

Press release

Helsingborg, 13th of September 2022

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MilDef intends to carry out a directed new share issue

MilDef Group AB (publ) ("MilDef" or the "Company") has mandated Skandinaviska Enskilda Banken AB ("SEB" or the "Sole Global Coordinator") to evaluate the conditions for carrying out a new share issue of approximately MSEK 150 directed towards Swedish and international institutional investors. The Company intends to use the proceeds from the issue to enable continued expansion through strategic acquisitions.

MilDef's intention is to carry out the directed share issue with deviation from the shareholders' preferential rights, based on the authorisation granted by the annual general meeting held on the 12th of May 2022. The subscription price and the total number of new shares in the directed share issue will be determined through an accelerated bookbuilding procedure, which will begin immediately following this announcement. The bookbuilding procedure may close earlier or later and may be cancelled at any point in time. MilDef will announce the outcome by way of a press release after the closing of the bookbuilding procedure.

The Company intends to use the proceeds from the directed share issue to enable continued expansion through strategic acquisitions in line with the Company's business plan and strategy. The Company has also considered the possibility to raise the required equity through a rights issue. The Board of Directors of the Company has thereby concluded that a rights issue would be significantly more time-consuming and entail significantly higher costs and increased exposure to potential market volatility compared to the directed share issue. Specifically, the Board of Directors has assessed that it is favourable to be able to raise additional capital through a rapid procedure in order to have high readiness to capture investment and acquisition opportunities in the existing market conditions. Unlike a rights issue, the directed share issue is expected to broaden the shareholder base and provide the Company with new reputable institutional owners, which the Board of Directors considers to be of benefit to MilDef and the general liquidity in the share. In the light of the above, the Board of Directors has made the assessment that a directed share issue with deviation from the shareholders' preferential rights is the most favourable alternative for MilDef and in the best interest of the Company's shareholders. As the subscription price in the directed share issue will be determined through a bookbuilding procedure, the Board of Directors assesses that the subscription price will reflect current market conditions and demand.

MilDef has a track record of successful acquisitions and a pipeline of attractive acquisitions, making the Company well placed to drive continued expansion in the tactical IT domain for defence and critical infrastructure markets. Furthermore, the increased financial flexibility that the directed share issue entails further strengthens the Company's position for continuous growth.

In connection with the directed share issue, the Company has undertaken, subject to customary exceptions, not to issue additional shares during a period of 180 days. In addition, all members of the Company's executive management and Board of Directors have agreed not to sell any shares in the Company during a period of 90 days, with certain exceptions for financing, including tax effects, incentive program participation.

Advisors

SEB is the financial advisor and HWF Advokater AB is the legal advisor to the Company. Advokatfirman Cederquist KB is the legal advisor to SEB



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This information is information that MilDef Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 17:31 CET on the 13th of September 2022.

About MilDef

MilDef was founded in 1997 in Helsingborg, Sweden and is a provider of tactical IT for demanding environments. Tactical IT includes rugged electronics, software and services. Today, MilDef's products are sold to over 160 customers through their subsidiaries in Sweden, Norway, Finland, the UK and the US as well as through a partner network to over 30 countries, primarily within the EU. MilDef is listed on Nasdaq Stockholm. www.mildef.com

Important information

This press release does not constitute an offer to sell or a solicitation of any offer to purchase any securities. This press release is not a prospectus and it has not been approved by any regulatory authority in any jurisdiction. Any decision to invest in securities referred to in this press release must be made on the basis of all publicly available information relating to the Company and the securities. This press release does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in MilDef or its securities.

The Sole Global Coordinator is acting for MilDef in connection with the directed share issue and no one else. The Sole Global Coordinator will not be responsible to anyone other than MilDef for providing the protections afforded to their clients nor for giving advice in relation to the transaction or any other matter referred to herein.

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The securities referred to in this press release have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an exemption from registration thereunder. MilDef does not intend to register any of the securities in the United States or to conduct a public offering of the securities in the United States. No action has been taken by the Company, the Sole Global Coordinator or any of their respective affiliates that would permit an offering of the shares or possession or distribution of this announcement or any offering or publicity material relating to the shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company and the Sole Global Coordinator to inform themselves about, and to observe, any such restrictions.

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In the United Kingdom, this communication is being distributed to and is directed only at “Qualified Investors” within the meaning of Article 2 (e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”) (the “UK 4 Prospectus Regulation”), who are (i) investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “Relevant Persons”). Any investment activity to which this communication relates will only be available to and will only be engaged with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

In connection with the securities to which this information refers, the Sole Global Coordinator and any of their affiliates may take up a portion of the new shares as a principal position and, in that capacity, may retain, purchase, sell, offer to sell, or otherwise deal for its or their own account(s) in such securities, any other securities of MilDef or other related investments in connection with the securities to which this information refers or otherwise. In addition, certain of the Sole Global Coordinator or their affiliates may enter into financing agreements and swaps with investors in connection with which such Sole Global Coordinator (or their affiliates) may, from time to time, acquire, hold or dispose of the share of MilDef. Accordingly, references in this announcement to the shares being offered or otherwise dealt with should be read as including any offer to, or dealing by, the Sole Global Coordinator or any of them and any of their affiliates acting in such capacity. The Sole Global Coordinator do not intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the new shares in the directed share issue (the “Issue Shares”) have been subject to a product approval process, which has determined that the Issue Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Issue Shares may decline and investors could lose all or part of their investment; the Issue Shares offer no guaranteed income and no capital protection; and an investment in the Issue Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Sole Global Coordinator will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Issue Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Issue Shares and determining appropriate distribution channels.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company’s intentions, beliefs, or current expectations about and targets for the Company’s future results of operations, financial condition, liquidity, performance,

prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “may”, “plan”, “estimate”, “will”, “should”, “could”, “aim” or “might”, or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. Neither the Company nor the Sole Global Coordinator guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company, the Sole Global Coordinator nor anyone else undertakes to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.