

Press Release

Helsingborg, 16 December 2024

MilDef concentrates its activities towards the defense sector

MilDef has decided to fully focus its activities on the defense and security domain. The motive behind the strategic focus is the strong market conditions in the defense sector, which in turn is a result of the steep increase in defense spendings. The consequence of the decided direction is that MilDef intends to fully integrate the subsidiary Handheld's portfolio for the defense industry into MilDef's other operations and to cease operations in Handheld's other sales segments.

"We choose to focus our efforts instead of splitting our focus, to strengthen MilDef's long-term competitiveness, profitability and cash flow. After the acquisition of roda computer GmbH, it is clear that MilDef will prioritize being a significant player in the build-up of defense capabilities that is now underway in Europe and will continue for many years to come. As a result of the above, it is our intention to focus Handheld's product range entirely on the defense domain and thus integrate the now militarized parts of Handheld's portfolio into MilDef's business," says Daniel Ljunggren, President and CEO MilDef Group.

As part of the ambition to streamline MilDef's defense offering, the operations in Lidköping, Sweden and Freilassing, Germany will be closed. Parts of the activities will be moved to MilDef's other premises.

The measures are expected to reduce MilDef's annual net sales by approximately SEK 70 million, while annual cost savings in the Group are estimated to amount to SEK 50 million per year. The operational result (EBIT) is expected to improve by approximately SEK 20 million per year. The cost savings will be phased in and are expected to start to be visible in the second quarter of 2025.

The result for the fourth quarter of 2024 will be impacted with costs for the decided restructuring program and is expected to total approximately SEK 310 million, of which approximately SEK 285 million is non-cash affecting. The non-cash costs include impairment of goodwill and other Group surplus values directly attributable to the acquisition of Handheld. The costs will be reported as restructuring costs and considered as non-recurring items.

The strategic alignment affects approximately 20 employees in the Group. Negotiations with the relevant trade unions will start immediately.

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 below, at 08:45 CET on December 16, 2024.

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MilDef - WE ARMOR IT.

MilDef is a global systems integrator and full-spectrum provider specializing in rugged IT for military, government and critical infrastructure sectors. 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, and through partner networks in more than 40 countries. MilDef was founded in 1997 and is listed on Nasdaq Stockholm since 2021.