

Press Release

Helsingborg, 5 February 2026

Year-End Report January – December 2025

A QUARTER WITH A POSITIVE CASH FLOW AND GOOD PROFITABILITY

Financial development fourth quarter 2025

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

Financial development January – December 2025

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

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

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

Summary of significant events after the end of the period

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

MilDef - WE ARMOR IT.

MilDef is a global systems integrator and full-spectrum provider specializing in rugged IT for defense and security domains. MilDef provides hardware, software and services that shield and protect critical information streams and systems, when and where the stakes are the highest. MilDef's products are sold to more than 200 customers through companies in Sweden, Norway, Finland, Denmark, United Kingdom, Germany, Switzerland, the United States and Australia. MilDef was founded in 1997 and is listed on Nasdaq Stockholm since 2021.

Statement by Daniel Ljunggren, President and CEO MilDef Group

GROWTH WITH A HIGHER MARGIN

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

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

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

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

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

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

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

Daniel Ljunggren,
President and CEO of MilDef Group

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MILDEF GROUP'S YEAR-END REPORT JANUARY-DECEMBER 2025 PRESENTATION

MilDef Group's President and CEO Daniel Ljunggren and CFO Viveca Johnsson will present the Interim Report for January - December 2025.

Date: Thursday February 5 at 10:00 a.m. (CET). The report is published at 08:00 a.m. (CET) the same day at www.mildef.com and the news platform Cision. You are welcome to watch the live webcast via Teams or dial in to the conference call. It is possible to state questions over the conference call and the web.

Connecting to the meeting

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The interim report, the presentation material and the webcast will be available on www.mildef.com.

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