability for these contributions of the same amount.

Net working capital

Net working capital amounted to SEK 688 million (331) at the end of the period. Net working capital in relation to net sales increased compared with the same date the previous year to 33.6% (27.6) but was lower than in the previous quarter when 38.9% was reported.

The roda acquisition increased working capital, both in absolute numbers and in relation to net sales. Also, the rest of the Group made large deliveries at the end of the year, which resulted in higher accounts receivable at the end of the period.

SEK m	Dec. 31, 2025	Sept. 30, 2025	Dec. 31 2024
Inventories	531.8	620.2	234.4
Accounts receivable	513.9	327.1	330.1
Other current receivables	140.0	169.6	87.4
Accounts payable	-169.8	-216.5	-85.6
Other current liabilities	-328.2	-246.8	-235.3
Net working capital	687.7	653.6	330.9
<i>as a percentage of net sales LTM (%)</i>	<i>33.6%</i>	<i>38.9%</i>	<i>27.6%</i>

Net debt and cash and cash equivalents

The net debt including lease liabilities amounted to SEK 624.3 million (-310.0) at the end of the period. Cash and cash equivalents as of December 31 amounted to SEK 148.6 million (530.4). At the end of the period there was an unutilized revolving overdraft facility of SEK 78.1 million (120.0). 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 1.3 (-2.2). Calculated including the effects of IFRS 16, the net debt/equity ratio was 2.0 (-1.7).

SEK m	Dec. 31, 2025	Sept. 30, 2025	Dec. 31 2024
Other interest-bearing liabilities	550.3	567.5	133.9
Lease liabilities	222.5	148.2	86.5
Cash and cash equivalents	-148.6	-118.1	-530.4
Net debt incl. IFRS 16	624.3	597.6	-310.0
<i>relative to adjusted operating profit (EBITDA) LTM, times</i>	<i>2.0</i>	<i>2.6</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 62 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, 2025 was 47,114,895 (45,573,068) and the share capital was SEK 11,778,723.75 (11,393,267.00). 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 119.8 and the market capitalization was SEK 5,644 million. The total number of shareholders at the end of the period was 44,431.

Repurchased shares

Repurchased shares include the acquisition cost of treasury shares held by the Parent Company. As of December 31, 2025 the Group held 20,000 (0) treasury shares. Repurchase of treasury shares is recognized as a deduction from equity. Proceeds from the divestment of these types of equity instruments are recognized as an increase in unrestricted equity. Any transaction costs are recognized directly in equity.

Accounting principles

MilDef prepares its consolidated accounts in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. This year-end 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 2024 Annual Report. The 2024 Annual Report has been available at www.mildef.com since April 10, 2025.

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. The 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 27.

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 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.

Significant events during the fourth quarter of 2025

MilDef won a contract with L3Harris worth SEK 52 million. The contract is MilDef's single largest order of robust 19"/2 hardware for a US customer and is for servers, routers and switches for armored vehicles for a NATO country.

MilDef received a suborder worth SEK 320 million from an unnamed European NATO country. The delivery is for IT equipment for digitalization of the country's army and deliveries are expected to take place 2026–2028.

OTHER INFORMATION

An order issued under a framework agreement was received by roda for delivery of robust IT equipment for a German defense and security company. The order value is SEK 320 million and deliveries are expected to take place in 2026.

As a strategic capacity increase for strengthened defense capability, MilDef has opened Bastionen (The Bastion). This office and production space in Rosersberg – tailored specifically for MilDef's operations – quadruples the Company's capacity in integration services.

Acquisition of roda computer GmbH

On November 13, 2024 MilDef announced that a binding contract had been signed to acquire 100% of the voting shares in roda. The roda company is a supplier of military IT solutions with a strong market presence in Central Europe. The acquisition was completed on March 6, 2025. The acquisition strengthens MilDef's presence in Europe as one of Europe's leading actors within tactical and robust IT for defense and security, and provides MilDef with access to important market channels.

MilDef's Board of Directors, as authorized by an extraordinary shareholders' meeting on December 9, 2024, resolved on an issue in kind as a portion of the purchase consideration for the acquisition of roda, as communicated when the acquisition was made public on November 13, 2024. In addition to the cash consideration of EUR 70 million, as part of the purchase consideration MilDef issued a total of 1,374,047 new shares in MilDef Group AB for the sellers of roda. This was equivalent to around EUR 28.7 million based on the price of the MilDef share of SEK 229.00 as of March 5, 2025.

The parties also agreed on a cash contingent consideration that will depend on the EBIT level for the 2024 financial year, which will be established in the revised financial statements for roda. The purchase consideration was set at EUR 4.0 million.

The fair value of the acquired assets and liabilities presented was based on the consolidated financial information for roda at the time of the acquisition. The acquisition analysis is preliminary. In the summary below the EUR amount has been translated to SEK at a rate of SEK/EUR 10.96 and the number of issued shares was 1,374,047.

The fair value of assets and liabilities as presented in the annual financial statements was based on the consolidated financial information for roda as of December 31, 2024 and should have been regarded as indicative. In the Q1 report for 2025 the assets and liabilities presented are based on the consolidated financial information for roda at the date of the acquisition.

The preliminary calculation of goodwill consists mainly of qualified workforce, future customers, future technology and synergies.

No goodwill is expected to be tax deductible.

Intangible assets identified in the preliminary acquisition analysis consist mainly of customer relationships and order backlog.

Transaction costs were expensed as they arose. SEK 10.8 million was expensed in 2024 and the remaining SEK 3.5 million was expensed in 2025.

In the preliminary acquisition analysis, the Group measured the acquired lease liabilities using the present value of the remaining lease payments on the acquisition date. Right-of-use assets were measured at an amount equivalent to the lease liabilities and adjusted to reflect the terms in the lease in relation to the market terms.

	EUR m	SEK m
Total purchase consideration	102.1	1,119.8
Assets		
Intangible non-current assets	33.3	365.0
Property, plant and equipment	1.8	19.6
Right-of-use assets	4.9	53.2
Deferred tax assets	1.7	18.9
Inventories	21.5	235.3
Accounts receivable	8.8	96.9
Other current receivables	2.6	28.7
Cash and cash equivalents	9.5	104.2
Liabilities		
Non-current interest-bearing liabilities	4.2	45.6
Provisions	0.1	1.0
Deferred tax liabilities	10.9	119.4
Accounts payable	7.8	85.0
Current interest-bearing liabilities	0.7	7.5
Other current liabilities	12.4	136.5
Acquired identifiable net assets	48.1	527.1
Non-controlling interests	-0.1	-1.1
Goodwill	54.1	593.8
Total acquired net assets	102.1	1,119.8
The purchase consideration consists of		
Cash payment	70.0	767.3
Adjustment of net cash and working capital	-0.6	-6.7
Shares issued, at fair value	28.7	314.7
Contingent consideration	4.0	44.5
Total purchase consideration	102.1	1,119.8
Cash flow attributable to the acquisition		
Cash payment of purchase consideration	-70.0	-767.3
Contingent consideration	-4.0	-44.5
Adjustment of net cash and working capital	0.6	6.7
Cash in the acquired company	9.5	104.2
Total	-63.9	-700.9
Acquisition-related expenses	-1.3	-14.3
Net cash flow	-65.2	-715.2

OTHER INFORMATION

On the acquisition date the fair value of inventories amounted to SEK 235.3 million and the fair value of accounts receivable was SEK 96.9 million. The gross amount of accounts receivable was SEK 96.9 million and it is expected that the full contract amount can be collected.

For the subsidiary Westek, the local CEO was a minority shareholder (5%) in the company at the end of 2025. PPA has been adjusted for this minority holding. There outcome of a long-term incentive program may result in shares being allotted to senior executives at Westek in 2026 and 2027. For accounting purposes the program has been valued as of non-significant value. The maximum outcome of the program would generate a minority holding in the company Westek of around 30%.

Significant events after the end of the period

No significant events affecting the financial reporting have occurred after the balance sheet date.

Acquisitions and acquisition analysis

At the time of acquisition, a 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 479 (327) at the end of the period. 352 (244) of the employees were men and 127 (83) were women. The average number of FTEs during the quarter was 468, compared with 319 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 5% of MilDef's employees work in R&D-related positions. Resources were added in 2025 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 profits 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 77–79 in the Company's 2024 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.

Long-term Incentive Program 2025/2028

The 2025 Annual General Meeting voted in favor of the Board's proposal for a performance-based long-term incentive program (LTIP 2025/2028) for MilDef's Management Team comprising six employees. The participants will be allotted performance-based stock options that may give entitlement to shares in the Company. Each warrant entitles the holder to one share if the maximum outcome in the program is reached. After the vesting period the participants will be allotted shares in MilDef Group AB at no cost if certain performance targets are met. One basic requirement for allotment of shares is that the participant, subject to certain exceptions, remains employed within the MilDef Group throughout the three years of the program.

A further requirement is that MilDef's adjusted EBITDA per share during the period of validity has reached certain minimum levels and that MilDef's share price development on Nasdaq Stockholm has been positive during the same period. The number of shares that can be allotted to the participants according to LTIP 2025/2028 is capped at 20,000, which is equivalent to around 0.04% of all outstanding shares in the Company. During the year, 15,000 warrants were allotted to employees.

The Group's performance based long-term incentive program will enable the employees to obtain shares in the Company. The fair value of the allotted warrants will be recognized as an employee expense with an equivalent increase in equity. The fair value will be established on the allotment date and distributed over the vesting period. The recognized expense will be equivalent to the fair value of the warrants, taking into account market conditions. The actual expense recognized during the course of the program will be affected by the extent to which the service and performance terms are met. However, the recognized expense will not be affected by whether or not terms relating to market conditions are met. Social security contributions attributable to share-related instruments for employees as remuneration for services performed will be expensed over the periods during which those services are performed. Social security contribution liabilities are based on the fair value of the shares on the reporting date and on assessments made at the end of each period on the outcome of all terms in the program.

The total cost of this share-based remuneration amounted to SEK 0.5 million during the period, with an equivalent increase reported directly in equity.

OTHER INFORMATION

In addition to this, the cost of social security contributions has been expensed at SEK 0.2 million with an equivalent liability for these contributions of the same amount.

Contingent liabilities

There have been no changes in the Group's contingent liabilities. These are described in more detail on page 108 in Note 21 of the 2024 Annual and Sustainability Report.

The Parent Company's guarantee commitments for the subsidiaries increased following the acquisition of roda.

Disputes

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

Annual General Meeting 2025

The Board has decided to hold the Annual General Meeting in Helsingborg on May 21, 2026. Notice will be given in due order.

Forward-looking statements

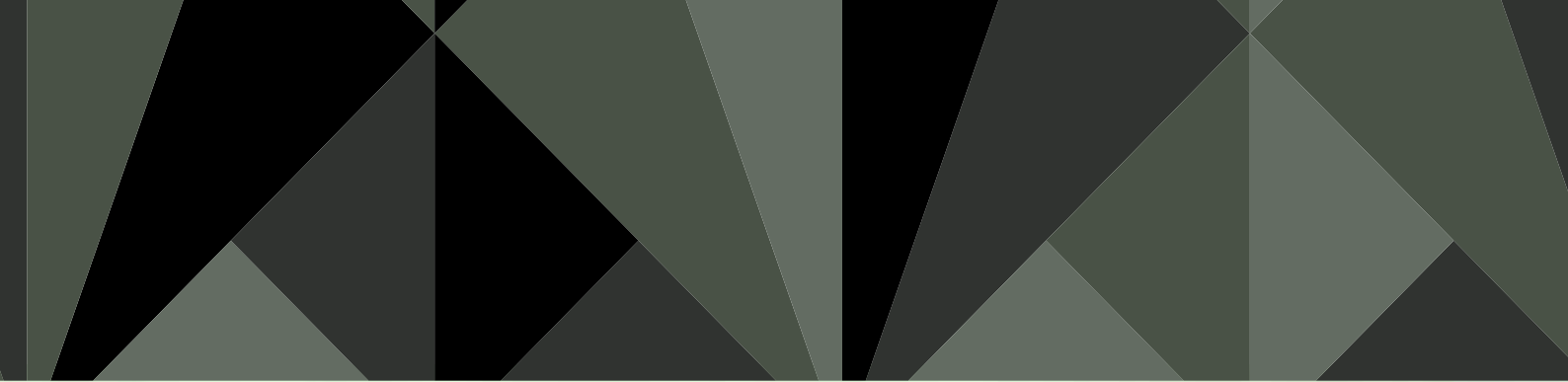
This report may contain forward-looking statements based on the Management Team's current expectations. Even though management considers the expectations expressed in such forward-looking statements to be reasonable, there can be no guarantee that these expectations will prove to be correct. Consequently, 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 2025 financial year be set at SEK 0.75 per share. The proposed record date for the right to receive a dividend is May 25, 2026. If the Annual General Meeting votes in favor of the proposal, the dividend is expected to be paid out on May 28, 2026.

Audit review

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



CONSOLIDATED FINANCIAL STATEMENTS

Condensed consolidated statement of comprehensive income

		October 1 – December 31	January 1 – December 31		Last 12 months	Full year	
SEK m	Note	2025	2024	2025	2024	Jan–Dec 2025	2024
Net sales	1	782.7	417.5	2,045.2	1,200.9	2,045.2	1,200.9
Cost of goods sold		-445.4	-219.8	-1,125.1	-611.8	-1,125.1	-611.8
Gross profit		337.3	197.8	920.1	589.0	920.1	589.0
Selling expenses		-133.8	-76.4	-457.6	-279.0	-457.6	-279.0
Administrative expenses		-38.9	-28.5	-138.4	-105.7	-138.4	-105.7
Research and development expenses		-34.8	-21.7	-112.0	-84.0	-112.0	-84.0
Acquisition costs	2	-	-10.8	-3.5	-10.8	-3.5	-10.8
Restructuring costs	2, 3	-	-310.0	8.9	-310.0	8.9	-310.0
Other operating income/expenses		1.8	-8.3	-3.1	-8.4	-3.1	-8.4
Operating profit		131.6	-258.0	214.4	-209.0	214.4	-209.0
Net financial items		-24.4	-1.7	-42.8	-13.6	-42.8	-13.6
Profit after financial items		107.3	-259.7	171.6	-222.6	171.6	-222.6
Income tax		-13.8	10.2	-23.6	2.2	-23.6	2.2
Profit for the period		93.5	-249.5	148.0	-220.3	148.0	-220.3
Attributable to:							
MilDef Group AB shareholders		93.4	-	147.7	-	147.7	-
Non-controlling interests		0.1	-	0.3	-	0.3	-
Other comprehensive income for the Group							
Items that may be reclassified subsequently to profit or loss							
Translation differences		-6.1	7.7	-24.9	2.4	-24.9	2.4
Other comprehensive income for the period		-6.1	7.7	-24.9	2.4	-24.9	2.4
Comprehensive income for the period							
		87.4	-241.8	123.1	-217.9	123.1	-217.9
Attributable to:							
MilDef Group AB shareholders		87.3	-	122.8	-	122.8	-
Non-controlling interests		0.1	-	0.3	-	0.3	-

Earnings per share

Earnings per share	October 1 – December 31		January 1 – December 31		Last 12 months	Full year
	2025	2024	2025	2024	Jan–Dec 2025	2024
Number of shares at the end of the period	47,114,895	45,573,068	47,114,895	45,573,068	47,114,895	45,573,068
Weighted average number of shares in the period before dilution	47,114,895	42,800,055	46,814,993	40,598,903	46,814,993	40,598,903
Weighted average number of shares in the period after dilution	47,114,895	43,136,604	46,871,500	41,013,824	46,871,500	41,013,824
Earnings per share before dilution (SEK)	1.98	-5.83	3.16	-5.43	3.16	-5.43
Earnings per share after dilution (SEK)	1.98	-5.78	3.16	-5.37	3.16	-5.37

Condensed consolidated balance sheet

SEK m	Note	Dec. 31, 2025	Dec. 31, 2024
ASSETS			
Non-current assets			
Capitalized product development expenses		8.4	12.7
Acquisition-related intangible assets		1,263.8	378.8
Other intangible non-current assets		0.7	0.2
Right-of-use assets		211.6	70.1
Other property, plant and equipment		43.0	20.3
Deferred tax assets		41.5	19.2
Other financial non-current assets		3.4	0.3
Total non-current assets		1,572.5	501.5
Inventories		531.8	234.4
Accounts receivable		513.9	330.1
Other current receivables		140.0	87.4
Cash and cash equivalents		148.6	530.4
Total current assets		1,334.3	1,182.2
TOTAL ASSETS		2,906.8	1,683.7
EQUITY AND LIABILITIES			
Equity*		1,519.3	1,101.7
Non-current liabilities			
Lease liabilities		182.8	60.7
Non-current interest-bearing liabilities		452.3	102.5
Deferred tax liabilities		105.0	24.8
Total non-current liabilities		740.1	188.0
Current liabilities			
Current interest-bearing liabilities		98.0	31.4
Lease liabilities		39.7	25.8
Accounts payable		169.8	85.6
Other provisions	3	11.6	15.8
Other current liabilities		328.2	235.3
Total current liabilities		647.4	393.9
TOTAL EQUITY AND LIABILITIES		2,906.8	1,683.7

*Equity attributable to MilDef Group AB shareholders amounted to SEK 1,518.0 million and to non-controlling interests, SEK 1.3 million.

Condensed consolidated statement of changes in equity

SEK m	Dec. 31, 2025	Dec. 31, 2024
Equity, opening balance	1,101.7	844.6
Comprehensive income for the period	123.1	-217.9
New share issues	321.3	495.0
Repurchase of treasury shares	-3.8	-
Share-based remuneration	0.5	-
Dividend	-23.5	-19.9
Equity, closing balance*	1,519.3	1,101.7

*Equity attributable to MilDef Group AB shareholders amounted to SEK 1,518.0 million and to non-controlling interests, SEK 1.3 million.

Condensed consolidated cash flow statement

	October 1 – December 31		January 1 – December 31		Last 12 months	Full year
SEK m	2025	2024	2025	2024	Jan–Dec 2025	2024
Cash flow from operating activities						
Operating profit	131.6	-258.0	214.4	-209.0	214.4	-209.0
Reversal of depreciation, amortization and impairment	32.5	251.8	110.3	303.4	110.3	303.4
Other non-cash items	26.9	77.4	11.8	77.1	11.8	77.1
Net financial items	-24.4	-1.7	-42.8	-13.5	-42.8	-13.5
Income taxes paid	-12.4	-3.5	-13.9	-22.1	-13.9	-22.1
Change in working capital	-80.8	-19.7	-282.8	8.4	-282.8	8.4
Cash flow from operating activities	73.5	46.3	-3.0	144.4	-3.0	144.4
Cash flow from investing activities						
Investments in intangible non-current assets	-	-1.4	-2.0	-9.8	-2.0	-9.8
Investments in property, plant and equipment	-13.9	-0.8	-28.6	-10.7	-28.6	-10.7
Acquisition of subsidiaries, net of acquired cash and cash equivalents	-	-0.3	-701.0	-12.8	-701.0	-12.8
Change in other non-current receivables	-	-	-	-	-	-
Cash flow from investing activities	-13.9	-2.6	-731.5	-33.3	-731.5	-33.3
Cash flow from financing activities						
Dividend	-	-	-23.5	-19.9	-23.5	-19.9
New share issues, net	-	491.5	6.6	495.0	6.6	495.0
Repurchase of treasury shares	-	-	-3.8	-	-3.8	-
Increase in liabilities to credit institutions	4.9	-35.2	474.2	-87.8	474.2	-87.8
Repayment of interest-bearing liabilities	-22.1	-7.5	-65.1	-30.0	-65.1	-30.0
Repayment of lease liabilities	-9.0	-5.5	-28.9	-22.2	-28.9	-22.2
Cash flow from financing activities	-26.1	443.3	359.7	335.1	359.7	335.1
Total cash flow for the period	33.4	487.0	-374.8	446.2	-374.8	446.2
Change in cash and cash equivalents						
Cash and cash equivalents at beginning of period	118.1	41.5	530.4	81.5	530.4	81.5
Exchange rate difference in cash and cash equivalents	-3.0	1.9	-7.0	2.7	-7.0	2.7
Cash and cash equivalents at end of period	148.6	530.4	148.6	530.4	148.6	530.4

Quarterly overview for the Group

SEK m	2025				2024			2023	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales	782.7	539.7	383.3	339.5	417.5	249.9	301.5	231.9	352.8
Cost of goods sold	-445.4	-296.6	-206.9	-176.3	-219.8	-125.0	-147.5	-119.6	-182.8
Gross profit	337.3	243.1	176.5	163.2	197.8	124.9	154.0	112.3	170.0
Operating expenses	-205.7	-175.0	-170.6	-154.5	-455.8	-103.1	-120.0	-119.2	-128.5
Operating profit	131.6	68.1	5.9	8.7	-258.0	21.8	34.1	-6.8	41.4
Net financial items	-24.4	-16.5	10.9	-12.9	-1.7	-0.5	-5.0	-6.5	-4.6
Profit before tax	107.3	51.7	16.8	-4.2	-259.7	21.4	29.0	-13.3	36.9
Income tax on profit for the period	-13.8	-6.2	-7.6	4.1	10.2	-4.1	-5.7	1.9	-11.3
Profit for the period	93.5	45.4	9.2	-0.1	-249.5	17.2	23.3	-11.4	25.7

Multi-year overview for the Group

	2025	2024	2023	2022	2021
Net sales, SEK m	2,045	1,201	1,151	739	470
Gross margin	45.0%	49.0%	48.3%	47.7%	44.7%
Adjusted operating margin (EBITA)	13.5%	12.5%	12.2%	6.1%	4.2%
Adjusted operating margin (EBIT)	10.2%	9.3%	9.4%	4.0%	1.8%
Adjusted profit margin (EBT)	8.1%	8.2%	7.7%	2.6%	1.3%
Earnings per share before dilution, SEK	3.16	-5.43	1.73	0.38	-0.03
Earnings per share after dilution, SEK	3.16	-5.37	1.71	0.37	-0.03
Cash and cash equivalents, SEK m	148.6	530.4	81.5	59.9	169.2
Cash flow from operating activities, SEK m	-3.0	144.4	54.5	-76.8	-55.5
Total assets, SEK m	2,907	1,684	1,526	1,394	808
Equity, SEK m	1,519	1,102	845	788	568
Equity/assets ratio	52.3%	65.4%	55.4%	56.5%	70.3%
Return on capital employed	12.6%	-15.7%	10.1%	3.4%	0.0%
Return on equity	11.3%	-22.6%	8.5%	2.1%	-0.2%
Equity per share, SEK	32.25	24.17	21.19	19.77	15.61
Dividend per share, SEK	0.75	0.50	0.50	-	0.75
Number of employees at year-end	479	327	309	291	188
Average number of employees	443	319	302	233	154

Condensed Parent Company income statement

	October 1 – December 31		January 1 – December 31		Last 12 months	Full year
SEK m	2025	2024	2025	2024	Jan–Dec 2025	2024
Net sales	60.8	21.2	159.3	111.2	159.3	111.2
Selling expenses	-17.9	-11.1	-54.7	-41.7	-54.7	-41.7
Administrative expenses	-19.7	-12.0	-63.0	-46.1	-63.0	-46.1
Research and development expenses	-11.5	-7.7	-39.3	-29.1	-39.3	-29.1
Acquisition costs	-	-	-	-	-	-
Restructuring costs	-	-4.9	1.4	-4.9	1.4	-4.9
Other operating income/expenses	5.4	0.0	-14.3	0.2	-14.3	0.2
Operating profit	17.1	-14.5	-10.5	-10.2	-10.5	-10.2
Net financial items	-3.6	-241.1	23.7	-238.5	23.7	-238.5
Profit after financial items	13.6	-255.6	13.1	-248.7	13.1	-248.7
Year-end appropriations	84.9	27.1	84.9	27.1	84.9	27.1
Profit before tax	98.5	-228.5	98.0	-221.6	98.0	-221.6
Income tax	-20.0	0.5	-19.7	-0.9	-19.7	-0.9
Profit for the period	78.4	-228.0	78.4	-222.5	78.4	-222.5
Other comprehensive income						
Profit for the period	78.4	-228.0	78.4	-222.5	78.4	-222.5
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	78.4	-228.0	78.4	-222.5	78.4	-222.5

PARENT COMPANY FINANCIAL STATEMENTS

Condensed Parent Company balance sheet

SEK m	Dec. 31, 2025	Dec. 31, 2024
ASSETS		
Non-current assets		
Property, plant and equipment	8.0	6.6
Holdings in Group companies	542.6	542.5
Non-current receivables from Group companies	1,118.7	-
Total non-current assets	1,669.3	549.1
Current receivables from Group companies	437.1	255.6
Other current receivables	24.6	28.7
Cash and cash equivalents	1.2	474.4
Total current assets	463.0	758.7
TOTAL ASSETS	2,132.3	1,307.8
EQUITY, PROVISIONS AND LIABILITIES		
Equity	1,376.2	1,003.2
Untaxed reserves	4.7	3.6
Provisions		
Charitable contributions	1.6	1.4
Restructuring reserve	0.4	4.9
Total provisions	2.0	6.3
Non-current liabilities		
Non-current interest-bearing liabilities	452.2	102.5
Deferred tax liabilities	-	-
Total non-current liabilities	452.2	102.5
Current liabilities		
Current interest-bearing liabilities	98.0	30.0
Current liabilities to Group companies	146.0	139.4
Accounts payable	12.7	8.1
Other current liabilities	40.5	14.7
Total current liabilities	297.2	192.2
TOTAL EQUITY, PROVISIONS AND LIABILITIES	2,132.3	1,307.8

Condensed Parent Company statement of changes in equity

SEK m	Dec. 31, 2025	Dec. 31, 2024
Equity, opening balance	1,003.2	750.6
Comprehensive income for the period	78.4	-222.5
New share issues	321.3	495.0
Repurchase of treasury shares	-3.8	-
Share-based remuneration	0.5	-
Dividend	-23.5	-19.9
Equity, closing balance	1,376.2	1,003.2

Notes

Note 1. Net sales by geographic area

	October 1 – December 31		January 1 – December 31		Last 12 months	Full year
SEK m	2025	2024	2025	2024	Jan–Dec 2025	2024
Nordics	377	257	937	695	937	695
Europe (excl. Nordics)	336	97	871	310	871	310
North America	62	41	153	153	153	153
Other countries	8	23	84	43	84	43
Total revenue	783	418	2,045	1,201	2,045	1,201

Note 2. Non-recurring items

	October 1 – December 31		January 1 – December 31		Last 12 months	Full year
SEK m	2025	2024	2025	2024	Jan–Dec 2025	2024
Acquisition-related expenses	-	10.8	3.5	10.8	3.5	10.8
Restructuring costs	-	310.0	-8.9	310.0	-8.9	310.0
Total	-	320.8	-5.3	320.8	-5.3	320.8

Note 3. Provisions

	October 1 – December 31		January 1 – December 31		Last 12 months	Full year
SEK m	2025	2024	2025	2024	Jan–Dec 2025	2024
Charitable contributions	1.6	1.4	1.6	1.4	1.6	1.4
Restructuring costs	0.4	12.4	0.4	12.4	0.4	12.4
Warranty expenses	9.6	2.0	9.6	2.0	9.6	2.0
Total	11.6	15.8	11.6	15.8	11.6	15.8

Charitable contributions

For many years MilDef has been donating around 1% of its operating profit to charitable causes. As a result of the Group's strong growth, a ceiling was introduced in 2025 of SEK 1 million per year for this provision. 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 has integrated the defense industry products of its Handheld subsidiary into the rest of the business and ceased operations in Handheld's other sales segments. As a consequence of this, MilDef has recognized a restructuring program 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 in the fourth quarter of 2024.

Outstanding provisions as of December 31, 2025 amounted to SEK 0.4 million and consist of the following items:

- Other operating expenses SEK 0.4 million

Total SEK 0.4 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	2025	2024	2025	2024	Jan-Dec 2025	2024
Operating profit (EBIT)	131.6	-258.0	214.4	-209.0	214.4	-209.0
Restructuring costs	-	310.0	-8.9	310.0	-8.9	310.0
Acquisition-related expenses	-	10.8	3.5	10.8	3.5	10.8
Adjusted operating profit (EBIT)	131.6	62.8	209.0	111.8	209.0	111.8
Adjusted operating profit (EBIT)	131.6	62.8	209.0	111.8	209.0	111.8
Net sales	783	418	2,045	1,201	2,045	1,201
Adjusted operating margin (EBIT), %	16.8%	15.0%	10.2%	9.3%	10.2%	9.3%
Operating profit (EBITA), SEK m						
Operating profit (EBIT)	131.6	-258.0	214.4	-209.0	214.4	-209.0
Amortization of intangible non-current assets	19.2	8.2	67.3	37.9	67.3	37.9
Operating profit (EBITA)	150.8	-249.8	281.7	-171.1	281.7	-171.1
Adjusted operating profit (EBITA), SEK m						
Operating profit (EBITA)	150.8	-249.8	281.7	-171.1	281.7	-171.1
Restructuring costs	-	310.0	-8.9	310.0	-8.9	310.0
Acquisition-related expenses	-	10.8	3.5	10.8	3.5	10.8
Adjusted operating profit (EBITA)	150.8	71.0	276.3	149.7	276.3	149.7
Adjusted operating profit (EBITA)	150.8	71.0	276.3	149.7	276.3	149.7
Net sales	783	418	2,045	1,201	2,045	1,201
Adjusted operating margin (EBITA), %	19.3%	17.0%	13.5%	12.5%	13.5%	12.5%
Operating profit (EBITDA), SEK m						
Operating profit (EBIT)	131.6	-258.0	214.4	-209.0	214.4	-209.0
Depreciation/amortization	33.0	15.4	110.7	67.1	110.7	67.1
Operating profit (EBITDA)	164.6	-242.6	325.1	-141.9	325.1	-141.9
Adjusted operating profit (EBITDA), SEK m						
Operating profit (EBITDA)	164.6	-242.6	325.1	-141.9	325.1	-141.9
Restructuring costs	-	310.0	-8.9	310.0	-8.9	310.0
Acquisition-related expenses	-	10.8	3.5	10.8	3.5	10.8
Adjusted operating profit (EBITDA)	164.6	78.2	319.8	178.9	319.8	178.9
Adjusted operating profit (EBITDA)	164.6	78.2	319.8	178.9	319.8	178.9
Net sales	783	418	2,045	1,201	2,045	1,201
Adjusted operating margin (EBITDA), %	21.0%	18.7%	15.6%	14.9%	15.6%	14.9%

Available cash and cash equivalents

SEK m	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024
Cash and bank balances	148.6	118.1	199.9	207.9	530.4
Unutilized overdraft facility	78.1	84.4	120.0	120.0	120.0
Available cash and cash equivalents	226.7	202.5	319.9	327.9	650.4

Working capital including cash and bank balances

SEK m	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024
Total current assets excluding cash and bank balances	1,185.7	1,116.8	917.1	1,027.5	651.9
Cash and bank balances	148.6	118.1	199.9	207.9	530.4
Current liabilities, non-interest-bearing	-498.1	-463.3	-389.0	-488.1	-321.0
Working capital including cash and bank balances	836.3	771.7	728.1	747.4	861.3
Net sales last 12 months	2,045	1,680	1,390	1,308	1,201
Working capital including cash and bank balances in relation to net sales, %	40.9%	45.9%	52.4%	57.1%	71.7%

Working capital excluding cash and bank balances

SEK m	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024
Inventories	531.8	620.2	530.7	480.7	234.4
Current receivables	653.9	496.6	386.4	546.9	417.5
Current liabilities, non-interest-bearing	-498.1	-463.3	-389.0	-488.1	-321.0
Working capital excluding cash and bank balances	687.7	653.6	528.2	539.5	330.9
Net sales last 12 months	2,045	1,680	1,390	1,308	1,201
Working capital excluding cash and bank balances in relation to net sales, %	33.6%	38.9%	38.0%	41.2%	27.5%

Return on capital employed

SEK m	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024
Profit after financial items, last 12 months	171.6	-195.4	-225.7	-213.5	-222.6
Financial expense, last 12 months	-55.6	-32.3	-25.0	-27.6	-23.2
Profit before financial expense, last 12 months	227.2	-163.0	-200.6	-186.0	-199.4
Capital employed at beginning of period	1,322	1,117	1,215	1,216	1,212
Capital employed at end of period	2,292	2,147	2,106	2,115	1,322
Average capital employed	1,807	1,632	1,661	1,666	1,267
Return on capital employed, %	12.6%	-10.0%	-12.1%	-11.2%	-15.7%

Return on equity

SEK m	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024
Profit after tax, last 12 months	148.0	-195.0	-223.2	-209.0	-220.3
Equity at beginning of period	1,102	852	840	835	845
Equity at end of period	1,519	1,432	1,388	1,408	1,102
Average equity	1,311	1,142	1,114	1,122	973
Return on equity, %	11.3%	-17.1%	-20.0%	-18.6%	-22.6%

Net debt/EBITDA

SEK m	Dec. 31, 2025	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024
Non-current liabilities, interest-bearing	635.1	590.2	612.6	612.3	163.2
Current liabilities, interest-bearing	137.8	125.5	105.8	94.4	57.2
Cash and bank balances	-148.6	-118.1	-199.9	-207.9	-530.4
Net debt incl. IFRS 16	624.3	597.6	518.5	498.8	-310.0
Operating profit, last 12 months	214.4	-175.3	-221.6	-193.4	-209.0
Depreciation, amortization and impairment, last 12 months	110.7	93.2	79.2	67.8	67.1
Non-recurring items, last 12 months	-5.4	315.5	318.9	319.2	320.8
Adjusted EBITDA, last 12 months	319.8	233.4	176.5	193.5	178.9
Net debt/EBITDA, multiple	2.0	2.6	2.9	2.6	-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 5, 2026

Björn Karlsson
Chair

Jan Andersson
Board member

Elisabeth Åbom
Board member

Carl Mellander
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.

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.

ADJUSTED PROFIT MARGIN (EBT)

Earnings after financial items adjusted for non-recurring items in relation to net sales.

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.

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.

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.

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.

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
- Around 500 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 MilDef'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 2025

The presentation will be held in English and will conclude with a Q&A. The meeting will start at 10.00 CET on February 5, 2026 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: **445 826 576#**

Financial calendar

Annual Report 2025	April 15, 2026
Interim Report Q1 2026	April 23, 2026
Annual General Meeting 2026	May 21, 2026
Interim Report Q2 2026	July 16, 2026
Interim Report Q3 2026	October 22, 2026
Year-End Report 2026	February 4, 2027

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 5, 2026 at 08:00 CET.

For further information please contact:



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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. 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 its companies in Sweden, Norway, Finland, Denmark, the UK, Germany, Switzerland, the USA and Australia. 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.