



# Annual and Sustainability Report **2025**



**WE ARMOR IT.**

# Information for shareholders

## Annual General Meeting

The Annual General Meeting will be held on Thursday, May 21, 2026 at 5 pm CEST at MilDef's headquarters in Helsingborg. Information on how to register to attend the meeting and notice of the meeting will be available on the website no later than four weeks prior to the meeting.

## Application

Shareholders wishing to participate in the Annual General Meeting must be registered in the share register maintained by Euroclear Sweden AB no later than May 12, 2026 and must notify MilDef of their intention to attend no later than May 15, 2026. In order to be entitled to participate in the AGM, shareholders with nominee-registered shares must request temporary registration of their shares in their own name in the share register maintained by Euroclear Sweden AB (so-called voting rights registration). Shareholders must inform their nominee of this well in advance of May 15, 2026. Voting rights registration requested by shareholders in time for registration to be carried out by the nominee no later than May 15, 2026 will be taken into account when the share register for the Annual General Meeting is prepared.

## Agenda

Details on the agenda for the Annual General meeting will be announced in Post- och Inrikes Tidningar (the Official Swedish Gazette) and in the Swedish newspaper Dagens Industri, and will be available on MilDef's website. Documents can also be obtained from MilDef when registering to attend the AGM.

## Dividend proposal

The Board of Directors is proposing to the AGM that a dividend of SEK 0.75 per share be set for the 2025 financial year.

## Reading guidelines

Figures in parentheses refer to operations in 2024, unless otherwise stated. The Swedish krona (SEK) is the currency used throughout. SEK million is abbreviated to SEK m and thousands to SEK 000. The information presented in the Annual Report regarding markets, competition and future growth constitutes MilDef's assessment, which is based primarily on materials produced internally within the Group and on external sources.

The Company's statutory Sustainability Report is presented on pages 30–51. The formal annual report (including other information) is presented on pages 54–142. Some figures have been rounded off and, accordingly, tables and calculations do not always add up exactly.

## Nomination Committee

The following board members are members of MilDef's Nomination Committee:

- Celia Grip, appointed by Swedbank Robur, Nomination Committee chair
- Martin Jonasson, appointed by the Second Swedish National Pension Fund (AP2)
- Mattias Montgomery, appointed by Carnegie Fonder

Björn Karlsson, Chair of the Board, is also co-opted to the Nomination Committee

## Requesting financial information

Financial and other relevant information can be requested from MilDef by post or can be downloaded from the website, where there is also a subscription service for news and financial reports.

## Investor relations contact

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## Financial calendar

Interim Report Q1 2026	April 23, 2026
Interim Report Q2 2026	July 16, 2026
Interim Report Q3 2026	October 22, 2026
Year-End Report 2026	February 4, 2027

## Contact

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## Production of Annual Report 2025

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# Rugged, reliable and resilient

At MilDef we build trust by protecting the most important things – people, information and missions. Our real strength is not only the rugged IT solutions we develop, but also the dedicated people doing the work. We stand firm when others hesitate. What we do is about more than providing equipment – it is about protecting those who are protecting us.

**WE ARMOR IT.**

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# The year in brief

In 2025 MilDef grew faster than at any time in the Company's soon-to-be three-decade journey. With sustained strong growth in line with the steep rearmament trajectory and supported by the transformative acquisition of German company roda computer GmbH, MilDef's sales have almost doubled compared to the previous year. This was the Group's strongest year so far - in order intake, sales and operating profit.

## Financial development 2025

NET SALES

SEK m **2,045** (1,201)

GROSS MARGIN

**45%** (49.0)

ADJUSTED EBITA

SEK m **276.3** (149.7)

ADJUSTED OPERATING PROFIT (EBIT)

SEK m **209.0** (111.8)

ORDER INTAKE

SEK m **3,193** (1,810)

ORDER BACKLOG

SEK m **3,595** (2,055)

FREE CASH FLOW

SEK m **-33.5** (127.7)

ADJUSTED EARNINGS PER SHARE

SEK **3.04** SEK (2.45)

DIVIDEND

SEK **0.75** per share (0.50)

## Highlights in 2025



Investments in increased production and delivery capacity.



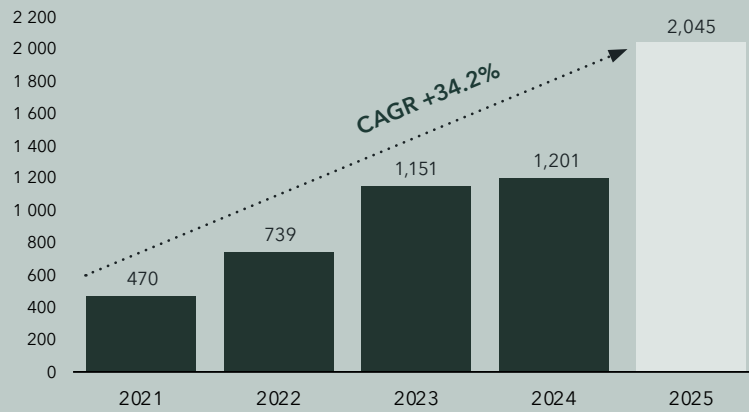
Record deal with German defense customer, worth SEK 320 million.



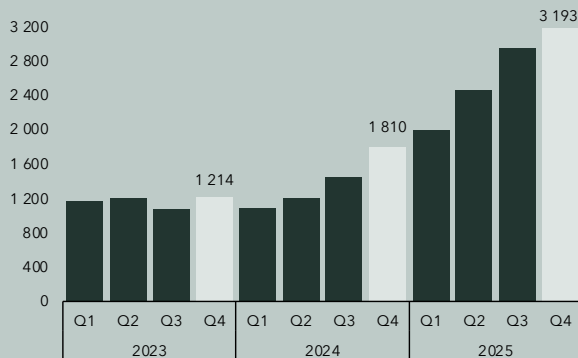
MilDef completed the acquisition of roda computer GmbH.

# Year-on-year comparison

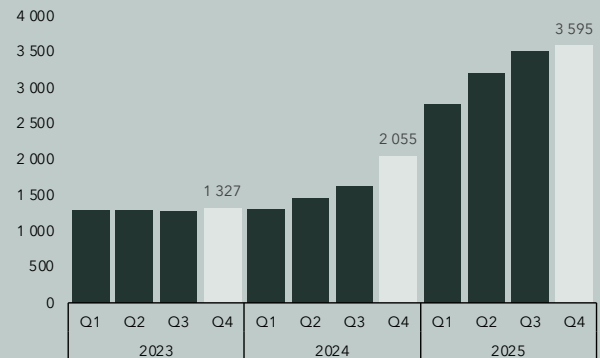
Net sales (SEK m)



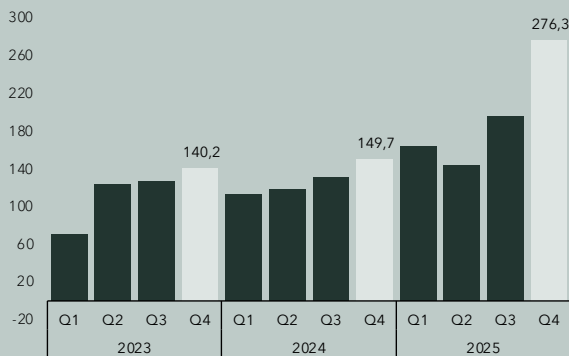
Order intake, (SEK m)



Order backlog (SEK m)



Adjusted operating profit (EBITA) LTM (SEK m)



Adjusted operating margin (EBITA) LTM (%)



# A strong position in the market



**2025 was a transformative year for MilDef. During the year the Company passed several milestones in its growth journey, advanced up the value chain and completed its largest acquisition to date. Altogether this resulted in the strongest year for the Group so far - in order intake, sales and operating profit.**

While delivering growth and improved profitability in 2025, we also continued to invest in the Company's expansion to meet demand and strengthen our market position. Investments to increase delivery capacity are higher than ever and are focused on areas such as recruiting more employees and expanding production capacity.

The process of rapidly scaling up operations to handle larger volumes is, of course, not without its challenges; it takes time to adapt resource levels to our order intake. With this in mind, it was particularly gratifying that MilDef's new production facility in Stockholm County became operational in the fourth quarter of 2025. Also during this quarter a decision was made to increase capacity investments in Helsingborg.

These are example of initiatives that will strengthen our delivery capacity, enable us to seize future business opportunities and provide more robust, long-term earning capacity.

## **Digital rearmament - vital for Europe's defense capability**

The defense capabilities of European nations are in a phase of increasing digital transformation. Better location and situation awareness, automated information management and shorter decision cycles are a few examples of potential gains. The digitalization taking place is essentially a transition from isolated conventional systems to data-driven, agile and connected networks. This trend is

“Our growth journey continues with a focus on defense and security, our customers and prioritized markets.”

playing an increasingly clear role in the capacity buildup of European armed forces. We have the capacity to deliver customized and tailored tactical IT systems, and both our order intake and our close relationships with customers show that our market position is strengthening quarter on quarter.

### NATO's new capability targets set the tone

In 2025 NATO's 32 member countries agreed on new capability targets and historic rearmament. Defense and security investments are to reach 5 % of GDP by 2035. This decision is a direct response to the war in Ukraine and an increasingly tense global security situation.

Now that the agreement is in place the work of turning ambitions into practice begins, which for most European countries means increasing their defense appropriations. This historic rearmament will impact the entire European defense industry - including MilDef - and set the tone for demand in the years ahead. The plan is for much of the additional funding to be used for orders in the period 2026-2030. Compared with February 2022, the time factor is now more urgent and the focus is on speed, putting increased pressure on both procurement agencies and the defense industry's delivery capacity. The increased requirements align well with MilDef's expansion plans.

### The roda acquisition

During the year the acquisition of German company roda computer GmbH ("roda") was concluded. This is an important step in our continued expansion and strengthens our market presence in Europe. The roda company is a well-established supplier of military IT solutions holding a strong position in Central Europe, particularly in Germany and the wider DACH region. Good development in 2025 shows that acquiring roda was the right decision. In 2025 Germany announced extensive rearmament, involving investing EUR 500 billion over 12 years, including to boost the country's defense capabilities.

NET SALES, SEK M

2,045

ORDER INTAKE, SEK M

3,193

ADJUSTED EBITA, SEK M

276

### Outlook

In a market landscape characterized by good demand, multiple business opportunities are arising adjacent to our core business. MilDef's path to success is, however, about maintaining a consistent focus on defense and security. We are therefore continuing our growth journey with an emphasis on our prioritized markets and customers. We believe that a clear focus creates the greatest value for both our customers and our shareholders. MilDef is continuing to execute its plans through investments in growth and increased delivery capacity to ensure long-term, profitable growth.

In conclusion, I would like to express my heartfelt and sincere gratitude to all of our employees for your commitment and hard work in 2025. Your efforts are crucial for MilDef's continued development and success.



Daniel Ljunggren,  
President and CEO of MilDef Group

# 2025 – a news-rich year

## News on business and operations

### **MilDef wins cybersecurity contracts with Clavister, worth SEK 40 million**

The hardware is a sub-component of two products in Clavister CyberArmour, a product family of AI-driven firewalls adapted for military applications. The first delivery will take place at the beginning of 2027.

### **The MilDef subsidiary Westek signs a contract worth SEK 45 million with a global defense corporation**

Westek Technology continues to grow after signing a contract to deliver rugged IT equipment for a global and mission-critical defense platform to a global security and defense corporation. This is the single largest order to date for Westek and deliveries will take place in 2026.

### **The Swedish Defence Materiel Administration orders hardware from MilDef worth SEK 126 million**

As part of ongoing accelerated defense rearmament, the Swedish Defence Materiel Administration (FMV) decided to replace older IT equipment with new from MilDef for digitalization of the Swedish Army. Deliveries took place in 2025.

### **Kongsberg Defence & Aerospace orders MilDef's rugged IT equipment worth SEK 225 million**

Beginning in 2026, MilDef will deliver IT equipment for increased digitalization capacity.

### **MilDef wins OneCIS software contract and hardware orders from the Swedish Defence Materiel Administration worth SEK 139 million**

MilDef will supply the Swedish Army with control systems for increased NATO interoperability and connectivity. The solution consists of MilDef's OneCIS software, hardware and integration services. Deliveries began in 2025. Based on the outcome of the options, the total value could amount to SEK 203 million.

### **MilDef's subsidiary roda signs contract with German cybersecurity company secunet**

The contract is for delivery of rugged IT equipment to secunet, a leading cybersecurity company. The deliveries will take place in 2026.

### **MilDef wins first hardware order from the NATO Support and Procurement Agency (NSPA)**

The contract involves delivery of rugged IT equipment, such as mobile computers, for further use in NATO operations. Deliveries took place in 2025.

### **MilDef's subsidiary roda wins an order from the armed forces of the Federal Republic of Germany (Bundeswehr) worth SEK 212 million**

The contract is for deliveries of rugged IT for vehicle integration projects for the army's D-LBO (digitalized land-based operations) digitalization project. Deliveries started in 2025 and will be completed in the fourth quarter of 2026.

### **MilDef wins a contract worth SEK 52 million with L3Harris to deliver IT systems in armored vehicles to a NATO country**

The contract represents MilDef's single largest US delivery of rugged 19"/2 hardware. MilDef will provide adapted servers, Cisco-based routers and fiber switches to meet L3Harris' requirements for the armored vehicle communications system.

### **MilDef receives a suborder worth SEK 320 million from a European NATO country**

In 2022 MilDef signed a 20-year framework agreement worth SEK 2.8 billion with the armed forces of an unnamed NATO country and now a large hardware order has been placed. The order is for delivery of MilDef's proprietary IT equipment for digitalization of the country's army. Deliveries will take place 2026-2028.

### **MilDef opens Bastionen - a strategic capacity increase for enhanced defense capabilities**

This 6,500 square meter office and production space in Rosersberg outside Stockholm quadruples MilDef's capacity in integration services, allowing for larger and more complex assignments for defense and security customers.

### **MilDef subsidiary roda receives order worth SEK 320 million from a German defense and security company**

The framework agreement order is for delivery of rugged IT equipment for a German defense and security company. Deliveries will take place in 2026.



# This is MilDef

MilDef is a systems integrator and full-spectrum supplier of specialized and rugged IT for defense and security. The Company develops and offers hardware, software and services to help digitalize important information flows in the toughest conditions and in the most challenging environments.

MilDef protects critical information flows and systems, where and when the stakes are the highest. The Company guarantees secure, resilient and reliable IT, which is ultimately not only protecting human lives but also our way of life, freedom and democracy - the very foundation of our society.

In close cooperation with our customers, partners and suppliers, we integrate durable, reliable and bespoke hardware, services and software in customizable systems and solutions. Solutions that are rigorously tested - not only in our laboratories and test facilities, but also in real life.

## Focus on security and defense

With operations in 10 countries, MilDef had sales of SEK 2,045 million in 2025 and around 500 full-time employees at the end of the year.

The Company's customers are in the defense and security sectors. There is a shared need for tactical IT solutions, hardware, software and services to digitalize operations in environments where the strains on IT systems are considerable. MilDef holds a strong position in its domestic market, the Nordic region, and has strong relationships with international customers. These relationships have been built up over time and are based on trust and delivery reliability.

**Tactical IT supplier**

**Founded in 1997**

**Listed on June 4, 2021**

**Around 500 employees**

**Key markets:**

- Nordics
- Europe
- Selected NATO nations

**Customers:**

- Defense
- Security

**Offering:**

- Hardware
- Software
- Services



# Vision, business idea and goals

Digitalization is increasing within defense and security as is the need for tactical IT solutions in demanding environments. MilDef is taking an active part in this development and the Company's goal is to be the most reliable partner in the industry. MilDef adds value through industry-leading quality and good delivery precision.

## Vision

Your number one choice for tactical IT.

## Mission

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

## Business idea

MilDef's business idea is to develop, offer and deliver tactical IT products and services for operations and functions that are crucial for society. MilDef customize solutions to meet our 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 global security and defense market.

## Core values

MilDef achieves its goals by meeting the unique requirements of tactical and demanding environments. Quality and robustness are crucial for the success of MilDef's customers. MilDef's relationships are based on trust and the business is to be operated in an open, honest, respectful and transparent way. Integrity must always be maintained. MilDef's brand is based on quality and a commitment to meeting and exceeding expectations - both MilDef's own and those of its customers.

## Financial targets

- MilDef's financial targets and performance are presented at the end of this page.
- Over the past five years sales have increased by an average of 34.2% per year (CAGR) and the operating margin (EBITA) has averaged 11.3%. MilDef is planning to grow through a combination of organic and acquisition-driven growth. MilDef's target for interest-bearing net debt is for it not to exceed 2.5 times operating profit (EBITDA), other than temporarily. MilDef's dividend policy is to distribute 20-40% of net profits when this is possible.

## To reach its financial targets for growth and profitability MilDef is employing the following strategies:

- Increase market share in existing prioritized markets.
- Implement strategic acquisitions that complement MilDef's current product portfolio and/or provide entry into new markets.
- Continue to invest in product and software development as well as the service offering, for both new products and to further develop existing ones.

## The four financial targets

### GROWTH

At least **25%** growth per year over time

**Outcome: 70%**  
Growth

### PROFITABILITY

At least **15%** EBITA margin over time

**Outcome: 13.5%**  
Adjusted EBITA margin

### CAPITAL STRUCTURE

Net debt **not** to exceed **2.5x** EBITDA

**Outcome: 2.0**  
Net debt to EBITDA

### DIVIDEND POLICY

Distribute **20-40%** of net profit

**Outcome: 24%**  
Net profit distribution

# A system design house providing tactical advantages

Tactical IT is the backbone of modern military systems. It is a cornerstone for IT infrastructure and effective operator environments, enabling all subsystems to function seamlessly. Defense-adapted integration of hardware, software and services offers secure communication, data processing, storage, seamless integration of functions and interoperability with other systems, and many other capabilities. These are capabilities that give military and security personnel an advantage when the stakes are the highest.

## An expanded product offering

When MilDef creates a system of systems, it is imperative that the IT infrastructure works seamlessly and without errors. MilDef's hardware offering has been developed and refined over the course of almost three decades. It started with rugged laptops and tablets and continued with the development of the Company's proprietary 19"/2® product range. Then came the addition of hardware from acquired companies such as Swedish Handheld, British AVT and German roda computer. To this broad and customer-centric product offering MilDef adds a unique knowledge base for the entire process - from concept to design, verification, manufacturing and delivery, as well as support and aftermarket.

## 19"/2®. A digital ecosystem

The 19"/2® series is a product family that gets its name from its form factor. It consists of computers, switches, routers and other customized hardware. The products are mainly used in vehicles - both wheeled and tracked - as well as in naval vessels and aircraft. The series is part of MilDef's own hardware portfolio and is the largest and most complete. It is built to meet the standards for rugged IT infrastructure, delivering high performance on a small surface. The products can easily be adapted and changed in areas such as signals, contacts and performance. Their modular format allows customers to build systems to suit

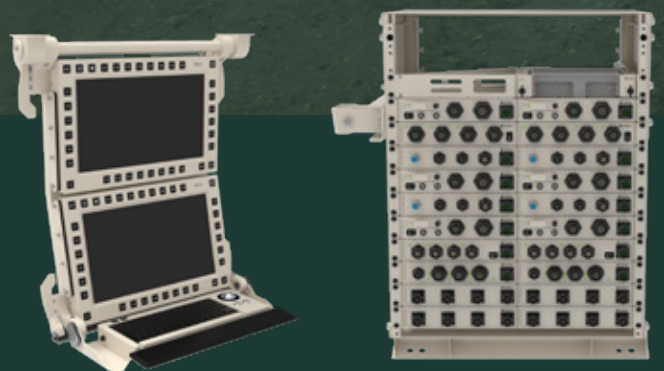
their needs, and to add or remove functions as needed. This makes the systems flexible, scalable and cost-effective. A common example is an IT system in a military vehicle, such as troop transport vehicles or combat boats, where MilDef's computers, servers, switches and displays form the core of IT capabilities. The products have a long life, making them both sustainable and well-adapted for long lifecycles in military platforms.

## Intellectual property bank

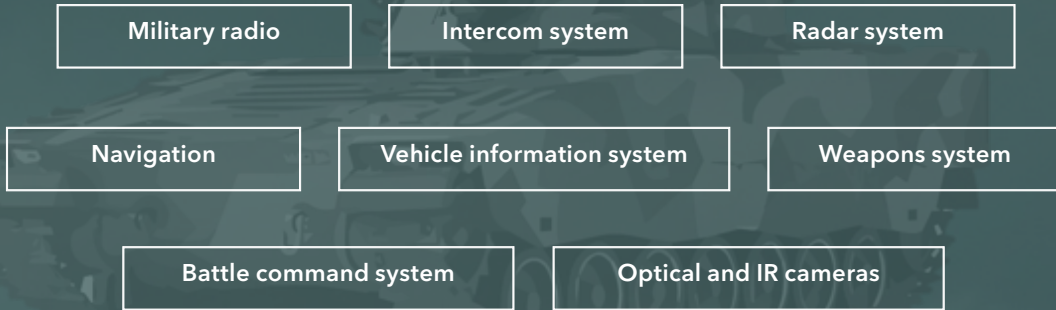
Since technical development of MilDef's 19"/2® products began, the Company has built an IP (intellectual property) bank filled with experience and reusable knowledge - encompassing technical expertise as well as trust capital from military applications. By retaining and reusing this IP bank, future product projects can leverage past development work, which benefits the customers in the form of guaranteed quality, short lead times and cost-efficiency. A profound knowledge base is essential for MilDef's ability to elevate its offering as a complete system design house to which defense purchasers can turn for complex and ready-to-use comprehensive solutions. Modularity also enables MilDef to quickly replace products, for example when a vehicle needs a technical upgrade. The design - both inside and out - provides a unique advantage for customers and ensures secure, efficient and cost-effective adaptation of complex systems - all thanks to the Company's IP bank.

## Unique opportunities for customization

- | Modular design
- | In-house capacity
- | Concept development
- | Design
- | Testing & verification
- | Manufacturing
- | Service & support



## Examples of digitalized vehicle systems



### Displays for enhanced visualization

Displays and screens are the visual surface where the eye meets tactical information - the operator's work environment, where soldiers receive data with minimal delay and instant responses. Simply put - fast and reliable realtime information.

In line with the increasing demand for visualization and video streams, MilDef has advanced its position in visualization of information in data-driven defense environments. Today MilDef offers displays, panel PCs and multifunctional products from 6", 7" and 8" screens up to 65" video walls for presentations at command headquarters. MilDef's displays have been developed to handle demanding environments in terms of both environmental impact and electromagnetic threats. The products are designed for a long life without the need for maintenance, which means they can be used for 10+ years without any planned service.

### Mobile computers

MilDef has a broad offering of rugged computers for mobile use, including laptops, tablets and handheld devices. All models can be further modified through configuration and customization. The range of tablets in various sizes and designs provides mobility and enables them to be installed in restricted spaces in vehicles or boats.

The range of mobile products is primarily delivered by MilDef's and roda's partner MilDef Crete. The offering also includes some proprietary products as well as alternative laptops from companies such as Panasonic.

With its dismounted soldier concept, MilDef also offers soldier-borne digitalization to meet the need for increased use of technology at the individual level. The launch of the in-house developed Android-based MilDef T.A.D. is one example.

### Special electronics and accessories

MilDef produces specialized solutions for specific tasks. For example the Company designs and builds rugged controllers for remote control of unmanned craft such as drones. MilDef can also create customized computers with an integrated battery, detachable hard disk and multiple interfaces to connect to communication equipment and sensors.

MilDef also offers accessories needed to integrate and use tactical IT equipment in variable environments. The portfolio includes keyboards of various designs, specially adapted cables, media converters and more.





# Services and software

## Service offering

MilDef Solutions is a service offering where technology is turned into defense capability. This offering essentially consists of MilDef's services for customers, where tried and tested hardware is combined with software such as the Company's unique OneCIS for cutting edge system integration.

MilDef's service offering consists of three main areas: program and project management, system design and integration services. This enables MilDef to help customers with everything from project planning to design and integration of systems. MilDef offers experience and expertise throughout the system integration process - from preliminary study and system design to physical integration, installation and maintenance of products and systems. Customized integrated logistics solutions (ILS) solutions and technical support ensure high accessibility and effectiveness throughout the system's life cycle. MilDef designs and integrates hardware such as command and communication systems, navigation systems, sensors, and radar, electronic warfare and optronics systems. MilDef works with a whole range of platforms, objects and facilities, and has carried out projects involving combat vehicles, combat boats, command and control units, and facilities such as command centers, simulators etc.

In 2025 MilDef's integration capacity was significantly expanded for the Swedish market. The customized integration facility called Bastionen (the Bastion) - a 6,500 square meter office and production space in Rosersberg - was opened in October 2025. This investment has quadrupled MilDef's capacity in integration services and enables the Company to accept larger and more complex orders in Sweden.

## Research and development

MilDef conducts extensive and proactive research and development. R&D is not just a function activated by the sales process, it also drives MilDef's own technology development through continual investment in the product portfolio. Through its R&D the Company initiates its own

development of new hardware platforms, software functions and system components, based on market trends, customer insights and technical possibilities. When a customer inquiry is received the R&D department is linked in early on to create a concept that meets the requirements and describes how MilDef can realize a solution. Both the concept phase and the project department proceed to build on MilDef's growing resource bank of reusable technology - electronics, mechanics and software - allowing the Company to quickly and cost-effectively design unique, bespoke products. The combined power of proactive in-house development and fast adaptation to customer needs is one of MilDef's greatest competitive advantages.

## OneCIS™. Fast and secure implementation of IT services

In a time when multiple military units need to cooperate on operations, seamless communication and effective and secure information sharing are essential. MilDef's OneCIS software facilitates Multi-Domain Operations (MDO) and the fast rollout of tactical IT services, including for mobile control systems, tactical units and rapid deployment forces. OneCIS is a NATO-compatible system for launching hardware, operating systems, applications and third-party products. It delivers tactical IT services for deployed personnel, tactical units and rapid deployment forces. Combined with MilDef's hardware, this offers a secure, flexible, scalable and implementable tactical IT solution that reduces the risk of manual errors and enables increased operational capacity through automated and well-tested configurations.

## Facilitate for the customer

Regardless of the customer's product field, MilDef aims to facilitate for the customer and reduce complexity. MilDef does this by taking full responsibility for system design and overall responsibility for the entire delivery, regardless of how many subcontractors are involved, the degree of complexity and any specific requirements.



## Service offering

- | Project, program and portfolio management
- | System technology and design
- | ILS management and technical support
- | System security
- | Technical documentation
- | Integration, installation and maintenance
- | Helpdesk and service desk, contact center management

## Competitive advantages of OneCIS™

- | Fully automated launch
- | Faster and more reliable
- | Improved security
- | Flexible and open architecture
- | Makes it possible to build systems that match NATO's highest security standards - NATO Federated Mission Networking (FMN)

# How MilDef sells

MilDef operates in three main geographic markets: the Nordics and Baltics, Continental Europe and the UK, and North America. Each region has a distinct market structure, competition climate and degree of maturity. These have an impact both on business opportunities and MilDef's position as a supplier of tactical IT solutions. The company acquired in 2025, *roda computer*, substantially strengthens MilDef's position in Central Europe and is an important platform for further sales expansion in the DACH\* region and Eastern Europe.

MilDef's sales operations are mainly organized regionally, within the Nordics and Baltics, Europe and North America. The level of direct sales to government procurement organizations and defense companies varies from market to market. In the Nordic countries, MilDef largely sells its product and service offering directly to end-customers based on established relationships with users and government agencies, and through other defense companies. Public sector customers use direct contracts and also acquire products through logistics organizations, such as the Swedish Defence Materiel Administration (FMV), the Norwegian Defence Materiel Agency (NDMA) and the Danish Ministry of Defence Acquisition and Logistics Organization (DALO).

In the DACH region, MilDef's subsidiary *roda* has had a strong foothold since 1987 and has a long history of collaboration with the armed forces of the Federal Republic of Germany (Bundeswehr) via framework agreements, as well as defense companies such as Rheinmetall and secunet. Sales in the rest of continental Europe are primarily in the form of hardware orders through local partners. MilDef's business in the UK is first and foremost focused on deliveries for military platforms (vehicles). The integration of Westek (part of the *roda* acquisition) has increased the potential for additional growth. Sales activities in North America are aimed at the B2B segment, with the size of the market justifying a clear focus for the fastest effect.

## Value chain dynamics

Over the past few years MilDef has advanced up the customers' value chains, offering complete capacity offerings

within system solutions based on MilDef's hardware, OneCIS software and services. The value chain for complex defense platforms and systems consists of a number of subcontractors delivering subsystems, products and components to a main supplier that manufactures, delivers and is responsible for the end-products and/or systems delivered to end-customers. Suppliers of integrated systems and products are often well-established, large, multinational tier 1 corporations that are diversified in terms of products and geographical presence, and have close business relationships with national defense procurement agencies.

## A competitive offering

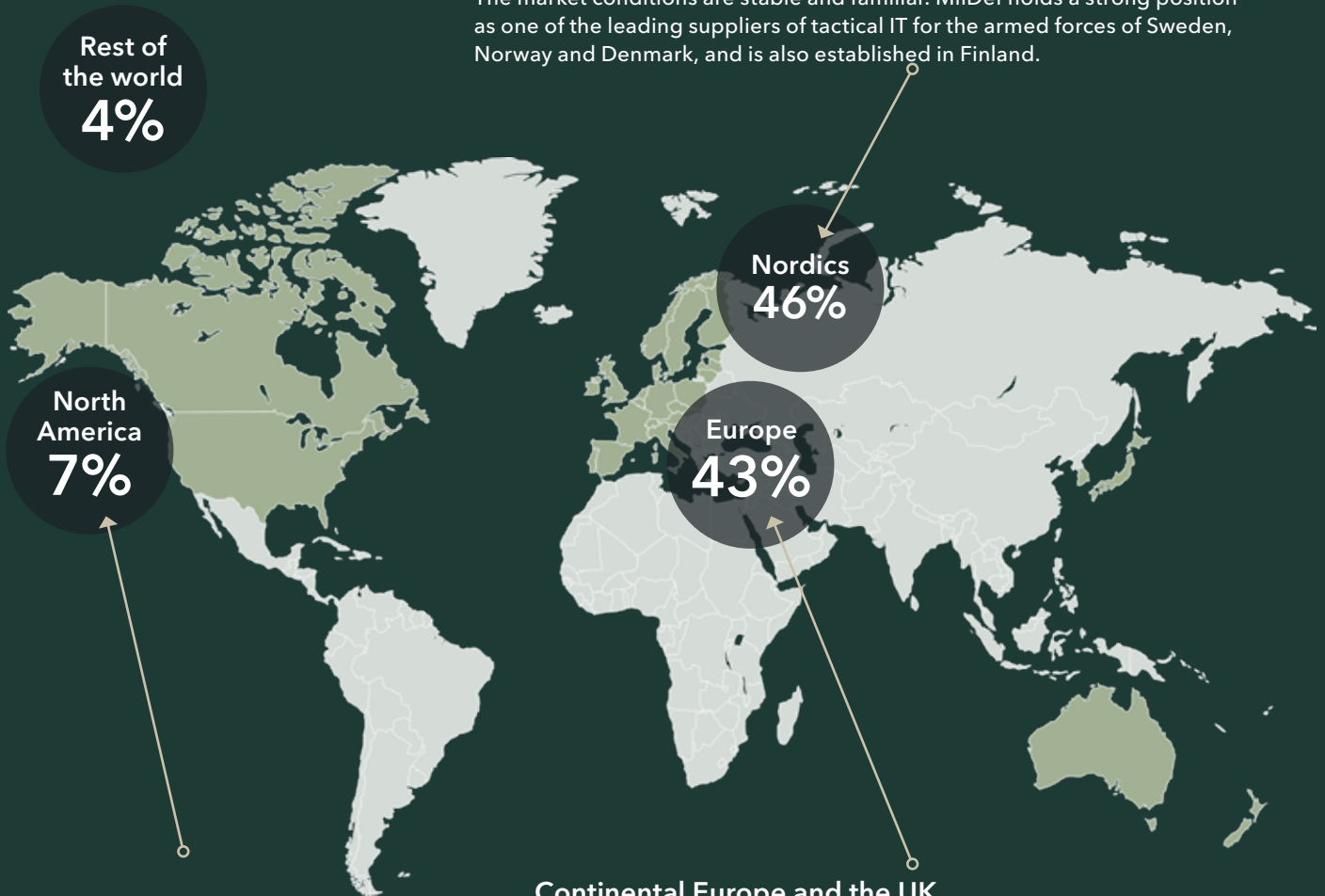
MilDef is competitive as an actor offering a combination of hardware, software and services that can be delivered separately or as complete solutions. Local presence, industry knowledge and lasting relationships with government agencies, users, global defense corporations and partners combine to give MilDef a strong position in IT solutions for the defense sector.

MilDef's main focus is markets where the Company has an established presence and partnerships allowing the Company to act with flexibility when and where new demand arises. By selling and delivering high-quality products, on time and with a strong focus on the best interests of the customer, MilDef has built strong relationships and deep trust in an industry where this is highly valued.

**“By selling and delivering high-quality products, on time and with a strong focus on raising capacity for customers, MilDef has built strong relationships and deep trust.”**

\*Germany, Austria, Switzerland

## MilDef's sales around the world in 2025



### Nordics and Baltics

The regional market in the Nordic and Baltic countries typically consists of a limited number of larger, well-known customers and few established actors. The market conditions are stable and familiar. MilDef holds a strong position as one of the leading suppliers of tactical IT for the armed forces of Sweden, Norway and Denmark, and is also established in Finland.

### North America

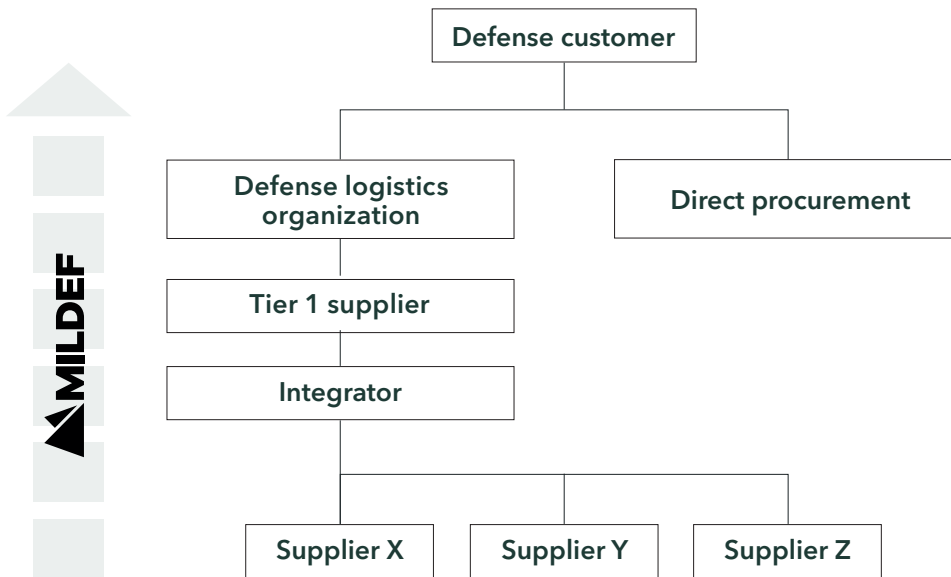
North America has an extensive and very dynamic market with multiple sales channels and there is significant competition from both national and global actors. MilDef is primarily active in the B2B segment and is still relatively unknown as a supplier of tactical IT in the North American markets.

### Continental Europe and the UK

For MilDef, the DACH region and the UK are markets consisting mainly of a limited number of larger customers and known actors. MilDef is an established supplier of tactical IT in DACH and the UK, but the degree to which the Company is known in these markets varies. In the rest of Europe the structure of the actors of interest to MilDef is larger and more dynamic.

# MilDef climbing up the value chain

Over the past few years MilDef has been climbing steadily up the value chain, increasingly selling its products directly to the Nordic defense materiel procurement administrations (FMV, DALO, NDMA), and more and more through framework agreements with a few of the world's largest defense companies. Backed by a highly reputable offering, MilDef has strengthened its market position and become increasingly in demand.



## Examples of actors in the supply chain

Defense customer	
Defense logistics B2G	
Tier 1, 2 & integrators Global B2B	
Local partner	<p>Where MilDef does not have its own company, sales take place through strategic partner companies.</p>



# Dynamics and rearmament in the defense industry

To understand the investment potential of defense companies in general - and for MilDef in particular - it is important to place the Company in a long-term context. Now as Europe's armed forces are being rebuilt - after 30 years of disarmament - a lot is happening, but not all at the same time nor sequentially. We are instead seeing a complex capacity increase process with many different actors in the defense system working together for an increased overall effect. Below are examples illustrating the anticipated rearmament dynamic.

It is clearly evident that MilDef is playing an increasingly important role as a subcontractor for large, data-driven defense systems. But exactly how, when and where rearmament takes place is determined by national defense organizations, which in turn control the pace of defense materiel purchasing.


### MilDef is a late-cycle actor

In times of geopolitical uncertainty with active hotbeds of conflict throughout the world and a 180 degree turn on defense requirements, the delivery system is put to the test. In the new rearmament dynamic, defense technology suppliers like MilDef find themselves in a late-cycle phase

in which, instead of operational capacity, there is an immediate demand for ammunition, protection, drones and proven defense technology. In the second phase, a few years after the invasion of Ukraine, orders start coming in for brand new, advanced vehicle fleets and systems. Thousands of these platforms are being ordered and will be delivered for integration into the defense system, sometimes over a 10-year period. The third phase is where MilDef comes in to equip these platforms with digitalization and intelligence for data-driven defense capabilities. This is the phase - which is in turn divided up into different stages - that MilDef has considered itself to be in since 2025.


## Differentiated defense procurements

DYNAMICS in times of active conflicts




**1 | Operational effect**

- Ammunition
- Fuel
- Training
- Drones



**2 | Platforms**

- Troop transportation
- Battle tanks
- Aircrafts
- Ships



**3 | Tactical IT, C2 (command & control)**

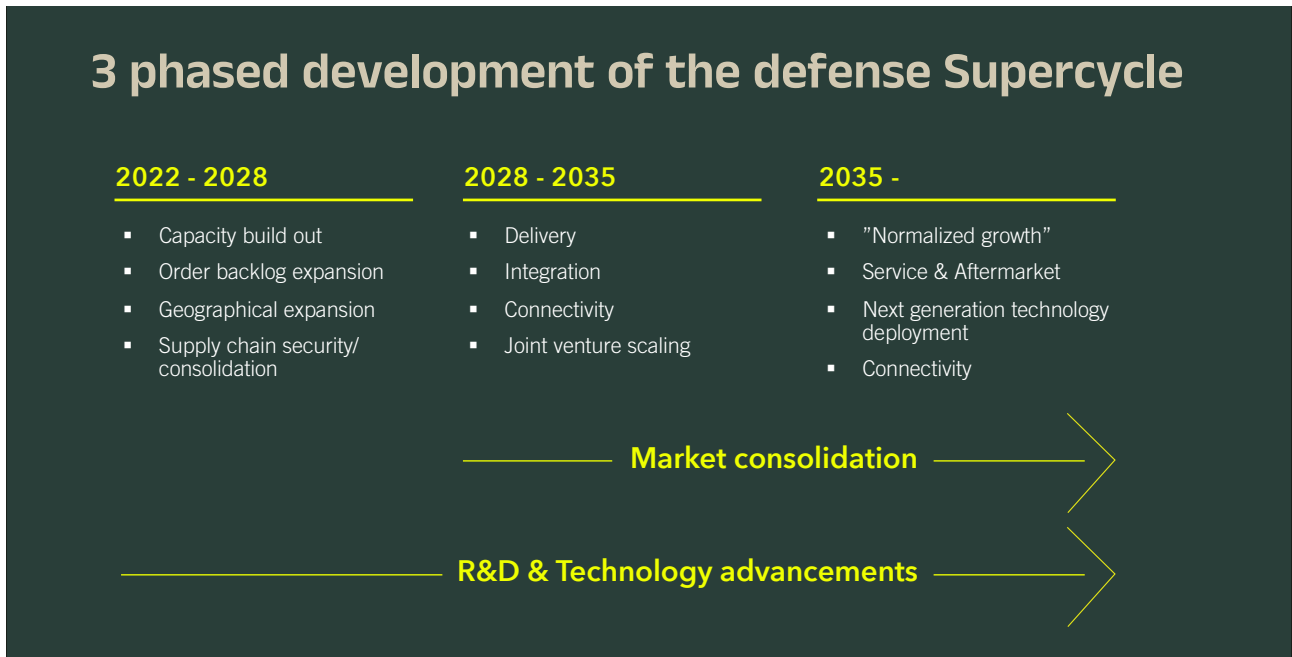
- Computers
- Switches
- Displays
- System of systems

**IT power for midlife upgrades + new platforms** ➔

### A supercycle for defense technology

Since the capacity buildup facing Europe is unparalleled in the modern era, little is known about exactly what the different phases of rearmament entail. One assessment is that the next three to five years will mainly involve capacity increases and large defense orders. Deliveries over the

next decade are expected to be for rebuilding robust defense capability. The level of aftermarket, replacement orders and increased consolidation is expected to increase from 2035. This assumption is based on assessments by defense analysts.



### European defense growth

MilDef's long-term growth in Europe is driven by several clear trends. Europe's rearmament, increased investment in data-driven defense technology and a stronger emphasis on European autonomy are creating growing demand for rugged tactical IT solutions. At the same time, digitalization

technology development, autonomous systems and AI are increasing the need for reliable IT infrastructure. Joint Nordic procurement and a greater demand for interoperability within NATO are further drivers. There is, however, uncertainty about the schedules and scope of Europe's future build-up.



# Trends

## driving the market

In 2025 the geopolitical security situation worsened further. Decisions were taken in both the Nordics and elsewhere in Europe to increase defense and security spending. Here we identify five of the key factors driving the growth in MilDef's offering.

1

**Strong increase in defense appropriations** and the fact that for many years there has been structural underinvestment in total defense. In many countries actors are demanding an increase in expenditure to raise the level of security nationally, regionally and globally.

2

**Modernization programs** are essential in order to meet the goals set out above. To implement this it is necessary to replace old materiel with more modern systems that can handle the increasing demands of modern and digitalized armed forces.

3

**Digitalization, IoT and AI** are powerful trends with crucial significance within defense and security. Total defense strategies must keep up with technical developments and this means that more is expected of IT systems. The systems require higher performance levels to handle the massive amount of data being used, while also retaining the same level of security - both physically and technically.

4

**New technologies** are having a significant impact on rugged defense electronics. For example, better sensor systems and various types of remote-controlled craft require more from the electronics that control them.

5

**The significance of total defense** has grown and this has increasingly expanded the term "defense" to include security in critical functions in society, in addition to military defense. This concept involves armed forces playing an ever-increasing role in emergency management situations.



# Paths to continued growth and expansion

As a leading supplier of tactical IT, MilDef has linked its strategies to expansion within three areas: hardware, software and services. The path to continued growth is through expansion in existing and new markets, an expanded portfolio and an active acquisition agenda.

## PILLARS OF GROWTH

**Unleash the potential in the “classic” portfolio to exceed market growth in the years to come**

### EXISTING MARKETS

With representation in 10 countries, MilDef has significant opportunities to grow in its existing markets. With a focus on the Nordics, Europe, the USA, the UK, selected NATO countries, and carefully selected other markets, MilDef is creating a market situation with factors for repeatable success.

By accelerating sales of MilDef’s “classic” range of products and services, the Company is well-positioned to win market share, above all in the markets where MilDef has its own companies, such as Germany.

Through its long-term market presence, the Company also has potential for add-on sales (product upgrades and replacement products) based on previous contracts, thereby generating repeat revenue.

**New technology, system design/integrator solutions and software lead to expanded relationships**

### PORTFOLIO STRATEGY

Alongside expanding its range of hardware, MilDef is also aiming for growth in software and services. The services that MilDef delivers range from strategic IT to software-related services and implementation, as well as aftermarket services. Future solutions will increasingly be a combination that includes more components from fewer suppliers.

Hardware and software represent the technical element of digitalization. This is supplemented by a spectrum of services, from strategic IT including change management, to implementation.

MilDef has identified good opportunities in so-called infrastructural software, i.e. in operating systems, communications, security, deployment, sensor systems, etc.



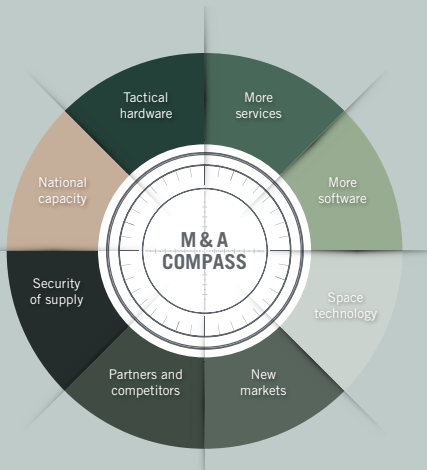
### ACQUISITION COMPASS

With a structured process to identify, evaluate and implement acquisition candidates, MilDef is seizing opportunities in a fragmented market. MilDef acquires companies with the potential to develop better within the Group than on their own. MilDef’s M&A compass is a telescopic sight aimed at the types of companies MilDef looks for and evaluates. The strategy includes eight selection criteria with a focus on choosing the right acquisition candidates. Combined with an integration model focused on value-generating benefits and soft integration, the necessary conditions are being created for expansion.

Eight acquisitions have been implemented over the past decade. These acquisitions have allowed MilDef to expand its customer offering to add services and software, in addition to the hardware it offers.

# An active acquisition strategy

Since 2011 MilDef has carried out eight acquisitions. The single largest is the roda acquisition. Below is a description of MilDef's work on strategic acquisitions.



## MILDEF'S M&A STRATEGY INCLUDES

- 1 | A compass showing prioritized acquisition targets
- 2 | A backlog where M&A opportunities mature
- 3 | A plan for valuation and due diligence
- 4 | A growth model for successful integration

## CRITERIA TO QUALIFY AS AN ACQUISITION CANDIDATE

- 1 | Untapped potential in the existing offering
- 2 | Added value via MilDef's market channels and/or organizational structure
- 3 | Compatible corporate culture and values
- 4 | Continued engagement of key individuals

## EIGHT ACQUISITIONS 1997-2025

2011

Terralogic

2016

Amrel's Rugged Computer Division  
 Bedriftssystemer

2021

Sysint  
 Defcon Solutions

2022

Handheld Group

2024

Advanced Vision Technology

2025

roda computer

## MilDef's growth priorities

MilDef has four strategic steps for continued expansion. They involve scaling up the business, climbing up the value chain, expanding in a clear and controlled way, and building a robust and resilient organization. MilDef is also developing expertise and capacity, strengthening system and delivery capability, prioritizing key customers and ensuring that processes, supply chains and cybersecurity are effective. The Company has a responsible business model and is focusing on further selective acquisitions.

## PRIORITIES GOING FORWARD

### SCALING UP

- Capacity ramp-up
- Empowered workforce
- Increased facility capacity
- Cost-efficient way
- Process excellent mindset
- Data-driven capabilities

### CLIMB THE VALUE CHAIN

- Prime contractor
- Turn-key solutions
- Increased barriers to enter
- Improved margins
- Deliver on customers commitments

### FOCUSED EXPANSION

- Defense domain focus
- Prioritized key customers in attractive geographic areas
- Customer-focused solutions
- A trusted long-term strategic supplier for selected MoD's & primes

### RESILIENCE

- Multi-location manufacturing capacity
- Redundancy in the organization
- Supply chain resilience
- Cybersecurity

Sustainable business

M&A

# Five reasons to invest in MilDef

1

**Well-reputed supplier** in a market experiencing strong growth

2

**Technology and solutions** positioned for defense build-up

3

**Experienced experts** in digitalization within defense and security

4

**High-level engineering knowledge** and solid industry know-how

5

**Tried-and-tested strategies** for accelerated growth and value-creation

## 1 | Well-reputed supplier in a market experiencing strong growth

- MilDef targets selected markets that have high potential and forecast growth. The Company is focusing on the Nordic region, Europe, the UK, the USA and selected NATO nations.
- Growth is driven by digitalization in demanding environments, expanding defense budgets globally, technical innovations and modernization.
- Long-term customer relationships are crucial for success in this market.

## 2 | Technology and solutions positioned for defense build-up

- MilDef has significantly broadened its offering to become a supplier of hardware, software and services to system design house and is fully focused on defense and security.
- The products are constructed to handle the most challenging environments and meet strict military specifications.
- With modern production facilities in Sweden, Germany and the UK, and quadrupled capacity through the 2025 launch of new integration operations in Rosersberg outside Stockholm, MilDef has expanded its manufacturing and integration capacity.

## 3 | Experienced experts in digitalization within defense and security

- A well-positioned portfolio for comprehensive tactical solutions in hardware, software and services.
- For almost 30 years MilDef has built a unique knowledge bank as a leading supplier of rugged and field-proven defense and electronic equipment.
- MilDef only has a few direct competitors.

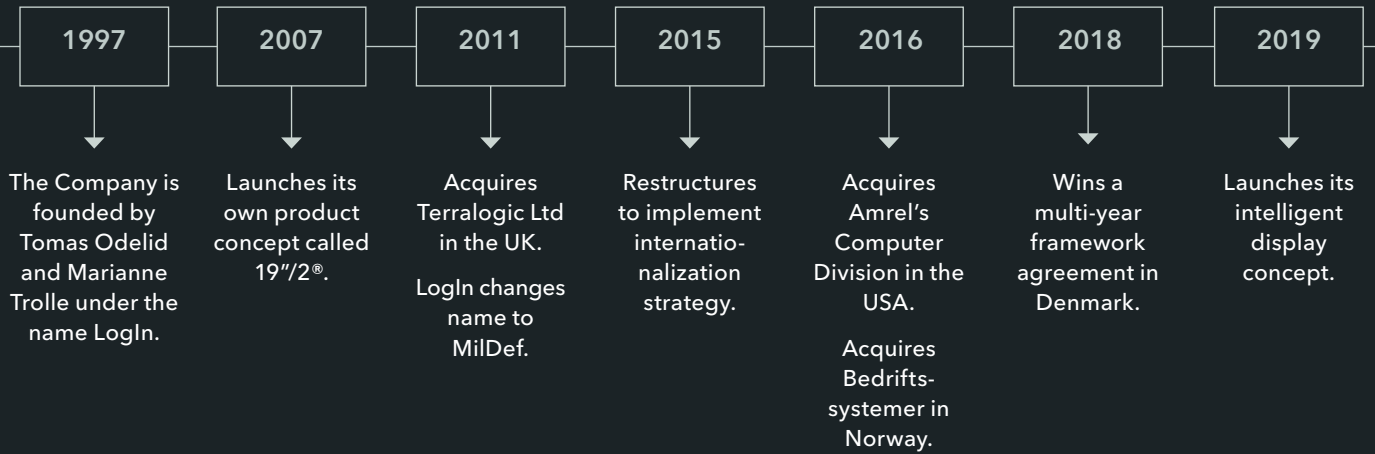
## 4 | High-level engineering knowledge and solid industry know-how

- MilDef is a company that attracts cutting-edge technical talent; frequently employees who have many years of experience in the defense industry, leadership and international business development.
- MilDef has a value-driven corporate culture in which the employees are motivated by doing work that is critical for society and by technological challenges; their motivation also comes from inspiring working environments, internal career opportunities and training programs.

## 5 | Tried-and-tested strategies for accelerated growth and value-creation

- The growth strategy is based on three strategic pillars: growth in the Nordics, Europe and selected NATO countries, expansion through partner companies in prioritized markets and defense-driven growth.
- A solid financial position: From 2020-2025 MilDef increased its revenue by an average of 34.2% a year (CAGR) and the average adjusted EBITA margin for the same period was 11.3%, with an adjusted EBITA margin of 13.5% for 2025.
- An active acquisition strategy: Over the past decade eight acquisitions have been implemented that have taken MilDef into new geographical markets and expanded the customer offering.

# MilDef's history

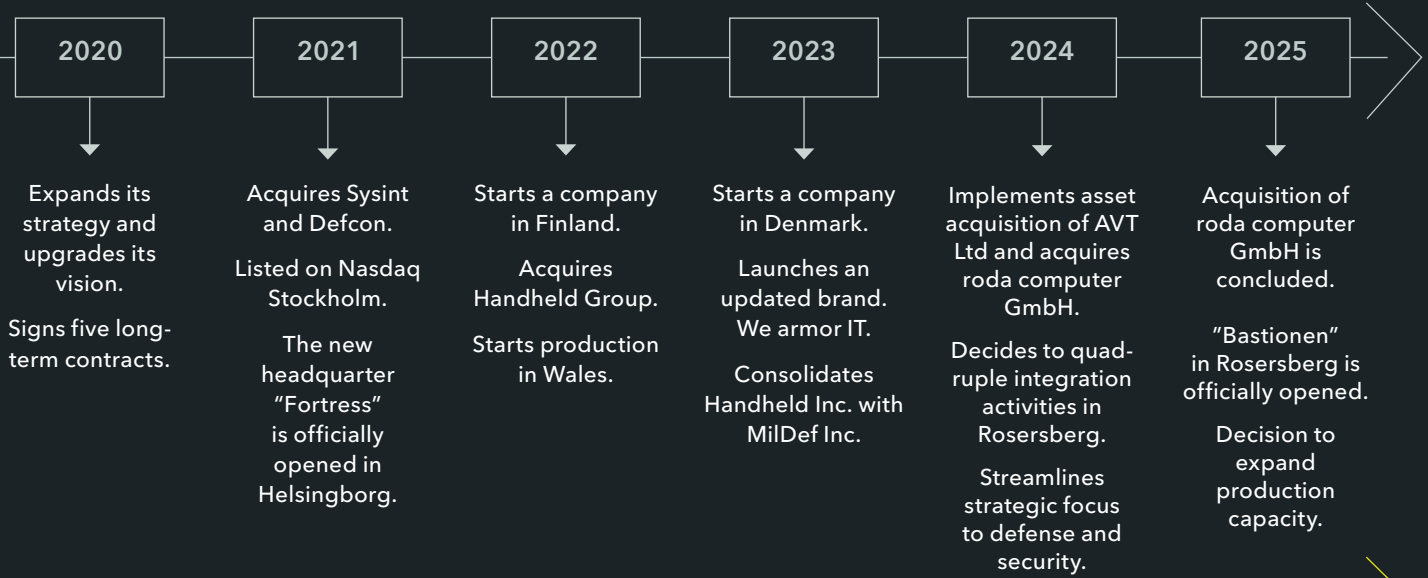


From distributor to manufacturing

Internationalization and growth



# 1997–2025



## Strategic expansion





# Sustainability Report

MilDef aims 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 shall always operate in compliance with mandatory requirements, such as applicable laws and regulations, organizational and industry standards, contractual obligations, and any codes of conduct.

The purpose of this Sustainability Report is to describe how MilDef approaches sustainable development and social responsibility – both internally and externally. It is used in the following ways:

- To communicate in a transparent way with customers, suppliers and other stakeholders about the Company’s sustainability efforts.
- To reinforce internal processes and strategic governance linked to sustainability.
- To prepare the Group for new legal requirements, such as those in the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), even though MilDef is not currently subject to these due to its size.
- To present voluntary undertakings over and above what the law requires, for example participation in the UN Global Compact and application of ISO 26000.
- The Sustainability Report is a tool for continual improvement and cooperation in the value chain.



**Promote individual development at work**  
Invest in employee wellbeing and safety by implementing holistic health and wellness initiatives throughout the Company. Promoting an inclusive, diverse and innovative culture where our employees thrive and grow together with the Company is crucial for our working conditions.

*SDG 4.3.1, Increase participation in internal training  
ESRS S1, Skills development*



**Promote equality and diversity**  
Promoting an inclusive, diverse and innovative culture where our employees thrive and grow together with the Company is crucial for our working conditions.

*SDG 5.5, Increase proportion of women in management positions  
ESRS S1, Gender equality*



**Promote sustainable production and consumption**  
By strengthening our internal processes and updating product development requirements to include a sustainability assessment and life cycle analysis (LCA). Increased modularization will support scalability while simultaneously improving resource efficiency.

*SDG 12.5, Reduce waste  
ESRS S2 Workers in the value chain*



**Promote a sustainable climate**  
By increasing our knowledge, awareness and insight, and striving to reduce our climate footprint throughout the value chain.

*SDG 13.2.2, Reduce greenhouse gas emissions per year  
ESRS E1 Climate change mitigation and adaptation*



**Ensure a healthy and resilient value chain**  
By introducing a systematic due diligence process with reference to sustainability in order to evaluate risks regarding the environment, social responsibility and corporate governance. Make conscious and responsible choices about whom we do business with, both upstream and downstream. MilDef must not be involved in or contribute to any form of corruption.

*SDG 16.5.1, Maintain zero cases of corruption or bribery,  
ESRS G1 Corporate Culture and ABAC*

## Global goals and sustainable development

MilDef strives to contribute to sustainable development and acts in accordance with the 17 Sustainable Development Goals (SDG) defined by the UN. The Company supports the Ten Principles of the UN Global Compact on human rights, labor, environment and anti-corruption.

The Company works continually to embed the UN Global Compact and its principles in its strategy, culture and daily operations, and to engage in collaborative projects that promote the UN's wider SDG targets, especially those relating to sustainable development. Since 2021 MilDef has been a member of the UN Global Compact and endorsed its Ten Principles.

The following have been identified as prioritized areas in the maximization assessment: Individual development and on-the-job training; discrimination and vulnerable groups; service and support for buyers of MilDef's products, as well as complaints handling and dispute resolution; mitigation of and adaptation to climate change; and promotion of social responsibility in the value chain. The evaluation took its starting point in the interests of priority stakeholders, benefits for society and importance to the Group as a whole.

MilDef strives to fulfil applicable requirements at a high level, including going beyond what is required by law.

MilDef's analysis of what corporate social responsibility entails for the Company is based on a process incorporating the following:

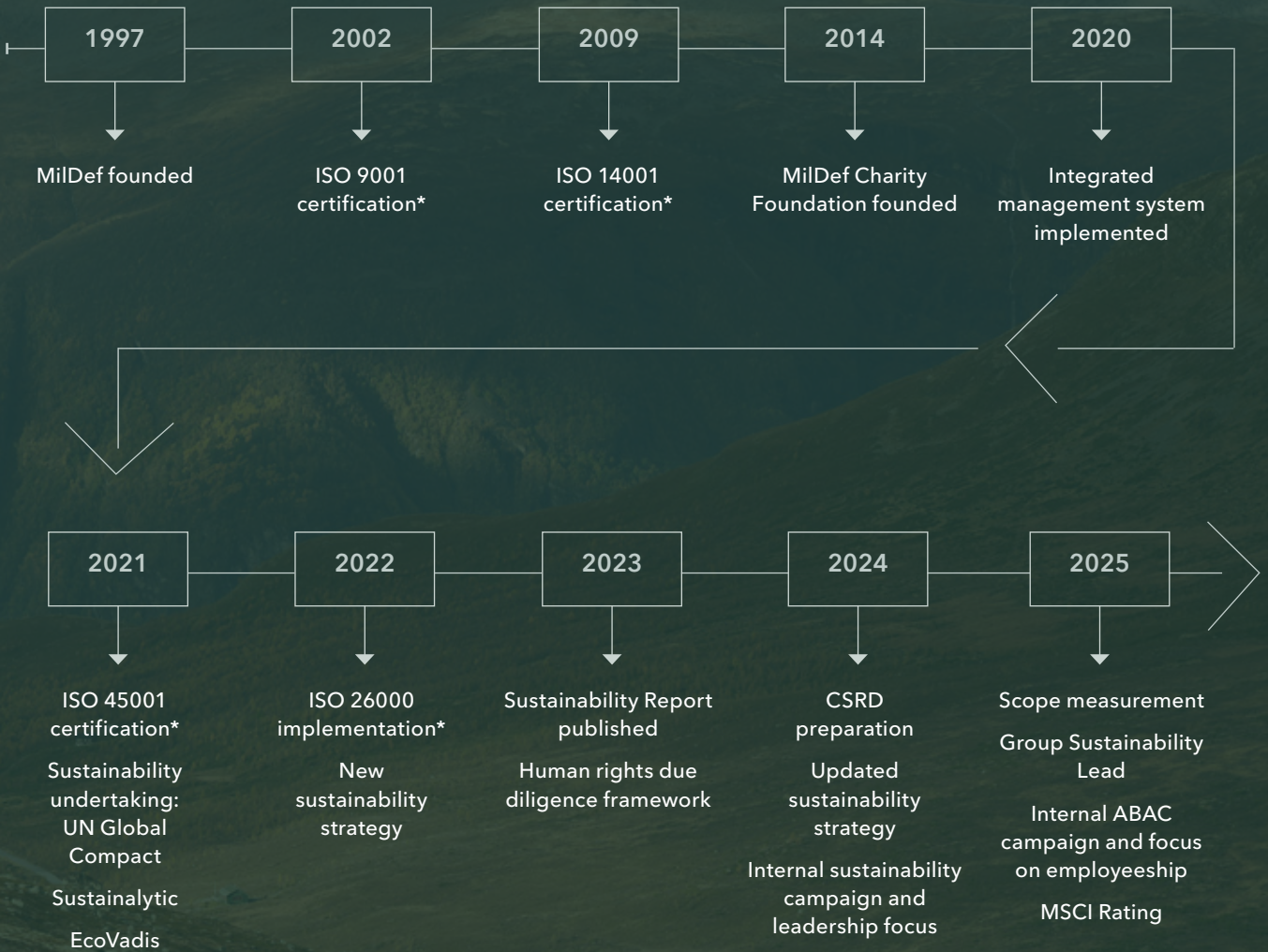
- 1 | Determining the value chain
- 2 | Implementation of stakeholder analysis
- 3 | Implementation of maximization analysis
- 4 | Selection of goals from the SDGs

The selected SDGs have been linked to MilDef's vision, mission, business targets, sustainability strategy and Code of Conduct. This process ensures that risks and opportunities are managed holistically and that the strategy is based on a comprehensive analysis for long-term sustainable growth. Priority subareas were linked to the SDGs and targets where the Company has a positive and/or negative impact.

Based on the work outlined above, the Company has drawn up an action plan for achieving the goals and established procedures for monitoring, evaluation and learning. The Company's sustainability-related activities form part of overall business planning. As such they are monitored, evaluated and improved on a continual basis. KPIs are used for prioritized areas such as climate impact, energy, health & safety and supplier monitoring. Performance is monitored on a regular basis and is reported on in the final section of this Sustainability Report.



# Sustainability journey



\* ISO 9001 - Quality management system, ISO 14001 - Environmental management system, ISO 45001 - Occupational health and safety management system, ISO 26000 - Guidance on social responsibility

# Sustainable development

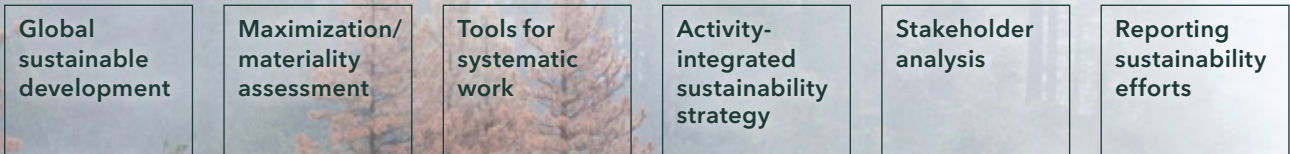
## MilDef's contributions to sustainable development

MilDef has chosen to work systematically on sustainability in order to maximize its contribution and has integrated the ISO 26000 guidance standard on social responsibility in its existing integrated management system, which includes work on quality, the environment, and health and safety. Internal audits are carried out on an ongoing basis as part of MilDef's integrated management system. Any deviations are managed through established corrective and preventative measures, with responsibilities shared according to the Company's document management process.

Preparedness for emergency situations and crisis management within the area of sustainability are integrated into MilDef's ordinary business planning and management systems, and incorporated in the overarching Crisis Management Procedure and emergency response plans in place at each site.

In addition to the organizations' social responsibility in line with ISO 26000:2021, MilDef works with an environmental management system according to ISO 14001:2015, a quality management system according to ISO 9001:2015, and an occupational health and safety management system according to ISO 45001:2018. The Company has certification for all of these standards.

## Process for sustainable development



(ESRS 2)

# General disclosures

## Strategy, business model and value chain (SBM-1)

MilDef is an international 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 in sensitive environments. This report covers the Parent Company and all main processes and subsidiaries. At year-end 2025 MilDef had 479 employees across 10 sites.

In general MilDef was successful in its development during the year. The monitoring of targets and metrics is assessed as part of management's review of each company.

During 2025 MilDef worked to focus and prioritize its sustainability efforts in the areas where the greatest effect can be achieved (reduced negative impact/increased positive impact).

Contributions to sustainable development are reflected in MilDef's long-term objectives

- Be a leading supplier of tactical IT in our priority markets.
- Maintain an excellent standard of service for customers and partners.
- Provide and promote a stimulating, challenging and enjoyable working culture.
- Meet the Company's financial targets with reduced periodic volatility.
- Contribute to a democratic, equal and sustainable world.

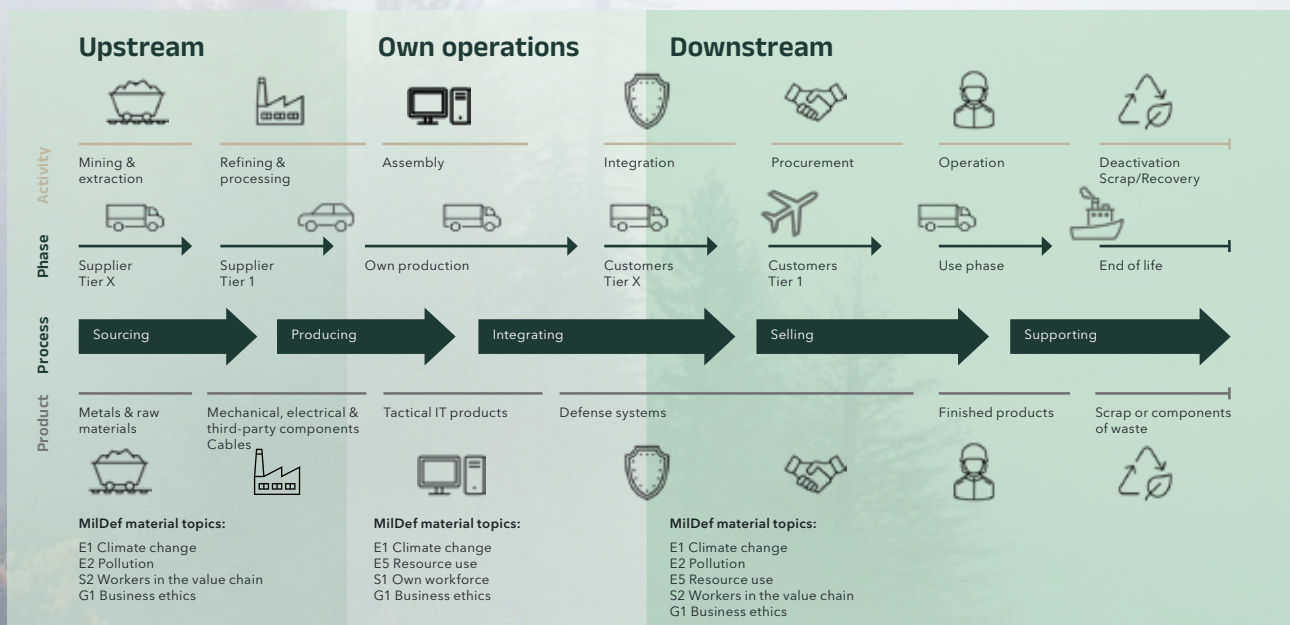
In 2025 sustainability was included as one of three strategic focus areas. Most of the actions have been implemented in multiple parts of the organization to increase awareness, knowledge and engagement among employees. The main initiatives in 2025 have been focused on employeeship and anti-corruption training involving workshops for prioritized personnel groups and further training for all personnel.

MilDef's value chain encompasses both suppliers and customers and is characterized by modularization, a life-cycle approach, and certified quality and sustainability processes. The Company has a global supplier base consisting of several levels of subcontractors, primarily in Europe, North America and Asia. Sustainability standards are maintained by managing the supplier base and through improvement programs.

MilDef's customers are armed forces, government agencies and companies, primarily in selected EU and NATO countries. The products are sold to customers through MilDef's companies in Sweden, Norway, Finland, Denmark, the UK, Germany, France Switzerland, the USA and Australia, and through a limited network of partners.

MilDef uses established processes to carry out checks and assessments of actors in the value chain: Know Your Business (KYB) for sales and Know Your Supplier (KYS) for purchasing. The aim is to ensure that business partners comply with both legal requirements and MilDef's internal rules governing ethics and sustainability. Any deviations are dealt with in accordance with the Company's case management procedures. This work is part of MilDef's accountability and efforts to go beyond the actual legal requirements in order to ensure a sustainable value chain.

## The value chain



## Stakeholder dialogue

(SBM-2)

A stakeholder analysis that scores each stakeholder on the basis of impact and interest is carried out in connection with business planning. Those with the highest rating are considered to be priority stakeholders. For MilDef these are employees, managers, customers, suppliers, investors and end-users. During the year the Management Team decided to highlight and further increase focus on our priority stakeholders.

MilDef maintains ongoing dialogue with both external and internal stakeholders, for example via news feeds, meetings, training and feedback on the Company's sustainability efforts.

Sustainability-related information is communicated on an ongoing basis via the Group's website, press releases and social media, as well as through the intranet and other internal channels. Internal and external communication is continually evaluated to maximize its reach and to ensure that the Company is reaching out to the right stakeholders.

External communication is managed by the Head of IR & Communications, and there are procedures in place to ensure compliance with any applicable requirements (insider trading, confidentiality, security classification, etc.).

## Consequences, risks and opportunities linked to strategy

(SBM-3)

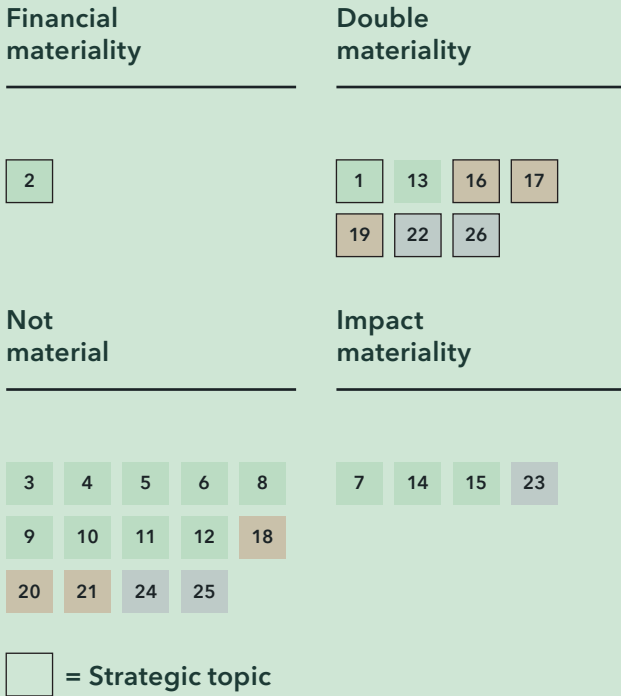
MilDef carries out its materiality assessment using an integrated process that combines ISO 26000 and the CSRD double materiality requirement:

- Mapping of the value chain and stakeholders to identify impact and expectations.
- Assessment of risks, opportunities and impact linked to sustainable development, systematically evaluating and mitigating internal and external risks.
- Double materiality assessment that evaluates both financial materiality (how ESG topics impact the Company) and impact materiality (how operations impact the environment and society).
- Materiality matrix and strategic recommendations that take into account negative and positive impact, and are linked to vision, mission, sustainability strategy and the SDGs.

## Stakeholder needs

Stakeholders	Needs & expectations	Positive impact	Negative impact	Management & dialogue
Employees	Job security, fair pay, career development, work-life balance, recognition, safe environment, clear communication, inclusive culture.	High productivity, innovation, strong corporate culture and low staff turnover.	Low morale, high staff turnover, reduced productivity and potential strikes.	Performance management, career paths, health and wellness initiatives, open-door policy, intranet, management system, two-way reporting.
Managers	Leadership support, team performance, resource management, strategic targets, professional development, clear communication, employee motivation, operational efficiency.	Enhanced team leadership, high productivity and effective resource management.	Ineffective management, low team morale and high staff turnover.	Leadership training, HR dashboard, resource allocation plans, strategic planning sessions, training program, regular updates, motivational initiatives, efficiency tools.
Customers	Reliability, safety, high quality, compliance, innovation, cost-effectiveness, fast delivery, technical support, long-term partnerships.	Revenue growth, market reputation, positive cash flow and long-term contracts.	High requirements, strict compliance requirements and potential reputational risk.	Regular status updates, KYC, safety reviews, compliance reports, innovation demonstrations, cost-benefit analyses, project timelines, dedicated support team, relationship-building activities.
Suppliers	On-time payments, clear contracts, long-term partnerships, forecasts, fair treatment, communication, quality standards, logistical support.	Reliable supply chain, high-quality materials and cost-effectiveness.	Disruptions in the supply chain, quality issues, regulatory non-compliance, negative cash flow and increased costs.	Reasonable and balanced contractual terms, payment in accordance with contract, regular collaboration, demand planning, fair practice, consistent updates, quality audits, logistical coordination.
Investors	Financial return, business growth, risk management, transparency, strategic vision, market position, corporate governance, sustainability.	Capital contributions, market credibility and strategic support.	Pressure on short-term profits, potential loss of control and high expectations.	Progress reports, growth forecasts, risk assessments, transparent disclosures, strategic updates, market analysis, governance practice, sustainability reports.
End-users	Reliability, security, high-quality and user-friendly interfaces, technical support, performance, compliance, innovation, training.	Good reputation and market insight.	Risk of deviation from regulatory or compliance requirements.	User manuals, security reviews, helpdesk support, performance monitoring, compliance updates, innovation presentations, training sessions, feedback loops.

# Double materiality assessment



ESRS	No.	Sub-topic
E1	1	Climate change mitigation
E1	2	Climate change adaptation
E1	3	Energy
E2	4	Pollution of air
E2	5	Pollution of water
E2	6	Pollution of soil
E2	7	Substances of concern
E2	8	Substances of very high concern
E3	9	Water
E4	10	Direct impact drivers of biodiversity loss
E4	11	Impact on the state of species
E4	12	Impact and the extent and conditions of ecosystems
E5	13	Resource inflows incl. resource use
E5	14	Resource outflows
E5	15	Waste
S1	16	Own workforce - working conditions
S1	17	Own workforce - equal opportunities
S1	18	Own workforce - other rights
S2	19	Workers in the value chain
S3	20	Affected communities
S4	21	Personal safety of consumers and/or end-users
G1	22	Corporate culture
G1	23	Protection of whistleblowers
G1	24	Political engagement and lobbying activities
G1	25	Management and relationships with suppliers
G1	26	Anti-bribery and anti-corruption

## Sustainability governance

(GOV-1, GOV-2)

MilDef’s Board of Directors has overall responsibility for sustainability, with work flowing throughout the organization according to set procedures for roles and responsibilities in the combined management system. The overarching sustainability approach is driven primarily by the organization, and a new role was created in 2025 to increase momentum.



Marie Jonsson

The **Group Sustainability Lead** is tasked with leading and coordinating the organization’s sustainability work, including by advising, developing targets and governance, ensuring regulatory compliance and reporting. Internal training is provided to disseminate knowledge and increase awareness within the organization.

Responsibility for sustainability efforts is assigned in each policy, and the designated policy owner is responsible for monitoring the policy at Group level. The CEO is responsible for reporting to the Board of Directors annually on policy compliance.

MilDef ensures that resources are available for this work by integrating sustainability in the overall business planning and budget process. Financial provision is made each year

in connection with strategic planning, and prioritizations are based on the materiality assessment and identified risks/opportunities (including results from the due diligence process). Sufficient human resources are ensured by assigning responsibility for sustainability work across the organization, with dedicated roles and professional development. In addition, resource requirements are monitored on an ongoing basis via the management system to ensure the work can be carried out effectively.

## Governance structure



MilDef works actively on the principles of corporate social responsibility, both internally with employees and externally with stakeholders. MilDef takes the seven principles in ISO 26000:2021 as a starting point for this work, which is consolidated via our combined management system:

- Clear responsibility, transparency and ethical behavior are primarily ensured through our governance, strategy and compliance management processes.
- Respect for the stakeholders' interests is integrated in our business planning and managed through our stakeholder analysis.
- Respect for the principles of a state governed by law and international standards of conduct is ensured by means of legal compliance and control of the value chain in our compliance process.
- Respect for human rights is addressed in our due diligence process and through our systematic internal efforts to promote a positive working environment.

MilDef uses Notisum's online legal monitoring service, which notifies the Company if any new/updated laws and regulations have been introduced of which it should be aware. Here MilDef describes how such laws and requirements apply to its business and how it meets the relevant requirements. Notisum carries out regulatory compliance checks in the relevant areas and countries on an annual basis. The service includes specific lists of legislation on the working environment, environment and production, and covers Sweden, Norway, the UK and the USA.

### Integration of sustainability-related performance in incentive schemes

(GOV-3)

The Company does not currently offer any incentive schemes or remuneration policies directly linked to sustainability-related performance for members of our executive, management or supervisory bodies. This means that sustainability targets and performance are not integrated in remuneration structures or incentive schemes.

The Company's Remuneration Committee monitors developments in this area and continuously evaluates the possibility of including sustainability-related criteria in incentive schemes in the future, in line with best practice and future regulatory requirements.

### Statement on due diligence

(GOV-4)

MilDef works to promote human rights and climate change mitigations. At the same time, we are aware that our operations and value chains entail risks, for example linked to pollutants, the working environment and inadequate protection of human rights in certain regions. These insights form the basis of our work on due diligence and our efforts in the area of responsible enterprise.

Core elements of sustainability due diligence:

- Integrating due diligence in governance, strategy and business model; see GOV-1, GOV-2
- Engaging with affected stakeholders; see GOV-2, SBM-2, SBM-3

- Identifying and assessing negative impacts on people and environment; see GOV-2, GOV-5
- Taking steps to manage negative impacts on people and environment; see SBM-3
- Monitoring the effectiveness of these steps. See E1-5, S1-14, S2, G1-4

In this process, MilDef pays special attention to any particular human rights impacts on individuals from groups or populations that may be at heightened risk of vulnerability or marginalization, and bear in mind the different risks that may be faced by women and men.

### Risk management

(GOV-5)

Every opportunity within the business is associated with one or more risks, which are monitored via an enterprise risk management (ERM) program. ERM is a systematic process for taking stock of, assessing, managing and preventing risks within the business. The aim of risk management is to safeguard resources and revenues from threats – both internal and external – as profitably as possible.

The risk strategy involves identifying and assigning responsibility for risks at all organizational levels and is part of the business planning process. Proactive work on risk management is integrated into strategic planning and operational processes. It aims to identify, prioritize and manage potential risks within the respective sustainability areas.

Read more about risk and risk management on pages 79-81.

### General basis for preparation of the sustainability report

(BP-1)

MilDef reports on its sustainability each year in the Group's Annual and Sustainability Report. The statutory sustainability report is prepared in accordance with the Swedish Annual Accounts Act. The report can be found on pages 31-50 and finishes with an ESRS index on page 50.

We follow the working method set out in SS-EN ISO 26000:2021 in order to maximize our contribution to the UN Sustainable Development Goals (SDG). This Sustainability Report is based on the organization's self-declaration – which follows the requirements for sustainability reporting – where we report on how we have applied the guidelines in SS-EN ISO 26000:2021 and the requirements in SIS/TS 2:2025.

The Management Team confirms that MilDef has made good progress on developing and monitoring performance against sustainability targets and KPIs, which is part of the management review. The most recent process focused on strengthening the reporting structure and ensuring that efforts are in line with upcoming CSRD and ESRS requirements.

Consequently, the prioritization for 2025 narrowed in on data collection, quality assurance and harmonization of processes to meet these standards.

This does not imply downgrading of existing areas of focus but rather a galvanizing of the work on transparency and regulatory compliance. The reporting structure has been adjusted and references to ESRS integrated in the relevant sections, underlining the Company’s commitment to continuous improvement and accountability.

Important steps taken during 2025:

- **Implementation of reporting structure**  
 Developed and implemented an updated sustainability reporting structure in line with ESRS requirements. Integrated references to relevant standards in the report and ensured that the processes are harmonized with CSRD.
- **Improved data collection and system solution**  
 Introduced a digital system for collection and quality assurance of sustainability data. Automated parts of the reporting flow to increase accuracy and efficiency.
- **Deeper stakeholder engagement**  
 Carried out further dialogue with key stakeholders to validate the materiality assessment and ensure that reporting meets their expectations. The results have been integrated in the prioritizations for 2025.
- **Internal capacity building**  
 Expanded the training program to cover more functions within the organization in order to ensure broad understanding of CSRD/ESRS and ensure that responsibilities are assigned appropriately.
- **External review and assurance**  
 Collaboration with external party to carry out a pre-assurance review of the Sustainability Report, focusing on data quality and processes prior to future mandatory assurance.

By taking these steps in 2025, MilDef has laid the foundations for being able to report in accordance with CSRD and ESRS. MilDef’s commitment to sustainable development and responsibility to both stakeholders and the environment are reflected in the day-to-day work and initiatives above.

**Disclosures in relation to specific circumstances**

(BP-2)

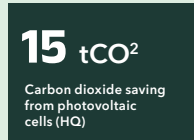
MilDef Group AB runs an international group of companies with the focus on delivering tactical IT solutions. The Company has strived to include reliable and qualitative data in order to meet the requirements and provide reasonable target scenarios for its sustainability work. As this is our first year using a digital system for data collection and quality assurance, the calculations have largely been based on templates and assumptions. Improving the data quality is essential for credibility and transparency, and to meet future requirements for external review. More exact data provides a better decision-making basis, facilitates comparability over time and strengthens our ability to set ambitious targets.

We have decided to exclude reporting of Scope 3 emissions (CO2e) from this year’s report, as we want to ensure higher-quality reporting by increasing the collection of primary data from suppliers and other actors in the value chain. We will develop methods to reduce dependence on templates and create a more comprehensive picture of our total climate impact. This is a prerequisite for being able to set science-based targets and drive change in line with our long-term strategy.





# Environmental sustainability (ESG)



**The overarching aim within environmental responsibility is to protect the environment by actively and measurably striving to reduce the Company's and its customers' environmental impact and to reduce resource use, both in MilDef's own operations and those of its suppliers. The Company is committed to protecting the environment, preventing pollution, and complying with current and expected future legal requirements.**

## Climate impact

(ESRS E1)

MilDef strives to reduce its impact on climate and the environment.

In 2025 we developed and implemented an updated sustainability reporting structure in line with ESRS requirements and harmonized our processes with CSRD. This has created a transparent and comparable basis for monitoring environment-related indicators. In parallel with this we introduced a digital system for collecting and quality-assuring sustainability data. This automates parts of the

reporting flow and improves both accuracy and efficiency. As a direct result of these initiatives, we can now measure our climate footprint. For the first time we are reporting Scope 1 and 2 - an important step toward the target set in our sustainability strategy at the start of 2025. This boosts our ability to analyze environmental impact, identify areas for improvement and drive the work on reduced emissions throughout the value chain.

## Scope 3 by category

Purchased Goods and Services	Business Travel	Use of Sold Products
Capital Goods	Employee Commuting	End-of-Life Treatment of Sold Products
Fuel- and Energy-Related Activities (not included in Scope 1 or Scope 2)	Upstream Leased Assets	Downstream Leased Assets
Upstream Transportation and Distribution	Downstream Transportation and Distribution	Franchises
Waste Generated in Operations	Processing of Sold Products	Investments

- Reported categories
- Material categories
- Not material categories

During 2026 we will step up the work on Scope 3 by increasing the collection of data from suppliers and other actors in the value chain. We have identified 12 material categories of emissions in Scope 3, as shown in the graphic on the previous page. We had pre-existing emissions data for the Business Travel category so are already reporting this Scope 3 category. We will develop methods for improving the quality of data in the remaining categories in order to create a more comprehensive picture of our total climate impact.

Greenhouse gas emissions (tCO <sub>2</sub> e)*		2025
Scope 1		
Gross greenhouse gas emissions in Scope 1		273
Scope 2		
Location-based gross greenhouse gas emissions in Scope 2		50
Market-based gross greenhouse gas emissions in Scope 2		0
Scope 3		
Business travel**		290

Scope 1 and 2 are calculated using the information available for respective sites with more than 3 permanent jobs

Scope 3 is being computed, and other relevant categories will be reported at a later stage

\* The acquired companies, roda and Westek, are not included.  
 \*\* Value estimated if no actual data exists. Sysint is not included.

## Pollution

(ESRS E2)

### Substances of concern

Chemicals are one of MilDef’s environmental aspects and can, if not handled correctly, present a serious risk to both the environment and our employees. Chemicals handled at MilDef are mainly adhesives, sealants and spray-paint. Materials used in MilDef’s products may contain “Substances of very high concern”, e.g. lithium or lead. On examination, none of the Company’s products exceed the concentration thresholds specified in the RoHS Directive. All products that contain “Substances of very high concern” are declared in accordance with the REACH Directive.

Products that contain these types of substances can potentially have a negative impact in the value chain and the Company’s own operations if not handled correctly. This is why substances of concern have been identified as a material sustainability topic from an impact perspective. On the other hand, the area has limited impact on our business model, strategy and value chain. MilDef has a robust chemicals-handling procedure and continuously assesses risks in this area.

## Resource use and circular economy

(ESRS E5)

### Responsible production

MilDef produces and sells electronic products with a clear focus on quality, long life and regulatory compliance. Our approach is that products must be able to be used for a long time and, when they reach end of life, be handled in a responsible manner in line with applicable regulations. To a large extent, our products are designed to be able to be dismantled, and we offer the option of returning end-of-life products to our headquarters in Sweden.

Our producing companies are affiliated to collection systems for electrical equipment, batteries and packaging materials, and report to the Swedish Environmental Protection Agency or equivalent each year. This ensures that MilDef complies with relevant legal requirements within waste management and producer responsibility.

In 2025 MilDef started the process of gradually increasing the integration of sustainability topics into product development. The process focused on establishing common principles and structures for how sustainability, including the life cycle perspective, is taken into account in future development work. This includes a review of internal working methods and how sustainability assessments can be introduced more systematically over time.

Modularization has been identified as a prioritized area for development, as modular solutions can contribute to increased flexibility, scalability and resource efficiency. A number of product and design initiatives were carried out during the year with a view to increasing the scope for reusing major components. The long-term ambition is for this to contribute to reduced material waste and extended product life.

MilDef has also established a basic process for life cycle assessments (LCA) and started preparations to carry out an initial full LCA of products developed in house. This assessment is scheduled to be carried out in 2026 with the aim of increasing the understanding of the products’ environmental impact throughout their life cycle.

This work is linked to MilDef’s long-term climate ambitions. By gradually improving product life, reuse and knowledge of where emissions arise, we are creating a better basis for making more informed decisions in future product development. The life cycle assessments will provide important support in this work and help to gradually reduce the products’ climate impact over time.

## Reducing waste

MilDef’s goal is to maintain sustainable waste management. MilDef has several measures in place related to waste reduction and recycling in the workplace, including guidance on the recycling program and initiatives to reduce everyday trash volumes. Waste generation should be prevented whenever possible. If waste is unavoidable, efforts should be made to keep it to a minimum.

- General waste: Reuse is encouraged throughout the organization. All facilities have a waste hierarchy in place to optimize waste management.
- Hazardous waste: Procedure for chemicals handling (to minimize hazardous chemicals). All waste is separated and handled in accordance with the waste hierarchy, using the correct disposal streams and documentation.

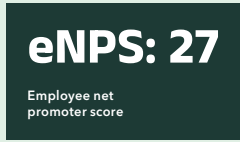
## ESG statistics

Environment (E)	ESRS	2022	2023	2024	2025
<b>Electronic products placed on the Swedish market, HQ* (kg)</b>					
Quantity sold	E5-5	6,196	11,678	9,471	14,146
Recycle ratio	E5-5	62%	54%	33%	30%
<b>Batteries placed on the Swedish market, HQ* (kg)</b>					
Quantity sold	E5-5	300	487	217	631
Recycle ratio	E5-5	22%	8%	8%	5%
<b>Waste HQ*, by type (kg)</b>					
Waste (kg)	E5-5	11,109	12,086	13,040	16,831
Hazardous waste (kg)	E5-5	396	1,450	682	444
Per employee		96	102	90	96
<b>Energy usage, HQ* (kWh)</b>					
Electricity, bought-in	E1-5	258,612	299,966	266,301	289,297
Electricity, share from renewables	E1-5	100%	100%	100%	100%
District heating	E1-5	117,001	119,039	111,014	103,899
Electricity produced from own photovoltaic cells	E1-5	63,359	61,146	45,700	60,787
Surplus production	E1-5		5,015	3,476	4,540
<b>Water usage HQ* (m3)</b>					
Water		471	624	678	750
Per employee		3.93	4.69	4.04	4.17

\* HQ refers to MilDef’s headquarters in Helsingborg.



# Social responsibility (ESG)



**The overarching aim within social sustainability is to promote a better society by acting as a responsible and respectful employer and helping to further social progress at the locations where the Company is active, based on the Code of Conduct. The Company is committed to continual improvement of the working environment and sustainability by promoting a positive health and safety culture.**

## Own workforce

(ESRS S1)

### Positioning the Company for long-term development

MilDef operates in a business environment characterized by stringent requirements in terms of accountability, reliability and a long-term perspective. In this context, people and the organization’s way of working as a whole are key prerequisites for sustainable development. The employees’ expertise, experience and professional judgment are developed over time and influenced by how we shape roles, responsibilities and cooperation.

As the organization grows and changes, the requirements for clarity, stability and common frameworks increase. An organization that offers structure, predictability and scope for learning is better positioned for engagement and continuity, including in periods of change. This is particularly relevant in an international context where operations take place in different organizational and cultural environments.

The ambition is to be a long-term employer where people are given the opportunity to develop over time as the business grows. A sustainable approach to people and the organization is about balancing change with stability, and creating the right conditions for expertise to be built up, shared and retained in a responsible way.

### The MilDef Way - our culture

A key aspect of MilDef’s culture is ownership and accountability, with everyone sharing a common ethical and commercial focus. The MilDef Way describes the common principles that guide how the organization collaborates, makes decisions and takes responsibility on a daily basis. The principles serve as an overarching framework for behaviors and attitudes, and contribute to a shared understanding of how work is carried out within the Group.

MilDef’s culture is not just an internal matter but also impacts how the Company is perceived by customers, partners and the market. Together the employees build a culture that strengthens the business today and creates sustainable conditions for the future.

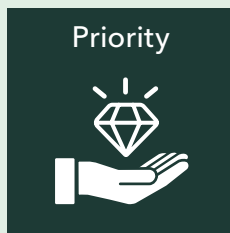
Shared values and ways of working serve an important uniting role in an organization that operates across multiple geographies and functions. They contribute to predictability, consistency and a shared direction, while also providing space for local conditions and professional judgment. Culture and values serve here as a stabilizing factor as the organization develops and becomes more complex.

The MilDef Way represents both a legacy and a reference for future development. By functioning as a shared starting point, over time it contributes to continuity and cohesion, and supports an organization where accountability, cooperation and a long-term perspective are integrated elements of how the business is run.

## MilDef Way - value words



Plan for the future; act today.



Put 80% efforts into the 20% that matters most.



We say what we do and we do what we say.



Work together as one.



**“The key to a thriving workplace is to take good care of our internal capital – our employees, our culture, our know-how and our way of working. It is this internal capital that is one of our most valuable assets.”**

**Martina Karlsson – CPO**

## Prioritized initiatives in 2025

(S1-14)

MilDef experienced continued strong growth in 2025 and expanded its workforce by around 20%, making increased demands on structure, leadership and cooperation. This development offers significant opportunities but also puts more pressure on the organization. A high growth rate can entail risks associated with professional development, capacity, leadership, and the ability to maintain the culture, quality and professionalism as the organization grows. There are also risks in the form of increased demands being made of structure, cooperation and clarity in roles and responsibilities, particularly in an international and fast-growing organization.

At the same time, the Company’s growth opens up significant opportunities. It creates scope to strengthen MilDef’s position as an attractive employer, develop new ways of working, invest in expertise and leadership, and build an organization equipped for future business needs. The growth also allows a clearer focus on long-term sustainability, from both a business and employee perspective.

Taking this as a starting point, MilDef has focused in particular on prioritized initiatives within collective bargaining agreements, talent management, and leadership and employeeship. These areas are crucial in managing the risks associated with rapid growth, while at the same time positioning the Company to leverage the opportunities that growth brings – today and in the longer term.

### Talent management

In 2025 MilDef continued to establish itself as a company with a clear, long-term focus on meeting the market’s needs for the right expertise. This work has taken the form of more active and present employer branding, with a high level of participation in relevant networks, steering groups for education and training, and various initiatives aimed at students, such as competitions and collaborative projects. The Company has also strengthened its position within professional development by working closely with training providers to promote the development of skills within technology and IT. These efforts attracted attention during the year, with MilDef being awarded the title “Career Company 2025” for the first time. It was also listed in the top 10 IT companies by *Karriärföretagen*, an organization which recognizes the most attractive employers for students and young professionals. This accolade further increases the Company’s attractiveness as an employer.

### Collective bargaining agreements

In 2025 there was a clear focus on ensuring compliance with relevant collective bargaining agreements and

creating a stable and trustful foundation in relationships with the labor unions. This work was characterized by dialogue, transparency and shared responsibility, with the ambition of building cooperation that is sustainable in the long term. Using established contact channels and on-going dialogue, MilDef continued to develop the forms of cooperation, contributing to clarity, security and positive conditions for both the business and employees.

### Employeeship

During the year MilDef continued to take a structured approach to developing employeeship by means of various activities that focus on self-leadership. This has built on learnings from MilDef’s leadership program launched in 2024, with the goal of putting long-term frameworks in place for employees to take active responsibility for their own development and their contribution to the business as a whole.

The starting point has been that each individual must lead themselves, contribute to leading others, and take responsibility for both their assignments and their continued development. All of the Company’s employees came together on four occasions during the year in various team activities focusing on trust, cooperation and shared development. A central element of the initiative was a major targeted training and workshop event for all employees. It was held in the fall and was aimed at promoting a deeper understanding of the importance of employeeship and the ability to put this into practice in day-to-day work.

### Integration of newly acquired companies

Integration of newly acquired companies has been a prioritized area as MilDef continues to grow. During the period there was a particular focus on the integration of *roda* and *Westek*, centered on both operational and cultural aspects. The work has concentrated on creating a shared direction and strengthening cohesion within the Group.

Through initiatives such as joint meetings, culture workshops, and integrating systems and working methods, the groundwork has been laid for effective cooperation and a shared MilDef culture. Structured and inclusive integration work helps to leverage expertise and facilitate continued growth in a cohesive organization.

### Health and wellbeing

(S1-14)

MilDef is committed to continually developing and improving occupational health, the working environment, safety and wellbeing within the organization. By promoting a

positive health and safety culture, in combination with systematic efforts to improve the working environment, work-related risks are identified, monitored and prevented. The work covers physical as well as organizational and social working environment factors. The working environment must be distinguished by participation, opportunities for employees to make their own decisions, and scope for innovation. All employees are to feel a sense of job satisfaction, security and belonging, and perceive MilDef as a workplace where it is enjoyable and meaningful to work. There is a zero-tolerance approach to any form of discrimination or harassment.

One of MilDef's overarching goals is to offer a stimulating, challenging and safe working environment. Efforts on this continued during the year, with a focus on maintaining a high level of safety, clear structures and shared responsibility for the working environment.

Putting the employees at the center creates an open and inclusive working environment characterized by engagement, cooperation and dialogue. Leveraging different perspectives and giving everyone the opportunity to contribute creates motivation and the right conditions for continuous development – both as an individual and an organization.

### **Diversity, equality and inclusion**

Diversity, equality and inclusion forms an integrated element of MilDef's culture and long-term business strategy. An inclusive approach contributes to better decisions, higher innovation capability and a more sustainable organization. MilDef works actively to create a workplace that offers all employees equal conditions, irrespective of gender, background or role, and where differences are seen as a strength.

One important area of focus is gender equality, with MilDef striving to achieve a long-term sustainable gender balance of 30/70, among both employees and managers. These efforts are monitored on an ongoing basis and supported by structured processes within recruitment, professional development and leadership. As part of this, MilDef is working to implement and meet the requirements of the EU Pay Transparency Directive by means of structured analyses, and promoting fair and equal pay.

MilDef's work within this area has also attracted attention externally. The Company has been included on the "Green List" published by Swedish non-profit Allbright, acknowledging active and long-term efforts to promote gender-balanced management teams. In addition, MilDef has been named as a "Career Company" – recognition that reflects the Company's attractiveness as an employer and its clear focus on inclusion, development and a sustainable work life.

To support the inflow of expertise and contribute to increased gender equality within the technology and IT sectors, MilDef participates in external initiatives with actors such as digital marketing specialist Techella. Collaborations and targeted initiatives create opportunities for more women to move into technical roles, while MilDef is simultaneously contributing to the long-term supply of talent in the sector.

### **Adequate wages**

(S1-10)

Over and above the collective bargaining agreements setting minimum pay, MilDef applies internal salary bands based on external benchmarks and levels, so that all employees receive reasonable pay.

### **Social protection**

(S1-11)

All employees in MilDef's own workforce are covered by social insurance, either through the state or via the Company. This protects against loss of income as a result of illness, unemployment, occupational injury, acquired disability, parental leave or retirement.

### **Incidents, complaints and severe human rights impacts**

(S1-17)

In 2025 we continued to work systematically on preventing incidents and minimizing the risk of severe human rights impacts. All reported incidents have been analyzed and addressed in line with our internal procedures to ensure learning and improvement. Our focus going forward is to strengthen risk assessments, increase awareness and improve the reporting culture throughout the organization.

See also G1, G1-4

## **Social engagement**

### **Responsibility in the supply chain**

(ESRS S2)

MilDef has set a goal of ensuring sustainable procurements and purchasing by means of a strong framework that is continuously developed by adding new targets relating to our most material areas of impact. Concentrated efforts were made in 2025 to achieve full acceptance of MilDef's Code of Conduct among suppliers. The result is that more than 99% of our suppliers have accepted the Code and implemented its principles, which is an important step toward a more responsible supply chain.

To further strengthen sustainability, the supplier pool has been evaluated on the basis of environmental risks, such as impact on the local environment and fauna, water use and climate change. This work supplements our program for improving the supply chain, which identifies priority suppliers and encourages them to develop their sustainability efforts. All agreements entered into incorporate the Company's Code of Conduct, and active steps are taken to ensure acceptance of this in all purchasing from transaction-based suppliers.

Understanding the effects of our activities through a long and complex value chain presents challenges. MilDef seeks to promote human rights and eliminate bribery and corruption in all parts of the supply chain. The Company's program for human rights due diligence in the value chain helps to identify areas, regions or suppliers that may potentially present human rights risks.

Our goal is to build a sustainable and resilient supplier

base. This is based on balanced relationships and taking account of risks relating to the environment, people and the climate, with the goal of making adjustments that protect the interests of MilDef and its suppliers, and also promote continued long-term, sustainable business relationships.

## MilDef Charity Committee

(ESRS S3)

Eleven years after MilDef established the MilDef Charity Foundation, through which the Company has donated millions of kronor to people in need, 2025 saw the launch of the MilDef Charity Committee (MCC), facilitating international donations and promoting a broader perspective. In parallel with this the Foundation – whose mandate was limited to donations in Helsingborg and the surrounding area – was wound up.

The establishment of MCC enables charitable donations across all MilDef’s markets, with the value of donations gradually increasing at the same time. In 2025 MilDef distributed a total of SEK 1.6 million both to vulnerable people in Helsingborg and to charitable organizations in MilDef’s other markets.

Donations in 2025 include:

- **Ronald McDonald House in Lund**, SEK 15,000
- **Service Dogs UK**, GBP 5,000
- **UNHCR**, SEK 200,000

- **Support for Ukraine**, SEK 120,000
- **Helsingborgs IK, “Sport for all”**, SEK 110,000
- **Helsingborgs Kvinnojour (women’s crisis center)**, SEK 157,000
- **Hemlösas Hus (shelter for the unhoused)**, SEK 145,000
- **Fotbollsstiftelsen (activities for marginalized groups)**, SEK 135,000
- **The WOW Foundation**, SEK 50,000
- **Fryshuset Helsingborg (youth organization)**, SEK 135,000
- **Red Cross Helsingborg**, SEK 50,000
- **Drivkraft Helsingborg (mentors for students and parents)**, SEK 75,000

MCC’s primary purpose is provide grants to charitable causes, including those promoting care of children and young people, social relief work, humanitarian work and environmental protection, both in Sweden and abroad.

MCC strives to maintain maximum transparency and ensure that all grants are fully traceable, and in accordance with MilDef’s Code of Conduct and ethical guidelines. The individual grants are funded by an annual donation made by the MilDef Group in the form of a percentage of net profit.

For more information on the work of MCC, go to MilDef Group – About the MilDef Charity Committee on our website.

## ESG statistics

Social responsibility (S)	ESRS	2022	2023	2024	2025
<b>Serious accidents</b>	S1-14				
Headquarters		0	0	0	0
Other sites		0	0	0	0
Total		0	0	0	0
<b>Work-related fatalities</b>	S1-14				
Headquarters		0	0	0	0
Other sites		0	0	0	0
Total		0	0	0	0
<b>Workforce (percentage)</b>					
Women on board of directors	S1-9	33%	29%	29%	29%
Women in top management	S1-9	20%	50%	43%	50%
Women in the workforce	S1-6	25%	27%	25%	27%
Collective bargaining coverage	S1-8	/	/	16%	54%
<b>Workforce</b>					
Number of employees	S1-6	291	309	327	482
Organic net addition to headcount		78	56	54	96
Total number of recruitments		108	16	21	45
<b>Donations to charitable organizations (SEK 000)</b>					
MilDef Charity Foundation		200	600	700	820
Other donations		100	300	270	
MilDef Charity Committee					760

# Governance (ESG)



**The overarching aim is to achieve long-term business sustainability through good business practices and business ethics. Sustainable enterprise is considered to encompass not only how MilDef behaves with respect to the world around it but also how people within the Company behave and treat one another. The aim is to treat one another in a friendly and respectful way, which in turn gives MilDef and its people the confidence and self-assurance needed to be able to treat customers and other stakeholders in the same way, while also providing world-class service. Both working at and doing business with MilDef should be a safe and pleasant experience.**

## Responsible ethics policies and corporate culture

(ESRS G1-1)

MilDef has integrated the sustainability perspective in its strategy, governance and governing documents through its integrated management system. A new sustainability strategy was implemented in 2025, linked to the UN Sustainable Development Goals and preparations for CSRD and ESRS. Governance is exercised via the Management Team and Board of Directors, and followed up in business planning, risk management and reporting.

Via its integrated management system, MilDef applies a variety of policies that are important to its operations within the areas of quality, environment, occupational health and safety, and sustainability. These policies provide a clear direction for the principles and flow through selected parts of the value chain. MilDef has defined a structure and process for managing governing documents (policies, procedures and instructions), including ownership and responsibility for compliance with these.

MilDef started a review of its internal policies in 2024 and in 2025 made important changes to ensure compliance with stakeholders’ requirements and expectations.

All Group policies are designed to ensure compliance with laws, internal guidelines and our ethical principles. Policy documents are approved by the Board of Directors, are reviewed annually to ensure they are relevant and up to date, and are available externally upon request. If necessary, they are revised to reflect changes in the business, regulations or risk assessments. All employees are required to understand and follow these policies, and violations may lead to disciplinary measures. A training program has been produced to ensure that all employees review the policies each year. (see table on page 49)

## Anti-corruption

(ESRS G1-1), (G1-3)

MilDef views tackling corruption as essential to sustainable development. It is important for MilDef to set a good

example and apply a zero-tolerance approach to bribes in all markets and for all of its business partners. This means the Company must never seek or accept business advantages based on unlawful or unethical behavior such as unlawful payments, bribes, kickbacks or other questionable incentives in order to influence someone in their professional capacity or to achieve or retain a business advantage.

MilDef assesses the corruption risk in all transactions based on e.g. the corruption index, business chain and customer intelligence. If there is a heightened risk of corruption, MilDef cancels the transaction or carries out a special, in-depth review to ensure that the Company is not contributing to corruption. The anti-corruption system includes internal governing documents and continual training for employees to increase knowledge and ensure that business activities are conducted responsibly and correctly.

## Responsible sales

A business compliance framework is used to ensure compliance with both regulatory requirements and our own ethical approach to who may purchase and use our products and in what way. In 2025 we both clarified our internal regulations in this area and invested in an external service to provide a more structured and rigorous verification process for customers and end-users. For ethical reasons, MilDef refrains completely from doing business in/with nations that are subject to arms embargos – although MilDef’s products are not typically covered by such embargos – and from doing business that promotes development or use of controversial weapons. The Company also has a generally restrictive attitude to exporting to countries outside MilDef’s prioritized markets (primarily selected EU and NATO countries), which limits both the risk of contributing to corruption and of the products falling into the wrong hands or contexts. All transactions of this kind must be approved by MilDef’s Ethics Council, which, in its consideration, takes into account ongoing armed conflicts, and the level of respect for democracy and human rights in the countries of customers and end-users.

## Policy portfolio table

Policy	Purpose	Owner	Standard	ESRS
Antitrust and Fair Competition Policy	Ensure fair competition and compliance with competition laws	CLCO	UN Global Compact, ISO 26000	ESRS G1
Communication Policy	Ensure transparency and consistency in internal and external communication	Head of IR and Com.	UN Global Compact, ISO 26000	ESRS G1
Corporate Governance Policy	Establish principles for corporate governance and division of responsibilities	CEO	UN Global Compact, ISO 26000	ESRS G1
Finance Policy	Ensure correct financial reporting and internal control	CFO		ESRS G1
HR Policy	Promote fair working conditions, diversity, and compliance with labor law and human rights	CPO	UN Global Compact, ISO 26000, ISO 45001	ESRS G1
Information Security and Data Privacy Policy	Protect information and personal data in accordance with current laws	Group Risk Director	UNs Global Compact, ISO 26000, ISO 27001, GDPR	ESRS G1, S4
Insider Policy	Prevent unauthorized trading on basis of insider information	CEO	UN Global Compact, ISO 26000	ESRS G1
Intellectual Property Rights Policy	Ensure protection and correct management of intellectual property rights	CLCO		ESRS G1
IT Policy	Regulate use and security of IT systems	Director of IT	UN Global Compact, ISO 26000, ISO 27001	ESRS G1
Quality Policy	Ensure the high quality of products and services	Director of Quality	UN Global Compact, ISO 26000, ISO 9001	ESRS G1
Sustainability Policy	Integrate environment and sustainability principles in operations	Group Sustainability Lead	FN:s Global Compact, ISO 26000, ISO 14001, ISO 45001	ESRS E1–E5, S1–S4, G1
Code of Conduct	Set ethical guidelines for all employees	CLCO	UN Global Compact, ISO 26000	ESRS G1
Supplier Code of Conduct.	Ensure that suppliers follow ethical and sustainability requirements	Director of Global Supply Chain	UN Global Compact, ISO 26000	ESRS G1, S2

### Reporting misconduct and handling complaints

MilDef wants to be aware of any misconduct or complaints in the business and therefore facilitates reporting of these. To make it possible to address these matters at an early stage and take corrective action immediately, the Company has established the processes outlined below.

Complaints from stakeholders are handled via MilDef’s integrated management system. Proposals for improvements are drawn up where necessary and implemented. To safeguard the whistleblower’s anonymity, an

independent external whistleblowing service is made available and can be used to draw attention to serious cases of misconduct anonymously. This is valued in particular as it provides an opportunity to find out about matters that for various reasons would otherwise have risked remaining undiscovered. Only if the Company is aware of any irregularities can it change and improve.

### Grievance Mechanisms

Upstream	Own operations	Downstream
<p><b>In the value chain (for workers):</b></p> <ul style="list-style-type: none"> <li>• Supplier agreement</li> <li>• Process audits</li> <li>• 2Secure whistleblower function</li> <li>• Contact details for complaints via the website (RMA)</li> </ul>	<p><b>Internal (for employees):</b></p> <ul style="list-style-type: none"> <li>• Employee survey</li> <li>• Health and Safety Committees</li> <li>• MMS integrated management system matter</li> <li>• 2Secure whistleblower function</li> <li>• Union negotiations</li> </ul>	<p><b>External (for the community):</b></p> <ul style="list-style-type: none"> <li>• 2Secure whistleblower function</li> <li>• Contact details for complaints via the website (email)</li> </ul>

## ESG statistics

Governance (G)	ESRS	2022	2023	2024	2025
<b>Scope of ISO certification</b>					
Number of sites		12	9	10	10
Covered by certification		9	6	7	9
Share of sites covered		75%	67%	70%	90%
<b>Whistleblowing cases</b>					
	G1-4				
Corruption		0	0	0	0
Discrimination		0	0	0	0
Workplace bullying		0	0	0	0
Significant human rights failings		0	0	0	0
<b>Customer control (Ethics Council)</b>					
Cases examined		8	7	6	13
Cases dismissed		4	1	3	5

## ESRS Index

Disclosure requirements	Description	Page	Disclosure requirements	Description	Page
SBM-1	Strategy, business model and value chain	35	ESRS S1	Own workforce	44
SBM-2	Stakeholders' interests and views	36	S1-1	Policies for own workforce	49
SBM-3	Consequences, risks and opportunities linked to strategy	37	S1-6	Data on the Company's employees	47
GOV-1	Role of executive, management and supervisory bodies	37	S1-8	Signing of collective agreements	47
GOV-2	Information submitted to and sustainability topics handled by the Company's executive, management and supervisory bodies	37	S1-9	Diversity indicators	47
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E1-6	Gross greenhouse gas emissions and total greenhouse gas emissions	42	G1-1	Policies for responsible enterprise and corporate culture	49
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E5-1	Policies for resource use and circular economy	49	G1-4	Confirmed cases of corruption or bribery	50
E5-5	Resource outflows	43			

# AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of the shareholders in MilDef Group AB,  
corporate identity number 556893-5414

## Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2025 on pages 31-50 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

## The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in

accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

## Opinion

A statutory sustainability report has been prepared.

Malmö den 15 april 2026

Öhrlings PricewaterhouseCoopers AB

Eric Salander  
Authorized Public Accountant  
Auditor in charge

Johan Rönnbäck  
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

# The MilDef share

MilDef has been listed on Nasdaq OMX Stockholm (now Mid Cap) in the Industrial Goods and Services sector since June 4, 2021. The share's ISIN code is SE0016074249. The share is traded under the ticker MILDEF. A trading unit is one (1) share.

## Trading volume and activity

In the period January 2 - December 30, 2025, a total of around 116.6 million MilDef shares were traded on Nasdaq Stockholm at a value of around SEK 22,216 million. The average daily trading volume was 468,096 shares, equivalent to just under SEK 89.2 million.

## Share capital

At year-end 2025 MilDef's share capital amounted to SEK 11,778,723.75, divided into 47,114,895 shares with a quota value of SEK 0.25 per share. All of the shares are ordinary shares carrying the same voting rights.

## Ownership structure

The largest individual shareholder was Swedbank Robur Fonder with a total shareholding of around 9.5% of the capital and votes in the Company. The 10 largest shareholders represented around 37% of the capital and votes. As of December 31, 2025, MilDef had 44,431 shareholders.

## Dividend

MilDef's target is to distribute 20-40% of profit after tax. MilDef will, however, take long-term development, capital structure and prevailing market conditions into account. The Board of Directors is proposing to the AGM that a dividend of SEK 0.75 per share be set for the 2025 financial year, equivalent to 24% of the profit for the period.

## Share price movement

The closing price for MilDef's share on December 30, 2025 was SEK 119.80, giving a market capitalization of around SEK 5,644 million. The average share price during the period was SEK 178.86. The share price fell by 4.0% in 2025. Over the same period the OMXS30 index rose by 14.91%.

## MilDef share price movement 2025



## Analyst coverage

Erik Golrang (to be replaced in 2026), SEB, Hugo Lisjö, DNB Carnegie, Tom Guinchard, Pareto Securities, Daniel Lindkvist, Danske Bank, Finn Kemper, Cantor Fitzgerald and Mads Brinkmann, Berenberg Bank.

About the MilDef share			
<b>Name:</b>	MilDef Group AB	<b>LEI code:</b>	9845009F7Q0D56B38270
<b>Stock exchange:</b>	Nasdaq Stockholm	<b>Currency:</b>	SEK
<b>MIC:</b>	XSTO	<b>Listing date:</b>	June 4, 2021
<b>Segment:</b>	Mid Cap	<b>Price on Dec. 30, 2025:</b>	119.80
<b>ISIN code:</b>	SE0016074249	<b>2025 year high (May 28):</b>	294.40
<b>Symbol:</b>	MILDEF	<b>2025 year low (Nov 24):</b>	115.00

## MILDEF'S SHARE

Data per share					
SEK unless otherwise indicated	2025	2024	2023	2022	2021
Earnings per share, before dilution	3.16	-5.43	1.73	0.38	-0.03
Earnings per share, after dilution	3.16	-5.37	1.71	0.37	-0.03
Dividend per share	0.75 <sup>1</sup>	0.50	0.50	-	0.75
Share price as of December 31	119.8	124.80	65.60	80.80	52.40
Dividend yield, % <sup>2</sup>	0.63	0.40	0.76	0.00	1.43
Equity per share, before dilution	32.22	24.17	21.19	19.77	15.61
Equity per share, after dilution	32.22	24.09	20.96	19.55	15.61

<sup>1</sup> Proposed dividend for 2025

<sup>2</sup> Proposed dividend/share price at year-end

MilDef's 10 largest shareholders as of December 31, 2025			
Name	No. of shares	Votes (%)	Capital (%)
Swedbank Robur Fonder	4,464,642	9.48%	9.48%
Second Swedish National Pension Fund (AP2)	2,499,755	5.31%	5.31%
MilDef Crete Inc.	1,527,840	3.24%	3.24%
DNCA Finance S.A	1,457,367	3.09%	3.09%
Marianne Trolle	1,412,752	3.00%	3.00%
Carnegie Fonder	1,350,000	2.87%	2.87%
Svolder	1,300,000	2.76%	2.76%
Third Swedish National Pension Fund (AP3)	1,230,000	2.61%	2.61%
Deka Investments	1,042,634	2.22%	2.22%
Daniel Ljunggren	1,000,000	2.12%	2.12%
<b>Subtotal</b>	<b>17,284,990</b>	<b>36.69%</b>	<b>36.69%</b>
Total other shareholders	29,829,905	63.31%	63.31%
<b>Total</b>	<b>47,114,895</b>	<b>100.00%</b>	<b>100.00%</b>

Share capital development					
Year	Transaction	Change in number of shares	Total number of shares	Change in share capital, SEK	Total share capital, SEK
2012	Parent Company formed	10,700,000	10,700,000	5,350,000	5,350,000
2013	New share issue	280,000	10,980,000	140,000	5,490,000
2016	New share issue	40,000	11,020,000	20,000	5,510,000
2018	New share issue	598,422	11,618,422	299,211	5,809,211
2021	New share issue	711,087	12,329,509	355,543.50	6,164,754.50
2021	2:1 split	12,329,509	24,659,018	-	6,164,754.50
2021	New share issue	10,958,904	35,617,922	2,739,726.00	8,904,480.50
2021	New share issue	449,939	36,067,861	112,484.75	9,016,965.25
2021	New share issue	321,512	36,389,373	80,378.00	9,097,343.25
2022	New share issue	3,470,193	39,859,566	867,548.25	9,964,891.50
2024	New share issue	72,500	39,932,066	18,125.00	9,983,016.50
2024	New share issue	5,434,782	45,366,848	1,358,695.50	11,341,712.00
2024	New share issue	84,220	45,451,068	21,055.00	11,362,767.00
2024	New share issue	122,000	45,573,068	30,500.00	11,393,267.00
2025	New share issue	1,469,377	47,042,445	367,344.25	11,760,611.25
2025	New share issue	72,450	47,114,895	18,113.50	11,778,723.75



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# CORPORATE GOVERNANCE REPORT

MilDef Group AB (publ) is a Swedish limited company with its registered office in Helsingborg. The Company has been listed on Nasdaq Stockholm since June 4, 2021.

Good corporate governance is fundamental to being able to manage MilDef on behalf of the shareholders in a manner that is as sustainable, responsible and efficient as possible. This in turn improves confidence in the Company in the capital market and among the general public – confidence that is crucial for the freedom to realize the Company's strategies so that MilDef can create value in the long term.

## Operations

Digitalization of operations and functions that are critical for society is increasing and with it the need for tactical IT in demanding environments.

MilDef is taking an active role in this development. The goal is to be the most reliable partner in the industry. MilDef adds value through industry-leading quality and high delivery precision. As one of Europe's leading groups within tactical IT, MilDef's business concept is to develop, deliver and offer tactical IT products and services for processes and functions that are critical for society. MilDef customizes solutions to be able to meet its customers' specific requirements in the demanding environments in which the solutions are used. MilDef's hardware and software products are combined with services to deliver effective digitalization. At year-end 2025 MilDef consisted of 17 legal entities with just over 500 employees in eight countries. The Group posted revenue for full-year 2025 of SEK 2,045 million with an adjusted operating EBITA margin of 13.5%.

## Basis of governance

MilDef's governance is based on the Company's Articles of Association, the Swedish Companies Act, other applicable Swedish and foreign laws and regulations, as well as internal governing documents. MilDef's corporate governance is also underpinned by Nasdaq Stockholm's Rulebook for Issuers of Shares and the Swedish Corporate Governance Code ("the Code"). MilDef has followed the Code in all respects during 2025. This Corporate Governance Report has been prepared in accordance with the Swedish Annual Accounts Act and the Code. MilDef's auditors have reviewed the report, and a statement from the auditors has been included. Corporate Governance Reports and other information on corporate governance can be found on MilDef's website: [www.mildef.com](http://www.mildef.com).

MilDef strives to operate in a sustainable, responsible and efficient manner that creates value for our customers, shareholders, employees, managers, suppliers and other stakeholders. The Company's strategy and financial targets support this approach.

The Company's strategy, financial targets and sustainability ambitions are described in the present report. The highest decision-making body in the Company is the shareholders' meeting. This is normally held once a year in the form of the Annual General Meeting but can also be convened in the form of an extraordinary shareholders' meeting in certain circumstances. The Company organizes

the Annual General Meeting, but the shareholders can bring influence to bear and propose items for the meeting agenda.

## Share capital and shareholders

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 119.80 and the market capitalization was SEK 5,644 million. The total number of shareholders at the end of the period was 44,431. For more information on ownership and share capital, see "The MilDef share".

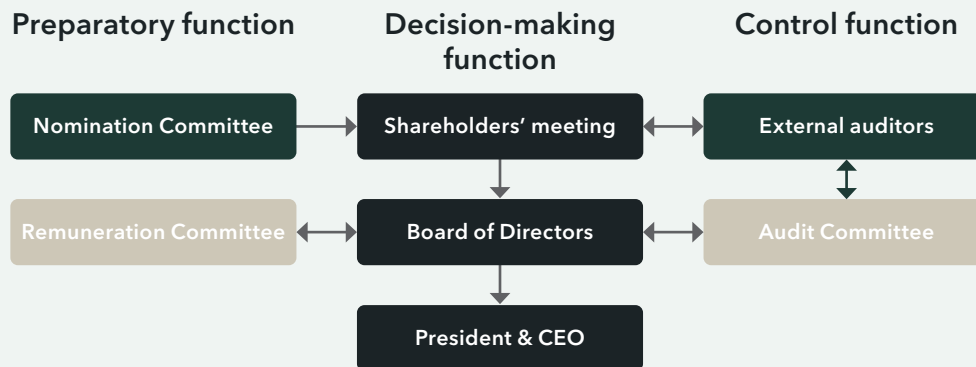
## Insider trading and insider list

MilDef has ambitious goals when it comes to ethically correct behavior. MilDef's Board of Directors has adopted an Insider Policy as part of its efforts to uphold high ethical standards and to ensure that MilDef maintains a good reputation in the eyes of the general public and the capital market. The policy aims to reduce the risks of insider trading and other unlawful actions by providing clear guidance for employees and other stakeholders.

## MilDef's corporate governance structure

Shareholders can exercise influence in the Company at the shareholders' meeting, which is the Company's highest decision-making body. Every shareholder has the right to participate in and exercise the voting rights for their shares at the shareholders' meeting, either in person or through a proxy. At the Annual General Meeting, the shareholders elect the members and Chair of the Board and auditor(s), and approve their fees. The Annual General Meeting passes resolutions on adoption of the income statement and balance sheet, allocation of the Company's profit, and discharge from liability for the members of the Board and the CEO. The Annual General Meeting also passes resolutions on principles for the Nomination Committee and principles for remuneration and other terms of employment for the CEO and other senior executives. The Annual General Meeting or extraordinary shareholders' meeting can also pass resolutions to amend the Articles of Association, increase or decrease the share capital, etc. The notice convening the Annual General Meeting is published in *Post och Inrikes Tidningar* (the Official Swedish Gazette) and on the Company's website. Notice of the 2026 meeting will be advertised in the Swedish newspaper *Dagens Industri*.

## MilDef's overarching corporate governance structure



The Board of Directors' task, on behalf of the shareholders, is to manage MilDef's affairs in the interests of the Company and all the shareholders. The Chair of the Board has a special responsibility to ensure that the Board's work is well organized and conducted efficiently.

The Audit Committee and Remuneration Committee are appointed by the Board of Directors.

The Company's auditors are appointed by the shareholders' meeting to audit the Company's Annual Report and accounting records, and also the Board of Directors' and CEO's administration. The auditors report to the shareholders at the Annual General Meeting via the Auditor's Report.

The Board of Directors adopts a formal work plan for itself and instructions for the CEO. The Board of Directors appoints the CEO, who is responsible for the ongoing administration of the Company. The CEO in turn appoints the Management Team.

### Nomination Committee

A Nomination Committee is to be formed each year at the initiative of the Chair of the Board, and the rules for the composition of the Nomination Committee are to be adopted by the Annual General Meeting. The Nomination Committee is made up of three members plus the Chair of the Board as a co-opted member. The members of the Nomination Committee are to include a representative of each of the three shareholders with the largest number of votes in the share register maintained by Euroclear Sweden on August 31 in the year prior to the Annual General Meeting. As a co-opted member, the Chair of the Board convenes the first meeting of the Nomination Committee.

If any shareholder waives the right to participate in the Nomination Committee, the next largest shareholder is to be given the opportunity to appoint a member to the

Nomination Committee. The chair of the Nomination Committee is to be the member appointed by the shareholder with the largest number of votes, unless the Nomination Committee decides otherwise. Neither the Chair of the Board nor another board member may be the chair of the Nomination Committee. The Nomination Committee is to check in the share register maintained by Euroclear Sweden AB on December 31 to see whether another shareholder has a larger number of votes than any of the shareholders who have appointed members to the Nomination Committee in accordance with the procedure described above. If there has been such a change in the number of votes - and the change is more than marginal - the Nomination Committee is entitled to change its composition as it sees fit or, if the Nomination Committee decides not to change its composition, the shareholder concerned is in any case to be entitled to appoint a representative, who is to be co-opted to the Nomination Committee. Should the Nomination Committee otherwise become aware of a change in the Company's ownership before it has completed its work, the Nomination Committee is entitled to change the composition of the Nomination Committee and/or co-opt a representative/representatives to the Nomination Committee as it sees fit. Should a member leave the Nomination Committee before its work is complete and the Nomination Committee considers it advisable to appoint a replacement, such replacement is to be from the same shareholder or, if said shareholder is no longer among those with the largest number of votes, from the next largest shareholder by number of votes. Any change to the composition of the Nomination Committee is to be announced immediately.

Each year, a survey of the Board of Directors' work, composition, qualifications, experience and efficiency is conducted among the board members. This survey forms the basis for the Nomination Committee's assessment of

whether the Board of Directors should be strengthened with additional expertise or whether there are other reasons to change the composition of the Board. The Nomination Committee usually also meets with the CEO and sometimes also with individual board members. Persons proposed as new board members are interviewed by the Nomination Committee. The Nomination Committee is to consider in particular the requirement to achieve diversity and breadth in the Board of Directors, and to strive for an equal gender distribution. The Nomination Committee assesses the composition of the Board of Directors with respect to its independence and considers all proposals regarding its composition that have been submitted to the Nomination Committee, which may come from other shareholders. The names of the representatives on the Nomination Committee and the shareholders they represent are to be published no later than six months before the Annual General Meeting. Based on the ownership structure on August 31, 2025, a Nomination Committee was constituted for the 2026 Annual General Meeting consisting of Celia Grip, appointed by Swedbank Robur Fonder; Martin Jonasson, appointed by Andra AP-fonden; Mattias Montgomery, appointed by Carnegie Fonder; and Björn Karlsson (co-opted member), Chair of the Board of MilDef. Celia Grip was appointed chair of the Nomination Committee. Verification of the ownership structure at year-end 2024 did not occasion any change to the Nomination Committee.

The Nomination Committee's proposals are to be presented in the notice convening the shareholders' meeting and on MilDef's website. In connection with this, the Nomination Committee is to provide a reasoned statement on the Company's website regarding its proposal for the Board of Directors, taking into account the provisions of the Code governing the composition of the Board of Directors. In particular, the proposal is to be explained in terms of the requirement to strive to achieve an even gender distribution. The statement is also to include a brief account of how the Nomination Committee has performed its work and of the Equality Policy that the Nomination Committee has applied in drawing up its proposal. The Nomination Committee is to submit to the Annual General Meeting its proposals for meeting chair, number of board members, Board of Directors, Chair of the Board, auditor, board fees (divided between Chair and other members plus remuneration for committee work), audit fees and, to the extent considered necessary, proposals for changes to the present instructions for the Nomination Committee. The Nomination Committee is to submit a reasoned statement on its proposals to the Annual General Meeting. Shareholders may request to have a matter discussed at the 2026 Annual General Meeting by sending an email to [arsstamma@mildef.com](mailto:arsstamma@mildef.com) by April 2, 2026. The Nomination Committee's proposals are published in connection with or before the notice convening the Annual General Meeting. Members of the Nomination Committee do not receive remuneration from the Company for their work.

## Annual General Meeting for the 2024 financial year

The Annual General Meeting for the 2024 financial year took place on May 22, 2025 in Helsingborg. 49% of the

total number of shares and votes were represented at the Annual General Meeting, either in person or by proxy. Björn Karlsson, Chair of the Board, was elected as meeting chair. The Annual General Meeting adopted the submitted income statement and balance sheet. The consolidated statement of comprehensive income and statement of financial position were also adopted. The meeting granted discharge from liability for the Board of Directors and the CEO.

In addition, the main resolutions passed were as follows:

### Election of Board of Directors and auditor

Jan Andersson, Charlotte Darth, Björn Karlsson, Bengt-Arne Molin and Lennart Pihl were re-elected and Carl Mellander och Elisabeth Åbom were elected as new members for the period until the end of the 2026 AGM. Christian Hammenborn and Marianne Trolle declined re-election. Björn Karlsson was also re-elected as Chair of the Board and Öhrlings PricewaterhouseCoopers AB was re-elected as the Company's auditor for a term of one year, with Eric Salander as Auditor-in-Charge. Audit fees are payable as invoiced.

### Fees

Board fees are to be paid as follows: SEK 525,000 to the Chair of the Board and SEK 250,000 to other shareholder-elected board members who are not employees of MilDef; SEK 120,000 to the chair and SEK 60,000 to other members of the Audit Committee; SEK 40,000 to the chair and SEK 30,000 to other members of the Remuneration Committee. According to the Company's Guidelines for remuneration of senior executives, consulting fees or other remuneration may be paid to board members who carry out work on the Company's behalf in addition to their board work.

### Dividend

The Annual General Meeting voted to approve the Board's proposed dividend to shareholders of SEK 0.50 per share for the 2024 financial year.

### Guidelines for remuneration of senior executives

See "Guidelines for remuneration of senior executives".

### Guidelines for authorization of the Board of Directors to issue new shares

The meeting authorized the Board of Directors, on one or more occasions in the period up to the next Annual General Meeting, to decide to issue new shares, with or without waiver of shareholders' preferential rights. The authorization includes the right to decide to issue new shares for payment in kind or by offset or otherwise subject to terms in accordance with the Swedish Companies Act. Further to a decision pursuant to the authorization, the number of shares may be increased by a number equivalent to a maximum of ten (10) per cent of the total number of shares outstanding in the Company at the time the Board first exercises the authorization. The total number of shares comprised by such new issues is to be within the limits on the share capital set out in the Articles of Association.

The aim of the authorization, and the reasons for any waiver of shareholders' preferential rights, is to enable the Company to finance the acquisition of entities or activities, or to strengthen the Company's capital base and equity/assets ratio. If shareholders' preferential rights are waived, new share issues pursuant to the authorization must be effected on market terms. The Board of Directors is further authorized, in observance of the above terms, to decide on such other terms as the Board may consider necessary to carry out the share issues.

## Composition of the Board of Directors

Pursuant to the Articles of Association, the Board of Directors of MilDef is to consist of three to eight members, elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. The Articles of Association do not permit election of substitutes. The Articles of Association do not contain any other provisions regarding appointment or dismissal of board members. The Nomination Committee considers that its recommendations for the composition of the Board of Directors are expedient in light of the Company's operations, stage of development and other circumstances, being characterized by diversity and breadth in terms of the members' expertise, experience, gender and background (application of Diversity Policy in accordance with rule 4.1 of the Code).

The CEO is not a member of the Board of Directors but is co-opted to all board meetings. Other employees in the Group attend board meetings to present reports or take minutes. For further information on the board members, see "Board of Directors".

## Independence of the Board of Directors

According to the Code, a majority of the shareholder-elected board members are to be independent of the Company and its management, and at least two of these must also be independent of the Company's major shareholders. The Board of Directors of MilDef is considered to fulfill the applicable requirements on independence. All members except Björn Karlsson are considered to be independent of the Company and its management. The Chair of the Board, Björn Karlsson, was the Company's President & CEO until May 2023 and is therefore not considered independent of the Company and its management. All the members are considered independent of the Company's largest shareholders.

## The Board of Directors' procedures and responsibilities

As well as the board meeting following the AGM, the Board of Directors is to hold at least six scheduled meetings per financial year. Additional board meetings are to be held if required. Each year the Board of Directors draws up a written formal work plan that clarifies the Board's responsibilities and regulates the division of work between the Board and its committees, including the role of the Chair of the Board, the decision-making process within the Board, the Board's meeting plan, notice of board meetings, agenda and minutes, and the Board's work on accounting and audit issues and on financial reporting.

The Board has also established instructions for the CEO and adopted other special policies. The Board evaluates the CEO's work on an ongoing basis and, once a year, discusses this particular matter without the Management Team being present. The Board's responsibilities include overseeing the work of the CEO by means of ongoing monitoring during the year and ensuring that the system of organization for managing MilDef's affairs is fit for purpose. The Board's responsibilities further include establishing strategies and goals; drawing up special policies; making decisions on major acquisitions and disposals of entities, on other major capital expenditure, and on investments and loans in accordance with the Financial Policy; issuing financial statements; evaluating operational management; and succession planning. The Board of Directors ensures the quality of financial reporting, partly by means of adopted governing instruments such as the instructions for the CEO, and partly by discussing reports from the Audit Committee in the form of minutes and observations, recommendations and proposals for resolutions and measures. The Board of Directors further ensures the quality of financial reporting by discussing such material in depth at board meetings. As part of its quality assurance work, the Board of Directors also meets the Company's auditor once a year without the CEO or any other member of the Management Team being present.

## The role of the Chair

The Chair of the Board organizes and leads the work of the Board, ensuring that it is carried out in accordance with the Swedish Companies Act, other laws and regulations, and the Board of Directors' internal governing instruments. The Chair monitors the Company's activities through ongoing contact with the CEO and is responsible for other board members receiving satisfactory information and decision-making materials. The Chair is responsible for ensuring that board members continuously refresh and deepen their knowledge of MilDef and in other respects receive the requisite training for their board duties to be carried out efficiently. The Chair of the Board is to ensure that the Board's tasks and working methods are evaluated and discussed with the board members on an annual basis, and that the Nomination Committee is informed of the results, with a view to improving the Board's procedures and efficiency. An evaluation of this kind was carried out in 2025, mainly by means of a detailed questionnaire sent to the Board. The results of this evaluation have been presented to the Nomination Committee and to the Board of Directors as a whole.

## The Board of Directors' work in 2025

The Board held a total of 17 board meetings during the year. At the scheduled board meetings the CEO and CFO reported on the Group's results and financial position, including the outlook for the coming quarters. Apart from approval of the annual and interim reports and establishing the business plan and associated financial plan, key matters discussed by the Board during the year were as follows:

- Revision and adoption of the Company's policies
- Acquisitions

- Investments
- Risk assessment
- Product development
- Organization

### Remuneration of the Board of Directors

The fee paid to shareholder-elected members of the Board is approved by the Annual General Meeting further to a recommendation from the Nomination Committee. For the period between the 2025 and 2026 Annual General Meetings, the remuneration consists of a fixed amount of SEK 525,000 for the Chair and SEK 250,000 for each of the other members. Remuneration is also payable on an invoice basis for special work (consulting services etc.) carried out by members within their respective areas of expertise, provided such work is approved in advance by the Chair of the Board or by two board members. A fee of SEK 60,000 is paid to each of the two ordinary members of

the Audit Committee and SEK 120,000 to the Committee’s chair. A fee of SEK 30,000 is paid to members of the Remuneration Committee and SEK 40,000 to the Committee’s chair. There are no agreements on pensions, severance pay or other benefits for board members.

### Audit Committee

MilDef’s Board of Directors includes an Audit Committee. This is to consist of at least three board members appointed by the Board of Directors. The Committee does not have decision-making powers. Its members are appointed each year by the Board at the board meeting following the AGM or when a committee member has to be replaced. The committee members appointed in May 2025 were Lennart Pihl (chair), Charlotte Darth and Carl Mellander. The work of the Audit Committee is regulated by special instructions adopted by the Board of Directors as part of its formal work plan. The work focuses on the quality and accuracy of the financial accounting and reporting, work on internal financial control, the Group’s compliance with current

Name	Year elected	Independent*	Board meetings	Audit Committee	Remuneration Committee	Board fee in SEK 000**
<b>Chair of the Board:</b>						
Björn Karlsson	2023	No/Yes	17/17	-	3/3	565
<b>Board members:</b>						
Carl Mellander	2025	Yes/Yes	7/17	2/5	-	310
Lennart Pihl	2020	Yes/Yes	17/17	5/5	-	370
Elisabeth Åbom	2025	Yes/Yes	7/17	-	-	250
Charlotte Darth	2020	Yes/Yes	17/17	4/5	-	310
Jan Andersson	2018	Yes/Yes	16/17	-	3/3	280
Bengt-Arne Molin	2023	Yes/Yes	17/17	-	-	250

\* Independent of the Company and its management and independent of the Company’s major shareholders.  
 \*\* Including committee fee. The board fees relate to the period from the 2025 Annual General Meeting to the 2026 Annual General Meeting.

## Main elements of the Board’s work in 2025

### December

- Business plan and budget
- Evaluation of impairment test
- Evaluation of board work and CEO
- Risk assessment

### October

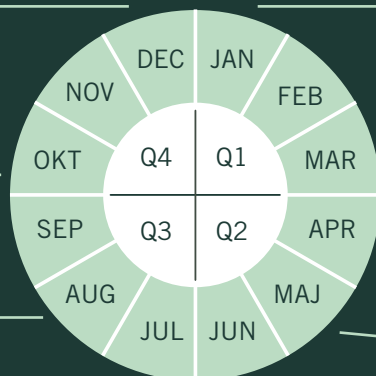
- Interim report Q3 January - September
- Updates to the Company’s policies.

### August

- Revision of strategic plan
- Risk assessment

### July

- Interim report Q2 January - June



### February

- Year-end report
- Proposal for allocation of profit
- Report from the auditors

### March

- Annual and Sustainability Report
- Proposals and reports for the AGM

### April

- Interim report Q1 January - March
- Risk assessment

### May

- First board meeting following the AGM: decision on authority to sign for the Company, election of Remuneration Committee and Audit Committee, decision on time and venue for forthcoming scheduled board meetings

regulations and, where relevant, transactions between the Group and related parties.

In addition, the Audit Committee has recurrent contact with the auditors for the Parent Company and the Group to facilitate a continuous exchange of views and information between the Board of Directors and the auditors on audit matters. Furthermore, the Committee is to evaluate the audit procedures and establish guidelines for which non-audit services may be procured from MilDef's auditor.

The Audit Committee held five meetings in 2025. Minutes are taken of Audit Committee meetings and a verbal report is provided at board meetings.

### Remuneration Committee

MilDef's Board of Directors also includes a Remuneration Committee. This is to comprise two board members appointed by the Board of Directors. The Chair of the Board may be chair of the Remuneration Committee. Other shareholder-elected members of the Remuneration Committee must be independent of the Company and the Management Team.

The Remuneration Committee has a dual advisory and preparatory role, preparing matters for discussion and decision by MilDef's Board of Directors. The Remuneration Committee works in accordance with a formal work plan adopted by the Board of Directors. The main duties of the Remuneration Committee are making preparations for Board decisions on matters concerning remuneration principles, remuneration and other terms of employment for the Management Team; monitoring and evaluating the variable remuneration program for the Management Team; and monitoring and evaluating the application of the Guidelines for remuneration of senior executives as adopted by the Annual General Meeting, and relevant remuneration structures and remuneration levels in MilDef. The Board of Directors appoints the committee members each year at the board meeting following the AGM or when a committee member has to be replaced. The committee members appointed in May 2025 were Björn Karlsson (chair) and Jan Andersson. The Remuneration Committee held three meetings in 2025. Minutes are taken of Remuneration Committee meetings and a verbal report is provided at board meetings.

### Management Team

The CEO leads the Company's operations in accordance with the Swedish Companies Act and within the parameters established by the Board of Directors. The CEO, in consultation with the Chair of the Board, produces the necessary information and decision-making materials ahead of board meetings, presents the matters and justifies proposals for resolutions. Further, the CEO is responsible for MilDef's commercial, strategic and financial development, and leads and coordinates daily operations in line with the Board's guidelines and resolutions. The CEO also appoints the members of the Management Team after consulting with the Chair. The Management Team meets regularly under the leadership of the CEO.

### External auditors

At the 2025 Annual General Meeting Öhrlings PricewaterhouseCoopers AB was elected as the Company's auditor

for a term of one year, with Eric Salander as Auditor-in-Charge. The auditors have ongoing contact with the Chair of the Board, the Audit Committee and the Management Team. The auditors are engaged to audit the Annual Report and accounting records, as well as the Board of Directors' and the CEO's administration of the Company. The auditors work according to an audit plan that incorporates input from the Board of Directors communicated by the Audit Committee. The auditors report their observations to the Board of Directors. Reporting takes place both during the course of the audit and at the end in connection with the annual report being issued and adopted. The auditors also participate in at least one board meeting per year, at which they describe the audit work and their observations in an auditor's report. As well as the audit, the auditors carried out certain consulting assignments during the year, primarily advising on accounting and tax matters. The external audit has been conducted in accordance with generally accepted auditing principles in Sweden. The audit of financial statements for legal entities outside Sweden is conducted in accordance with statutory requirements and other applicable regulations in the respective country, and in accordance with generally accepted auditing principles. An auditor's report is issued for the legal entities where this is required by local legislation.

### Internal audit

MilDef has sophisticated governance and internal control systems. The Board of Directors and the Audit Committee follow up MilDef's assessment of the internal control, including by means of contact with MilDef's auditors, who carry out an internal control audit every year. Based on the above, the Board of Directors has decided not to establish a separate internal audit unit.

### Internal control of financial reporting

The responsibilities of the Board of Directors and the CEO with respect to internal control are regulated in the Swedish Companies Act. The Board's responsibilities are also regulated in the Code. Pursuant to the Code, the Board of Directors is to describe how internal control of financial reporting is organized. This forms part of the Corporate Governance Report.

The aim of internal control is, first and foremost, to ensure that the Company achieves its goals in terms of expedient and efficient operations, reliable reporting, and compliance with applicable laws and regulations. Internal control of financial reporting is intended to provide reasonable assurance in terms of the reliability of the external financial reporting, and that the external financing reporting has been prepared in accordance with laws and applicable accounting standards. This report on internal control of financial reporting has not been reviewed by the Company's auditors. The starting point for the internal control process is the regulatory framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

### Control environment

The Board of Directors has overall responsibility for internal control of financial reporting. With a view to creating and maintaining an effective control environment, the



Board of Directors has adopted a number of fundamental documents of importance to the financial reporting, including in particular a formal work plan for the Board of Directors and instructions for the CEO. The Board of Directors has further appointed an Audit Committee, the main task of which is to ensure that the established principles for financial reporting and internal control are complied with and that expedient relations are maintained with the Company's auditors. Responsibility for maintaining an effective control environment and the ongoing work on internal control of financial reporting is delegated to the CEO, who reports regularly to the Board of Directors on the basis of established procedures. In addition, reports are received from the Company's auditors. The internal control structure also builds on a management system based on MilDef's organization with clear financial roles, areas of responsibility and delegation of powers. Operational decisions are taken at company level, while decisions on strategy, overarching financial matters, acquisitions and major investments are taken by MilDef's Board of Directors and Management Team. The governing documents on accounting and financial reporting represent the most material elements of the control environment in terms of financial reporting. These documents are updated on an ongoing basis to reflect e.g. changes in accounting standards and legislation.

### Risk assessment

The Group conducts ongoing risk assessment to identify material risks associated with financial reporting. Where financial reporting is concerned, the primary risk is considered to lie in material errors in the accounting in terms of accounting records and valuation of assets, liabilities, revenues and costs or other discrepancies. Fraud and losses as a result of embezzlement are another risk. Risk management is built into every process. Different methods are used to evaluate and mitigate risks and to ensure that the risks to which MilDef is exposed are managed in accordance with established policies, instructions and monitoring procedures. These policies, instructions and procedures aim to reduce possible risks, and promote correct accounting, reporting and provision of information.

### Control activities

The risks identified regarding financial reporting are managed via the Company's control activities such as authentication in IT systems and authorization verification. The control structure consists of clear roles in the organization that enable an efficient division of responsibilities for specific control activities with a view to discovering or being in time to prevent the risk of errors in the reporting. The continual analysis undertaken of the financial reporting and the analysis carried out at Group level are very important in ensuring that the financial reporting is free

from material errors. The corporate finance department plays an important role in the internal control process and is responsible for the financial reporting from each entity being correct, complete and on time.

### Information and communication

MilDef provides the market with ongoing information on the Group's development and financial position in relevant channels. Policies, guidelines and internal instructions for financial reporting ensure the quality of external communication. Regular updates and notifications of changes in accounting principles, reporting requirements or other information provision are made available and known to the employees concerned on the Group-wide intranet.

### Monitoring process

The CEO is responsible for ensuring that the internal control is organized and monitored in accordance with the guidelines adopted by the Board of Directors. The CEO is also responsible for independent objective reviews being carried out with a view to systematically evaluating and proposing improvements to the Group's processes for governance, internal control and risk management. Financial governance and control are carried out by the corporate finance department. Financial data is reported each month, together with a forecast for the current year. MilDef's management conducts a monthly budget follow-up including variance analysis against the financial plan and prior years. Any variance is investigated and assessed with a view to possible internal control activities. In addition, the monthly figures are discussed with the management of the respective company. The Board of Directors is sent monthly financial reports, and the financial reporting is followed up at each board meeting. The Board of Directors and management review the financial reporting ahead of publication of annual and interim reports. A review is conducted of the financial statements for January - September and a full audit is carried out in connection with the annual financial statements. The Company's auditors report their observations to the Board of Directors. The duties of the external auditors also include reviewing the internal control in the Group's subsidiaries on an annual basis.

### Articles of Association

Among other things, the Articles of Association set out the Company's business activities, the number of board members and auditors, how the Annual General Meeting is to be convened, handling of items at the Annual General Meeting, and where the meeting is to be held. The shareholders' meeting has full decision-making authority regarding changes to the Articles of Association. The current Articles of Association were adopted at the Annual General Meeting on May 12, 2022, and are available in the "Articles of Association" section of this report and on the Company's website [www.mildef.com](http://www.mildef.com).

Helsingborg, April 15, 2026

*Board of Directors of MilDef Group AB (publ)*

# BOARD OF DIRECTORS



## Björn Karlsson

### Chair of the Board

*Chair of the Board since 2023.*

<b>Born</b>	1973
<b>Education</b>	Technical college graduate.
<b>Other current positions</b>	CEO and Chair of the Board of Simplexor AB.
<b>Previous positions (past five years)</b>	President & CEO of MilDef Group AB. Board member of SOFF (Swedish Security & Defence Industry Association).
<b>Holding in the Company</b>	390,821 shares.
<b>Independence</b>	Not independent of the Company and its management. Independent of major shareholders.
<b>Board committees</b>	Chair of the Remuneration Committee.



## Jan Andersson

### Board member

*Board member since 2023.  
Chair of the Board 2015-2017,  
2018-2023.*

<b>Born</b>	1959
<b>Education</b>	Master of Science (M.Sc.) Computer Engineering, Institute of Technology at Linköping University.
<b>Other current positions</b>	Chair of the Board of DH Anticounterfeit AB and Proplab AB, and board member of companies including Addnode Group AB, Entreprenörinvest Sverige AB, Loop Venture AB, Localize Direct AB, Gridly AB, Myloc Holding AB and Lex Energy Nord AB.
<b>Previous positions (past five years)</b>	CEO and co-founder of ReadSoft AB and numerous previous board positions.
<b>Holding in the Company</b>	500,000 shares.
<b>Independence</b>	Independent of the Company and its management and of major shareholders.
<b>Board committees</b>	Member of the Remuneration Committee.



## Bengt-Arne Molin

### Board member

*Board member since 2023.*

<b>Born</b>	1958
<b>Education</b>	Ph.D. Electrical Engineering, Lund University.
<b>Other current positions</b>	Founder and CEO of B A Molin AB. Co-founder of Evosat AB. Board member of Generic Sweden AB.
<b>Previous positions (past five years)</b>	Chair of the Board of Katam Technologies AB and Lumeo Technology AB. Board member of Auricula AB, Meltspot AB and MultiQ AB.
<b>Holding in the Company</b>	2,600 shares.
<b>Independence</b>	Independent of the Company and its management and of major shareholders.
<b>Board committees</b>	-

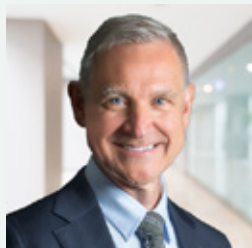


## Elisabeth Åbom

### Board member

*Board member since 2025.*

<b>Born</b>	1971
<b>Education</b>	Master of Science (M.Sc.) Applied Physics, Linköping University, Ph.D. Materials Physics, Linköping University, and Executive MBA, Stockholm School of Economics.
<b>Other current positions</b>	CEO of VD NIRA Dynamics AB.
<b>Previous positions (past five years)</b>	Board member of Linköpings Science Park, LiU Holding and Svolder AB.
<b>Holding in the Company</b>	-
<b>Independence</b>	Independent of the Company and its management and of major shareholders.
<b>Board committees</b>	-

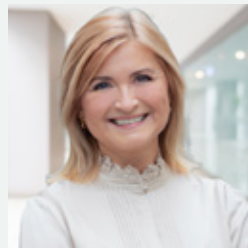


## Carl Mellander

### Board member

*Board member since 2025.*

<b>Born</b>	1964
<b>Education</b>	Bachelor of Arts (B.A.) Finance and Economics, Stockholm University
<b>Other current positions</b>	Board member of Svensk Exportkredit, Tobii, Dustin and Grönskär-Gruppen. Consultancy work, mainly within financing and investment for companies including EQT, Nordic Capital and Artur D. Little. Advisor at Novare Advisory. Advisory Council Member of Save the Children's Swedish Financing and Partnership Council and Advisory Board Member of the Accounting and Financial Management Center of Excellence, Stockholm School of Economics.
<b>Previous positions (past five years)</b>	Group CFO at Ericsson.
<b>Holding in the Company</b>	9,678 shares.
<b>Independence</b>	Independent of the Company and its management and of major shareholders.
<b>Board committees</b>	Member of the Audit Committee.

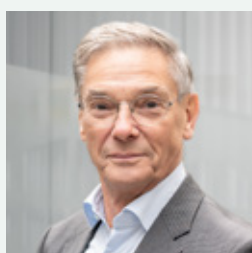


## Charlotte Darth

### Board member

*Board member since 2020.*

<b>Born</b>	1968
<b>Education</b>	Master of Science (M.Sc.) Business Administration & Economics, Stockholm University.
<b>Other current positions</b>	Co-CEO of Future Ordering AB. Chair of the Board of Worldfavor AB and Engage Group AB.
<b>Previous positions (past five years)</b>	CEO of Binero Group AB. Board member of Intervalor AB and Fondia Oyj.
<b>Holding in the Company</b>	1,011 shares.
<b>Independence</b>	Independent of the Company and its management and of major shareholders.
<b>Board committees</b>	Member of the Audit Committee.



## Lennart Pihl

### Board member

*Board member since 2020.*

<b>Born</b>	1950
<b>Education</b>	Master of Science (M.Sc.) Business Administration & Economics, Lund University.
<b>Other current positions</b>	Chair of the Board of Myloc Holding AB, Bertex Mail AB, Liljehomens Group AB and Joakim Lagergren Golf AB.
<b>Previous positions (past five years)</b>	Chair of the Board of Nordic Room Improvement Holding AB, INGAPÉ AB, Nordic Vehicle AB and Haki Safety AB.
<b>Holding in the Company</b>	821 shares.
<b>Independence</b>	Independent of the Company and its management and of major shareholders.
<b>Board committees</b>	Chair of the Audit Committee.

# MANAGEMENT TEAM



## Daniel Ljunggren

### CEO

Chief Executive Officer (CEO) since 2023, Executive Vice President (EVP) from 2020, Chief Financial Officer (CFO) from 2011.

<b>Employed</b>	2011
<b>Born</b>	1980
<b>Education</b>	Master of Business Administration (MBA), Kristianstad University.
<b>Other current positions</b>	-
<b>Previous positions (past five years)</b>	Chief Financial Officer (CFO), Executive Vice President (EVP).
<b>Holding in the Company</b>	1,000,000 shares.



## Viveca Johnsson

### CFO

Chief Financial Officer (CFO) since 2023.

<b>Employed</b>	2023
<b>Born</b>	1987
<b>Education</b>	Master of Science (M.Sc.) Business & Economics, Lund University.
<b>Other current positions</b>	-
<b>Previous positions (past five years)</b>	Divisional CFO for Nederman Group, Division Extraction & Filtration Technology.
<b>Holding in the Company</b>	2,030 shares.



## Karin Svalander

### CLCO

Chief Legal & Compliance Officer since 2024.

<b>Employed</b>	2020
<b>Born</b>	1978
<b>Education</b>	Master of Laws (LL.M.), Uppsala University.
<b>Other current positions</b>	-
<b>Previous positions (past five years)</b>	Deputy board member of Invono Fund AB, CLO for Invono AB.
<b>Holding in the Company</b>	23,210 shares.



## Fredrik Persson

### Deputy CEO/CTO

Deputy Chief Executive Officer (Deputy CEO) since 2023, Chief Technology Officer (CTO) since 2020.

<b>Employed</b>	2012
<b>Born</b>	1981
<b>Education</b>	Master of Science (M.Sc.) Radioelectronics and Electromagnetic Field Theory, Faculty of Engineering at Lund University.
<b>Other current positions</b>	CEO of MilDef Products AB.
<b>Previous positions (past five years)</b>	-
<b>Holding in the Company</b>	100,000 shares.



## Martina Karlsson

### CPO

Chief People Officer (CPO) since 2023.

<b>Employed</b>	2023
<b>Born</b>	1987
<b>Education</b>	Bachelor's degree in Human Resource Management, Gothenburg University.
<b>Other current positions</b>	-
<b>Previous positions (past five years)</b>	Divisional HR Manager for Axis Communications AB.
<b>Holding in the Company</b>	3,345 shares.

## Changes in Management Team

Magnus Hagman, VP Nordics, left MilDef in February 2026.

# AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the general meeting of the shareholders in MilDef Group AB,  
corporate identity number 556893-5414

## Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2025 on pages 56-66 and that it has been prepared in accordance with the Annual Accounts Act.

## The scope of the audit

Our examination has been conducted in accordance with FAR's standard Rev 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

## Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Malmö den 15 april 2026

Öhrlings PricewaterhouseCoopers AB

Eric Salander  
Authorized Public Accountant  
Auditor in charge

Johan Rönnbäck  
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

# Guidelines for remuneration of senior executives

In accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, the shareholders' meeting of a public limited company whose shares are admitted for trading on a regulated market is to adopt guidelines for remuneration of senior executives. The following guidelines for remuneration of the CEO and other senior executives were adopted at the 2025 Annual General Meeting.

The guidelines cover senior executives, including the President & CEO and other members of the Management Team. If members of the Company's Board of Directors perform work for the Company alongside their board assignments, these guidelines are also to be applied to any remuneration paid to the board members for such work. The principles are prospective, i.e., they apply to remuneration agreed and changes made to previously agreed remuneration after the guidelines were adopted at the 2025 Annual General Meeting. The principles do not apply to any remuneration agreed or approved at the Annual General Meeting.

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The guidelines cover senior executives, including the President & CEO and other members of the Management Team. If members of the Company's Board of Directors perform work for the Company alongside their board assignments, these guidelines are also to be applied to any remuneration paid to the board members for such work. The principles are prospective, i.e., they apply to remuneration agreed and changes made to previously agreed remuneration after the guidelines were adopted at the 2025 Annual General Meeting. The principles do not apply to any remuneration agreed or approved at the Annual General Meeting.

MilDef is a systems integrator and comprehensive supplier specialized in rugged IT for defense and security applications. As a leading supplier of tactical IT, MilDef has linked its strategies to expansion within three areas: hardware, software and services. MilDef's offering in these areas is known for being rugged, secure and customizable. Three pillars of growth underlie MilDef's future expansion and form the basis for the Company's strategy: internationalization, portfolio development and acquisitions. For further information on MilDef's strategy, see [www.mildef.com](http://www.mildef.com).

MilDef's ability to recruit, develop and retain high-caliber senior executives is a prerequisite for successful implementation of the business strategy and protection of the Company's long-term interests, including its sustainability work. This is why it is essential that MilDef offers competitive market-based remuneration. These guidelines enable MilDef to offer senior executives competitive remuneration packages. All variable cash remuneration covered by these principles is intended to promote the Company's business strategy and long-term interests, including its sustainability profile.

## Remuneration components

The remuneration is to be market-based and consist of fixed cash salary, variable remuneration, pension and other benefits. In addition, the shareholders' meeting may – independently of these guidelines – approve share-based

and share price-based incentive programs. Remuneration may also take the form of consulting fees to board members who perform work for the Company alongside their board assignment.

## Fixed cash salary

Fixed cash salary is to be set so that it is competitive in combination with other remuneration components. The absolute level is to be set based on the role in question and the individual's expertise, experience and performance. The fixed cash salary is to be reviewed annually.

## Variable remuneration

Performance in relation to criteria for payment of variable cash remuneration must be able to be measured over a period of one year. Variable cash remuneration is to have a predetermined ceiling and may not exceed 50% of the fixed annual cash salary. Variable remuneration is only pensionable where this is required in line with binding collective bargaining agreements or local legislation. Additional variable remuneration can be paid in extraordinary circumstances, provided that such extraordinary arrangements are time-limited and made only at individual level, either to recruit or retain senior executives, or as compensation for extraordinary work efforts over and above the senior executive's ordinary duties. Remuneration of this kind may not exceed an amount equivalent to 50% of the annual fixed cash salary and may not be paid more than once a year per individual. Decisions on such remuneration for the President & CEO are to be taken by the Board based on a proposal from the Remuneration Committee. Decisions on such remuneration for other senior executives are to be taken by the Remuneration Committee based on a proposal from the President & CEO.

## Pension

Senior executives are entitled to pension solutions according to the collective bargaining agreement (Technology Industries of Sweden). As a rule, pension obligations are to be in the form of a defined-contribution plan and in line with the ITP1 pension plan, according to which pension provisions of 4.5% are made on salary components up to 7.5 base amounts and 30% on salary components over 7.5 base amounts. The Company also makes provisions for part-time

pension benefits. This rule may be waived in the case of appointment of new senior executives whose employment contracts already include defined-benefit pension plans or if the senior executive is covered by a defined-benefit pension plan under mandatory collective bargaining agreements. The pension premiums for defined-contribution pension plans must not exceed 35% of the fixed annual cash salary. Pension provisions are only to be made on variable cash remuneration and other salary benefits if required by mandatory collective bargaining agreements applicable to the executive or by local legislation.

#### Other benefits

Other benefits may include life assurance, health and medical expenses insurance, and a company car. The combined value of such benefits may not exceed 15% of the fixed annual salary.

#### Employment terms in other countries

In the case of employment terms subject to rules other than Swedish ones, appropriate adjustments may be made to comply with mandatory rules or established local practices, while as far as possible observing the overall objectives of these guidelines.

#### Consulting fee for board members

If a board member (including via a wholly owned company) performs work for the Company in addition to board work, a separate fee can be paid for this (consulting fee). The fee is to be based on the current market rate and determined in relation to the value of the benefit provided to the Company.

#### Criteria for award of variable cash remuneration etc.

The Remuneration Committee is to monitor and evaluate variable remuneration programs for senior executives. At the end of the performance period the Committee must determine to what extent the criteria for award of variable remuneration have been met. The Remuneration Committee is responsible for making the assessment on variable remuneration for the President & CEO. Assessments on variable remuneration for other executives are the responsibility of the President & CEO. Where financial criteria are concerned, the assessment is to be based on the Company's most recently published financial information. Variable cash remuneration can be paid at the end of the performance period or be deferred. The Board of Directors is entitled, by law or contract, to wholly or partly reclaim variable remuneration that has been paid on false grounds (claw back).

#### Termination of employment

If a senior executive's contract of employment is terminated by the Company, the notice period must not exceed 12 months. All terms of employment continue to apply during the notice period, unless explicitly agreed between the Company and the executive. The executive will not receive any further severance pay. If a senior executive terminates their employment, the contractual notice period must not exceed 6 months, or 12 months for the President & CEO, and there is no entitlement to severance pay.

#### Salary and terms of employment for employees

In drafting these guidelines, the Board of Directors has taken into account the current salary and terms of employment of MilDef's employees. Information on employees' total

incomes, and the components, increase and rate of growth of the remuneration over time, have been evaluated. The Remuneration Committee and Board of Directors have subsequently decided whether the principles and restrictions therein are reasonable.

#### Decision-making process for determining, reviewing and implementing the guidelines

The Board of Directors has previously established a Remuneration Committee. The Committee's duties include making preparations for Board decisions on proposed guidelines for remuneration of senior executives. The Board is to prepare proposals for new guidelines at least once every four years and present the proposals for approval by the Annual General Meeting. The guidelines are to apply until new guidelines have been adopted by the shareholders' meeting. The Remuneration Committee must also monitor and evaluate variable remuneration programs for the Management Team, the application of remuneration guidelines for senior executives as well as remuneration structures and levels within the Company. The Chair of the Board may be chair of the Remuneration Committee. Other shareholder-elected members of the Remuneration Committee must be independent of the Company and the Management Team. The President & CEO or other members of the Management Team are not present when the Board discusses and makes decisions on remuneration matters that affect them. If a board member provides consulting services to the Company, the board member in question is not entitled to participate in the preparatory work of the Board or the Remuneration Committee concerning variable remuneration for the relevant consulting services.

#### Deviations from the guidelines

The Board may temporarily deviate from the guidelines in full or in part if there are particular reasons for doing so in an individual case and the deviation is necessary to serve the Company's long-term interests, including its sustainability, or to safeguard the Company's financial strength. Deviations are to be reported and justified in the subsequent Remuneration Report. The Remuneration Committee's duties include preparatory work for the Board's decisions on matters concerning remuneration of the Management Team, including decisions on deviations from the guidelines.

Description of material changes in the guidelines for remuneration of senior executives, and representation of any views from shareholders

The entire Guidelines for remuneration of senior executives were reviewed ahead of the 2025 Annual General Meeting. Material changes were as follows. Variable cash remuneration is to have a predetermined ceiling and may not exceed 50% of the fixed annual cash salary. The limit was previously a maximum of 35%. The Company entered into a collective bargaining agreement on January 1, 2025 with Technology Industries of Sweden (Teknikföretagen) and pension benefits are now managed within the framework of that agreement. The costs are in line with previous levels. No viewpoints on the remuneration guidelines have been expressed by the Company's shareholders.

# REMUNERATION REPORT 2025

This Remuneration Report explains how the Guidelines for remuneration of senior executives adopted by the 2025 Annual General Meeting have been applied during the 2025 financial year. The report also contains details concerning remuneration of the Company's CEO and Deputy CEO, and fees to board members over and above the board fees adopted by the shareholders' meeting. The report has been prepared in accordance with the Swedish Companies Act (2005:551) and the Swedish Corporate Governance Code.

Additional information on remuneration of senior executives required pursuant to Chapter 5, Sections 40-44 of the Swedish Annual Accounts Act (1995:1554) can be found in Note 11 to the consolidated financial statements. For more information on the work of the Remuneration Committee in 2025, see the Corporate Governance Report.

## MilDef's development

The Company's development and significant events during the year are reported inter alia in the CEO's presentation, see "CEO's comments".

## Board fees and consulting fees

This report does not cover board fees. A resolution on these fees is passed by the Annual General Meeting each year. The current fees are reported in Note 11.

## MilDef's remuneration guidelines: scope, purpose and deviations

Successful implementation of the Company's business strategy and protection of the Company's long-term interests, including its sustainability, require the Company to be able to recruit and retain qualified employees. The objective of MilDef's guidelines for remuneration of senior executives is therefore to offer a competitive, market-based remuneration package, so as to be able to attract, motivate and retain skilled and qualified employees. These guidelines make it possible to offer competitive market-based remuneration packages to senior executives.

The remuneration package consists of the following components:

- Fixed cash salary
- Short-term variable cash remuneration
- Pensions and other benefits

Short-term variable cash remuneration is to be linked to predetermined, well-defined and measurable financial criteria. The targets aim to promote MilDef's development in both the short and long term. The measurement period for variable remuneration is generally based on performance over a 12-month period. The variable remuneration must not exceed 50% of the fixed salary and, where applicable legislation permits, is not to be qualifying income for pension or holiday pay purposes.

The criteria for short-term variable remuneration are divided into two different programs based on MilDef's net sales and operating profit (EBITA). Variable remuneration may also be linked to individual criteria. The criteria are to be designed so as to promote the Company's business strategy and long-term interests, including its sustainability. The guidelines can be found in "Guidelines for remuneration of senior executives".

Other non-monetary benefits may include life assurance and health insurance. In total, premiums and other costs associated with such benefits may not exceed 15% of the fixed annual cash salary.

In 2025 the Company has followed the applicable remuneration guidelines adopted by the 2025 Annual General Meeting. There were no departures from the guidelines or deviations from the decision-making process prescribed by the guidelines for setting the remuneration. No remuneration has been reclaimed. The auditor's statement on the Company's compliance with the guidelines is available at <https://investors.mildef.com/corporate-governance/?lang=en> from May 21, 2026.

## Total remuneration of CEO and Deputy CEO in 2025 (SEK 000)

Refers to remuneration expensed during the year

	Basic salary	Variable remuneration	Other taxable benefits	Pension cost	Total remuneration	Share of fixed remuneration
President & CEO, Daniel Ljunggren	2,747	-	216	796	3,759	100%
Deputy CEO Fredrik Persson	1,741	-	8	375	2,124	100%

## Share-based incentive program

### Incentive program 2021/2025

At an extraordinary shareholders' meeting on April 29, 2021, a resolution was passed to adopt an incentive program ("Incentive program 2021/2025) for the Group's employees by issuing warrants with the subsequent right to subscribe for new shares in MilDef. The fact that the resolution was passed at a shareholders' meeting means it is not covered by these guidelines but should still be seen as being in the same spirit. The warrants have been transferred on market terms at a price (premium) that was established based on an estimated market value using the recognized Black-Scholes model. The calculation was carried out by an independent appraisal institution. For more information, visit [www.mildef.com](http://www.mildef.com).

### 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 the

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 of the outcome of all the 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. 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.

### Application of performance criteria

The CEO's performance criteria for 2025 are divided into two different parameters based on MilDef's net sales and operating profit (EBITA). Although they are expressed in financial terms, the performance criteria further contribute to alignment with sustainability and the Company's values. The targets for results on each parameter are linked to ambitious internal targets and the award is paid out the following year.

Helsingborg, April 15, 2026  
The Board of Directors of MilDef Group AB (publ)

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# DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of MilDef Group AB (publ) hereby present the Annual Report and consolidated financial statements for the financial year January 1 to December 31, 2025. MilDef Group AB (publ), which has its registered office in Helsingborg, is a public limited liability company and its corporate registration number is 556893-5414.

## Operations

Since the start in 1997 MilDef has delivered products and services designed to protect functions that are critical for society. As a specialist in the global tactical IT niche area, the Company meets the unique product requirements for demanding environments. MilDef is a full-spectrum supplier of rugged electronics, complete hardware systems as well as software and services for defense and security. Digitalization is increasing within defense, as is the need for tactical IT solutions. MilDef is taking an active part in this development and the Company's goal is to be the most reliable partner in the industry. MilDef adds value through industry-leading quality and high delivery precision.

At year-end 2025 MilDef consisted of 17 legal entities with just over 500 employees in eight countries. The Group posted revenue for full-year 2025 of SEK 2,045 million with an adjusted operating EBITA margin of 13.5%. MilDef was listed on Nasdaq Stockholm in 2021 and since January 2023 has been traded on the Mid Cap Index.

## Group structure and 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. At year-end the Parent Company had 62 (57) employees.

MilDef Group AB (publ) is the Parent Company in the MilDef Group and has its registered office in Helsingborg, Sweden. MilDef Group AB's direct and indirect wholly owned subsidiaries are listed in Note 14 to the Parent Company financial statements, Holdings in Group companies.

## The MilDef share and ownership structure

MilDef was initially listed on Nasdaq Stockholm Small Cap on 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. 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 119.80 and the market capitalization was SEK 5,644 million. The total number of shareholders at the end of the period was 44,431.

The largest shareholder in terms of votes is Swedbank Robur Fonder with a total shareholding of 9.48% of the capital and votes in the Company as of December 31,

2025. The 10 largest shareholders represented around 37% of the capital and votes. As far as the Board of MilDef Group AB is aware there are no agreements between major shareholders that restrict the transferability of shares. Nor are there any restrictions on the transferability of shares based on provisions in law or the Articles of Association. There are no restrictions on the number of votes each shareholder may cast at shareholders' meetings.

According to the Articles of Association the Board is to consist of three to eight members with no deputies. The Articles of Association do not contain any other provisions regarding appointment or dismissal of board members or on amendments to the Articles of Association.

## Financial targets

There are four financial targets for MilDef's operations aimed at providing the shareholders with a good return and ensuring long-term value growth.

### 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 distribute 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.

## Financial overview

### Order status

The order intake for full-year 2025 increased by 76% to SEK 3,193 million, compared with SEK 1,810 million for full-year 2024. 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 and profits

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 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 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 costs relating to the acquisition of roda and 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.

In full-year 2025 non-recurring items of SEK -3.5 million were recognized for acquisition costs relating to the acquisition of roda. 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) 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 before amortization and impairment of intangible non-current assets (EBITA) 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.

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.

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.

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 (-5.43).

### 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.

### Acquired intangible assets

The Group had recognized goodwill as of December 31, 2025 in the amount of SEK 911.2 million (322.6). The increase is attributable to the roda acquisition.

Other acquired intangible assets from previous years' acquisitions are customer relationships and software. Customer relationships and software are amortized on a straight-line basis over a 10-year period. Customary impairment tests are carried out in each individual case.

For further details, see Note 14, Intangible non-current assets.

## 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 receivables	140.0	169.6	87.4
Accounts payable	-169.8	-216.5	-85.6
Other current liabilities	-328.2	-246.8	-235.3
<b>Net working capital</b>	<b>687.7</b>	<b>653.6</b>	<b>330.9</b>
<i>as a percentage of net sales LTM (%)</i>	33.6%	38.9%	27.6%

## 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
<b>Net debt incl. IFRS 16</b>	<b>624.3</b>	<b>597.6</b>	<b>-310.0</b>
<i>relative to adjusted operating profit (EBITDA) LTM, multiple</i>	2.0	2.6	-1.7

## Summary of significant events in 2025

On March 6 MilDef completed the acquisition of roda computer GmbH ("roda"). All regulatory approvals from Germany, France and the UK were received according to plan. The acquisition strengthens MilDef's presence in Europe and gives the Company access to important market channels.

In the first quarter MilDef's Board of Directors, based on authorization from an extraordinary shareholders' meeting on December 9, 2024, resolved on an issue in kind of 1,374,047 new shares for the sellers of roda as a portion of the purchase consideration. The roda company is consolidated in the MilDef Group as of March 6, 2025.

At the Annual General Meeting on May 22 Jan Andersson, Charlotte Darth, Björn Karlsson, Bengt-Arne Molin and Lennart Pihl were re-elected and Carl Mellander and Elisabeth Åbom were elected as new members for the period until the end of the 2026 AGM. Christian Hammenborn and Marianne Trolle declined re-election. Björn Karlsson was also re-elected as Chair of the Board and Öhrlings PricewaterhouseCoopers AB was re-elected as the Company's auditor for a term of one year, with Eric Salander as Auditor-in-Charge. It was further decided that the dividend for the 2024 financial year would be SEK 0.50/share in view of the Company's need for capital for long-term development, capital structure and prevailing market conditions.

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.

The Company received a number of large and strategically significant orders during the year. An example is Kongsberg Defence & Aerospace, which ordered MilDef's rugged IT equipment for a value of SEK 225 million, a contract with the Swedish Defence Materiel Administration for delivery of OneCIS software and hardware for a value of SEK 139 million, and a suborder worth SEK 320 million from an unnamed European NATO country. In addition, MilDef's subsidiary roda has secured an order from the armed forces of the Federal Republic of Germany (Bundeswehr), for rugged IT for the German army's digitalization project for a value of SEK 212 million, and a framework order worth SEK 320 million issued under a framework agreement from a German defense and security company.

## 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.

## 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 rugged 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.

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. The 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%.

	EUR m	SEK m
<b>Total purchase consideration</b>	<b>102.1</b>	<b>1,119.8</b>
<b>Assets</b>		
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
<b>Liabilities</b>		
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
<b>Acquired identifiable net assets</b>	<b>48.1</b>	<b>527.1</b>
<b>Non-controlling interests</b>	<b>-0.1</b>	<b>-1.1</b>
<b>Goodwill</b>	<b>54.1</b>	<b>593.8</b>
<b>Total acquired net assets</b>	<b>102.1</b>	<b>1,119.8</b>

#### 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
<b>Total purchase consideration</b>	<b>102.1</b>	<b>1,119.8</b>

#### 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
<b>Total</b>	<b>-63.9</b>	<b>-700.9</b>
Acquisition-related expenses	-1.3	-14.3
<b>Net cash flow</b>	<b>-65.2</b>	<b>-715.2</b>

#### Alternative performance measures

MilDef applies the guidelines for alternative performance measures issued by the European Securities and Markets Authority (ESMA). 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. See "Definitions" for definitions of alternative performance measures.

### 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.

### 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 "Risk and risk management".

### 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.

### 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.

### Disputes

The Company was not a party in any material dispute at the end of 2025.

### Contingent liabilities

There have been no material changes in the Group's contingent liabilities. See Parent Company Note 19.

### Sustainability and environmental impact

The Group's statutory Sustainability Report for 2025 is prepared in accordance with the Annual Accounts Act (1995:1554) with amendments (2016:947). See the Sustainability Report for further information. The Sustainability Report was prepared by MilDef Group AB (publ), Corp. reg. no. 556893-5414, registered office in Helsingborg.

With respect to environment impact, the Group does not have any operations that require a permit according to current environmental rules.

### Corporate Governance Report

According to the Swedish Annual Accounts Act and the Swedish Corporate Governance Code, ("the Code"), a separate corporate governance report, including a section on internal control, is to be prepared and included in this Annual and Sustainability Report. See the Corporate Governance Report. MilDef has no deviations from the Code to report for 2025.

### Guidelines for remuneration and other employment terms for the Management Team in 2025

For a description of this section, see Note 11 to the consolidated financial statements, Remuneration Report 2025 and "Guidelines for remuneration of senior executives". All can be found in this Annual and Sustainability Report.

### 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. 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.

### Proposal for decision on allocation of profit

The following Parent Company funds are at the disposal of the Annual General Meeting:

The Board of Directors is proposing that a dividend be set at SEK 0.75 (0.50) per share for the 2025 financial year. 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.

The Board's assessment is that the proposed dividend will not impact MilDef's ability to meet the Group's commitments in the short-term or long-term. When assessing the size of the proposed dividend the Board has taken into account what is required in terms of equity and the consolidation requirements of the Company and the Group, liquidity and position in general, based on the nature and scale of the operations and the associated risks. The proposed dividend is therefore justifiable taking into consideration the precautionary rule in Chapter 17, Section 3, paragraphs 2-3 of the Swedish Companies Act.

SEK	Dec. 31, 2025
Share premium reserve	1,543,624,198
Retained earnings	-257,608,160
Comprehensive income for the year	78,374,383
<b>Closing balance, December 31</b>	<b>1,364,390,420</b>
<i>The Board proposes that the profit be allocated as follows:</i>	
A dividend to the shareholders of SEK 0.75 per share	35,336,171
Carried forward	1,329,054,249
<b>Total</b>	<b>1,364,390,420</b>

### Outlook

In a market landscape characterized by good demand, there are multiple business opportunities arising adjacent to our core business. MilDef's path to success is, however, a consistent focus on defense and security. We are therefore continuing our growth journey with an emphasis on our prioritized markets and customers. We believe that having a clear focus creates value for both our customers and our shareholders. MilDef is continuing to execute its plans by investing in growth and increased delivery capacity to ensure long-term profitable growth.

### Significant events after the end of the year

There have been no significant events after the closing day with an impact on financial reporting.



# RISK AND RISK MANAGEMENT

All business activity is associated with risk. Risks managed correctly can lead to opportunities and add value, while risks managed incorrectly can cause damage and losses. MilDef has a structured and proactive method to identify and manage risk to protect the Company, people and the environment.

The ability to identify, assess and manage risk is a vital aspect of implementing the Company’s strategy as well as in governance and control of the Company. The objective is to gain a good understanding of the risks and their effects, and use this to better support decision-making and to reach long-term goals through carefully considered risk-taking within set parameters. This in turn requires an effective and structured risk management process.

The overall goal of risk management is to ensure that there is a systematic method to identify risks and that they are managed at an early stage. The goal is also to make risk management a natural aspect of day-to-day operations by creating a culture and an awareness of risks among all employees and to educate them on how to manage risks to achieve the goals of the business.

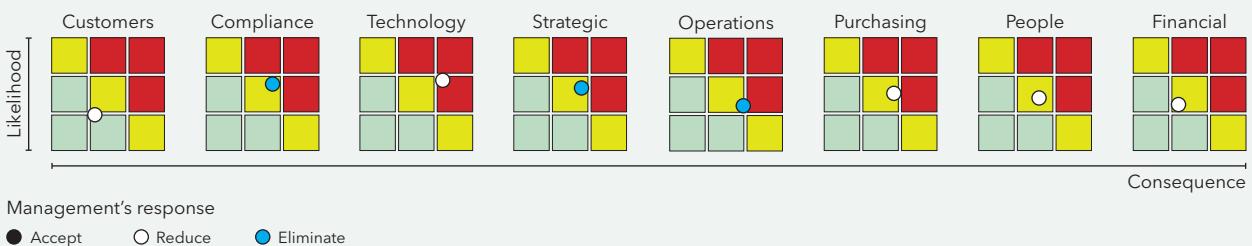
The governing document for risk management is the Group-wide Risk Procedure. The purpose of this document is to define the Company’s approach to risk by stating goals and areas of responsibility. The Chief Executive Officer has ultimate responsibility for the implementation and execution of the risk management process and for reporting continually on risk to the Board. The CEO is also responsible for developing, adapting and monitoring the risk management process. The process of identifying risks that should either be eliminated, prevented or simply identified and monitored is established annually in a risk map.

The managing director of each local subsidiary is responsible for mapping risk and assessing the likelihood that the risks will materialize, as well as their potential effects, preferably in monetary terms if this is possible. The Management Team then defines which risks can be considered acceptable and how risks that are unacceptable should be managed (through action plans) to make them acceptable. The managing director of each local subsidiary is responsible for carrying out risk management within the respective company.

MilDef divides the risks it faces into strategic, operational and financial risks:

Financial risks are managed primarily by the corporate finance department. The responsibilities of the Board of Directors and the CEO for internal control of financial reporting are regulated in the Swedish Companies Act. See the Corporate Governance Report or [www.mildef.com](http://www.mildef.com) for further information on internal control of financial reporting.

Business risk and strategic risk are managed by the local subsidiaries with support from corporate departments. The overview below presents the overall risks in each risk category and how they are managed.



## EXTERNAL ENVIRONMENT AND MARKET RISKS

<b>Customers</b>	<b>Risks associated with customers are assessed from an overall perspective and based on revenue streams and contract levels. Our ability to deliver tactical IT is not covered by this area.</b>
Non-compliance with contractual obligations	Know your business (KYB) process, compliance matrix
Loss of strategic Nordic accounts	Dedicated account managers, building business areas, framework agreements
Loss of strategic account (other)	Dedicated account managers
<b>Compliance with laws and other requirements</b>	<b>Risks in this area are linked to the ability to apply and adapt to new and existing government regulations and laws.</b>
Regulatory requirements to implement and ensure cybersecurity compliance	Training, recruitment, external consultants
AI and technology regulation: Fast-moving, politicized technology landscapes (AI) create compliance challenges and geopolitical competition.	Carry out gap analysis, apply controls, provide training, update compliance.
Unforeseen requirements due to infringement of third party intellectual property rights	Business intelligence, consultants, local partners, due diligence process
<b>Technology</b>	<b>Risks associated with technology relate to our technical systems and threats against them, such as cyber threats.</b>
IT disruptions	Redundant environment, continuity planning for critical functions
Geopolitical instability increases the risk of ransomware cyberattacks	Investments, training, business intelligence, segmenting
Unforeseen requirements due to infringement of third party intellectual property rights	Business intelligence, consultants, local partners, due diligence process
<b>Strategic</b>	<b>Strategic risks are primarily related to high-level political and social aspects and are often difficult to influence due to their nature.</b>
Political/economic conflicts (USA/China)	Purchasing in the EU/USA
Old partners and future requirements	Communication, cooperation, agreements, partnership programs
Geopolitical volatility	Resilience and adaptability bring competitive advantages.



## OPERATIONAL RISKS

<b>Operations</b>	<b>Risks associated with business operations are linked to our ability to deliver and be efficient.</b>
Global supply chains impact our ability to deliver	Sourcing, working remotely, digitalization, succession planning for production
Exposure to corporate espionage	Training, investments to meet protective security procurement requirements
Production capacity impacted by external events	Fire safety system, multiple suppliers of critical functions (IT, electricity), established business continuity plan
<b>Purchasing and delivery management</b>	<b>Risks associated with suppliers and supply chains that impact our ability to deliver and safeguard the business.</b>
Dependence on a single supplier	Dual purchasing channels, agreements, design specifications
MilDef Crete's capacity to deliver	Made in Sweden/EU, IP rights, shared suppliers
Chinese influence/control over critical suppliers	Dual purchasing channels in the EU/USA
<b>People and organizational structure</b>	<b>Risks associated with people and the Company's organizational structure relate to talent, employer branding, ability to retain employees and our culture.</b>
Immature leadership in the organization that can lead to inefficiency	Leadership training, communication, clear authority structure and expectations
Difficulty recruiting and retaining certain talent	Employer branding, cooperation
The Group's core values and Code of Conduct not being implemented in all parts of the organization, resulting in subcultures	Training, communication

## FINANCIAL RISKS

<b>Financial</b>	<b>Financial risks are traditional risks that can jeopardize cash flow, financial strength and profits.</b>
Increased costs due to currency fluctuations	Agreements
Large sums tied to contracts	Supplier contracts, share risks with customers
Increased costs relating to customs duties, with a potential impact on production competitiveness	Made in X concept



FINANCIAL STATEMENTS AND NOTES

# THE GROUP



## Consolidated statement of comprehensive income

SEK m	Note 1-3	2025	2024
Net sales	4	2,045.2	1,200.9
Cost of goods sold		-1,125.1	-611.8
<b>Gross profit</b>		<b>920.1</b>	<b>589.0</b>
Selling expenses		-457.6	-279.0
Administrative expenses		-138.4	-105.7
Research and development expenses		-112.0	-84.0
Acquisition costs		-3.5	-10.8
Restructuring costs	5	8.9	-310.0
Other operating income	6	35.0	6.1
Other operating expenses	6	-38.1	-14.4
<b>Operating profit</b>	<b>7,8,9,10,11</b>	<b>214.4</b>	<b>-209.0</b>
Financial income	12	11.3	11.8
Financial expense	12	-54.0	-25.4
<b>Profit after financial items</b>		<b>171.6</b>	<b>-222.6</b>
Income tax	13	-23.6	2.2
<b>Net profit for the year</b>		<b>148.0</b>	<b>-220.3</b>
<b>Other comprehensive income</b>			
Items that may subsequently be reclassified to profit or loss			
Change in translation reserve for the year		-24.9	2.4
<b>Other comprehensive income</b>		<b>-24.9</b>	<b>2.4</b>
<b>Total comprehensive income for the year</b>		<b>123.1</b>	<b>-217.9</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent		147.7	-220.3
Non-controlling interests		0.3	-
<b>Net profit for the year</b>		<b>148.0</b>	<b>-220.3</b>
<b>Comprehensive income for the year attributable to:</b>			
Owners of the parent		122.8	-217.9
Non-controlling interests		0.3	-
<b>Comprehensive income for the year</b>		<b>123.1</b>	<b>-217.9</b>
<b>Earnings per share</b>		<b>2025</b>	<b>2024</b>
Number of shares at the end of the period		47,114,895	45,573,068
Weighted average number of shares in the period before dilution		47,114,895	40,598,903
Weighted average number of shares in the period after dilution		47,114,895	41,013,824
<b>Earnings per share before dilution (SEK)</b>		<b>1.98</b>	<b>-5.43</b>
<b>Earnings per share after dilution (SEK)</b>		<b>1.98</b>	<b>-5.43</b>

## Consolidated balance sheet

SEK m	Note 1-3	2025	2024
<b>Non-current assets</b>			
<b>Intangible non-current assets</b>			
	14		
Capitalized product development		8.4	12.7
Goodwill		911.2	322.6
Other acquired intangible assets		352.6	56.1
Other intangible non-current assets		0.7	0.2
<b>Total intangible non-current assets</b>		<b>1,273.0</b>	<b>391.6</b>
<b>Property, plant and equipment</b>			
	15		
Leasehold improvements		13.6	8.6
Equipment, fixtures and fittings		29.4	11.8
Right-of-use assets		211.6	70.0
<b>Total property, plant and equipment</b>		<b>254.6</b>	<b>90.4</b>
<b>Financial non-current assets</b>			
Other non-current receivables	16	3.4	0.3
<b>Total financial non-current assets</b>		<b>3.4</b>	<b>0.3</b>
<b>Deferred tax assets</b>	13	<b>41.5</b>	<b>19.2</b>
<b>Total non-current assets</b>		<b>1,572.5</b>	<b>501.5</b>
<b>Inventories etc.</b>			
	17		
Products in progress		18.5	12.5
Finished products and goods for resale		506.1	218.7
Advance payments to suppliers		7.2	3.2
<b>Total inventories</b>		<b>531.8</b>	<b>234.4</b>
<b>Current receivables</b>			
Accounts receivable	18	513.9	330.1
Tax assets		39.0	32.3
Other receivables		21.9	17.7
Contract assets	24	35.0	21.4
Prepaid expenses and accrued income	19	44.1	15.9
<b>Total current receivables</b>		<b>653.9</b>	<b>417.5</b>
<b>Cash and cash equivalents</b>		<b>148.6</b>	<b>530.4</b>
<b>Total current assets</b>		<b>1,334.3</b>	<b>1,182.2</b>
<b>TOTAL ASSETS</b>		<b>2,906.8</b>	<b>1,683.7</b>

## Consolidated balance sheet

SEK m	Note 1-3	2025	2024
<b>Equity and liabilities</b>			
<b>Equity</b>	20		
<i>Equity attributable to owners of the parent</i>			
Share capital		11.8	11.4
Other capital contributions		1,540.5	1,222.8
Translation reserve		-25.6	-0.7
Retained earnings incl. profit for the year		-8.5	-131.7
<b>Total equity attributable to owners of the parent</b>		<b>1,518.0</b>	<b>1,101.7</b>
<b>Non-controlling interests</b>			
		1.3	-
<b>Total equity</b>		<b>1,519.3</b>	<b>1,101.7</b>
<b>Provisions</b>			
Other provisions	23	11.6	15.8
<b>Total provisions</b>		<b>11.6</b>	<b>15.8</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	13	105.0	24.8
Non-current interest-bearing liabilities	21.22	452.3	102.5
Lease liabilities for right-of-use assets	22	182.8	60.7
<b>Total non-current liabilities</b>		<b>740.1</b>	<b>188.0</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	21.22	98.0	31.4
Lease liabilities for right-of-use assets		39.7	25.8
Contract liabilities	24	28.7	12.3
Accounts payable		169.8	85.6
Tax liabilities		73.4	28.8
Other liabilities		74.9	57.3
Accrued expenses and deferred income	25	151.2	137.0
<b>Total current liabilities</b>		<b>635.8</b>	<b>378.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,906.8</b>	<b>1,683.7</b>

## Consolidated statement of changes in equity

SEK m	Share capital	Other capital contributions	Translation reserve	Retained earnings incl. profit for the year	Total	Non-controlling interests	Total equity
<b>Opening balance, January 1, 2024</b>	10.0	729.3	-3.1	108.6	844.6	-	844.6
Net profit for the year	-	-	-	-220.3	-220.3	-	-220.3
<b>Other comprehensive income</b>							
Change in translation reserve for the year	-	-	2.4	-	2.4	-	2.4
<b>Total other comprehensive income for the year</b>	-	-	2.4	-	2.4	-	2.4
<b>Total comprehensive income for the year</b>	-	-	2.4	-220.4	-217.9	-	-217.9
Transactions with shareholders in their capacity as owners							
New share issues	1.4	511.4	-	-	512.8	-	512.8
Issue costs	-	-17.8	-	-	-17.8	-	-17.8
Repurchase of treasury shares	-	-	-	-	-	-	-
Reserve for share-based remuneration	-	-	-	-	-	-	-
Dividend to shareholders	-	-	-	-19.9	-19.9	-	-19.9
<b>Closing balance, December 31, 2024</b>	11.4	1,222.8	-0.7	-131.7	1,101.7	-	1,101.7
<b>Opening balance, January 1, 2025</b>	11.4	1,222.8	-0.7	-131.7	1,101.7	-	1,101.7
Net profit for the year	-	-	-	147.7	147.7	0.3	148.0
<b>Other comprehensive income</b>							
Change in translation reserve for the year	-	-	-24.9	-	-24.9	-	-24.9
<b>Total other comprehensive income for the year</b>	-	-	-24.9	-	-24.9	-	-24.9
<b>Total comprehensive income for the year</b>	-	-	-24.9	147.7	122.8	0.3	123.1
Transactions with shareholders in their capacity as owners							
New share issues	0.4	322.3	-	-	322.7	-	322.7
Issue costs	-	-1.4	-	-	-1.4	-	-1.4
Repurchase of treasury shares	-	-3.8	-	-	-3.8	-	-3.8
Reserve for share-based remuneration	-	0.5	-	-	0.5	-	0.5
Dividend to shareholders	-	-	-	-23.5	-23.5	-	-23.5
Non-controlling interests arising from acquisitions of subsidiaries	-	-	-	-1.1	-1.1	1.1	-
<b>Closing balance, December 31, 2025</b>	11.8	1,540.5	-25.6	-8.6	1,517.9	1.4	1,519.3

# Consolidated cash flow statement

SEK m	Note 1-3	2025	2024
<b>Operations</b>			
Operating profit		214.4	-209.0
<b>Adjustments for non-cash items:</b>			
Depreciation, amortization and impairment charged to operating profit		111.0	303.4
Other	26	11.1	77.1
<b>Total</b>		<b>122.1</b>	<b>380.5</b>
Interest received		11.3	23.7
Interest paid		-54.0	-37.2
Taxes paid		-13.9	-22.1
<b>Cash flow from operating activities before changes in working capital</b>		<b>-56.7</b>	<b>-35.5</b>
Increase (-) / decrease (+) in inventories		-107.4	-0.1
Increase (-) / decrease (+) in operating receivables		-169.7	-10.1
Increase (+) / decrease (-) in operating liabilities		-5.6	18.7
<b>Changes in working capital</b>		<b>-282.8</b>	<b>8.4</b>
<b>Cash flow from operating activities</b>		<b>-3.0</b>	<b>144.4</b>
<b>Cash flow from investing activities</b>			
Investments in intangible non-current assets		-2.0	-9.8
Investments in property, plant and equipment		-28.6	-10.7
Acquisition of subsidiaries, net of acquired cash and cash equivalents		-701.0	-12.8
Change in other non-current receivables		-	-
<b>Cash flow from investing activities</b>		<b>-731.5</b>	<b>-33.3</b>
<b>Cash flow from financing activities</b>			
Dividend		-23.5	-19.9
New share issues, net		6.6	495.0
Repurchase of treasury shares		-3.8	-
Increase (+) / decrease (-) in liabilities to credit institutions*		474.2	-87.8
Repayment of interest-bearing liabilities		-65.1	-30.0
Repayment of lease liabilities		-28.9	-22.2
<b>Cash flow from financing activities</b>		<b>359.7</b>	<b>335.1</b>
<b>Cash flow for the year</b>		<b>-374.8</b>	<b>446.2</b>
<b>Change in cash and cash equivalents</b>			
<b>Cash and cash equivalents at beginning of period</b>		<b>530.4</b>	<b>81.5</b>
Exchange rate difference in cash and cash equivalents		-7.0	2.7
Cash flow for the year		-374.8	446.2
<b>Cash and cash equivalents at end of period*</b>		<b>148.6</b>	<b>530.4</b>
Granted, unutilized credit		78.1	120.0
<b>Available liquidity</b>		<b>226.7</b>	<b>650.4</b>

\*During 2024 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.

# Notes to the consolidated financial statements

## Note 1. Accounting principles

### Conformity with laws and standards

The consolidated financial statements were prepared in accordance with the Swedish Annual Accounts Act and the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), and interpretations issued by the IFRS Interpretations Committee, as adopted by the EU. The consolidated financial statements were also prepared in accordance with the Swedish Corporate Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups, which contains certain additional disclosure requirements for Swedish consolidated financial statements prepared in accordance with IFRS.

### Conditions when preparing the Group's financial statements

The functional currency of the Parent Company is Swedish crowns or kronor (SEK), which is also the reporting currency of the Parent Company and the Group. Financial statements are always presented in SEK unless otherwise indicated. All amounts are rounded off to the nearest million, unless otherwise stated.

Assets and liabilities are recognized at historic cost, other than certain financial assets and liabilities, which are measured at fair value. The balance sheet items under the headings current assets and current liabilities are expected to be recovered or paid within 12 months. All other balance sheet items are expected to be recovered or paid later.

Preparation of the financial statements in accordance with IFRS requires the Board of Directors and management to make estimates and assumptions that affect the application of the accounting principles and the carrying amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are based on past experience and knowledge of the industry in which MilDef operates and which are deemed reasonable under prevailing circumstances. The results of estimates and assumptions are then used to determine the carrying amounts of assets and liabilities which are not otherwise clearly evident based on other sources. Actual outcomes may deviate from these estimates and assumptions. The estimates and assumptions are reviewed on a regular basis and the effect of changes to them is recognized in the income statement. Estimates made by the Board and management when applying the accounting principles in accordance with IFRS may have a material impact on the financial statements, and estimates and judgments that may lead to significant adjustments in the financial statements in subsequent years are described in more detail in Note 3. The accounting principles for the Group described below have been applied consistently for all periods that are presented in the Group's financial statements, unless otherwise indicated below.

### New and amended standards applied by the Group

New and amended standards and improvements and interpretations that entered into force in 2025 have not had any material impact on the consolidated financial statements for the financial year.

### New and amended standards and interpretations that have not yet entered into force

The Group has not yet started applying the new and changed standards and interpretations that have been issued but that entered into force for financial years beginning on January 1, 2025 or after. Management's assessment is that these, upon initial application, will not have any material effect on the consolidated financial statements.

In April 2024 the IASB published IFRS 18 in response to investor concerns about comparability and transparency in corporate financial reporting. The new presentation requirements in IFRS 18 will increase comparability of financial performance between similar companies, particularly with respect to the definition of operating profit. The new disclosure requirements for management-defined performance measures will improve transparency.

IFRS 18 will go into effect on January 1, 2027 and has not yet been applied by the Group. The standard has not yet been adopted by the EU.

MilDef is currently working on determining the effects on the Group of applying IFRS 18. MilDef will report its annual accounts according to IFRS 18 for the first time for the period ending on December 31, 2027.

The statement of cash flows is expected to be affected because it will be based on operating profit. Interest income and income expense are to be presented under investment activities and financing activities respectively, once the Company starts to apply IFRS 18.

MilDef already reports subtotals for operating profit in the income statement. The Group will conduct a detailed analysis to determine the correct classification of items to ensure that this subtotal meets the requirements in IFRS 18. Also, financial income/expense as they are currently presented will disappear and a new subtotal will be presented showing profit before financing and income tax. The new aggregation and disaggregation requirements may also result in changes in order for the accounts and notes to provide a useful and structured summary.

The Group is also looking at which KPIs are currently being reported outside of the financial statements to determine if these meet the definition for management-defined performance measures.

### Consolidated financial statements

The consolidated financial statements encompass the Parent Company MilDef Group AB and the companies over which the Parent Company has a direct or indirect controlling influence (subsidiaries). A controlling influence exists if MilDef Group AB has influence over the investment holding, is exposed to or has the right to variable returns from its holding and can exercise its influence over the holding to impact the returns. When determining if a controlling influence exists, shares that potentially carry voting rights are taken into account, as is whether de facto control exists.

The acquisition method is used when accounting for the Group's business combinations. The purchase consideration for the acquisition of a subsidiary constitutes the fair value of the assets acquired and liabilities assumed by the Group from the previous owner of the acquired company and the shares issued by the Group. The purchase consideration also includes the fair value of all assets or liabilities arising from an agreed contingent consideration. Identifiable assets acquired or liabilities assumed in a business combination are initially measured at fair value on the acquisition date. Acquisition-related costs are expensed as they arise.

Intra-Group transactions, balance sheet items and unrealized gains and losses on transactions between Group companies are eliminated. The accounting principles applied by subsidiaries have, where applicable, been amended to guarantee consistent application of the Group's principles.

## Translation of operations and transactions, and assets and liabilities in foreign currency

### *Functional currency and reporting currency*

Items included in the financial statements for the various entities in the Group are measured in the currency used in the economic environment where the entity in question is mainly active (functional currency). In the consolidated financial statements the Swedish krona (SEK) is used as the Group's reporting currency.

The Group applies the current day method, whereby assets and liabilities of entities with a functional currency other than SEK are translated at the closing day exchange rate and the income statements are translated at the average exchange rates for the year. The translation differences that arise are recognized directly in other comprehensive income. The amount is recognized separately as reserves in equity.

When divesting an entity that has a functional currency other than SEK, the cumulative translation differences attributable to the divested entity are reclassified from equity to profit for the year.

### *Transactions and balance sheet items*

Transactions in foreign currencies are translated to the functional currency using the exchange rates in effect on the transaction date or the date the items are remeasured. Exchange rate gains and losses arising when paying for these transactions, and in the translation of monetary assets and liabilities in foreign currencies at the closing day rate, are recognized in the income statement.

Exchange rate gains and losses related to loans and cash and cash equivalents are recognized in the income statement as financial income or financial expense.

All other exchange rate gains and losses are recognized net under "Other operating income" or "Other operating expenses" in the income statement.

## Intangible non-current assets

### *Research and development*

The work of developing an intangible asset internally is divided between a research phase and a development phase. All expenditure in the Group's research phase is recognized as an expense as it arises. Expenditure to develop an asset is recognized as an asset (capitalized product development) if all of the following conditions are met:

- it is technically possible to complete the intangible asset so that it can be used or sold,
- the entity intends to complete the intangible asset and to use or sell it,
- conditions exist to use or sell the intangible asset,
- it is probable that there will be future economic benefits from the intangible asset,
- necessary and adequate technical, financial and other resources exist to complete development and to use or sell the intangible asset, and
- the cost of developing the intangible asset can be reliably measured.

If not all of the above criteria are met, the development costs are recognized as operating expenses as they arise. If it is not possible to recognize an internally produced intangible asset, the development expenses are expensed in the period they arise.

### *Goodwill*

Goodwill arising in connection with acquisitions of companies and operations is measured according to IFRS 3 Business Combinations and is recognized as an intangible asset. Goodwill is tested at least once a year, or when indications exist, to identify if there is any impairment. Goodwill is recognized at cost minus accumulated impairment losses.

To assess if impairment exists, the recoverable amount is determined by estimating discounted future cash flows for the entity to which the goodwill is attributed. The calculation is based on the lowest cash-generating unit. The MilDef Group conducts impairment tests on three cash-generating units. Goodwill recognition is presented in Note 14.

### *Customer relationships*

Customer relationships acquired through business combinations are recognized at fair value on the acquisition date. Customer relationships are measured at cost less amortization and any accumulated impairment losses. Customer relationships are tested annually, and if there is an indication of a decrease in value, to determine if there is any impairment. Any impairment losses are charged to operating profit.

### *Brands*

Brands acquired through business combinations are recognized at fair value on the acquisition date. Brands are amortized over their estimated useful life. Brands are tested annually, and if there is an indication of a decrease in value, to determine if there is any impairment. Any impairment losses are charged to operating profit.

### *Other intangible non-current assets*

Other intangible non-current assets, including software and acquired exclusivity agreements, are recognized at cost less accumulated amortization and any impairment losses.

### *Amortization*

Amortization is recognized in the income statement, calculated based on the useful lives of the intangible assets. Amortization is on a straight-line basis. Estimated useful lives and amortization methods:

- Capitalized product development: 5 years
- Exclusivity agreements: 5 years
- Customer relationships: 10 years
- Brands: 10 years
- Software: 10 years
- Other intangible non-current assets: 10 years

Useful life is reassessed annually and development not yet completed is tested for impairment at least once a year, whether or not there is any indication of a decrease in value.

### Property, plant and equipment

Property, plant and equipment are recognized as assets if it is probable that future economic benefits from them will flow to the Group and the cost of the assets can be reliably calculated. Property, plant and equipment are recognized at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price plus expenses directly attributable to the asset in order to bring it to the location and condition so that it can be used in the intended manner.

Examples of directly attributable expenses are delivery and handling costs, installation costs and any fees for consulting services.

#### *Additional expenditures*

Additional expenditures are added to cost only if it is probable that the future economic benefits associated with the additional expenditures will flow to the Group and cost can be reliably calculated.

All other additional expenditures are expensed in the period in which they arise. Repairs are expensed on an ongoing basis.

#### *Depreciation*

Depreciation is recognized on a straight-line basis based on the asset's cost and over its estimated useful life. Estimated useful lives:

- Leasehold improvements: 5 years or over the term of the lease
- Equipment, fixtures and fittings: 3-10 years
- Right-of-use assets: over the term of the lease
  - Leases: 1-10 years
  - Vehicle leases: 3-5 years

#### *Impairment of non-financial assets*

The value of intangible non-current assets that have an indefinite useful life, such as goodwill, is not amortized but is instead tested annually for impairment. Property, plant and equipment and intangible non-current assets the definite useful life of which can be determined are tested for impairment if there is any indication that the asset may have depreciated in value. Impairment losses are recognized in accordance with IAS 36. When calculating impairment, the Group establishes the recoverable amount of the asset. The recoverable amount is the higher of net realizable value and the value in use. When assessing value in use the future cash flow discounted to present value is calculated using a pre-tax discount factor, applying a weighted average cost of capital (WACC). An impairment is recognized when the carrying amount of the asset exceeds its recoverable amount. Impairments are recognized through profit or loss.

### Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. Cost is measured using the first-in, first-out (FIFO) formula and includes expenditures that have arisen from acquisition of inventory assets and from bringing them to their present location and condition. For semi-manufactured or finished goods produced by the Company, cost consists of direct manufacturing expenses and a reasonable portion of indirect manufacturing expenses based on normal capacity.

### Financial assets

Most of the Group's financial assets are accounts receivable, contract assets, cash and cash equivalents and other receivables.

The Group classifies and measures its financial assets based on the business model that addresses the asset's contracted cash flows and the nature of the asset. Financial assets are classified in one of the following categories: financial assets measured at amortized cost; financial assets measured at fair value through other comprehensive income; and financial assets measured at fair value through profit or loss. At present the Group only has financial assets that are not normally sold outside the Group and the purpose of holding them is to obtain contractual cash flows.

#### *Financial assets measured at cost*

All financial assets are classified as financial assets measured at amortized cost applying the effective interest method. When financial assets are acquired, the expected credit losses are recognized on an ongoing basis during the period they are held, normally taking into account credit loss risk in the subsequent 12-month period. If the credit risk is materially increased, a reserve is recognized for the credit losses that are expected to materialize during the whole term of the asset. MilDef applies the simplified method to calculate credit losses, i.e. the provision for expected credit losses is calculated based on the full lifetime of the receivable. This is based on historical data on payment collection patterns and the counterparty's ability to pay. Based on historical data, the expected credit losses are extremely limited.

#### *Cash and cash equivalents*

Cash and cash equivalents, in both the balance sheet and the statement of cash flows, include cash, bank balances and other short-term investments maturing within three months of the date of acquisition.

### Equity

#### *Share capital*

Ordinary shares are classified as share capital.

#### *Other capital contributions*

Consist of amounts paid above the quota (par) value when shares are issued.

#### *Issue costs*

Transaction costs directly attributable to the issuance of new ordinary shares or warrants are recognized, net of tax, in equity as a deduction from issue proceeds.

*Retained earnings*

Consist of all past earnings after tax, excluding non-controlling interests, less dividends.

*Translation reserve*

The net of the currency translation difference for foreign subsidiaries.

*Dividends*

The dividend proposed by the Board of Directors reduces the distributable earnings and is recognized as a liability once the Annual General Meeting has approved the dividend.

**Financial liabilities**

The Group's financial liabilities belong to the category of financial liabilities measured at amortized cost, applying the effective interest method, with the exception of liabilities relating to contingent considerations, which are measured at fair value according to level 3 in the fair value hierarchy.

**Provisions**

Provisions are legal or informal obligations that are attributable to the financial year or previous financial years and that on the closing day are certain or likely to exist but where the date and the amounts that will be realized are uncertain. Provisions are made for warranties, charitable contributions and restructuring programs.

**Contingent liabilities**

A contingent liability exists if there is a possible obligation stemming from past events, the occurrence of which depends on one or more uncertain future events, and where the obligation is not recognized as a liability or provision because it is not likely that an outflow of resources will be required or the size of the obligation cannot be estimated with sufficient reliability. Information is provided unless the likelihood of an outflow of resources is extremely small.

**Income tax**

Income tax recognized consists of current tax and deferred tax. Taxes are recognized in the income statement unless they relate to items recognized directly in equity. In such cases the tax is also recognized in equity. Deferred tax is calculated according to the balance sheet method based on all material temporary differences. A temporary difference exists when the carrying amount of an asset or liability differs from the tax base. Deferred tax is calculated by applying the tax rate that has been enacted or substantively enacted as of the closing day and that is expected to apply when the tax asset in question is realized or the tax liability is settled. Deferred tax assets are recognized only to the extent it is probable that a future tax surplus will be available against which the temporary differences can be offset.

**Revenue from contracts with customers**

Revenue from contracts with customers is recognized when the performance obligation has been met and control of the goods or services has been transferred to the customer. This assessment should be viewed from the customer's perspective taking into account indications such as the transfer of ownership and risk, customer acceptance, physical possession and the right to invoice. An assessment must also be made of whether control is transferred on a specific date or over time.

The Group's main income streams

- Sales of hardware
- Sales of software
- Sales of system and integration solutions

*Sales of hardware*

From a performance perspective, the sale of hardware is regarded as separate and distinct and is included in contracts with customers without involving integration or other service commitments. The transaction price is the amount MilDef expects to receive to fulfill its performance obligation and is clearly defined per order. Revenue is recognized at a certain point in time once control over the goods or services is transferred to the customer which, in the case of hardware, means that the customer has control over the products upon delivery or when the risk associated with them is transferred. The freight terms in the customer contract determine when control is transferred from MilDef to the customer.

*Sales of software*

From a performance perspective, the sale of software is regarded as separate and distinct and is included in contracts with customers without involving development, integration or other service commitments. The transaction price is the amount MilDef expects to receive to fulfill its performance obligation and is clearly defined per order. The customer has the right to use the software once it has been delivered and revenue is therefore recognized on a specific date (upon delivery).

*Sales of system and integration solutions*

In its system and integration solutions offering, MilDef combines multiple different components (such as hardware, software and services) into an integrated solution. These services are considered a combined performance obligation, since the components in the contract are inseparably linked and MilDef is responsible for delivering a functioning complete solution. The transaction price is the amount MilDef expects to receive to fulfill its performance obligation and is clearly defined per order. Revenue is recognized over time based on incurred costs and hours. If invoices are issued at specific agreed times, contract assets or contract liabilities will arise.

**Leases**

When new leases are signed a right-of-use asset and a lease liability are recognized in the balance sheet. Cost consists of the discounted remaining lease payments for the non-cancellable lease term. Any extensions are included if the Group is reasonably certain that they will be used. Lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be easily determined, which is normally the case for the Group's leases, the lessee's marginal interest rate is to be used. This is the rate the individual lessee would have to pay to borrow the necessary funds to purchase an asset of the same value as the right-of-use asset in a similar economic environment and with similar terms and guarantees.

The lease may be modified during the lease term and if so the lease liability and right-of-use assets are remeasured.

Lease payments are divided between repayment of the lease liability and payment of interest. The Group's significant leases consist of leases for real estate used in business operations and vehicle leases. The Company applies the relief rules for leases where the underlying asset is of low value and the lease term is short. These leases are recognized as an expense during the period of use.

## Employee benefits

Liabilities for wages, salaries and other remuneration, and paid leave, where the liability is expected to be settled within 12 months of the end of the financial year, are recognized as current liabilities at the amounts that are expected to be paid when the liabilities are settled, without taking any discounting into account. The expense is recognized as and when the services are performed by the employees.

### Defined contribution plans

The Group's pension plans for post-employment benefits are all in the form of defined contribution pension plans. In defined contribution plans, the Company pays fixed contributions to a separate legal entity. Once the contribution is made the Company has no further obligations. Remuneration for employees in the form of wages, salary and pension is recognized when the employee has performed the service the remuneration is for.

## Share-based remuneration

The Group applies IFRS 2 to accounting for share-based remuneration.

Share-based remuneration is settled using the Company's equity and measured at fair value on the allotment date. Fair value is determined using recognized measurement models and takes into account, among other things, the share price on the allotment date, expected volatility, maturity, dividends and risk-free interest. The cost is recognized as an employee expense over the vesting period with a corresponding increase in equity. Vesting terms are taken into account once the number of instruments that are expected to be earned is established. The Company reviews its assessments of expected outcomes on an ongoing basis and adjusts expensed amounts accordingly. Terms associated with market-based performance targets are taken into account in the fair value of the instruments on the allotment date, while other performance and service terms affect the number of instruments that are expected to be earned.

Social security contributions relating to share-based remuneration are expensed according to the applicable rules during the vesting period with a provision made based on the fair value of the instruments on each reporting date.

No expense is recognized for instruments that are not ultimately earned due to service terms not being met.

## Severance pay

A provision is recognized in connection with termination of employment only if the Company is obligated to end employment before the normal date. In such cases the full amount is charged directly to the income statement.

## Financial income and expense

Financial income and expense consist of interest income and borrowing costs, and any exchange rate differences not related to operations. They also include realized disposals of financial assets as well as impairment losses/reversals of past impairment losses on these financial assets. Borrowing costs directly related to purchases, construction or production of qualifying assets are recognized as part of the cost of these assets. Qualifying assets are assets that necessarily take a substantial period of time to prepare for their intended use or sale.

Capitalization ceases when all of the activities necessary to prepare the asset for its intended use or sale are substantially complete. All other borrowing costs are expensed when they arise. The Group has no capitalized borrowing costs.

## Statement of cash flows

The statement of cash flows is prepared in accordance with the indirect method, whereby the net profit/loss is adjusted for transactions not involving cash receipts and payments during the period, and for any income and expenses relating to cash flow from investing or financing activities. Cash and cash equivalents include cash, bank balances and other short-term investments maturing within three months of the date of acquisition.

## Operating segments

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 has concluded that the MilDef Group consists of only one reporting segment.

## Geographical areas

Most production takes place in Sweden. The Group also purchases products from external suppliers.

Sales by geographies are presented in Note 4.

## Operating expenses

The income statement is categorized by function.

The functions are as follows:

- Cost of goods sold consists of costs for handling goods and manufacturing costs, including payroll expenses, the cost of materials, purchased services, the cost of premises, and impairment of property, plant and equipment and intangible assets.
- Administrative expenses are mainly the cost of business administration. Common expenses are board fees, legal fees, auditor's fees and payroll expenses for administrative personnel.
- Selling expenses are expenses for the Company's internal sales and marketing department as well as external marketing and sales expenses.
- Research and development expenses are recognized separately and include self-financed new and further development of products such as materials for prototypes, as well as payroll expenses.
- Other operating income and expenses relate to secondary activities such as exchange rate differences on operation-related items.

The Group applies the current day method, whereby assets and liabilities of entities with a functional currency other than SEK are translated at the closing day exchange rate and the income statements are translated at the average exchange rates for the year. The translation differences that arise are recognized directly in other comprehensive income. The amount is recognized separately as reserves in equity.

## Note 2. Financial risk management

The Board of Directors of MilDef Group AB has established a Group-wide Risk Management Policy which describes how financial risks within the Group's operations are managed. The objective is for financial risks to be identified and actively managed for the purpose of reducing negative impacts on the Group's profits, competitiveness and financial freedom.

The financial risks are defined as:

- Currency risk
- Interest rate risk
- Liquidity and financing risk
- Credit and counterparty risk

### Currency risk

#### Transaction risk

##### Definition

Transaction risk is the risk of changes in exchange rates negatively affecting profitability and the Group's financial position. Transaction exposure occurs when the Group's companies purchase in one currency and sell in another currency.

The main rule in limiting the Group's transaction exposure is for the supply company to sell to the distributor in the distributor's local currency. The transaction risk is thereby limited for the distributor.

A significant portion of the Group's sales and purchases are in currencies other than SEK. This is shown in the table below. Currency hedging is not normally applied except in some cases at the subsidiary level. No currency hedging was applied in 2025. The risks are primarily limited by the way contracts are drafted (currency clauses) or by quotes being given in the entity's own cost currency. In the case of more substantial risk exposure, individual assessments are made where hedging may be needed.



Invoicing in the Group 2025 amounts to 35% EUR, 25% SEK, 12% NOK, 12% USD, 10% GBP, 6% DKK and 0% CHF.

The Group's net flows in the form of customer and supplier invoices by currency are as follows:

#### A +/- 10% shift in exchange rates would have the following effect on earnings:

SEK m	Effect +10%	Effect -10%
EUR	40.8	-40.8
GBP	8.6	-8.6
NOK	15.3	-15.3
USD	-22.4	22.4
AUD	-0.0	0.0
DKK	11.9	-11.9
CHF	0.0	-0.0

The table above is based on the Group's net flows in these currencies.

Exchange rate gains and losses relating to operations are recognized net under "Other operating income" or "Other operating expenses."

## Translation risk

### Definition

Translation risk is the risk that translation differences represent in the form of a change in equity.

When foreign subsidiaries' balance sheets in local currency are translated to SEK, a translation difference arises as a consequence of the current year being translated at a different closing exchange rate than the previous year. The income statement is translated using an average exchange rate for the year, while the balance sheet is translated at the exchange rate on December 31. Translation exposure constitutes the risk that the translation difference represents in the form of a change in equity.

The Group's net investments in foreign currency amounted to SEK 91.4 million (104.1) at the end of 2025. The main currencies are USD, SEK 72.3 million (79.6) and NOK, SEK 42.7 million (19.8). The Group does not hedge this risk.

## Interest rate risk

### Definition

Interest rate risk is the risk of the Group's profitability and financial position being negatively affected by changes in current interest rate levels.

Interest rate risk exists when the cost of the Company's borrowing changes when market interest rates are changed. Management monitors market development on an ongoing basis. The loan terms contain covenants linked to performance measures. The Group's bank loans carry variable interest rates with a fixed interest period of 1-3 months. Assets pledged in connection with borrowings are presented in Note 21.

Calculated based on interest-bearing credit facilities carrying variable interest rates as of December 31, 2025, a one percentage point change in the market interest rate would affect the Group's earnings by SEK -4.3 million (-2.5).

2025, SEK m	Nominal interest rate	Nominal amount	Within 6 months	6-12 months	1-2 years	2-5 years	After 5 years	Total
Bank loans EUR	4.02%	389.6	35.9	35.4	69.0	277.7	-	418.0
Bank loans SEK	3.85%	119.3	2.3	2.3	4.6	119.7	-	128.9
Overdraft facility	3.61%	41.9	0.8	0.8	1.5	42.1	-	45.1
Contingent considerations			-	-	-	-	-	-
Undiscounted lease payments			16.9	24.5	37.5	91.1	72.9	242.9
Accounts payable			169.8	-	-	-	-	169.8
<b>Total</b>			<b>225.7</b>	<b>62.9</b>	<b>112.6</b>	<b>530.5</b>	<b>72.9</b>	<b>1,004.7</b>

2024, SEK m	Nominal interest rate	Nominal amount	Within 6 months	6-12 months	1-2 years	2-5 years	After 5 years	Total
Bank loans SEK	4.45%	132.5	17.9	17.5	104.8	-	-	140.2
Overdraft facility	2.00%	-	-	-	-	-	-	-
Contingent considerations			-	-	-	-	-	-
Undiscounted lease payments			10.2	15.1	19.2	38.4	10.5	93.4
Accounts payable			85.6	-	-	-	-	85.6
<b>Total</b>			<b>113.7</b>	<b>32.6</b>	<b>124.0</b>	<b>38.4</b>	<b>10.5</b>	<b>319.3</b>

The table below shows the effective interest rate on the closing day and the maturity structure of the financial liabilities.

If surplus liquidity arises, it is first invested in short-term interest-bearing securities with extremely low risk. Maturities for short-term interest-bearing securities are normally 3-12 months.

## Liquidity and financing risk

### Definition

Liquidity and financing risk refers to the risk of not being able to meet payment obligations as a result of insufficient liquidity or difficulties raising external loans on acceptable terms. The liquidity and financing risk is currently considered to be at a good level. Net debt (incl. IFRS 16) in relation to adjusted EBITDA is 2.0 (-1.7) compared with the long-term target of maximum 2.5. SEK 56.5 million (30) of the bank loan will be repaid in 2026. Both the bank loan and overdraft facility expire in February 2028. There is an option to extend the bank loan by 1+1 years. On the closing day the financial liabilities in the table above amounted to SEK 1,004.7 million (319.3). At year-end 2025 there was an unutilized revolving overdraft facility of SEK 78.1 million (120.0). Cash and cash equivalents at year-end amounted to SEK 148.6 million (530.4).

## Credit and counterparty risk

### Definition

Credit risk in transactions is the risk that the counterparty will not meet its financial obligations. MilDef is exposed to credit risk in its operations based on transactions with counterparties, mainly customers. The maximum credit risk exposure regarding accounts receivable was SEK 513.9 million (330.1) as of December 31, 2025. Cash and cash equivalents are only deposited in cash or similar accounts and the Group only uses credit institutions with a high credit rating to minimize credit risk.

### Accounts receivable

The risk of losses is the risk that customers will be unable to pay for products that have been delivered due to their financial positions. MilDef sells to a limited number of customers, who have good solvency, which significantly reduces the risk, and currently the risk of customer losses is considered low. MilDef systematically performs credit assessments before entering into commercial arrangements with new customers. When exporting products, advance payments or in some cases bank guarantees are usually required. Part of MilDef's sales is to various countries' armed forces, with the majority of the remainder to major companies.

## Fair value

Carrying amounts coincide with fair value for all of the Group's financial assets and liabilities. The Group's financial assets are in the category of financial assets measured at amortized cost and financial liabilities are in the category of financial liabilities measured at amortized cost, with the exception of contingent considerations.

Contingent considerations from acquisitions of entities are measured at fair value according to level 3 of the fair value hierarchy. This means that several significant inputs used in the measurement model are not based on observable market data. There are contingent considerations in connection with the acquisitions of roda computer GmbH and MilDef Integration Sweden AB. A discounted cash flow method is used to calculate the present value of the expected outflows from the Group in connection with settlement. The significant unobservable inputs used in the calculation are a risk-adjusted discount rate of 8% and probability-adjusted expected cash flows. At year-end 2025 interest-bearing liabilities included contingent considerations of SEK 0.0 million (0.0). Contingent considerations of SEK 44.5 million (0.0) for roda computer GmbH and SEK 0 million (12.5) for MilDef Integration Sweden AB were paid in 2025. Settlement of the contingent considerations for roda computer GmbH and MilDef Integration Sweden AB has therefore been finalized. At year-end 2025 the expected outstanding cash flow relating to contingent considerations amounts to SEK 0 million and the interest-bearing debt to SEK 0 million.

## Capital management

MilDef's capital structure target is to ensure the Group's ability to continue as a going concern to generate returns for the shareholders and benefits for other stakeholders, and to have an optimal capital structure taking into account the cost of capital. Shareholder dividends, new share issues or sales of assets are examples of actions the Group can employ to adjust its capital structure. MilDef defines capital as the sum of equity and the Group's net debt, totaling SEK 2,143.6 million (791.7).

MilDef has four financial targets for its operations aimed at providing the shareholders with a good return and ensuring long-term value growth:

- Growth - Grow sales over time by at least 25% per year, including acquisitions.
- Profitability - Operating margin (EBITA) over time of at least 15%.
- Capital structure - Interest-bearing net debt not to exceed 2.5x EBITDA, other than temporarily.
- Dividend policy - Distribute 20-40% of net profit. MilDef will, however, take long-term development, capital structure and prevailing market conditions into account.

The Board of Directors is proposing that a dividend be set at SEK 0.75 per share for the 2025 financial year.

### Note 3. Uncertainty in estimates and judgments

Estimates and judgments are evaluated on an ongoing basis and based on historical experience and other factors, including expectations regarding future events that are considered reasonable under the prevailing circumstances. Management makes estimates and assumptions regarding the future and this affects the carrying amounts recognized. The key estimates and assumptions where there is a significant risk of the need for material adjustments to carrying amounts in future financial years are outlined below.

#### Useful life of intangible assets and property, plant and equipment

*Key sources of uncertainty in estimates*

The Group's Management Team establishes estimated useful lives and associated amortization/depreciation of the Group's intangible non-current assets and property, plant and equipment. These estimates are based on past knowledge of the useful lives of similar assets. Useful life and estimated residual value are tested on every closing day and adjusted as needed. The useful life is 5-10 years for intangible non-current assets and 1-10 years for property, plant and equipment, see Note 1.

#### Testing of goodwill impairment

*Key sources of uncertainty in estimates*

Every year the Group tests for impairment of goodwill according to the accounting principle described in the section "Impairment of non-financial assets" in Note 1. The value is estimated based on management's estimates of future cash flows, which are mainly based on internal budgets and forecasts. As of December 31, 2025, goodwill was recognized in the amount of SEK 911.2 million (322.6).

Testing for impairment requires management to consider various aspects, in particular any events that have occurred that may impact the value of goodwill, as well as the assumptions used in cash flow forecasts and whether cash flow discounts are reasonable. Any changes made to assumptions may result in a different outcome and a different future financial position. For further information on goodwill impairment testing, see Note 14.

#### Recovery of value of development expenses

*Key sources of uncertainty in estimates*

The Group invests substantial sums in research and development. Recognition of development expenses as assets in the balance sheet requires estimates to be made and an expectation that the product capitalized will be technically and commercially viable in the future and that future economic benefits are likely. Each quarter an assessment is made of whether development expenses already capitalized are still commercially viable and can continue to generate economic benefits. If this is not the case, an impairment loss is recognized. As of December 31, 2025, capitalized product development was recognized at SEK 8.4 million (12.7).

#### Deferred tax assets

*Key sources of uncertainty in estimates*

Every year management conducts an impairment test for deferred tax assets relating to tax loss carryforwards. Deferred tax assets are only recognized if it is deemed probable that a future tax surplus will be available. Deferred tax assets relating to tax loss carryforwards amounted to SEK 24.9 million (0.4) at the end of 2025. See also Note 13.

#### Inventory obsolescence assessment

*Key sources of uncertainty in estimates*

Inventory is assessed every month to determine if there is any impairment. An impairment loss is recognized in cost of goods sold at the amount of inventory which, after careful evaluation, is considered to be obsolete. If actual obsolescence is different from the estimates or if management makes future adjustments to the assumptions made, changes in value may affect profit for the year as well as the Company's financial position. An obsolescence scale has been applied consistently by the Group. According to the obsolescence scale, all items of inventory older than two years are measured at 0% of cost. The reserve for inventory obsolescence amounted to SEK 31.0 million (24.6) as of December 31, 2025. See Note 17.

#### Contingent considerations

*Key sources of uncertainty in estimates*

The carrying amount of contingent considerations is normally based on expected profit development within the acquired operations in coming years. Contingent considerations are considerations for holdings that have already been acquired. If profit development is not as expected, this will affect the carrying amount of contingent considerations and thus MilDef Group's profits.

Any contingent considerations are recognized in non-current or current interest-bearing liabilities. As of the balance sheet date, there were no liabilities for contingent considerations.

#### Leases

*Key sources of uncertainty in estimates*

When recognizing rental agreements and leases there is some element of subjectivity in the estimates and judgments made in terms of the ability to exercise extension, termination and purchase options, estimated useful lives of agreements/leases that are extended on an ongoing basis if neither party terminates the contract, and the actual expected useful lives of assets within the framework of existing agreements/leases. From a materiality perspective, for the Group this primarily relates to property leases where these estimates may have a material effect on the Company's financial position. Underlying discount factors are an additional component that affects carrying amounts of rental agreements and leases within the Group. To calculate the carrying amount, MilDef applies an estimated, relevant marginal borrowing rate for each currency or asset class to best reflect the assets in the rental agreement or lease and also financial commitments in a fair and true way.

## Note 4. Revenue

	2025	2024
<b>Net sales</b>		
Sweden	579.4	400.7
Norway	235.5	220.3
Rest of Nordics (excl. Sweden & Norway)	122.3	74.1
Germany	608.1	161.8
Europe (excl. Nordics & Germany)	262.9	147.8
USA	147.0	138.1
Other countries	90.0	58.1
<b>Total</b>	<b>2,045.2</b>	<b>1,200.9</b>

Revenue from external customers is reported by geography based on the billing address.

In 2025 MilDef had two customers that individually accounted for more than 10% of the Group's revenue. Customer 1 accounted for sales of SEK 257.8 million and customer 2 for sales of SEK 235.5 million. In 2024 MilDef also had one customer that accounted for more than 10% of the Group's revenue, with sales of SEK 123.8 million.

Revenue categories	SEK m 2025	Percentages in 2025	SEK m 2024	Percentages in 2024
Sales of hardware (specific point in time)	1,608.0	78%	750.7	62%
Sales of software (specific point in time)	76.9	4%	68.5	6%
Sales of system and integration solutions (over time)*	360.3	18%	381.7	32%
<b>Total</b>	<b>2,045.2</b>		<b>1,200.9</b>	

\* Described as services in the first section of the Annual Report.

The Group's intangible non-current assets and property, plant and equipment by country	2025	2024
Sweden	464.6	369.8
Norway	103.1	96.2
USA	1.0	2.7
UK	25.8	10.5
Germany	933.0	2.7
Other	0.0	0.1
<b>Total</b>	<b>1,527.5</b>	<b>482.0</b>

Contracts entered into but not yet fulfilled**	2025	2024
The next 12 months	2,092	1,149
Within 12-24 months	836	269
Within 25-36 months	400	229
After 36 months	267	408
<b>Total</b>	<b>3,595</b>	<b>2,055</b>

\*\* Refers to all contracts entered into as of the closing day.

## Note 5. 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. Consequently, 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. In 2025 past reserves were reversed when the actual costs were determined, resulting in a small amount of revenue as the outcome was lower than the reserves.

**Note 5. Restructuring costs**

Nature of expense method	2025	2024
Cost of goods sold	-5.4	61.0
Other costs	-2.5	4.8
Personnel costs	-1.0	7.6
Depreciation/amortization and impairment	0.0	236.6
<b>Total</b>	<b>-8.9</b>	<b>310.0</b>

**Note 6. Other operating income/expenses**

	2025	2024
Exchange gain on operating receivables/liabilities	35.0	6.1
Exchange loss on operating receivables/liabilities	-38.1	-14.5
Other	-	-
<b>Total</b>	<b>-3.1</b>	<b>-8.4</b>

**Note 7. Nature of expense method**

	2025	2024
Cost of materials	1,113.6	651.7
Other costs	176.0	111.8
Personnel costs	430.8	328.2
Depreciation/amortization	110.7	303.4
Other operating expenses	38.6	14.8
<b>Total</b>	<b>1,869.7</b>	<b>1,409.8</b>

**Note 8. Audit fees**

	2025	2024
<b>Öhrlings PricewaterhouseCoopers:</b>		
Audit engagement	4.0	3.0
Audit-related activities besides the audit engagement	-	-
Tax advisory services	-	0.1
Other services	-	-
<b>Total</b>	<b>4.0</b>	<b>3.1</b>
<b>Mazars:</b>		
Audit engagement	0.3	0.3
Audit-related activities besides the audit engagement	-	-
Tax advisory services	0.9	0.9
Other services	-	-
<b>Total</b>	<b>1.2</b>	<b>1.2</b>
<b>Other:</b>		
Audit engagement	1.1	0.0
Audit-related activities besides the audit engagement	-	-
Tax advisory services	-	-
Other services	-	-
<b>Total</b>	<b>1.1</b>	<b>0.0</b>

The audit assignment consists of examination of the annual financial statements and accounting records, as well as the CEO and Board's administration of the Company, other tasks that are incumbent upon the Company's auditors in order to prepare the Auditor's Report, as well as advice or other assistance required as a result of observations made during such review tasks.

## Note 9. Depreciation/amortization and impairment

	2025	2024
Goodwill	-	141.4
Right-of-use assets	32.7	35.6
Capitalized product development	4.6	62.0
Exclusivity agreements	29.1	-
Customer relationships	27.2	6.7
Brand	1.8	49.5
Software	4.0	2.2
Other intangible non-current assets	0.8	0.1
Leasehold improvements	2.0	1.4
Equipment, fixtures and fittings	8.7	4.5
<b>Total</b>	<b>111.0</b>	<b>303.4</b>

## Note 10. Leases

The following amounts relating to right-of-use assets are recognized in the income statement:

Amounts recognized in the income statement	2025	2024
Depreciation - Cost of goods sold	2.5	1.8
Depreciation - Administrative expenses	17.5	12.9
Depreciation - Selling expenses	5.9	4.3
Depreciation - Research and development expenses	5.3	3.9
Interest expense for lease liabilities (included in financial expense)	5.7	3.6
Expenses relating to low-value leases	0.2	0.2
Expenses for short-term leases	0.1	0.1
<b>Total</b>	<b>37.2</b>	<b>26.9</b>

Lease payments for short-term leases (where the lease period is 12 months or less) or lease assets of low value (underlying asset value below USD 5,000) are recognized as operating expenses in the income statement and are therefore not included in the right-of-use assets or lease liabilities.

If the lease contains variable lease payments not based on an index or interest rate, it is also recognized as an operating expense in the income statement. Any service components in a lease are separated from the leased asset and recognized as an operating expense in the income statement.

The total cash flow on the balance sheet attributable to rental agreements and leases amounts to SEK -25.2 million (-25.7), of which SEK -5.7 million (-3.6) is for interest expense recognized in cash flow from operating activities. The remaining cash flow is included as part of consolidated cash flow from financing activities.

## Note 11. Employees and personnel costs etc.

Number of employees 2025	Sweden	Norway	UK	USA	Finland	Germany	France	Total
Average number of employees	252	39	54	18	1	78	2	443
Percentage of men (%)	74	77	66	80	100	74	100	74
Number of employees Dec. 31	262	40	62	17	1	95	2	479
Percentage of men (%)	73	80	65	82	100	75	1	74

Number of employees 2024	Sweden	Norway	UK	USA	Finland	Germany	France	Total
Average number of employees	239	36	19	18	1	6	0	319
Percentage of men (%)	74	78	60	78	100	81	-	74
Number of employees Dec. 31	242	37	21	20	1	6	0	327
Percentage of men (%)	75	78	61	80	100	81	-	75

<b>Gender balance in the Management Team (as of December 31)</b>	<b>2025</b>	<b>2024</b>
Board of Directors	7	7
Percentage of men (%)	71	71
Management Team	7	7
Percentage of men (%)	57	57

<b>Wages, salaries and other remuneration</b>	<b>2025</b>	<b>2024</b>
Wages, salaries and other remuneration etc.	316.0	232.6
(Of which salaries and other remuneration of the Board, CEO and other senior executives)	13.7	12.0
(Of which bonus to the Board, CEO and other senior executives)	-	-
Pension costs, defined-contribution plans	20.9	21.7
(Of which for the Board, CEO, senior executives and other key individuals)	2.5	2.4
Social security contributions	46.8	62.3

Senior executives consist of members of the Management Team. Other key individuals comprise board members. At year-end 2025, the group comprising the CEO, senior executives and board members numbered 13 persons (14). There are no severance pay agreements in place.

#### Salaries and other remuneration of senior executives

<b>2025, SEK 000</b>	<b>Basic salary/ Board fee</b>	<b>Variable remuneration</b>	<b>Other benefits</b>	<b>Pension expense</b>	<b>Total</b>
Chair of the Board Björn Karlsson	565	-	-	-	565
Board member Jan Andersson	280	-	-	-	280
Board member Lennart Pihl	370	-	-	-	370
Board member Charlotte Darth	310	-	-	-	310
Board member Elisabeth Åbom	250	-	-	-	250
Board member Carl Mellander	310	-	-	-	310
Board member Bengt-Arne Molin	250	-	-	-	250
CEO Daniel Ljunggren	2,747	-	216	796	3,759
Other senior executives (6)	7,846	-	401	1,656	9,903
<b>Total</b>	<b>12,928</b>	<b>-</b>	<b>617</b>	<b>2,452</b>	<b>15,997</b>

<b>2024, SEK 000</b>	<b>Basic salary/ Board fee</b>	<b>Variable remuneration</b>	<b>Other benefits</b>	<b>Pension expense</b>	<b>Total</b>
Chair of the Board Björn Karlsson	505	-	-	-	505
Board member Jan Andersson	245	-	-	-	245
Board member Lennart Pihl	325	-	-	-	325
Board member Charlotte Darth	275	-	-	-	275
Board member Marianne Trolle	225	-	-	-	225
Board member Christian Hammenborn	275	-	-	-	275
Board member Bengt-Arne Molin	225	-	-	-	225
CEO Daniel Ljunggren	2,119	-	337	831	3,288
Other senior executives (6)	7,289	-	162	1,549	8,999
<b>Total</b>	<b>11,483</b>	<b>-</b>	<b>499</b>	<b>2,380</b>	<b>14,362</b>

### Guidelines for remuneration of senior executives

In accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, the shareholders' meeting of a public limited company whose shares are admitted for trading on a regulated market is to adopt guidelines for remuneration of senior executives. The 2025 Annual General Meeting adopted guidelines for remuneration of the CEO and other senior executives as follows:

The guidelines cover senior executives, including the President & CEO and other members of the Management Team. If members of the Company's Board of Directors perform work for the Company alongside their board assignments, these guidelines are also to be applied to any remuneration paid to the board members for such work. The principles are prospective, i.e. they apply to remuneration agreed and changes made to previously agreed remuneration after the guidelines were adopted at the 2025 Annual General Meeting. The principles do not apply to any remuneration agreed or approved at the Annual General Meeting.

MilDef is a systems integrator and comprehensive supplier specialized in rugged IT for defense and security applications. As a leading supplier of tactical IT, MilDef has linked its strategies to expansion within three areas: hardware, software and services. MilDef's offering in these areas is known for being robust, secure and customizable. Three pillars of growth underlie MilDef's future expansion and form the basis for the Company's strategy: internationalization, portfolio development and acquisitions. For further information on MilDef's strategy, see [www.mildef.com](http://www.mildef.com).

MilDef's ability to recruit, develop and retain high-caliber senior executives is a prerequisite for successful implementation of the business strategy and protection of the Company's long-term interests, including its sustainability work. This is why it is essential that MilDef offers competitive market-based remuneration. These guidelines enable MilDef to offer senior executives competitive remuneration packages. All variable cash remuneration covered by these principles is intended to promote the Company's business strategy and long-term interests, including its sustainability profile.

### Remuneration components

The remuneration is to be market-based and consist of fixed cash salary, variable remuneration, pension and other benefits. In addition, the shareholders' meeting may – independently of these guidelines – approve share-based and share price-based incentive programs.

Remuneration may also take the form of consulting fees to board members who perform work for the Company alongside their board assignment.

### Fixed cash salary

Fixed cash salary is to be set so that it is competitive when combined with other remuneration components. The absolute level is to be set based on the role in question and the individual's expertise, experience and performance. The fixed cash salary is to be reviewed annually.

### Variable remuneration

Performance in relation to criteria for payment of variable cash remuneration must be able to be measured over a period of one year. Variable cash remuneration is to have a predetermined ceiling and may not exceed 50% of the fixed annual cash salary. Variable remuneration is only pensionable where this is required in line with binding collective bargaining agreements or local legislation. Additional variable remuneration can be paid in extraordinary circumstances, provided that such extraordinary arrangements are time-limited and made only at the individual level, either to recruit or retain senior executives, or as compensation for extraordinary work efforts over and above the senior executive's ordinary duties. Remuneration of this kind may not exceed an amount equivalent to 50% of the annual fixed cash salary and may not be paid more than once a year per individual. Decisions on such remuneration for the President & CEO are to be taken by the Board based on a proposal from the Remuneration Committee. Decisions on such remuneration for other senior executives are to be taken by the Remuneration Committee based on a proposal from the President & CEO.

### Pension

Senior executives are entitled to pension solutions according to the collective bargaining agreement (Technology Industries of Sweden). As a rule, pension obligations are to be in the form of a defined-contribution plan and in line with the ITP1 pension plan, according to which pension provisions of 4.5% are made on salary components up to 7.5 base amounts and 30% on salary components over 7.5 base amounts. The Company also makes provisions for part-time pension benefits. This rule may be waived in the case of appointment of new senior executives whose employment contracts already include defined-benefit pension plans or if the senior executive is covered by a defined-benefit pension plan under mandatory collective bargaining agreements. The pension premiums for defined-contribution pension plans must not exceed 35% of the fixed annual cash salary. Pension provisions are only to be made on variable cash remuneration and other salary benefits if required by mandatory collective bargaining agreements applicable to the executive or by local legislation.

### Other benefits

Other benefits may include life assurance, health and medical expenses insurance, and a company car. The combined value of such benefits may not exceed 15% of the fixed annual salary.

### Employment terms in other countries

In the case of employment terms subject to rules other than Swedish ones, appropriate adjustments may be made to comply with mandatory rules or established local practices, while as far as possible observing the overall objectives of these guidelines.

### Consulting fee for board members

If a board member (including via a wholly owned company) performs work for the Company in addition to board work, a separate fee can be paid for this (consulting fee). The fee is to be based on the current market rate and determined in relation to the value of the benefit provided to the Company.

**Criteria for award of variable cash remuneration etc.**

The Remuneration Committee is to monitor and evaluate variable remuneration programs for senior executives. At the end of the performance period the Committee must determine to what extent the criteria for award of variable remuneration have been met. The Remuneration Committee is responsible for making the assessment on variable remuneration for the President & CEO. Assessments on variable remuneration for other executives are the responsibility of the President & CEO. Where financial criteria are concerned, the assessment is to be based on the Company's most recently published financial information. Variable cash remuneration can be paid at the end of the performance period or be deferred. The Board of Directors is entitled, by law or contract, to wholly or partly reclaim variable remuneration that has been paid on false grounds (claw back).

**Termination of employment**

If a senior executive's contract of employment is terminated by the Company, the notice period must not exceed 12 months. All terms of employment continue to apply during the notice period, unless explicitly agreed between the Company and the executive. The executive will not receive any further severance pay. If a senior executive terminates their employment, the contractual notice period must not exceed 6 months, or 12 months for the President & CEO, and there is no entitlement to severance pay.

**Salary and terms of employment for employees**

In drafting these guidelines, the Board of Directors has taken into account the current salary and terms of employment of MilDef's employees. Information on employees' total incomes, and the components, increase and rate of growth of the remuneration over time, have been evaluated. The Remuneration Committee and Board of Directors have subsequently decided whether the principles and restrictions therein are reasonable.

**Decision-making process for determining, reviewing and implementing the guidelines**

The Board of Directors has previously established a Remuneration Committee. The Committee's duties include making preparations for Board decisions on proposed guidelines for remuneration of senior executives. The Board is to prepare proposals for new guidelines at least once every four years and present the proposals for approval by the Annual General Meeting. The guidelines are to apply until new guidelines have been adopted by the shareholders' meeting. The Remuneration Committee must also monitor and evaluate variable remuneration programs for the Management Team, the application of the Guidelines for remuneration of senior executives as well as remuneration structures and levels within the Company. The Chair of the Board may be chair of the Remuneration Committee. Other shareholder-elected members of the Remuneration Committee must be independent of the Company and the Management Team. The President & CEO or other members of the Management Team are not present when the Board discusses and makes decisions on remuneration matters that affect them. If a board member provides consulting services to the Company, the board member in question is not entitled to participate in the preparatory work of the Board or the Remuneration Committee concerning variable remuneration for the relevant consulting services.

**Deviations from the guidelines**

The Board may temporarily deviate from the guidelines in full or in part if there are particular reasons for doing so in an individual case and the deviation is necessary to serve the Company's long-term interests, including its sustainability, or to safeguard the Company's financial strength. Deviations are to be reported and justified in the subsequent Remuneration Report. The Remuneration Committee's duties include preparatory work for the Board's decisions on matters concerning remuneration of the Management Team, including decisions on deviations from the guidelines.

**Description of material changes in the Guidelines for remuneration of senior executives, and representation of any views from shareholders**

The entire Guidelines for remuneration of senior executives were reviewed ahead of the 2025 Annual General Meeting. Material changes were as follows. Variable cash remuneration is to have a predetermined ceiling and may not exceed 50% of the fixed annual cash salary. The ceiling was previously set at 35%. The Company entered into a collective bargaining agreement on January 1, 2025 with Technology Industries of Sweden (Teknikföretagen). Pension benefits are now managed within the framework of that agreement. The costs are in line with previous levels. No viewpoints on the remuneration guidelines have been expressed by the Company's shareholders.

## Note 12. Financial items

	2025	2024
Exchange gain not relating to operations	-	2.4
Interest income	11.3	8.5
Other financial income	-	0.9
<b>Financial income</b>	<b>11.3</b>	<b>11.8</b>
Exchange loss not relating to operations	-14.3	-
Interest expense	-37.3	-24.5
Other financial expense	-2.4	-0.9
<b>Financial expense</b>	<b>-54.0</b>	<b>-25.4</b>

## Note 13. Tax

Tax recognized in the income statement	2025	2024
Current tax for the year	-68.5	-12.7
Deferred tax	44.0	15.1
Prior year adjustments	1.0	-0.2
<b>Total</b>	<b>-23.6</b>	<b>2.2</b>

Deferred tax expense/income for the year	2025	2024
Tax relating to change in loss	-	-
Tax relating to change in temporary differences	44.7	15.0
Tax relating to appropriations	-0.7	0.1
Revaluation of tax loss carryforwards	-	-
<b>Total</b>	<b>44.0</b>	<b>15.1</b>

Tax on profit for the year	2025	2024
<b>Earnings before tax according to the income statement</b>	<b>171.6</b>	<b>-222.6</b>
<b>Tax according to the Parent Company tax rate (20.6%)</b>	<b>-35.3</b>	<b>45.8</b>

Reconciliation of recognized tax	2025	2024
Non-taxable income	0.7	0.4
Non-deductible expenses	7.8	-44.0
Expenses recognized via equity	1.0	0.9
Effect of change in temporary differences	0.9	0.5
Non-capitalized tax loss carryforwards	-	-
Revaluation of deferred tax relating to tax loss carryforwards	-	-
Tax relating to previous years	2.3	0.2
Difference in Group's tax rates in different countries	-0.9	-1.5
<b>Recognized tax expense/income</b>	<b>-23.6</b>	<b>2.2</b>

Deferred tax assets/deferred tax liabilities 2025	Deferred tax assets	Deferred tax liabilities	Net
Intangible non-current assets	0.4	-101.5	-101.1
Property, plant and equipment	1.1	-	1.1
Financial assets	-	-	-
Current assets	15.1	-1.5	13.6
Current liabilities	-	-1.9	-1.9
Tax loss carryforwards	24.9	-	24.9
<b>Total</b>	<b>41.5</b>	<b>-104.9</b>	<b>-63.4</b>

Deferred tax assets/deferred tax liabilities 2024	Deferred tax assets	Deferred tax liabilities	Net
Intangible non-current assets	10.2	-23.8	-13.6
Property, plant and equipment	0.8	-	0.8
Financial assets	-	-	-
Current assets	7.7	-	7.7
Current liabilities	-	-1.0	-1.0
Tax loss carryforwards	0.4	-	0.4
<b>Total</b>	<b>19.2</b>	<b>-24.8</b>	<b>-5.7</b>

Reconciliation of net deferred tax liability	2025	2024
Tax liability, January 1	-5.7	-23.2
Translation difference on translation of foreign subsidiaries	1.8	2.4
Additions via business combinations	-103.5	-
Recognized via the income statement	44.0	15.1
<b>Tax liability, December 31</b>	<b>-63.4</b>	<b>-5.7</b>

Deferred tax assets are valued at the maximum amount likely to be recovered based on the taxable profit for current and future years. The Group has unutilized tax loss carryforwards of SEK 91.7 million (2.6), SEK 0.0 million of which (0.2) are unrecognized as it is considered uncertain whether they will be able to be used due to uncertainty as to when sufficient taxable profit will be generated in the future. Tax loss carryforwards do not expire.

No tax is recognized in other comprehensive income.

## Note 14. Intangible non-current assets

2025, SEK m	Capitalized product development	Goodwill (business combinations)	Exclusivity agreements	Customer relationships	Brand	Software	Other intangible non-current assets	Total
<b>Cost</b>								
Opening balance, January 1	131.8	464.2	11.0	83.3	56.6	21.9	1.2	769.8
Additions for the year	-	1.9	-	-	-	-	-	1.9
Divestments for the year	-	-	-	-	-	-	-0.6	-0.6
Reclassification for the year	-	-	-	-	-	-	-	0.0
Additions as a result of acquisitions	1.7	593.8	87.2	247.1	21.2	11.5	2.5	965.0
Translation difference	-	-7.2	-3.8	-9.2	-0.5	-1.5	-0.1	-22.3
<b>Closing balance, December 31</b>	<b>133.5</b>	<b>1,052.7</b>	<b>94.4</b>	<b>321.1</b>	<b>77.2</b>	<b>31.9</b>	<b>3.0</b>	<b>1,713.9</b>
<b>Amortization and impairment</b>								
Opening balance, January 1	-119.1	-141.6	-11.0	-40.6	-56.6	-8.5	-1.0	-378.3
Amortization and impairment for the year	-4.6	-	-29.1	-27.2	-1.8	-4.0	-0.8	-67.5
Divestments for the year	-	-	-	-	-	-	0.5	0.5
Additions as a result of acquisitions	-1.4	-	-	-	-	-	-1.1	-2.5
Translation difference	-	0.0	2.5	3.4	0.2	0.6	0.0	6.8
<b>Closing balance, December 31</b>	<b>-125.0</b>	<b>-141.6</b>	<b>-37.6</b>	<b>-64.4</b>	<b>-58.2</b>	<b>-11.9</b>	<b>-2.3</b>	<b>-441.0</b>
<b>Carrying amount, December 31, 2025</b>	<b>8.5</b>	<b>911.2</b>	<b>56.8</b>	<b>256.8</b>	<b>19.0</b>	<b>20.0</b>	<b>0.7</b>	<b>1,273.0</b>

2024, SEK m	Capitalized product development	Goodwill (business combinations)	Exclusivity agreements	Customer relationships	Brands	Software	Other intangible non-current assets	Total
<b>Cost</b>								
Opening balance, January 1	125.8	461.5	10.0	82.5	56.5	22.2	1.2	759.8
Additions for the year	6.0	3.9	-	-	-	-	-	9.9
Divestments for the year	-	-	-	-	-	-	-	-
Reclassification for the year	-	-	-	-	-	-	-	-
Additions as a result of acquisitions	-	-	-	-	-	-	-	-
Translation difference	-	-1.0	1.0	0.8	0.1	-0.3	-	0.2
<b>Closing balance, December 31</b>	<b>131.8</b>	<b>464.2</b>	<b>11.0</b>	<b>83.3</b>	<b>56.6</b>	<b>21.9</b>	<b>1.2</b>	<b>769.9</b>
<b>Amortization and impairment</b>								
Opening balance, January 1	-57.3	-	-10.0	-32.8	-7.2	-6.3	-0.9	-114.6
Amortization and impairment for the year	-61.8	-141.6	-	-6.7	-49.4	-2.2	-0.1	-261.8
Divestments for the year	-	-	-	-	-	-	-	-
Translation difference	-	-	-1.0	-1.0	0.0	0.1	-	-1.9
<b>Closing balance, December 31</b>	<b>-119.1</b>	<b>-141.6</b>	<b>-11.0</b>	<b>-40.6</b>	<b>-56.6</b>	<b>-8.5</b>	<b>-1.0</b>	<b>-378.3</b>
<b>Carrying amount, December 31, 2024</b>	<b>12.7</b>	<b>322.6</b>	<b>0.0</b>	<b>42.7</b>	<b>0.0</b>	<b>13.4</b>	<b>0.2</b>	<b>391.6</b>

Amortization and impairment are recognized in comprehensive income as follows:	2025	2024
Cost of goods sold	1.1	2.5
Selling expenses	54.9	48.3
Administrative expenses	6.4	6.7
Research and development expenses	6.2	19.1
Restructuring costs	-1.4	185.0
<b>Total</b>	<b>67.3</b>	<b>261.8</b>

### Business combinations

Goodwill has arisen in connection with business combinations. MilDef applies IAS 38 Intangible assets, which means that goodwill and assets with indefinite useful life are not amortized. However, an impairment test in accordance with IAS 36 is performed each year, or more frequently if there are indications of impairment. This involves comparing the Group's carrying amounts for these assets with their estimated value in use based on their discounted future cash flows. If the value in use is lower than the carrying amount, an impairment loss is recognized. The assets are thus recognized at cost minus accumulated impairment losses.

### Impairment test

The most recent test for any impairment of goodwill was performed on December 31, 2025. The MilDef Group prepares a budget for one year at a time. This means that cash flows for the first year in the useful life are based on the budget established by the Board of Directors.

Cash flows to the end of the useful life are estimated by extrapolating the cash flow based on the budget drawn up and assumptions regarding organic sales growth, working capital requirements and gross profit margins during the useful life.

- Organic sales growth for years 2-5 is calculated with a certain degree of caution based on the Group's historical experience. The estimated growth rate varies for different acquisitions based on their order status, market situation, expected price development etc. A lower growth rate has been assumed for periods after year 5, corresponding to a conservative estimate of the long-term growth rate for the industry.
- The working capital requirement during the useful life is calculated based on the Group's historical experience and assumed organic sales growth, and on other considerations.
- The gross profit margin is based on established budgets for the respective cash-generating unit.

The discount rate is calculated based on a weighted required rate of return plus a standard tax rate. The estimated post-tax discount rate for acquired entities is in the range 10.0-10.8% (10.6-12.5). The discount rate represents a current assessment of risks specific to the MilDef Group and the respective acquisition. Calculation of the discount rate has been based on specific conditions in the Group and derives from its weighted average cost of capital (WACC). The capital cost of equity is based on the expected return for the Group's investors, while the cost of the Group's debts is based on the interest-bearing liabilities that MilDef is obliged to realize. Group-specific risk is taken into account using an individual beta factor, which is evaluated each year on the basis of generally available market data.

The three cash-generating units MilDef, Sysint AS and roda computer GmbH operate within the same general industry. Although the geographical markets are weighted slightly differently, the overall risk profile is assessed to be fairly uniform. The same assumptions regarding the discount rate have therefore been applied to these companies, with the exception of the small company premium in 2025.

The same uniform assessment also applies to expected future cash flow beyond 2030, which has been extrapolated using an estimated average long-term growth rate, or terminal growth rate, of 2.0% (2.0).

### Sensitivity analysis

A sensitivity analysis has been performed regarding the key assumptions applied in impairment testing. The following assumptions have been tested for sensitivity:

- The organic growth rate for years 2-5 is five percentage points lower.
- The gross profit margin is five percentage points lower.
- The working capital requirement for organic growth is five percentage points higher.
- The discount rate is two percentage points higher.

None of the above assumptions have resulted in impairment of any of the Group's cash-generating units, for which reason no requirement to recognize an impairment loss is considered to exist.

<b>Goodwill by cash-generating unit</b>	<b>2025</b>	<b>2024</b>
Sysint AS	64.5	68.3
MilDef	255.7	254.2
roda computer GmbH	591.0	-
<b>Total</b>	<b>911.2</b>	<b>322.6</b>

See also Note 29.

## Note 15. Property, plant and equipment

	<b>2025</b>	<b>2024</b>
<i>Leasehold improvements</i>		
<b>Cost</b>		
Opening balance, January 1	12.8	10.8
Additions for the year	5.9	1.7
Divestments for the year	-0.1	-
Reclassifications for the year	-	-
Additions as a result of acquisitions	5.1	-
Translation difference	-0.5	0.2
<b>Closing balance, December 31</b>	<b>23.2</b>	<b>12.8</b>
<b>Depreciation and impairment</b>		
Opening balance, January 1	-4.2	-2.8
Depreciation and impairment for the year	-2.0	-1.4
Divestments for the year	0.1	-
Additions as a result of acquisitions	-3.5	-
Translation difference	0.2	-0.1
<b>Closing balance, December 31</b>	<b>-9.6</b>	<b>-4.2</b>
<b>Carrying amount, December 31</b>	<b>13.6</b>	<b>8.6</b>
<i>Equipment, fixtures and fittings</i>		
<b>Cost</b>		
Opening balance, January 1	29.4	28.8
Additions for the year	17.0	2.9
Divestments for the year	-3.6	-2.8
Additions as a result of acquisitions	21.9	-
Translation difference	-1.2	0.3
<b>Closing balance, December 31</b>	<b>63.4</b>	<b>29.4</b>
<b>Depreciation and impairment</b>		
Opening balance, January 1	-17.6	-15.3
Depreciation and impairment for the year	-8.7	-4.7
Divestments for the year	2.5	2.6
Additions as a result of acquisitions	-10.7	-
Translation difference	0.6	-0.2
<b>Closing balance, December 31</b>	<b>-34.0</b>	<b>-17.6</b>
<b>Carrying amount, December 31</b>	<b>29.4</b>	<b>11.8</b>

	2025	2024
<i>Right-of-use assets</i>		
<b>Cost</b>		
Opening balance, January 1	140.2	140.8
Additional right-of-use assets	163.2	18.2
Additions as a result of acquisitions	20.1	-
Completed contracts	-22.5	-7.7
Reclassification for the year	-	-
Translation differences	-3.6	1.2
<b>Closing balance, December 31</b>	<b>297.4</b>	<b>140.2</b>
<b>Depreciation and impairment</b>		
Opening balance, January 1	-70.2	-40.3
Depreciation and impairment for the year	-32.7	-35.6
Completed contracts	16.9	6.2
Additions as a result of acquisitions	-4.0	-
Reclassification for the year	-	-
Translation differences	4.2	-0.5
<b>Closing balance, December 31</b>	<b>-85.9</b>	<b>-70.2</b>
<b>Carrying amount, December 31</b>	<b>211.6</b>	<b>70.0</b>

As of December 31, right-of-use assets were recognized at a carrying amount of SEK 211.6 million (70.0), comprising leased property at SEK 198.3 million (58.8) and leased vehicles at SEK 13.3 million (11.3).

**Depreciation is recognized in comprehensive income as follows:**

Cost of goods sold	0.7	0.7
Selling expenses	28.4	16.4
Administrative expenses	7.8	6.0
Research and development expenses	6.6	6.1
<b>Total</b>	<b>43.5</b>	<b>29.2</b>

## Note 16. Other non-current receivables

	2025	2024
Opening balance, January 1	0.3	0.3
Additional rent deposit	0.3	-
Additional non-current receivables	2.8	-
Translation difference	0.0	0.0
<b>Total</b>	<b>3.4</b>	<b>0.3</b>

## Note 17. Inventories

	2025	2024
<b>Inventories including obsolescence reserve</b>		
Products in progress	18.5	12.5
Finished products and goods for resale	537.1	243.2
Advance payments to suppliers	7.2	3.2
<b>Total</b>	<b>562.8</b>	<b>259.0</b>
<b>Change in obsolescence reserve</b>		
Opening balance, January 1	-24.6	-21.3
Change in obsolescence reserve	-7.3	-5.1
Disposals	0.9	1.9
Exchange rate differences	0.0	0.0
<b>Obsolescence reserve as of December 31</b>	<b>-31.0</b>	<b>-24.6</b>
<b>Carrying amount, December 31</b>	<b>531.8</b>	<b>234.4</b>

The direct material cost for operations as a whole amounted to SEK 1,113.6 million (651.7) during the year, including a negative adjustment to the obsolescence reserve of SEK 8.1 million (3.2). The obsolescence reserve for finished products and goods for resale is SEK 31.0 million (24.6), equivalent to 6% (9) of the inventory value before deduction for obsolescence.

## Note 18. Accounts receivable

	2025	2024
Accounts receivable	513.9	330.1
<b>Total</b>	<b>513.9</b>	<b>330.1</b>
<b>Age analysis, accounts receivable</b>		
Accounts receivable not past due	446.6	290.7
Accounts receivable 1-30 days past due	46.1	28.6
Accounts receivable 31-90 days past due	16.1	5.0
Accounts receivable >90 days past due	5.1	5.7
<b>Total</b>	<b>513.9</b>	<b>330.1</b>

MilDef applies the simplified method to calculate credit losses. This is based on historical data on payment collection patterns and the counterparty's ability to pay. Based on historical data, the expected credit losses are extremely limited. The Group did not recognize any credit losses during the year.

As of December 31, 2025, accounts receivable of SEK 67.2 million (39.4) were past due within the Group, for which no requirement to recognize an impairment loss is considered to exist. The maximum exposure for credit risk as of the closing day is the fair value of accounts receivable and contract assets, which corresponds to the carrying amount.

No assets have been pledged as security for recognized receivables.

## Note 19. Prepaid expenses and accrued income

	2025	2024
Prepaid rent	8.9	4.4
Prepaid insurance	3.1	2.5
Prepaid marketing expenses	0.9	1.2
Prepaid bank fees	3.3	1.3
Prepared IT service	6.8	3.6
Accrued income, projects	15.1	0.1
Other items	6.0	2.9
<b>Total</b>	<b>44.1</b>	<b>15.9</b>

## Note 20. Equity and number of shares

As of December 31, 2025 the registered share capital consisted of 47,114,895 ordinary shares with a quota value of SEK 0.25 per share. All of the shares are fully paid. The Parent Company holds 20,000 of its own shares (treasury shares) but the subsidiaries do not hold any of their own shares. Shareholders are entitled to dividends (no dividends are paid on the Parent Company's holding of treasury shares), and the shareholding carries a right to vote at the Annual General Meeting with one vote per share.

Change in number of shares	No. of shares	Share capital	Other capital contributions	Total
<b>As of January 1, 2024</b>	<b>39,859,566</b>	<b>10.0</b>	<b>729.3</b>	<b>739.3</b>
New share issue	5,713,502	1.4	511.4	512.8
Issue costs	-	-	-17.8	-17.8
<b>As of December 31, 2024</b>	<b>45,573,068</b>	<b>11.4</b>	<b>1,222.8</b>	<b>1,234.3</b>
New share issue	1,541,827	0.4	322.3	322.7
Issue costs	-	-	-1.4	-1.4
Repurchase of treasury shares	-	-	-3.8	-3.8
Reserve for share-based remuneration	-	-	0.5	0.5
<b>As of December 31, 2025</b>	<b>47,114,895</b>	<b>11.8</b>	<b>1,540.5</b>	<b>1,552.3</b>

### Reserves within equity

The consolidated equity includes a translation reserve. The translation reserve covers all exchange rate differences arising on translation of financial statements from foreign entities that have prepared their statements in a currency other than the Group's reporting currency (SEK).

### 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 is 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 of 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.

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.

## Note 21. Pledged assets

	2025	2024
Chattel mortgages	-	-
Shares in subsidiaries	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Contingent liabilities</b>		
Guarantee commitments for subsidiaries	9.2	7.7
<b>Total</b>	<b>9.2</b>	<b>7.7</b>

## Note 22. Interest-bearing liabilities including lease liabilities

	2025	2024
<b>Long-term borrowing</b>		
Liabilities to credit institutions	452.3	102.5
Contingent consideration	-	-
Lease liabilities	182.8	60.7
<b>Short-term borrowing</b>		
Liabilities to credit institutions	98.0	31.4
Contingent consideration	-	-
Lease liabilities	39.7	25.8
<b>Total borrowing</b>	<b>772.9</b>	<b>220.4</b>

MilDef has two credit facilities with SEB of EUR 40 million and SEK 147.5 million respectively, maturing in February 2028 with an option to extend for two years. Unutilized credit including cash and cash equivalents amounted to SEK 226.7 million (650.4). MilDef's overdraft facility amounts to SEK 78.1 million (120.0), of which SEK 41.9 million had been utilized on the closing day (120.0).

## Note 23. Provisions

<b>Provisions for warranties</b>	2025	2024
Opening balance, January 1	2.0	1.7
Additions during the year	7.6	0.3
Reversed during the year	-	-
Translation difference	0.0	0.0
<b>Closing balance, December 31</b>	<b>9.6</b>	<b>2.0</b>

### Warranty expenses

A provision has been made for estimated warranty costs for products 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.

<b>Provision for charitable contributions</b>	2025	2024
Opening balance, January 1	1.4	-
Additions during the year	1.0	1.4
Reversed during the year	-0.8	-
Translation difference	-	-
<b>Closing balance, December 31</b>	<b>1.6</b>	<b>1.4</b>

### 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 for this provision of SEK 1 million per year was introduced in 2025. The causes to which the Group donates 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.

<b>Provision for restructuring reserve</b>	2025	2024
Opening balance, January 1	12.4	-
Additions during the year	-	12.4
Reversed during the year	-12.1	-
Translation difference	-	-
<b>Closing balance, December 31</b>	<b>0.4</b>	<b>12.4</b>

*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
  - Disposal of stock 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 consisted of the following items:

- Personnel costs SEK 7.6 million
  - Other operating expenses SEK 4.8 million
- Total SEK 12.4 million

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

**Note 24. Contract assets and contract liabilities**

	2025	2024
<b>Contract assets</b>		
Work performed but not yet invoiced	35.0	21.4
<b>Total</b>	<b>35.0</b>	<b>21.4</b>
	<b>2025</b>	<b>2024</b>
<b>Contract liabilities</b>		
Advance payments from customers	28.7	12.3
<b>Total</b>	<b>28.7</b>	<b>12.3</b>

As of January 1, 2025, contract liabilities amounted to SEK 12.3 million (32.1), of which SEK 6.5 million (21.0) was recognized as revenue in 2025. The majority of the contract liabilities as of January 1, 2025 are expected to be recognized as revenue in 2026.

As of December 31, 2025, contract liabilities amounted to SEK 28.7 million (12.3). Closing contract liabilities are higher than in the previous year because of major projects secured. The majority of the contract liabilities are expected to be recognized as revenue in future years.

**Note 25. Accrued expenses and deferred income**

	2025	2024
Accrued payroll expenses	38.5	23.1
Accrued social insurance contributions	19.1	14.5
Prepaid service contracts	23.8	14.9
Project work invoiced but not completed	52.2	76.0
Other items	17,6	8.4
<b>Closing balance, December 31</b>	<b>151.2</b>	<b>137.0</b>

**Note 26. Other items with no cash flow impact**

	2025	2024
Change in provisions for the year	-13.8	12.7
Translation differences on intra-Group transactions	22.0	-2.8
Stock impairment losses	-	61.0
Capital gain/loss on disposal of non-current assets	1.0	-5.9
Capital gain/loss on early termination of lease	1.9	12.2
<b>Total</b>	<b>11.1</b>	<b>77.1</b>

## Note 27. Change in liabilities from financing activities

	Interest-bearing liabilities	Lease liabilities	Total financial liabilities
<b>Opening balance, January 1, 2024</b>	<b>263.9</b>	<b>103.5</b>	<b>367.5</b>
Cash flow	-130.7	-21.8	-152.6
Acquisitions	-	-	-
New and amended right-of-use agreements	-	4.2	4.2
Translation differences	0.9	0.6	1.5
Other	-0.2	-	-0.2
<b>Closing balance, December 31, 2024</b>	<b>133.9</b>	<b>86.5</b>	<b>220.4</b>

	Interest-bearing liabilities	Lease liabilities	Total financial liabilities
<b>Opening balance, January 1, 2025</b>	<b>133.9</b>	<b>86.5</b>	<b>220.4</b>
Cash flow	417.8	-28.3	389.5
Acquisitions	-	33.6	33.6
New and amended right-of-use agreements	-	132.4	132.4
Translation differences	-1.4	-1.6	-3.0
Other	-	-	-
<b>Closing balance, December 31, 2025</b>	<b>550.3</b>	<b>222.5</b>	<b>772.9</b>

## Note 28. Transactions with related parties

The Group works closely with the holding company MilDef Crete Inc. in Taiwan. The table below provides a summary:

	Sales of goods and services to related parties	Purchase of goods from related parties	Liabilities to related parties as of Dec. 31	Receivables from related parties as of Dec. 31
<b>MilDef Crete Inc.</b>	<b>0.5</b>	<b>307.8</b>	<b>18.3</b>	<b>5.0</b>

There were no other transactions with related parties. The transactions relate to the period January 1 - December 31, 2025. Disclosures on remuneration of senior executives are provided in Note 11.

## Note 29. Acquisitions

IFRS 3 Business combinations is applied when accounting for the Group's acquisitions. All business combinations are recognized under the acquisition method, which means that assets acquired and liabilities assumed are recognized and measured at fair value on the acquisition date. If the consideration transferred is more than the estimated value of identified net assets in the acquired company at the time of acquisition, the difference is recognized as goodwill on consolidation. If the consideration transferred is less than the final determined value of identifiable net assets, the difference is recognized directly in the income statement. Non-controlling interests are determined for each transaction, either as a proportional share of the fair value of identifiable net assets or at fair value. Transaction costs in connection with acquisitions are not included in the cost but are expensed directly.

### Acquisitions 2025

On November 13, 2024 MilDef announced that a binding contract had been signed to acquire 100% of the voting shares in roda. Roda 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 will strengthen MilDef's presence in Europe as one of Europe's leading actors within tactical and rugged IT for defense and security, and will provide 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 70.0 million, as part of the purchase consideration MilDef issued a total of 1,374,047 new shares in MilDef Group AB to the sellers of roda. This was equivalent to around EUR 28.7 million based on the MilDef share price 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 contingent 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 2024 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 favorable terms in the lease in relation to the market terms.

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 is a minority shareholder in the company with 5% of the shares at the end of 2025. The PPA has been adjusted for this minority holding. The 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 Westek of around 30%.

### Acquisitions 2024

In 2024 MilDef acquired certain assets of the UK company Advanced Vision Technologies Ltd (AVT). This transaction added a mature offering within intelligent displays and quickly led to large orders being placed. The entire surplus of SEK 3.9 million has been allocated to goodwill.

SEK m	EUR m	SEK m
<b>Total purchase consideration</b>	<b>102.1</b>	<b>1,119.80</b>
<b>Assets</b>		
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
<b>Liabilities</b>		
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
<b>Acquired identifiable net assets</b>	<b>48.1</b>	<b>527.1</b>
<b>Non-controlling interests</b>	<b>-0.1</b>	<b>-1.1</b>
<b>Goodwill</b>	<b>54.1</b>	<b>593.8</b>
<b>Total acquired net assets</b>	<b>102.1</b>	<b>1,119.80</b>

#### 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
<b>Total purchase consideration</b>	<b>102.1</b>	<b>1,119.80</b>

#### 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
<b>Total</b>	<b>-63.9</b>	<b>-700.9</b>
Acquisition costs	-1.3	-14.3
<b>Net cash flow</b>	<b>-65.2</b>	<b>-715.2</b>

## Note 30. Significant events after the closing day

No events that can be considered significant have taken place after the end of the year up to the date this Annual and Sustainability Report was signed.



FINANCIAL STATEMENTS AND NOTES

**PARENT COMPANY**



## Parent Company income statement

SEK m	Notes 1-2	2025	2024
Net sales	3, 4	159.3	111.2
Selling expenses		-54.7	-41.7
Administrative expenses		-63.0	-46.1
Research and development expenses		-39.3	-29.1
Acquisition costs		-	-
Restructuring costs		1.4	-4.9
Other operating income/expenses	8	-14.3	0.2
<b>Operating profit</b>	<b>3, 4, 5, 6, 7, 9</b>	<b>-10.5</b>	<b>-10.2</b>
Financial income	10	146.4	32.6
Financial expense	10	-122.7	-271.1
<b>Profit after financial items</b>		<b>13.1</b>	<b>-248.7</b>
Year-end appropriations	11	84.9	27.1
<b>Net profit for the year</b>		<b>98.0</b>	<b>-221.6</b>
Income tax	12	-19.7	-0.9
<b>Net profit for the year</b>		<b>78.4</b>	<b>-222.5</b>
Parent Company statement of comprehensive income			
Net profit for the year		78.4	-222.5
Other comprehensive income		-	-
<b>Comprehensive income for the year</b>		<b>78.4</b>	<b>-222.5</b>

# Parent Company balance sheet

SEK m	Notes 1-2	Dec. 31, 2025	Dec. 31, 2024
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>			
	13		
Leasehold improvements		4.5	5.2
Equipment, fixtures and fittings		3.5	1.4
<b>Total property, plant and equipment</b>		<b>8.0</b>	<b>6.6</b>
<b>Financial non-current assets</b>			
Holdings in Group companies	14	542.6	542.6
Non-current receivables from Group companies		1,118.7	-
<b>Total financial non-current assets</b>		<b>1,661.3</b>	<b>542.6</b>
<b>Total non-current assets</b>		<b>1,669.3</b>	<b>549.1</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Receivables from Group companies		437.1	255.6
Tax assets		-	7.9
Other receivables		2.7	2.7
Prepaid expenses and accrued income	15	14.0	18.1
<b>Total current receivables</b>		<b>453.9</b>	<b>284.3</b>
<b>Cash and bank balances</b>		<b>1.2</b>	<b>474.4</b>
<b>Total current assets</b>		<b>455.1</b>	<b>758.7</b>
<b>TOTAL ASSETS</b>		<b>2,124.4</b>	<b>1,307.8</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>			
<b>Equity</b>			
	16		
<b>Restricted equity</b>			
Share capital		11.8	11.4
<b>Total restricted equity</b>		<b>11.8</b>	<b>11.4</b>
<b>Unrestricted equity</b>			
Share premium reserve		321.0	493.3
Retained earnings		965.0	721.0
Net profit for the year		78.4	-222.5
<b>Total unrestricted equity</b>		<b>1,364.4</b>	<b>991.8</b>
<b>Total equity</b>		<b>1,376.2</b>	<b>1,003.2</b>
<b>Untaxed reserves</b>	17	<b>4.7</b>	<b>3.6</b>
<b>Provisions</b>			
Charitable contributions		1.6	1.4
Restructuring reserve		0.4	4.9
<b>Total provisions</b>		<b>2.0</b>	<b>6.3</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities		452.2	102.5
<b>Total non-current liabilities</b>		<b>452.2</b>	<b>102.5</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities		98.0	30.0
Accounts payable		12.7	8.1
Liabilities to Group companies		146.0	139.4
Other current liabilities		13.5	3.5
Accrued expenses and deferred income	18	19.1	11.3
<b>Total current liabilities</b>		<b>289.3</b>	<b>192.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,124.4</b>	<b>1,307.8</b>

## Parent Company statement of changes in equity

SEK m	Share capital	Share premium reserve	Retained earnings incl. profit for the year	Total equity
<b>Opening balance, January 1, 2024</b>	<b>10.0</b>	<b>729.3</b>	<b>11.3</b>	<b>750.6</b>
Comprehensive income for the year			-222.5	-222.5
Allocation as resolved by the AGM	-	-	-	-
<i>Transactions with shareholders in their capacity as owners</i>				
<i>Merger result</i>	-	-	0.3	0.3
New share issues after share issue expenses	1.4	493.3	-	494.7
Dividend to shareholders	-	-	-19.9	-19.9
<b>Closing balance, December 31, 2024</b>	<b>11.4</b>	<b>1,222.6</b>	<b>-230.8</b>	<b>1,003.2</b>
<b>Opening balance, January 1, 2025</b>	<b>11.4</b>	<b>1,222.6</b>	<b>-230.8</b>	<b>1,003.2</b>
Comprehensive income for the year			78.4	78.4
Allocation as resolved by the AGM	-	-	-	-
<i>Transactions with shareholders in their capacity as owners</i>				
New share issues after share issue expenses	0.4	321.0	-	321.4
Repurchase of treasury shares	-	-	-3.8	-3.8
Share-based remuneration	-	-	0.5	0.5
Dividend to shareholders	-	-	-23.5	-23.5
<b>Closing balance, December 31, 2025</b>	<b>11.8</b>	<b>1,543.6</b>	<b>-179.2</b>	<b>1,376.2</b>

# Parent Company cash flow statement

SEK m	2025	2024
<b>Operations</b>		
Operating profit	-10.5	-10.2
<b>Adjustments for non-cash items</b>		
Depreciation/amortization and impairment charged to operating profit	1.8	1.8
Other	0.2	-1.1
<b>Total</b>	<b>2.0</b>	<b>0.7</b>
Interest received	146.4	32.6
Interest paid	-122.7	-31.8
Taxes paid	-0.9	-8.6
<b>Cash flow from operating activities before changes in working capital</b>	<b>14.2</b>	<b>-17.3</b>
Increase (-) / decrease (+) in operating receivables	-930.1	11.3
Increase (+) / decrease (-) in operating liabilities	18.2	85.1
<b>Change in working capital</b>	<b>-911.9</b>	<b>96.4</b>
<b>Cash flow from operating activities</b>	<b>-897.7</b>	<b>79.1</b>
<b>Investing activities</b>		
Investments in property, plant and equipment	-3.5	-0.1
Acquisition of subsidiaries	-	-12.2
<b>Cash flow from investing activities</b>	<b>-3.5</b>	<b>-12.3</b>
<b>Financing activities</b>		
Dividend to shareholders	-23.5	-19.9
New share issues, net	6.6	495.0
Increase in liabilities to credit institutions	482.8	-
Decrease in liabilities to credit institutions	-65.1	-105.0
Group contributions from subsidiaries	27.2	1.4
<b>Cash flow from financing activities</b>	<b>428.0</b>	<b>371.5</b>
<b>Cash flow for the year</b>	<b>-473.2</b>	<b>438.3</b>
<b>Change in cash and cash equivalents</b>		
Cash and cash equivalents, January 1	474.4	36.1
Cash flow for the year	-473.2	438.3
<b>Closing balance, cash and cash equivalents</b>	<b>1.2</b>	<b>474.4</b>
Granted, unutilized credit	78.1	120.0
<b>Available liquidity</b>	<b>79.3</b>	<b>594.4</b>

# Notes to the Parent Company financial statements

## Note 1. Accounting principles

### Parent Company accounting and valuation principles

The Parent Company financial statements are prepared and presented in accordance with the Swedish Annual Accounts Act and the Recommendations of the Swedish Corporate Reporting Board (RFR), RFR 2. Under the recommendations in RFR 2, the Parent Company must apply all IFRS standards and statements approved by the EU wherever possible within the framework of the Annual Accounts Act and taking into account the connection between accounting and taxation. The recommendation includes which exemptions from IFRS are to be taken into account and which additions are to be made. The differences between the accounting principles for the Parent Company and the Group are described below:

### Classification and presentation

The Parent Company income statement and balance sheet are presented in accordance with the schedule contained in the Annual Accounts Act. The main difference compared with IAS 1 Presentation of Financial Statements, which is applied to the presentation of the consolidated financial statements, is recognition of financial income and expense, non-current assets and equity, and having provisions as a separate heading.

### Shares and holdings in Group companies

Holdings in Group companies are recognized at cost after deduction for any impairment losses. The cost includes acquisition costs and any contingent considerations. If there are indications of a loss in value of the holdings in Group companies, the recoverable amount is calculated. If the recoverable amount is lower than the carrying amount, an impairment loss is recognized. Impairment loss is recognized in financial expense.

### Leases

The Parent Company applies the exemption from IFRS 16 Leases, which means that all leases are recognized at cost on a linear basis over the lease term.

### Untaxed reserves

The amounts set aside as untaxed reserves represent taxable temporary differences. Because of the link between accounting and taxation, the deferred tax liability is recognized in the Parent Company as part of the untaxed reserves.

### Group contributions and shareholders' contributions

Shareholders' contributions are recognized directly in equity for the recipient and capitalized under shares and holdings for the donor, in so far as no impairment is required. Group contributions paid to subsidiaries are to be viewed as shareholders' contributions. In accordance with RFR 2, Group contributions to or from MilDef's Group companies are recognized in the Parent Company income statement.

### Financial instruments

The Parent Company applies the exemption in IFRS 9 Financial Instruments. Among other things this means that financial instruments are measured initially at cost but that the same method as for the Group is applied to calculating the credit loss reserve.

## Note 2. Estimates and judgments

### Key sources of uncertainty in estimates

MilDef uses the simplified approach for calculating expected credit losses. This is based on historical data on payment collection patterns and the counterparty's ability to pay. Based on historical data, the expected credit losses are extremely limited. The Parent Company has not recognized any credit losses during the year, neither concerning accounts receivable nor receivables from Group companies, and no loss reserve is considered necessary for these receivables.

## Note 3. Revenue

	2025	2024
<b>Net sales</b>		
Sales within the EU	106.6	80.3
Sales outside the EU	52.7	30.9
<b>Total</b>	<b>159.3</b>	<b>111.2</b>

## Note 4. Intra-Group purchases and sales

	2025	2024
Percentage of sales to Group companies	100%	100%
Percentage of purchases from Group companies	0%	4%

Net sales relates to revenue for intra-Group services.

## Note 5. Lease payments

	2025	2024
<b>Operating leases</b>		
Lease payments for the year	12.7	10.0
Outstanding lease payments fall due as follows:		
Within one year:	12.4	9.8
Later than one year but within five years:	47.2	36.9
Later than five years:	35.8	8.3
<b>Total</b>	<b>95.4</b>	<b>54.9</b>

The most material leases relate to lease of real estate used in business operations.

## Note 6. Nature of expense method

	2025	2024
Other costs	708	53.7
Personnel costs	82.7	66.1
Depreciation/amortization and impairment	1.8	1.8
Other operating expenses	14.5	-0.2
<b>Total</b>	<b>169.9</b>	<b>121.4</b>

## Note 7. Audit fees

	2025	2024
<b>Öhrlings PricewaterhouseCoopers AB:</b>		
Audit engagement	2.3	2.1
Audit-related activities besides the audit engagement	-	-
Tax advisory services	-	0.1
Other services	-	-
<b>Total</b>	<b>2.3</b>	<b>2.2</b>

The audit assignment consists of examination of the annual financial statements and accounting records, as well as the CEO and Board's administration of the Company, other tasks that are incumbent upon the Company's auditors in order to prepare the Auditor's Report, as well as advice or other assistance required as a result of observations made during such review tasks.

**Note 8. Other operating income/expenses**

	2025	2024
Exchange gain relating to operations	24.4	15.5
Exchange loss relating to operations	-38.7	-15.3
<b>Total</b>	<b>-14.3</b>	<b>0.2</b>

**Note 9. Employees and personnel costs**

	2025	2024
Average number of employees	60	54
Percentage of men (%)	47	49
Number of employees as of December 31	62	57
Percentage of men (%)	48	47

Gender balance in management	2025	2024
Board of Directors	7	7
Percentage of men (%)	71	71
Management Team	7	7
Percentage of men (%)	57	57

Wages, salaries and other remuneration	2025	2024
Board of Directors & CEO	6.1	5.4
Other employees	45.8	35.2
<b>Total</b>	<b>51.9</b>	<b>40.6</b>

Social insurance contributions		
All employees	24.9	20.1
<i>Of which pension expenses</i>		
Board of Directors & CEO	0.8	0.8
Other employees	5.3	5.1
<b>Total</b>	<b>6.1</b>	<b>5.9</b>

## Note 10. Financial items

	2025	2024
Interest income	73.7	19.9
Exchange gain not relating to operations	72.7	12.7
<b>Financial income</b>	<b>146.4</b>	<b>32.6</b>
Exchange loss not relating to operations	-89.0	-10.4
Interest expense	-31.3	-20.5
Impairment of holdings in subsidiaries	-	-239.3
Other financial expense	-2.4	-0.9
<b>Financial expense</b>	<b>-122.7</b>	<b>-271.1</b>

## Note 11. Year-end appropriations

	2025	2024
Group contributions received	86.0	27.1
Change in accelerated depreciation/amortization	-1.1	-
<b>Total</b>	<b>84.9</b>	<b>27.1</b>

## Note 12. Tax on profit for the year

	2025	2024
<b>Current tax expense (-) / tax income (+)</b>		
Current tax for the year	-19.7	-0.9
Prior year adjustments	-	-
<b>Total</b>	<b>-19.7</b>	<b>-0.9</b>
<b>Tax on profit for the year</b>		
Earnings before tax according to the income statement	98.0	-221.6
<b>Tax according to the Parent Company tax rate (20.6%)</b>	<b>-20.2</b>	<b>45.6</b>
<b>Reconciliation of recognized tax</b>		
Expenses recognized via equity	1.0	3.1
Non-taxable income	0.0	0.2
Non-deductible expenses	-0.5	-0.5
Changes in value and impairment of capital assets	-	-49.3
<b>Recognized tax expense</b>	<b>-19.7</b>	<b>-0.9</b>

## Note 13. Property, plant and equipment

	2025	2024
<b>Leasehold improvements</b>		
<b>Cost</b>		
Opening balance, January 1	8.4	8.4
Additions for the year	0.2	-
Divestments for the year	-0.1	-
<b>Closing balance, December 31</b>	<b>8.5</b>	<b>8.4</b>
<b>Depreciation and impairment</b>		
Opening balance, January 1	-3.2	-2.3
Depreciation for the year	-0.8	-0.9
Divestments for the year	-	-
<b>Closing balance, December 31</b>	<b>-4.0</b>	<b>-3.2</b>
<b>Carrying amount, December 31</b>	<b>4.5</b>	<b>5.2</b>
<b>Equipment, fixtures and fittings</b>		
<b>Cost</b>		
Opening balance, January 1	5.0	5.4
Additions for the year	3.2	0.1
Divestments for the year	-0.5	-
<b>Closing balance, December 31</b>	<b>7.7</b>	<b>5.5</b>
<b>Depreciation and impairment</b>		
Opening balance, January 1	-3.7	-3.2
Depreciation for the year	-0.9	-1.0
Divestments for the year	0.4	-
<b>Closing balance, December 31</b>	<b>-4.2</b>	<b>-4.1</b>
<b>Carrying amount, December 31</b>	<b>3.5</b>	<b>1.4</b>

## Note 14. Holdings in Group companies

	2025	2024
<b>Cost</b>		
Opening balance, January 1	794.9	794.3
Additions for the year	-	0.6
<b>Closing balance, December 31</b>	<b>794.9</b>	<b>794.9</b>
<b>Impairment losses</b>		
Opening balance, January 1	252.3	13.0
Impairment losses for the year	-	239.3
<b>Closing balance, December 31</b>	<b>252.3</b>	<b>252.3</b>
<b>Carrying amount, December 31</b>	<b>542.6</b>	<b>542.6</b>

### Specification of holdings in Group companies

Group company / Corp. reg. no. / Registered office	No. of shares	Ownership (%)	Carrying amount
MilDef International AB, 556422-8277, Helsingborg, Sweden	5,350	100	49.9
MilDef Products AB, 556874-1317, Helsingborg, Sweden	10,000	100	191.2
MilDef Ltd, 5756627, Cardiff, UK	340,000	100	2.1
MilDef, Inc., 5979209, Delaware, USA	120,000	100	1.3
MilDef AS, 959 279 772, Oslo, Norway	1,016	100	1.1
MilDef Sweden AB, 556994-2682, Stockholm, Sweden	1,000	100	182.3
Sysint AS, 825 838 392, Oslo, Norway	30,000	100	113.1
MilDef A/S, 43989014, Ballerup, Denmark	400,000	100	0.6
MilDef Oy, 3325523-7, Espoo, Finland	1,000	100	0.0
MilDef Germany Holding GmbH, Frankfurt, Germany	100	100	0.3
roda computer GmbH, HRB 210974, Lichtenau, Germany	-	100	-
roda computer SAS, 821 003 902, Vendenheim, France	5,000	100	-
Westek Technology Limited, 02026198, Melksham, UK	950,000	95	-
Handheld Group AB, 556556-2799, Lidköping, Sweden	4,374,000	100	0.6
<i>Handheld APAC Pty Ltd, 146981526, Victoria, Australia</i>	1,000	100	-
<i>Handheld Swiss GmbH, 422378549, Landquart, Switzerland</i>	100	100	-
<b>Total</b>			<b>542.6</b>

## Note 15. Prepaid expenses and accrued income

	2025	2024
Prepaid rent	3.4	2.4
Prepaid insurance	1.5	1.8
Acquisition costs incurred	-	10.8
Prepaid bank fees	3.3	1.3
Prepaid IT services	5.0	1.4
Other items	0.8	0.4
<b>Total</b>	<b>14.0</b>	<b>18.1</b>

## Note 16. Equity

One share in MilDef Group AB has a quota value of SEK 0.25. The number of shares is 47,114,895 (45,573,068) and the share capital amounts to SEK 11,778,723.75 (11,393,267.00).

Change in number of shares	No. of shares	Share capital	Other capital contributions	Total
<b>As of January 1, 2024</b>	<b>39,859,566</b>	<b>10.0</b>	<b>729.3</b>	<b>739.3</b>
Allocation as resolved by the AGM	-	-	-729.3	-729.3
New share issue	5,713,502	1.4	511.1	512.5
Share split (2:1)	-	-	-	-
<b>As of December 31, 2024</b>	<b>45,573,068</b>	<b>11.4</b>	<b>493.3</b>	<b>504.7</b>
Allocation as resolved by the AGM	-	-	-493.3	-493.3
New share issue	1,541,827	0.4	322.4	322.8
Issue costs	-	-	-1.4	-1.4
<b>As of December 31, 2025</b>	<b>47,114,895</b>	<b>11.8</b>	<b>321.0</b>	<b>332.8</b>

## Note 17. Untaxed reserves

	2025	2024
Accelerated depreciation/amortization	4.7	3.6
<b>Total</b>	<b>4.7</b>	<b>3.6</b>

## Note 18. Accrued expenses and deferred income

	2025	2024
Accrued payroll expenses	9.2	4.6
Accrued social insurance contributions	4.6	2.8
Other items	5.4	3.9
<b>Total</b>	<b>19.1</b>	<b>11.3</b>

## Note 19. Contingent liabilities

	2025	2024
Guarantee commitments for subsidiaries' liabilities	9.2	7.7
<b>Total</b>	<b>9.2</b>	<b>7.7</b>

## Note 20. Proposal for allocation of profit

The following profit of the Parent Company is at the disposal of the Annual General Meeting:

	SEK
Share premium reserve	1,543,624,198
Retained earnings	-257,608,160
Comprehensive income for the year	78,374,383
<b>Closing balance, December 31</b>	<b>1,364,390,420</b>

The Board proposes that the profit be allocated as follows:

A dividend to the shareholders of SEK 0.75 per share	35,336,171
Carried forward	1,329,054,249
<b>Total</b>	<b>1,364,390,420</b>

After implementation of the proposed allocation of profit, equity in the Parent Company is as follows:

Share capital	11,778,724
Retained earnings	1,329,054,249
<b>Total</b>	<b>1,340,832,973</b>

MilDef's policy regarding dividends is to distribute an annual dividend of 20–40% of profit after tax. MilDef will, however, take long-term development, the capital structure and the prevailing market conditions into account.

The Board proposes that SEK 35.3 million, or SEK 0.75 per share, is distributed as dividends to the shareholders. This is calculated on the number of outstanding shares as of December 31, 2025, which was 47,114,895 (assuming there is no holding of treasury shares on the record day). The equity/assets ratio for the Group is 52.3% (65.4) and after allocation of earnings, the equity/assets ratio is 51.1%. 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.

# Signatures

The Board of Directors and CEO hereby certify that the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities, and give a true and fair view of the Company's financial position and results, and that the Directors' Report provides a true and fair overview of the development in the Company's operations, financial position and results, and describes significant risks and factors of uncertainty facing the Company. The Board of Directors and CEO hereby certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted

in the EU, and give a true and fair view of the Group's financial position and results, and that the Directors' Report for the Group gives a true and fair view of the development in the Group's operations, financial position and results, and describes significant risks and factors of uncertainty facing the companies in the Group. The annual accounts and the consolidated financial statements were approved for issuance by the Board of Directors on April 15, 2026. The consolidated statement of comprehensive income and balance sheet and the Parent Company income statement and balance sheet will be subject to adoption by the Annual General Meeting on May 21, 2026.

**The Annual Report and consolidated financial statements were, as stated above, approved for issuance by the Board of Directors and CEO on April 15, 2026.**

Björn Karlsson  
Chair of the Board

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

**Our auditor's report was issued on April 15, 2026**

Öhrlings PricewaterhouseCoopers AB

Eric Salander  
Authorized Public Accountant  
Auditor-in-Charge

Johan Rönnbäck  
Authorized Public Accountant

To the general meeting of the shareholders of MilDef Group AB, corporate identity number 556893-5414

# REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

## Opinions

We have audited the annual accounts and consolidated accounts of MilDef Group AB for the year 2025. The annual accounts and consolidated accounts of the company are included on pages 72-130 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and balance sheet for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

## Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

## Audit approach

### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making

assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

## Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

## Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

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### Key Audit Matter

#### Valuation of goodwill and other acquired intangible assets

*Reference to note 1 and note 14 in the annual report.*

The value of the intangible assets as of 31 December 2025 amounts to 1,264 MSEK and constitutes a significant part of the group's balance sheet. In accordance with IFRS, the group makes an annual assessment of the value of the assets, which is based on the calculation of discounted future cash flows. Some of the assumptions and assessments the management makes regarding future cash flows and conditions are complex and have a major impact on

the calculation of the value in use. This applies in particular to the following; growth rate, profit margins, and discount rate. Changes in these assumptions could lead to a change in the reported value of intangible assets and goodwill, whereby we consider this to be a particularly significant area.

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### **How our audit addressed the Key Audit Matter**

In our audit, we have assessed the calculation model used and challenged the material assumptions used by management in their tests. We have assessed the reasonableness of the budget presented by management and approved by the board by evaluating historical outcomes against established budgets. We have compared the growth in the terminal value with independent forecasts concerning economic growth and assessed whether the assumptions used are within a reasonable range. We have also assessed the discount rate (weighted average cost of capital ("WACC")) against comparable businesses and assessed whether the assumptions used are within a reasonable range. We have also evaluated the management's assessment of how the group's calculation models are affected by changes in assumptions and compared this with the information presented in the annual report related to impairment tests. We have also assessed the accuracy of the information that appears in the annual report.

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### **Accounting for acquisition**

*Reference to note 29 in the annual report.*

The group has completed a significant acquisition during the financial year 2025. The recognition of acquisition involves a high degree of judgement by management. Significant estimates and judgements refer to the allocation of fair value in the purchase price allocation to assets and liabilities, as well as referring to adjustments for adaptation to the group's accounting principles

We have reviewed the acquisition through examination of the acquisition agreements and reconciliation against the opening balances of the acquired company. Furthermore, we have evaluated the adjustments made to align with the accounting principles of the group. Our audit has also included a review of the company's assessments and calculations in the allocation of group-related surpluses and deficits in the purchase price allocation. We have verified the disclosures in the annual report related to the acquisition and reviewed the underlying documentation supporting the accounting for the acquisition.

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### **Other information than the annual accounts and the consolidated accounts**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-55 and 68-71, including the sustainability report on pages 30-50 and the remuneration report on pages 70-71 and pages 135-144. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Swedish Inspectorate of Auditors' website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

# REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

## The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of MilDef Group AB for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board

of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Swedish Inspectorate of Auditors' website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## The auditor's examination of the ESEF report

### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for MilDef Group AB for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of MilDef Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the ESEF report have been marked with iXBRL in accordance with what follows from the ESEF regulation.

Öhrlings PricewaterhouseCoopers AB, P O Box 4009, SE-203 11 Malmö, was appointed auditor of MilDef Group AB by the general meeting of the shareholders on 22 May 2025 and has been the company's auditor since the 25 May 2023.

Malmö 15 april 2026

Öhrlings PricewaterhouseCoopers AB

Eric Salander

Authorized public accountant  
Auditor in charge

Johan Rönnbäck

Authorized public accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

# Multi-year summary

Key figures		2025	2024	2023	2022	2021
<b>Sales and profit</b>						
Net sales, SEK m	SEK m	2,045	1,201	1,151	739	470
Operating profit (EBITDA)	SEK m	325.1	-141.9	168.0	60	20.7
Adjusted operating profit (EBITDA)*	SEK m	319.8	178.9	168.0	60	32.2
Operating profit (EBITA)	SEK m	281.7	-171.1	140.2	44.8	8.2
Adjusted operating profit (EBITA)*	SEK m	276.3	149.7	140.2	44.8	19.7
Operating profit (EBIT)	SEK m	214.4	-209.0	108.1	29.2	-2.9
Adjusted operating profit (EBIT)*	SEK m	209.0	111.8	108.1	29.2	8.6
Profit after financial items (EBT)	SEK m	171.6	-222.6	88.6	19.2	-5.3
Net profit for the year	SEK m	148.0	-220.3	69.0	14.2	-0.7
<b>Cash flow</b>						
Cash flow from operating activities	SEK m	-3.0	144.4	54.5	-76.8	-55.5
Cash flow from investing activities	SEK m	-731.5	-33.3	-68.9	-321.3	-187.2
Cash flow from financing activities	SEK m	359.7	335.1	38.5	285.7	362.9
Operating cash flow	SEK m	-33.5	127.7	8.8	-95.0	-71.4
Cash flow for the year	SEK m	-374.8	446.2	24.2	-112.4	120.3
<b>Capital employed and financing</b>						
Total assets, SEK m	SEK m	2,907	1,684	1,526	1,394	808
Average capital employed	SEK m	1,807	1,267	1,157	887	428
Net debt/net cash excl. lease liabilities	SEK m	-402	396	-182	-168	128
Equity attributable to owners of the parent	SEK m	1,518	1,102	845	788	568

\* See page 23 of the year-end report for definitions and reconciliations for alternative performance measures.

# Multi-year summary

Key figures		2025	2024	2023	2022	2021
<b>Data per share, SEK*</b>						
Number of outstanding shares, December 31	NUMBER	47,114,895	45,573,068	39,859,566	39,859,566	36,389,373
Average number of shares, before dilution	NUMBER	46,814,993	40,598,903	39,859,566	37,400,988	26,243,169
Average number of shares, after dilution	NUMBER	46,871,500	41,013,824	40,301,066	37,844,488	26,243,169
Earnings per share, before dilution	SEK	3.16	-5.43	1.73	0.38	-0.03
Earnings per share, after dilution	SEK	3.15	-5.37	1.71	0.37	-0.03
Equity per share, before dilution	SEK	32.22	24.17	21.19	19.77	15.61
Equity per share, after dilution	SEK	32.22	24.09	20.96	19.55	15.61
Operating cash flow per share, before dilution	SEK	-0.72	3.15	0.22	-2.54	-2.72
Operating cash flow per share, after dilution	SEK	-0.72	3.11	0.22	-2.51	-2.72
Dividend per share	SEK	0.75	0.50	0.50	-	0.75
Share price as of December 31	SEK	119.8	124.80	65.60	80.80	52.40
Dividend yield	%	0.63	0.40	0.76	0.00	1.43
<b>Performance measures</b>						
Gross margin	%	45.0	49.0	48.3	47.7	44.7
Operating margin (EBITDA)	%	15.9	-11.8	14.6	8.1	4.4
Adjusted operating margin (EBITDA)	%	15.6	14.9	14.6	8.1	6.9
Operating margin (EBITA)	%	13.8	-14.2	12.2	6.1	1.7
Adjusted operating margin (EBITA)	%	13.5	12.5	12.2	6.1	4.2
Operating margin (EBIT)	%	10.5	-17.4	9.4	4.0	-0.6
Adjusted operating margin (EBIT)	%	10.2	9.3	9.4	4.0	1.8
Profit margin (EBT)	%	8.4	-18.5	7.7	2.6	-1.1
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/assets ratio	%	52.3	65.4	55.4	56.5	70.3
<b>Other</b>						
Number of employees at year-end	NUMBER	479	327	309	291	188
Average number of employees	NUMBER	443	319	302	233	154

## 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.

	2025	2024	2023	2022	2021
<b>Operating profit (EBIT)</b>	<b>214.4</b>	<b>-209.0</b>	<b>108.1</b>	<b>29.2</b>	<b>-2.9</b>
Restructuring costs/Listing expenses	-8.9	310.0	-	-	11.1
Acquisition costs	3.5	10.8	-	-	0.4
<b>Adjusted operating profit (EBIT)</b>	<b>209.0</b>	<b>111.8</b>	<b>108.1</b>	<b>29.2</b>	<b>8.6</b>
<b>Adjusted operating profit (EBIT)</b>	<b>209.0</b>	<b>111.8</b>	<b>108.1</b>	<b>29.2</b>	<b>8.6</b>
Net sales	2,045	1,201	1,151	739	470
<b>Adjusted operating profit (EBIT), %</b>	<b>10.2%</b>	<b>9.3%</b>	<b>9.4%</b>	<b>4.0%</b>	<b>1.8%</b>
<b>Operating profit (EBITA), SEK m</b>					
Operating profit (EBIT)	214.4	-209.0	108.1	29.2	-2.9
Amortization of intangible non-current assets	67.3	37.9	32.1	15.6	11.1
<b>Operating profit (EBITA)</b>	<b>281.7</b>	<b>-171.1</b>	<b>140.2</b>	<b>44.8</b>	<b>8.2</b>
<b>Adjusted operating profit (EBITA), SEK m</b>					
Operating profit (EBITA)	281.7	-171.1	140.2	44.8	8.2
Restructuring costs/Listing expenses	-8.9	310.0	-	-	11.1
Acquisition costs	3.5	10.8	-	-	0.4
<b>Adjusted operating profit (EBITA)</b>	<b>276.3</b>	<b>149.7</b>	<b>140.2</b>	<b>44.8</b>	<b>19.7</b>
<b>Adjusted operating profit (EBITA)</b>	<b>276.3</b>	<b>149.7</b>	<b>140.2</b>	<b>44.8</b>	<b>19.7</b>
Net sales	2,045	1,201	1,151	739	470
<b>Adjusted operating profit (EBITA), %</b>	<b>13.5%</b>	<b>12.5%</b>	<b>12.2%</b>	<b>6.1%</b>	<b>4.2%</b>
<b>Operating profit (EBITDA), SEK m</b>					
Operating profit (EBIT)	214.4	-209.0	108.1	29.2	-2.9
Depreciation/amortization	110.7	67.1	59.9	30.8	23.6
<b>Operating profit (EBITDA)</b>	<b>325.1</b>	<b>-141.9</b>	<b>168.0</b>	<b>60.0</b>	<b>20.7</b>
<b>Adjusted operating profit (EBITDA)</b>					
Operating profit (EBITDA)	325.1	-141.9	168.0	60.0	20.7
Restructuring costs/Listing expenses	-8.9	310.0	-	-	11.1
Acquisition costs	3.5	10.8	-	-	0.4
<b>Adjusted operating profit (EBITDA)</b>	<b>319.8</b>	<b>178.9</b>	<b>168.0</b>	<b>60.0</b>	<b>32.2</b>
<b>Adjusted operating profit (EBITDA)</b>	<b>319.8</b>	<b>178.9</b>	<b>168.0</b>	<b>60.0</b>	<b>32.2</b>
Net sales	2,045	1,201	1,151	739	470
<b>Adjusted operating profit (EBT), %</b>	<b>15.6%</b>	<b>14.9%</b>	<b>14.6%</b>	<b>8.1%</b>	<b>6.9%</b>



# Definitions

## Number of shares outstanding

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 after financial income as a percentage of average capital employed.

## EBIT

Earnings before interest and taxes according to the income statement.

## EBITA

Earnings before amortization and impairment of intangible non-current assets.

## EBITDA

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

## 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 costs.

## NET DEBT

Long-term and short-term interest-bearing liabilities less income-bearing financial assets.

## Operating 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

Equity plus interest-bearing net debt.

## 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.

# Articles of Association

of

**MilDef Group AB**  
corp. reg. no. 556893-5414

## Article 1 - Business name

The Company's business name is MilDef Group AB. The Company is to be a public limited company (*Sv. publ*).

## Article 2 - Registered office

The registered office is to be in Helsingborg, Sweden.

## Article 3 - Operations

The Company's activities are to be owning and managing shares in subsidiaries, preferably with operations within technology and the total defense and security sectors and activities compatible with these. In addition, the Company is to provide Group-wide services such as services within management, legal, HR and finance with a view to facilitating operations for the subsidiaries.

## Article 4 - Share capital

The minimum share capital is to be SEK 6,162,500 and the maximum SEK 24,650,000.

## Article 5 - Number of shares in the Company

The minimum number of shares is to be 24,650,000 and the maximum 98,600,000.

## Article 6 - Composition of the Board of Directors

The Board of Directors is to consist of no fewer than three (3) and no more than eight (8) members, without deputy members. The Board of Directors is elected each year at the Annual General Meeting for the period until the end of the next Annual General Meeting.

## Article 7 - Auditors

At least one and no more than two registered public accounting firms or at least one and no more than two auditors are to be appointed by the shareholders' meeting to audit the Company. The audit engagement is to continue until the end of the Annual General Meeting in the subsequent financial year.

## Article 8 - Notice convening shareholders' meetings

The notice convening the Annual General Meeting or extraordinary shareholders' meeting is to be published in Post- och Inrikes Tidningar (the Official Swedish Gazette) and on the Company's website. The notice of the meeting is also to be advertised in the Swedish newspaper *Dagens Industri*.

## Article 9 - Agenda of Annual General Meeting

The following matters are to be dealt with at the Annual General Meeting.

1. Election of person to chair the meeting.
2. Preparation and approval of the voting list.
3. Election of one or two persons to check the minutes.
4. Verification of whether the meeting has been duly convened.
5. Approval of agenda.
6. Presentation of the annual accounts and Auditor's Report and of the consolidated financial statements and Auditor's Report for the Group.
7. Resolutions concerning
  - a. adoption of the income statement and balance sheet and of the consolidated income statement and consolidated balance sheet.
  - b. distribution of the Company's profit or loss according to the adopted balance sheet;
  - c. discharge from liability of the members of the Board and the CEO.

8. Determination of number of board members and auditors.
9. Establishment of board fees.
10. Establishment of fees for auditor(s).
11. Election of Board of Directors.
12. Election of auditor(s).
13. Any other business duly referred to the meeting in accordance with the Swedish Companies Act or the Articles of Association.

#### **Article 10 - Attendance at shareholders' meetings**

To be able to attend the shareholders' meeting, the shareholder must notify the Company by the date specified in the meeting notice, stating the number of companions. This date must not be a Saturday, a Sunday, Midsummer Eve, Christmas Eve, New Year's Eve or any other public holiday, and must not fall earlier than on the fifth weekday before the meeting.

#### **Article 11 - Proxies**

The Board of Directors may collect proxies in accordance with the procedure set out in Chapter 7, Section 4, 2nd paragraph of the Swedish Companies Act.

#### **Article 12 - Postal voting**

In advance of a shareholders' meeting the Board of Directors may decide to allow the shareholders to vote by mail (or via a comparable digital system) before the meeting. Information to this effect is to be provided in connection with the meeting notice. The meeting notice must clearly describe the procedure and how it is to be carried out.

#### **Article 13 - Financial year**

The Company's financial year is to follow the calendar year.

#### **Article 14 - Record day provision**

The Company's shares are to be registered in a Central Securities Depository (CSD) in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

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These Articles of Association were adopted at the Annual General Meeting on May 25, 2023





## Financial calendar:

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

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