

MILDEF GROUP

Q3

INTERIM REPORT
JANUARY–SEPTEMBER 2025



INTERIM REPORT JANUARY–SEPTEMBER 2025

SUMMARY OF THE PERIOD

DOUBLED SALES AND A FOCUS ON INCREASING CAPACITY

Third quarter 2025

- The third quarter order intake amounted to SEK 907 million (415), equivalent to an increase of 119%, of which organic growth accounted for 4%.
- Net sales increased by 116% to SEK 540 million (250), of which organic growth amounted to 36%.
- The gross margin amounted to 45.0% (50.0). The acquisition of roda negatively impacted the quarter's gross margin. Excluding the acquisition, the gross margin amounted to 53.5% for the quarter.
- Adjusted EBITA amounted to SEK 84.6 million (31.1), equivalent to an adjusted operating margin of 15.7% (12.5).
- Adjusted operating profit (EBIT) amounted to SEK 64.7 million (21.8), corresponding to an operating margin of 12.0% (8.7).
- Free cash flow amounted to SEK -53.1 million (42.6) during the quarter. The change is mainly due to an inventory build-up for an expected delivery-intensive fourth quarter.

January–September 2025

- The order intake amounted to SEK 2,189 million (1,037), an increase of 111%. Organic growth accounts for 36%.
- As of September 30, 2025 the order backlog was up 116% to SEK 3,507 million compared with the same date in 2024 (1,627). Organic growth accounted for 59% of this.
- Net sales increased by 61% to SEK 1,263 million (783). Organic growth accounts for 4% and acquired growth for 57%.
- The gross margin amounted to 46.2% (49.9). The acquisition of roda negatively impacted the period's gross margin. Excluding the acquisition, the gross margin amounted to 54.0% for the period.
- Adjusted EBITA amounted to SEK 125.5 million (78.7), equivalent to an adjusted operating margin of 9.9% (10.0).
- Adjusted operating profit (EBIT) amounted to SEK 77.4 million (49.1), corresponding to an operating margin of 6.1% (6.3).
- Free cash flow amounted to SEK -93.1 million (83.7) during the period. The change is primarily due to higher inventory value during the period.
- Earnings per share after dilution over the last 12-month period amounted to SEK -4.26 (0.72). The change is mainly related to restructuring costs in Q4 2024.

LAST 12 MONTHS, OCTOBER 2024–SEPTEMBER 2025

NET SALES	ADJUSTED OPERATING PROFIT (EBITA)	ADJUSTED OPERATING MARGIN (EBITA)
SEK 1,680 m	SEK 196.5 m	11.7%

Summary of significant events in the third quarter, July–September 2025

- MilDef won a contract worth SEK 139 million with the Swedish Defence Materiel Administration to supply OneCIS software and hardware for increased NATO interoperability in the Swedish Army. Deliveries begin in 2025.
- MilDef's subsidiary roda signed an agreement with the German cybersecurity company secunet for delivery of robust IT equipment. Deliveries will take place in 2026.
- MilDef won its first hardware order from the NATO Support and Procurement Agency to supply IT equipment, such as mobile computers, for use in NATO operations. Deliveries are under way in 2025.
- The armed forces of the Federal Republic of Germany (Bundeswehr) chose roda to supply robust IT for the army's digitalization project, D-LBO (digitalized land-based operations). The order is worth SEK 212 million with deliveries taking place in 2025–2026.

Summary of significant events after the end of the period

- 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, Cisco-based routers and switches for armored vehicles for a NATO country.
- MilDef received a suborder worth SEK 320 million from an unnamed European NATO country. The delivery is for IT equipment for digitalization of the country's army and deliveries will take place 2026–2028.
- Roda computer, subsidiary of MilDef, has received a framework agreement order regarding deliveries of rugged IT equipment to a German defence and security company. Order value is 320 MSEK and deliveries will take place in 2026.

FINANCIAL SUMMARY

	July 1–September 30		January 1–September 30		Last 12 months	Full year
All figures are in SEK million unless otherwise indicated	2025	2024	2025	2024	Oct 2024– Sept 2025	2024
Net sales	540	250	1,263	783	1,680	1,201
Sales growth, %	116	10	61	-2	48	4
Of which organic, %	36	10	4	-2	9	4
Of which acquisition-driven, %	80	-	57	-	39	-
Gross margin, %	45.0	50.0	46.2	49.9	46.5	49.0
Adjusted operating profit (EBITA)	84.6	31.1	125.5	78.7	196.5	149.7
Adjusted operating margin (EBITA), %	15.7	12.5	9.9	10.0	11.7	12.5
Order intake	907	415	2,189	1,037	2,962	1,810
Order backlog	3,507	1,627	3,507	1,627	3,507	2,055
Free cash flow	-53.1	42.6	-93.1	83.7	-45.2	127.7

All amounts are presented in SEK million unless otherwise indicated. Rounding differences in totals may occur. If, when rounded off, an underlying number becomes SEK 0 m, this is written as 0.



CEO'S COMMENTS

STRONG DEMAND DRIVES EXPANSION

The positive development continued for MilDef in the third quarter of 2025. Revenue amounted to SEK 540 million (250), an increase of 116%, of which 36% is organic. Order intake strengthened, reaching a new record level of SEK 907 million (415), which resulted in an order backlog of SEK 3,507 million (1,627) at the end of the quarter. The increase is evidence of growing demand in combination with the fact that MilDef is well-positioned. The integration of roda continued during the quarter and the German company received its largest order so far from the armed forces of the Federal Republic of Germany (Bundeswehr).

Digital arms race – important for Europe's future defense capability

The European countries' defense capability is undergoing an ever faster digital transformation and there is much to be gained from it. Better location and situation awareness, automated information management and accelerated decision cycles are just a few examples of the unrealized potential. This digitalization is essentially about converting isolated, traditional military systems to data-driven, agile and connected systems and networks. Digitalization is crucial for the European armed forces' necessary capacity buildup, and MilDef is playing a crucial role in it. We have a unique and proven ability to create customized and tailored tactical IT systems. Our order intake and intense dialogue with customers show that our position and relevance are strengthening quarter by quarter as digital defense capability is built up in Europe.

Increased delivery capacity strengthens MilDef

MilDef is in the middle of a historical turning point. This is a time when our end customers are committed to switching from disarmament to rearmament. 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. With full focus, we are addressing this challenge on a daily basis. At MilDef we are working purposefully to meet the increased demand from our customers. To manage the rapid growth we are prioritizing expansion of our production facilities and adding new recruits. This is taking place at the same time as we are

“MilDef is in the middle of a historical turning point”





+116%

NET SALES
July–September 2025

+119%

ORDER INTAKE
July–September 2025

15.7%

ADJUSTED EBITA
July–September 2025

delivering growth and improving our profitability. Increased delivery capacity is a way to meet the higher long-term demand and be relevant both now and in the future. One of the challenges is building up delivery capacity and thereby creating the desired effect to ensure scalability and profitability. Based on this, we are continuing to focus on building a bigger and stronger MilDef, with a balanced approach to our costs.

One clear example of equipping ourselves for the future is when, at the beginning of October, MilDef opened the doors to a new property in Rosersberg, north of Stockholm. The office and production space, tailored for our operations, quadruples MilDef's capacity in integration services. The purpose-built property was completed on schedule, and without doubt represents a milestone in MilDef's expansion. The increased capacity in Rosersberg is a clearly proactive step in future-proofing our capacity to deliver on a larger scale.

Clear focus for long-term value

Demand in the market is rapidly increasing and the growing interest and confidence in MilDef's offering is clear. Due to the uncertain geopolitical situation, defense and security remains a high priority, both nationally and internationally, in the short and the long term. For most European countries, NATO's new investment commitment of 5% of GDP has significantly increased defense appropriations. This historic rearmament will impact the entire European defense industry – including MilDef – and sets the tone for demand for a decade to come. In a market landscape characterized by high demand, there are usually numerous business opportunities adjacent to our core business. We are, however, confident that the path to success

for MilDef involves having clear priorities and a laser-sharp focus on defense and security. We are therefore continuing our growth journey with an absolute focus on our prioritized markets and customers. We are convinced that having a clear focus will create the highest value for both our customers and our shareholders.

Outlook

We have an intense final sprint ahead of us in the remainder of 2025. In addition to delivering on a historically higher order backlog in the fourth quarter, we will continue to build an ever stronger one for 2026 and onwards. The geopolitical tensions around the world are still having a major impact on the global security situation. The urgent need to provide Ukraine with support while also strengthening Europe's defense capacity will drive growth in our industry for many years to come.

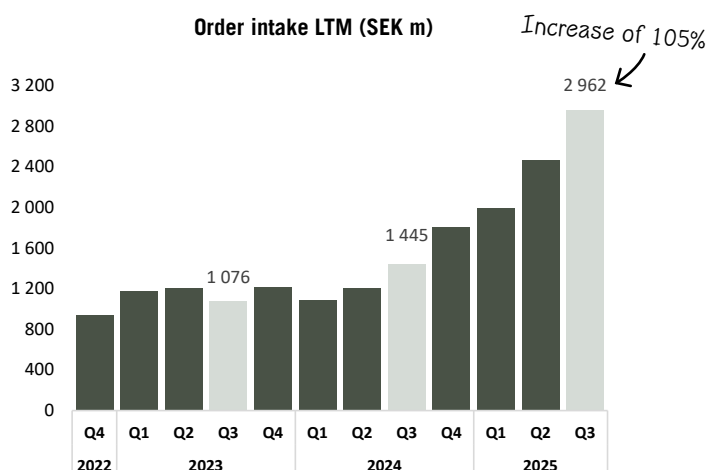
Altogether this strengthens the prospects for both a strong end to 2025 and continued growth in the years ahead. Based on this, MilDef is continuing to execute plans and implement investments in growth and increased delivery capacity.



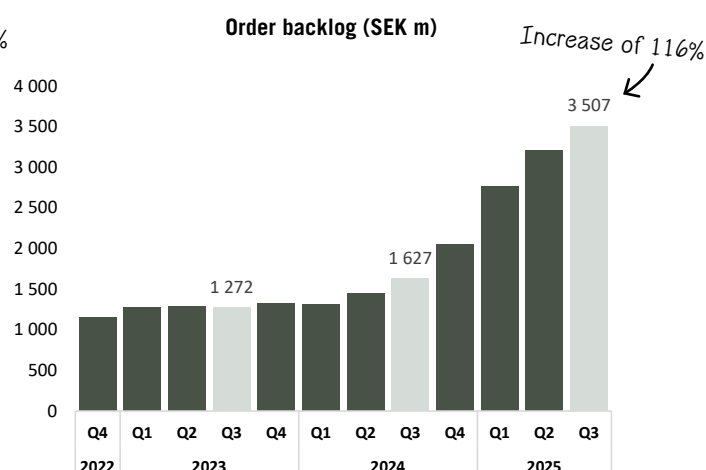
Daniel Ljunggren, President and CEO of MilDef Group

MILDEF'S FINANCIAL DEVELOPMENT

ORDER STATUS

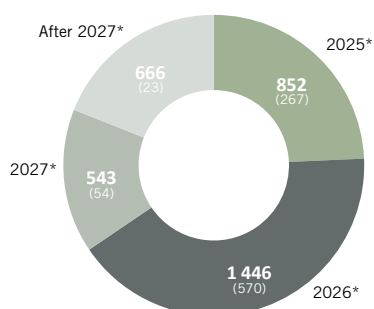


The columns in the chart show MilDef's order intake over the last 12 months (LTM) in SEK million. Order intake is the total orders received during the period in question.



The columns in the chart show MilDef's order backlog at the end of each calendar quarter in SEK million. Delivery may take place over a number of years.

Order backlog by planned deliveries (SEK m)



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

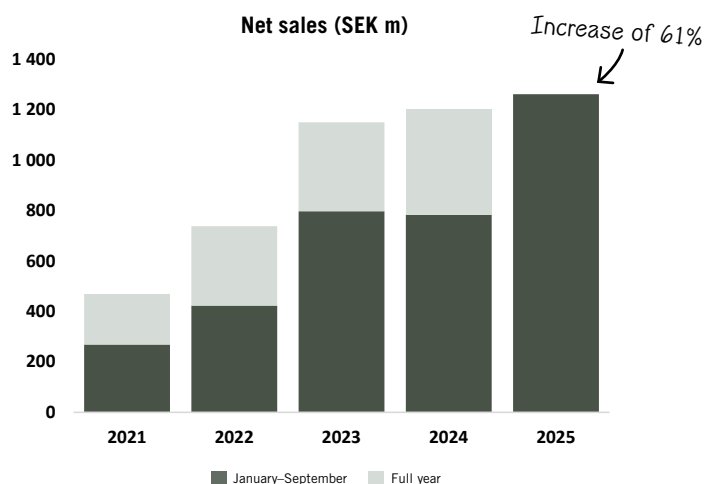
The pie chart shows future planned deliveries by year in SEK million and is based on MilDef's order backlog at the end of the period. The actual outcome may differ significantly from the above planned deliveries, above all due to postponements.

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

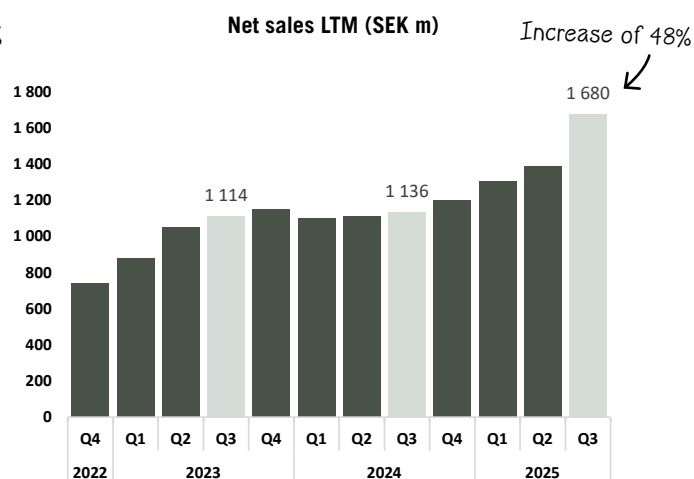
Order backlog as of January 1, 2025	2,055
Order intake January–September 2025	2,189
Sales January–September 2025	-1,263
Sales January–September 2025 not impacting order backlog	54
Order backlog acquired in the period	693
Currency effect in order backlog during the period	-221
Order backlog as of September 30, 2025	3,507

The table presents the development of MilDef's order backlog in SEK million during the first nine months of 2025, and the size of the components included, to arrive at the difference in the order backlog as of September 30, 2025 in comparison with January 1, 2025.

NET SALES

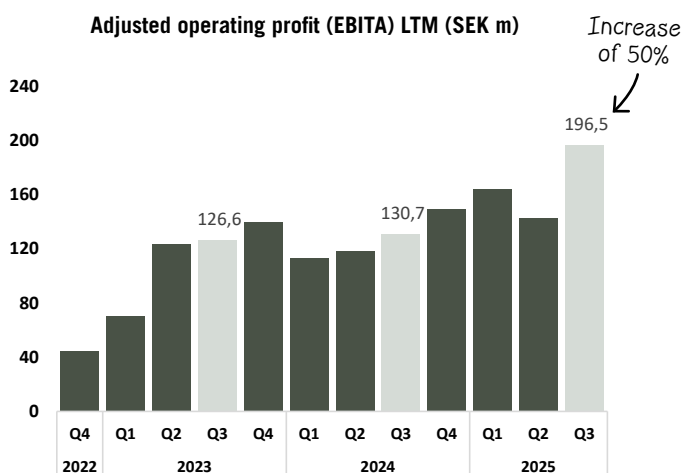


The columns above show MilDef's net sales for the period 2021–2024 and for January–September for the years 2021–2025.

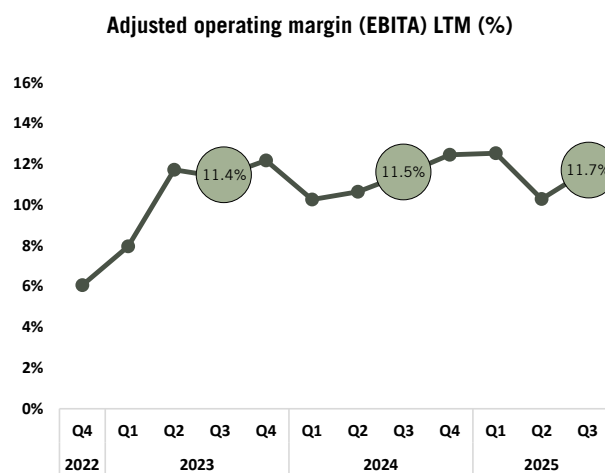


The columns above show MilDef's net sales over the last 12 months (LTM) in SEK million.

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



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



The chart shows MilDef's operating margin (EBITA) over the last 12 months (LTM) as a percentage, adjusted for non-recurring items. The adjusted EBITA margin is stated as a percentage of net sales. MilDef considers the adjusted EBITA margin to be a useful indicator to measure the Group's operational efficiency.

FINANCIAL OVERVIEW

Profit/loss items and cash flow are compared with the corresponding period the previous year. The balance sheet items refer to the end of the period and are compared with the corresponding date the previous year.

Third quarter: July–September 2025

Order status

The underlying trend in the market remains positive and the order intake increased during the period by 119% to SEK 907 million, compared with SEK 415 million in the third quarter of 2024. The order intake remained strong in the Nordic market and for roda. During the quarter roda made a positive contribution with an order intake amounting to SEK 477 million.

Net sales

Net sales increased in the third quarter of 2025 by 116% compared with the same quarter the previous year and amounted to SEK 540 million (250). Growth related to the acquisition of roda amounted to SEK 199 million.

Gross profit

Gross profit amounted to SEK 243 million (125), equivalent to a gross margin of 45.0% (50.0). 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 roda acquisition contributed to an increase in the Group's gross profit in the third quarter of 2025, while the lower gross margin on roda's products negatively impacted the gross margin of the Group as a whole.

Operating expenses

Operating expenses in the third quarter of 2025 amounted to SEK 175 million (103), of which SEK 57 million related to acquired operating expenses. During the quarter, non-recurring items that reduce the Company's operating expenses by SEK 3.4 million net were reported in the form of a reversal of costs covered by the restructuring reserve made in the fourth quarter of 2024.

Excluding operating expenses related to the acquisition of roda, operating expenses were SEK 15 million higher in the third quarter of 2025 compared to the same period last year. The change is mainly due to higher personnel costs. During the third quarter, integration costs related to the acquisition of roda had a negative impact on operating expenses of SEK 1.2 million. The integration costs of SEK 1.2 million are not reported as items affecting comparability. These integration costs are reported in roda and are included in the acquisition-related operating expenses.

Sequentially, the company's operating expenses increased by 3% in the third quarter of 2025 compared with the second quarter of 2025. Adjusted for acquisition-related operating expenses, the company's operating expenses decreased sequentially by SEK 1.4 million, corresponding to a decrease of 1%.

Operating expenses as a percentage of sales amounted to 32% (41) in the third quarter of 2025.

Non-recurring items

In addition, costs covered by the restructuring reserve in the fourth quarter of 2024 were reversed in the amount of SEK 3.4 million. This reversal is related to a reserve for Handheld Germany GmbH, which was divested during the period. When the reserve was made it was based on the assumption that the company would be liquidated. When it was possible to divest the company, this had a positive effect on restructuring costs.

Operating profit (EBIT)

Operating profit (EBIT) in the third quarter of 2025 amounted to SEK 68.1 million (21.8). This is equivalent to an operating margin of 12.6% (8.7). Non-recurring items impacted operating profit for the period by SEK 3.4 million. Adjusted operating profit (EBIT) amounted to SEK 64.7 million (21.8), which corresponds to an operating margin of 12.0% (8.7).

Adjusted operating profit (EBITA)

Adjusted operating profit before amortization and impairment of intangible non-current assets amounted to SEK 84.6 million (31.1), equivalent to a margin of 15.7% (12.5). Amortization and impairment of intangible non-current assets amounted to SEK 19.8 million (9.3). The change is due to the acquisition of roda. The acquisition of roda contributed SEK 20.1 million to the quarter's operating profit.

Financial items

Net financial expense for the period amounted to SEK -16.5 million (-0.5). 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.

Tax

The third quarter's tax effect impacted net profit by SEK -6.2 million (-4.1).

Net profit for the quarter

Profit after tax amounted to SEK 45.4 million (17.2). Earnings per share before dilution amounted to SEK 0.96 (0.43) and earnings per share after dilution to SEK 0.96 (0.43).

Cash flow

Cash flow for the quarter was recognized at SEK -80.5 million (-64.1). Free cash flow for the quarter amounted to SEK -53.1 million (42.6).

FINANCIAL OVERVIEW

Cash flow from operating activities amounted to SEK -44.3 million (48.1). Cash flow from changes in working capital amounted to SEK -119.4 million (11.9). The change is mainly due to an inventory build-up for an expected delivery-intensive fourth quarter.

Cash flow from investing activities amounted to SEK -46.6 million (-18.0). During the third quarter the final purchase consideration for the roda acquisition was paid. This had a negative impact on cash flow in investing activities of SEK 37.8 million consisting of an additional purchase price of SEK 44.5 million and an adjustment for net cash and working capital of SEK -6.7 million.

Cash flow from financing activities amounted to SEK 10.4 million (-94.2). We utilized SEK 35.6 million of our credit facility during the quarter. Repayment instalments on the credit facility for the roda acquisition amounted to SEK 11.1 million during the third quarter of 2025. There was also a repayment instalment of SEK 3.3 million on a previous credit facility which was taken out in connection with the acquisition of Handheld Group in September 2022. Amortization of leases was charged to financing activities in the amount of SEK -7.0 million (-5.4) in the quarter.

First nine months: January–September 2025

Order status

The order intake for the first three quarters increased by 111% to SEK 2,189 million, compared with the corresponding period the previous year when it was SEK 1,037 million. In the first three quarters, roda made a positive contribution with an order intake amounting to SEK 778 million. The order backlog on September 30 was at a historically high level, amounting to SEK 3,507 million (1,627).

Net sales

Net sales increased in the first three quarters of 2025 by 61% compared with the same period the previous year and amounted to SEK 1,263 million (783). Growth related to the acquisition of roda amounted to SEK 456 million. Organic growth was 4% and acquisition-driven growth made up 57 percentage points of total sales growth.

Gross profit

Gross profit amounted to SEK 583 million (391), equivalent to a gross margin of 46.2% (49.9). 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 roda acquisition led to an increase in the Group's gross profit in the period, at the same time as the lower gross margin on roda's products negatively impacted the whole Group's gross margin.

Operating expenses

Operating expenses amounted to SEK 500 million (342), of which SEK 130 million relates to acquired operating expenses. During the first three quarters, non-recurring items were reported that reduce the Company's operating expenses by SEK 5.4 million net. The change is due to acquisition expenses relating to the acquisition of roda, reversal of costs that were covered by the restructuring reserve made in the fourth quarter of 2024, and reversed restructuring due to our divestment of Handheld Germany GmbH. Excluding operating expenses related to the roda acquisition and non-recurring items, the operating expenses were 11% higher in the period compared with the same period last year. In the first three quarters of 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.

Non-recurring items

During the first three quarters, acquisition costs relating to the acquisition of roda were reported at SEK -3.5 million. In addition, costs of goods sold covered by the restructuring reserve in the fourth quarter of 2024 were reversed in the amount of SEK 8.9 million.

Operating profit (EBIT)

Operating profit (EBIT) in the first nine months of 2025 amounted to SEK 82.7 million (49.1). This is equivalent to an operating margin of 6.6% (6.3). MilDef's sales and profits are affected by volume variations between periods.

Adjusted operating profit (EBITA)

Adjusted operating profit before amortization and impairment of intangible non-current assets amounted to SEK 125.5 million (78.7), equivalent to a margin of 9.9% (10.0). Amortization and impairment of intangible non-current assets amounted to SEK 48.1 million (29.7), with amortization of acquired intangible non-current assets accounting for most of the increase. The adjusted operating profit includes adjustments for non-recurring items as described above.

Financial items

Net financial expense for the period amounted to SEK -18.4 million (-12.0). The change is largely due to positive exchange rate changes, as well as increased interest expense on loans taken out to finance the acquisition of roda.

Tax

The tax effect for the first three quarters impacted net profit in the amount of SEK -9.8 million (-8.0). This makes the effective tax rate 15.2% (21.5).

Net profit for the period

Profit after tax amounted to SEK 54.5 million (29.1). Earnings per share before dilution amounted to SEK 1.17 (0.73) and earnings per share after dilution to SEK 1.17 (0.72).

FINANCIAL OVERVIEW

Cash flow

Cash flow reported for the period amounted to SEK -408.3 million (-40.8). Free cash flow for the first nine months of the year amounted to SEK -93.1 million (83.7).

Cash flow from operating activities amounted to SEK -76.5 million (97.9). The cash flow was mainly negatively impacted by the change in working capital of SEK -202.0 million (28.1). The change is primarily due to higher inventory value during the period.

Cash flow from investing activities amounted to SEK -717.6 million (-30.6). 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 385.8 million (-108.2). Repayment instalments on the credit facility for the acquisition of roda amounted to SEK 33.1 million and repayment of a past credit facility obtained in connection with the acquisition of Handheld Group in September 2022 amounted to SEK 9.9 million in the first nine months of 2025. Amortization of leases was charged to financing activities in the amount of SEK -19.9 million (-16.7).

Equity

The Group's equity amounted to SEK 1,431.7 million (852.3) at the end of the period. The equity/assets ratio as of September 30, 2025 was SEK 52% (61).

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 0.3 million during the period, with an equivalent increase reported directly in equity.

Net working capital

Net working capital amounted to SEK 653 million (377) at the end of the period. Increased stocks have driven development compared with the comparison period. Net working capital in relation to net sales increased compared with the same date the previous year to 38.9% (33.2); and as of December 31, 2024 it amounted to 27.6%.

SEK m	Sept. 30, 2025	Sept. 30, 2024	Dec. 31, 2024
Inventories	620.2	326.4	234.4
Accounts receivable	327.1	143.4	330.1
Other current receivables	169.6	139.5	87.4
Accounts payable	-216.5	-88.6	-85.6
Other current liabilities	-246.8	-143.9	-235.3
Net working capital	653.6	376.7	330.9
<i>as a percentage of net sales LTM (%)</i>	<i>38.9%</i>	<i>33.2%</i>	<i>27.6%</i>

Net debt and cash and cash equivalents

The net debt including lease liabilities amounted to SEK 597.6 million (223.5) at the end of the period. Cash and cash equivalents as of September 30 amounted to SEK 118.1 million (41.5). At the end of the period there was an unutilized revolving overdraft facility of SEK 84.4 million (84.7). 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 1.9 (0.8). Calculated including the effects of IFRS 16, the net debt/equity ratio was 2.6 (1.4).

SEK m	Sept. 30, 2025	Sept. 30, 2024	Dec. 31, 2024
Other interest-bearing liabilities	567.5	176.6	133.9
Lease liabilities	148.2	88.5	86.5
Cash and cash equivalents	-118.1	-41.5	-530.4
Net debt incl. IFRS 16	597.6	223.5	-310.0
<i>relative to adjusted operating profit (EBITDA) LTM, times</i>	<i>2.6</i>	<i>1.4</i>	<i>-1.7</i>

OTHER INFORMATION

Parent Company

The operations of MilDef Group AB (corp. reg. no. 556893-5414), registered office in Helsingborg, Sweden, are primarily focused on the Group's strategic development and Group-wide functions such as HR, IT, finance, etc. Most of the funds from the Group's external financing are held within the Parent Company. As of the end of the period the Company had 58 employees.

MilDef Group AB's share

MilDef Group AB (publ) has been listed on NASDAQ Stockholm since June 4, 2021 in the Industrial Goods and Services sector. The share's ISIN code is SE0016074249. The share is traded under the ticker MILDEF. A trading unit is one (1) share. As of January 1, 2023 the share is being traded on NASDAQ Stockholm in the Mid Cap Index.

Share capital and number of shares

The total number of shares as of September 30, 2025 was 47,114,895 (39,932,066) and the share capital was SEK 11,778,723.75 (9,983,016.50). 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 203.20 and the market capitalization was SEK 9,574 million. The total number of shareholders at the end of the period was 45,995.

Repurchased shares

Repurchased shares include the acquisition cost of treasury shares held by the Parent Company. As of September 30, 2025 the Group held 20,000 (0) treasury shares. Repurchase of treasury shares is recognized as a deduction from equity. Proceeds from the divestment of these types of equity instruments are recognized as an increase in unrestricted equity. Any transaction costs are recognized directly in equity.

Accounting principles

MilDef prepares its consolidated accounts in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities, and the Annual Accounts Act. The accounting principles applied correspond to the accounting and valuation principles presented in the 2024 Annual Report. The 2024 Annual Report has been available at www.mildef.com since April 10, 2025.

Judgements and estimates in the financial statements

Preparation of the financial statements in accordance with IFRS requires the Management Team to make judgements and estimates that affect the application of the accounting principles the carrying amounts of assets, liabilities, revenue and expenses. Actual outcomes may deviate from these estimates and judgements. Estimates and assumptions are reviewed

on a regular basis. Changes in estimates are reported in the period the change is made if the change has only affected that period, or in the period the change is made and in future periods if the change affects both the current period and future periods.

Alternative performance measures

MilDef applies the guidelines for alternative performance measures issued by ESMA, the European Securities and Markets Authority. Alternative performance measures are financial metrics that cannot be directly derived or deduced from the financial statements. These financial metrics are intended to facilitate the Management Team's and investors' analysis of the Group's development. Investors should not regard these alternative performance measures as substitutes for the financial statements prepared in accordance with IFRS, but rather as complements to the statements. Definitions of the alternative performance measures are presented on page 27.

Segments

MilDef's operations are treated as one segment as this reflects the Group's business, financial monitoring and management structure. MilDef's CEO, who is the chief operating decision-maker, monitors and analyzes results and financial position for the Group as a whole. The CEO thus also decides on allocation of resources and takes strategic decisions based on consolidation as a whole. Based on IFRS 8, the analysis concludes that the MilDef Group consists of only one reporting segment.

Volatility between periods

MilDef's sales and profits are affected by quarter-on-quarter volatility. Year-on-year comparisons between quarters can be made. The Group's strongest quarter in terms of sales and profits is normally the fourth quarter.

MilDef's markets are characterized by substantial procurements at irregular intervals. The lead times are often long due to extensive administrative processes and long sales cycles. Both order intake and sales may fluctuate significantly between the quarters. The Company's development should therefore be evaluated in a longer perspective and not based on an individual quarter or year.

Significant events during the third quarter of 2025

MilDef won a contract worth SEK 139 million with the Swedish Defence Materiel Administration to supply OneCIS software and hardware for increased NATO interoperability in the Swedish Army. Deliveries begin in 2025.

MilDef's subsidiary roda signed an agreement with the German cybersecurity company secunet for delivery of robust IT equipment. Deliveries will take place in 2026.

MilDef won its first hardware order from NATO Support and Procurement Agency for delivery of IT equipment, such as mobile computers, for use in NATO operations. Deliveries are under way in 2025.

OTHER INFORMATION

The armed forces of the Federal Republic of Germany (Bundeswehr) chose roda to supply robust IT for the army's digitalization project, D-LBO (digitalized land-based operations). The order is worth SEK 212 million with deliveries taking place in 2025–2026.

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 will strengthen MilDef's presence in Europe as one of Europe's leading actors within tactical and robust 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 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 preliminary cash consideration may be adjusted for net debt and working capital at the time of the acquisition.

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 company 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.

	EUR m	SEK m
Total purchase consideration	102.2	1,119.8
Assets		
Intangible non-current assets	33.3	365.0
Property, plant and equipment	1.8	19.6
Right-of-use assets	4.9	53.2
Deferred tax assets	1.7	18.9
Inventories	21.5	235.3
Accounts receivable	8.8	96.9
Other current receivables	2.6	28.7
Cash and cash equivalents	9.5	104.2
Liabilities		
Non-current interest-bearing liabilities	4.2	45.6
Provisions	0.1	1.0
Deferred tax liabilities	10.9	119.4
Accounts payable	7.8	85.0
Current interest-bearing liabilities	0.7	7.5
Other current liabilities	13.0	143.0
Acquired identifiable net assets	47.5	520.3
Goodwill	54.7	599.4
Total acquired net assets	102.1	1,119.8

The purchase consideration consists of		
Cash payment	70.0	767.3
Adjustment of net cash and working capital*	-0.6	-6.7
Shares issued, at fair value	28.7	314.7
Contingent consideration	4.0	44.5
Total purchase consideration	102.1	1,119.8

Cash flow attributable to the acquisition		
Cash payment of purchase consideration	-70.0	-767.3
Contingent consideration	-4.0	-44.5
Adjustment of net cash and working capital*	0.6	6.7
Cash in the acquired company	9.5	104.2
Total	-63.9	-700.9
Acquisition-related expenses	-1.3	-14.3
Net cash flow	-65.2	-715.2

* Estimated adjustments for net liabilities and working capital items based on the preliminary balance sheet as of February 28, 2025. The final cash adjustment will be calculated based on the balance sheet as of the acquisition date.

OTHER INFORMATION

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

The Roda company contributed revenue of SEK 65.5 million and net profits of SEK 8.7 million to the Group for the period March 6 to March 31, 2025.

If the acquisition had taken place on January 1, 2025 the consolidated pro forma revenue and pre-tax earnings for the quarter ending on March 31, 2025 would have been SEK 460.6 million and SEK 14.1 million respectively. These amounts have been calculated with the help of the subsidiaries' profits as well as adjustments for differences in accounting principles between the Group and the acquired subsidiaries. Also reflected is interest expense relating to bank financing of EUR 40 million to cover parts of the cash payments for the shares, as well as amortization costs for the intangible assets arising in the preliminary acquisition analysis.

Significant events after the end of the period

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, Cisco-based routers and switches for armored vehicles for a NATO country.

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

Roda computer, subsidiary of MilDef, has received a framework agreement order regarding deliveries of rugged IT equipment to a German defence and security company. Order value is 320 MSEK and deliveries will take place in 2026.

Acquisitions and acquisition analysis

At the time of acquisition, a preliminary acquisition analysis is performed based on estimates and judgments that are as accurate as possible. This analysis may, however, need to be adjusted at some point in the future. All acquisition analysis is subject to final adjustments no later than twelve months after the acquisition date.

Employees

The number of employees in the Group, recalculated to full-time equivalents (FTEs), was 460 (326) at the end of the period. 339 (240) of the employees were men and 121 (86) were women. The average number of FTEs during the period was 462, compared with 314 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 6% of MilDef's employees work in R&D-related positions. Further resources were added in 2025 to the R&D department – both contracted staff and MilDef employees – to handle an increased number of projects, many of which are highly complex.

Significant risks and factors of uncertainty

MilDef's operations and profits are affected by a number of external and internal factors. A constant process is under way to identify all of the risks that occur and to assess how to manage each risk. MilDef's risks can be divided into market-related, operational and financial risk. For a more detailed description of financial risk, see pages 77–79 in the Company's 2024 Annual and Sustainability Report. No other material financial risks, other than those described there, have been identified.

Transactions with related parties

No board member or senior executive has or has had any direct or indirect participation in any business transactions with Group companies during the current or previous financial years on terms that are or were unusual in nature. Nor has any Group company provided loans or guarantees to, or entered into any surety agreement for, any of the members of the Board or senior executives.

Long-term Incentive Program 2025/2028

The 2025 Annual General Meeting voted in favor of the Board's proposal for a performance-based long-term incentive program (LTIP 2025/2028) for MilDef's Management Team comprising six employees. The participants will be allotted performance-based stock options that may give entitlement to shares in the Company. Each warrant entitles the holder to one share if the maximum outcome in the program is reached. After the vesting period the participants will be allotted shares in MilDef Group AB at no cost if certain performance targets are met. One basic requirement for allotment of shares is that the participant, subject to certain exceptions, remains employed within the MilDef Group throughout the three years of the program. A further requirement is that MilDef's adjusted EBITDA per share during the period of validity has reached certain minimum levels and that MilDef's share price development on Nasdaq Stockholm has been positive during the same period. The number of shares that can be allotted to the participants according to LTIP 2025/2028 is capped at 20,000, which is equivalent to around 0.04% of all outstanding shares in the Company. During the period, 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 distrib-

OTHER INFORMATION

uted 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 0.3 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 0.1 million with an equivalent liability for these contributions of the same amount.

Contingent liabilities

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

Disputes

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

Annual General Meeting 2025

The Annual General Meeting on May 22, 2025 decided to re-elect board members Björn Karlsson, Jan Andersson, Charlotte Darth, Lennart Pihl and Bengt-Arne Molin and to elect Elisabeth Åbom and Carl Mellander as new board members. Björn Karlsson was re-elected as Chair of the Board.

At the subsequent statutory board meeting Björn Karlsson (Chair) and Jan Andersson were elected as members of the Remuneration Committee until the next statutory board meeting. For the same period, Lennart Pihl (chair), Charlotte Darth and Carl Mellander were elected as members of the Audit Committee.

Öhrlings PricewaterhouseCoopers AB with Eric Salander as Auditor-in-Charge was re-elected as the Company's auditor for a term of one year. Auditors' fees are payable as invoiced.

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

In accordance with the Board's proposal, the AGM voted in favor of a performance-based incentive program (LTIP 2025/2028) for MilDef's Management Team. The participants will be allotted performance-based stock options that may give entitlement to shares in the Company. After the established 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. 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 has been positive during the same period. The maximum number of shares that can be allotted to the participants under LTIP 2025/2028 is to be limited to 20,000 shares.

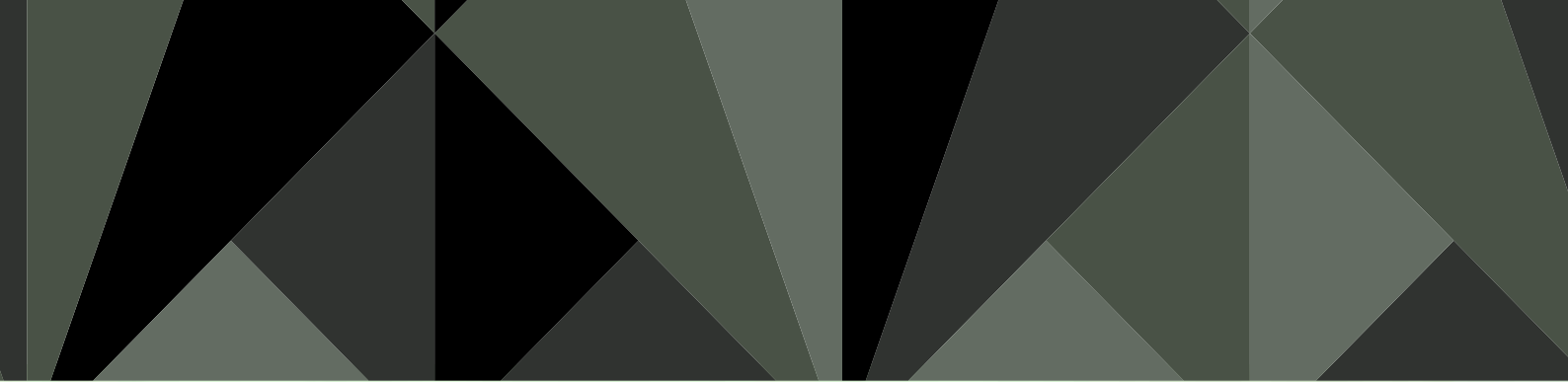
The AGM also decided to authorize the Board, on one or several occasions up to the 2026 AGM, to decide on issuing new shares for cash, in-kind or offset payment, allowing deviation from the shareholders' preferential rights. This authorization is limited to a maximum of 10% of the total number of shares in the Company at the time the authorization is exercised. The aim of the authorization, and the reasons for any waiver of shareholders' preferential rights as mentioned above, is to enable the Company to finance the acquisition of entities or operations, or to strengthen the Company's capital base and equity/assets ratio.

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.

Audit review

This interim report has been reviewed by the Company's auditors.



Condensed consolidated statement of comprehensive income

SEK m	Note	July 1–September 30		January 1–September 30		Last 12 months	Full year
		2025	2024	2025	2024	Oct 2024– Sept 2025	2024
Net sales	1	539.7	249.9	1,262.5	783.4	1,680.0	1,200.9
Cost of goods sold		-296.6	-125.0	-679.7	-392.1	-899.5	-611.8
Gross profit		243.1	124.9	582.8	391.3	780.5	589.0
Selling expenses		-117.5	-61.4	-323.8	-202.6	-400.2	-279.0
Administrative expenses		-33.6	-27.4	-99.5	-77.2	-128.0	-105.7
Research and development expenses		-27.6	-17.2	-77.2	-62.3	-98.9	-84.0
Acquisition costs		-	-	-3.5	-	-14.3	-10.8
Restructuring costs		3.4	-	8.9	-	-301.1	-310.0
Other operating income/expenses		0.2	2.9	-4.9	-0.1	-13.2	-8.4
Operating profit		68.1	21.8	82.7	49.1	-175.3	-209.0
Net financial items		-16.5	-0.5	-18.4	-12.0	-20.1	-13.6
Profit after financial items		51.7	21.4	64.3	37.1	-195.4	-222.6
Income tax		-6.2	-4.1	-9.8	-8.0	0.4	2.2
Profit for the period		45.4	17.2	54.5	29.1	-195.0	-220.3
Other comprehensive income for the Group							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Translation differences		-4.3	-8.5	-18.8	-5.1	-11.4	2.4
Other comprehensive income for the period		-4.3	-8.5	-18.8	-5.1	-11.4	2.4
Comprehensive income for the period		41.1	8.8	35.7	24.1	-206.3	-217.9

Earnings per share

	July 1–September 30		January 1–September 30		Last 12 months	Full year
	2025	2024	2025	2024	Oct 2024– Sept 2025	2024
Number of shares at the end of the period	47,114,895	39,932,066	47,114,895	39,932,066	47,114,895	45,573,068
Weighted average number of shares in the period before dilution	47,114,895	39,860,354	46,713,927	39,859,831	45,727,417	40,598,903
Weighted average number of shares in the period after dilution	47,114,895	40,301,066	46,789,477	40,301,066	45,868,753	41,013,824
Earnings per share before dilution (SEK)	0.96	0.43	1.17	0.73	-4.26	-5.43
Earnings per share after dilution (SEK)	0.96	0.43	1.17	0.72	-4.26	-5.37

Condensed consolidated balance sheet

SEK m	Note	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
ASSETS				
Non-current assets				
Capitalized product development expenses		9.6	12.7	54.4
Acquisition-related intangible assets		1,304.4	378.8	566.6
Other intangible non-current assets		0.9	0.2	0.2
Right-of-use assets		131.9	70.1	84.8
Other property, plant and equipment		40.2	20.3	21.3
Deferred tax assets		38.9	19.2	16.2
Other financial non-current assets		3.1	0.3	0.3
Total non-current assets		1,529.0	501.5	743.8
Inventories		620.2	234.4	326.4
Accounts receivable		327.1	330.1	143.4
Other current receivables		169.6	87.4	139.5
Cash and cash equivalents		118.1	530.4	41.5
Total current assets		1,235.0	1,182.2	650.8
TOTAL ASSETS		2,764.0	1,683.7	1,394.6
EQUITY AND LIABILITIES				
Equity		1,431.7	1,101.7	852.3
Non-current liabilities				
Lease liabilities		115.8	60.7	62.8
Non-current interest-bearing liabilities		474.3	102.5	110.0
Deferred tax liabilities		141.7	24.8	44.7
Total non-current liabilities		731.8	188.0	217.4
Current liabilities				
Current interest-bearing liabilities		93.1	31.4	66.6
Lease liabilities		32.4	25.8	25.7
Accounts payable		216.5	85.6	88.6
Other provisions		11.7	15.8	-
Other current liabilities		246.8	235.3	143.9
Total current liabilities		600.5	393.9	324.8
TOTAL EQUITY AND LIABILITIES		2,764.0	1,683.7	1,394.6

Condensed consolidated statement of changes in equity

SEK m	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Equity, opening balance	1,101.7	844.6	844.6
Comprehensive income for the period	35.7	-217.9	24.1
New share issues	321.3	495.0	3.5
Repurchase of treasury shares	-3.8	-	-
Share-based remuneration	0.3	-	-
Dividend	-23.5	-19.9	-19.9
Equity, closing balance	1,431.7	1,101.7	852.3

Condensed consolidated cash flow statement

	July 1–September 30		January 1–September 30		Last 12 months	Full year
SEK m	2025	2024	2025	2024	Oct 2024– Sept 2025	2024
Cash flow from operating activities						
Operating profit	68.1	21.8	82.7	49.1	-175.3	-209.0
Reversal of depreciation, amortization and impairment	30.5	16.3	77.8	51.4	329.8	303.4
Other non-cash items	-3.2	-2.3	-15.1	-0.3	62.4	77.1
Net financial items	-16.5	-0.5	-18.4	-11.8	-20.2	-13.5
Income taxes paid	-3.8	0.8	-1.5	-18.6	-5.0	-22.1
Change in working capital	-119.4	11.9	-202.0	28.1	-221.8	8.4
Cash flow from operating activities	-44.3	48.1	-76.5	97.9	-30.0	144.4
Cash flow from investing activities						
Investments in intangible non-current assets	-2.0	-2.1	-2.0	-8.3	-3.4	-9.8
Investments in property, plant and equipment	-6.9	-3.5	-14.7	-9.8	-15.5	-10.7
Acquisition of subsidiaries, net of acquired cash and cash equivalents	-37.8	-12.5	-701.0	-12.5	-701.3	-12.8
Cash flow from investing activities	-46.6	-18.0	-717.6	-30.6	-720.3	-33.3
Cash flow from financing activities						
Dividend	-	-	-23.5	-19.9	-23.5	-19.9
New share issues, net	-	3.5	6.6	3.5	498.1	495.0
Repurchase of treasury shares	-3.8	-	-3.8	-	-3.8	-
Increase in liabilities to credit institutions	35.6	-84.8	469.3	-52.6	434.1	-87.8
Repayment of interest-bearing liabilities	-14.4	-7.5	-43.0	-22.5	-50.5	-30.0
Repayment of lease liabilities	-7.0	-5.4	-19.9	-16.7	-25.3	-22.2
Cash flow from financing activities	10.4	-94.2	385.8	-108.2	829.1	335.1
Total cash flow for the period	-80.5	-64.1	-408.3	-40.8	78.7	446.2
Change in cash and cash equivalents						
Cash and cash equivalents at beginning of period	199.9	106.9	530.4	81.5	530.4	81.5
Exchange rate difference in cash and cash equivalents	-1.3	-1.3	-4.0	0.9	-2.1	2.7
Cash and cash equivalents at end of period	118.1	41.5	118.1	41.5	606.9	530.4

Quarterly overview for the Group

	2025			2024			2023		
SEK m	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net sales	539.7	383.3	339.5	417.5	249.9	301.5	231.9	352.8	226.5
Cost of goods sold	-296.6	-206.9	-176.3	-219.8	-125.0	-147.5	-119.6	-182.8	-113.2
Gross profit	243.1	176.5	163.2	197.8	124.9	154.0	112.3	170.0	113.3
Operating expenses	-175.0	-170.6	-154.5	-455.8	-103.1	-120.0	-119.2	-128.5	-101.9
Operating profit	68.1	5.9	8.7	-258.0	21.8	34.1	-6.8	41.4	11.4
Net financial items	-16.5	10.9	-12.9	-1.7	-0.5	-5.0	-6.5	-4.6	-6.0
Profit before tax	51.7	16.8	-4.2	-259.7	21.4	29.0	-13.3	36.9	5.4
Income tax on profit for the period	-6.2	-7.6	4.1	10.2	-4.1	-5.7	1.9	-11.3	0.4
Profit for the period	45.4	9.2	-0.1	-249.5	17.2	23.3	-11.4	25.7	5.8

Multi-year overview for the Group

	2024	2023	2022	2021	2020
Net sales, SEK m	1,201	1,151	739	470	398
Gross margin	49.0%	48.3%	47.7%	44.7%	45.7%
Adjusted operating margin (EBITA)	12.5%	12.2%	6.1%	4.2%	16.9%
Adjusted operating margin (EBIT)	9.3%	9.4%	4.0%	1.8%	15.4%
Adjusted profit margin (EBT)	8.2%	7.7%	2.6%	1.3%	15.0%
Earnings per share before dilution, SEK	-5.43	1.73	0.38	-0.03	1.83*
Earnings per share after dilution, SEK	-5.37	1.71	0.37	-0.03	1.83*
Cash and cash equivalents, SEK m	530.4	81.5	59.9	169.2	46.8
Cash flow from operating activities, SEK m	144.4	54.5	-76.8	-55.5	61.7
Total assets, SEK m	1,684	1,526	1,394	808	368
Equity, SEK m	1,102	845	788	568	133
Equity/assets ratio	65.4%	55.4%	56.5%	70.3%	36.0%
Return on capital employed	-15.7%	10.1%	3.4%	0.0%	30.6%
Return on equity	-22.6%	8.5%	2.1%	-0.2%	36.4%
Equity per share, SEK	24.17	21.19	19.77	15.61	5.71
Dividend per share, SEK	0.50	0.50	-	0.75	0.75
Number of employees at year-end	327	309	291	188	119
Average number of employees	319	302	233	154	97

*To enable year-on-year comparisons, data for 2020 has been adjusted for the 2:1 share split implemented in 2021.

Condensed Parent Company income statement

	July 1–September 30		January 1–September 30		Last 12 months	Full year
SEK m	2025	2024	2025	2024	Oct 2024– Sept 2025	2024
Net sales	33.2	30.0	98.5	90.1	119.7	111.2
Selling expenses	-14.1	-10.5	-36.8	-30.6	-47.7	-41.5
Administrative expenses	-12.5	-10.6	-43.3	-34.1	-55.2	-46.1
Research and development expenses	-11.3	-6.4	-27.7	-21.3	-35.5	-29.1
Acquisition costs	-	-	-	-	-	-
Restructuring costs	1.4	-	1.4	-	-3.4	-4.9
Other operating income/expenses	0.4	-0.1	-19.8	0.3	-19.8	0.2
Operating profit	-2.8	2.5	-27.6	4.3	-42.0	-10.2
Net financial items	26.4	1.1	27.2	2.6	-213.9	-238.5
Profit after financial items	23.7	3.6	-0.4	6.9	-255.9	-248.7
Year-end appropriations	-	-	-	-	27.1	27.1
Profit before tax	23.7	3.6	-0.4	6.9	-228.7	-221.6
Income tax	-5.0	-0.7	0.4	-1.4	0.9	-0.9
Profit for the period	18.6	2.9	-0.1	5.5	-227.8	-222.5
Other comprehensive income						
Profit for the period	18.6	2.9	-0.1	5.5	-227.8	-222.5
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-
Comprehensive income for the period	18.6	2.9	-0.1	5.5	-227.8	-222.5

PARENT COMPANY FINANCIAL STATEMENTS

Condensed Parent Company balance sheet

SEK m	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	5.7	6.6	7.0
Financial non-current assets	542.9	542.6	781.5
Total non-current assets	548.6	549.1	788.5
Current receivables from Group companies	1,494.2	255.6	304.0
Other current receivables	27.9	28.7	20.7
Cash and cash equivalents	1.2	474.4	0.2
Total current assets	1,523.3	758.7	324.8
TOTAL ASSETS	2,071.9	1,307.8	1,113.3
EQUITY, PROVISIONS AND LIABILITIES			
Equity	1,297.5	1,003.2	740.0
Untaxed reserves	3.6	3.6	3.6
Provisions			
Charitable contributions	1.3	1.4	-
Restructuring reserve	1.1	4.9	-
Total provisions	2.3	6.3	-
Non-current liabilities			
Non-current interest-bearing liabilities	474.2	102.5	110.0
Deferred tax liabilities	-	-	1.4
Total non-current liabilities	474.2	102.5	111.4
Current liabilities			
Current interest-bearing liabilities	93.1	30.0	65.2
Current liabilities to Group companies	175.0	139.4	171.2
Accounts payable	8.8	8.1	4.7
Other current liabilities	17.4	14.8	17.2
Total current liabilities	294.2	192.3	258.3
TOTAL EQUITY, PROVISIONS AND LIABILITIES	2,071.9	1,307.8	1,113.3

Condensed Parent Company statement of changes in equity

SEK m	Sept. 30, 2025	Dec. 31, 2024	Sept. 30, 2024
Equity, opening balance	1,003.2	750.6	750.6
Comprehensive income for the period	-0.1	-222.5	5.5
Merger result	-	-	0.3
New share issues	321.3	495.0	3.5
Repurchase of treasury shares	-3.8	-	-
Share-based remuneration	0.3	-	-
Dividend	-23.5	-19.9	-19.9
Equity, closing balance	1,297.5	1,003.2	740.0

Notes

Note 1. Net sales by geographic area

	July 1–September 30		January 1–September 30		Last 12 months	Full year
SEK m	2025	2024	2025	2024	Oct 2024– Sept 2025	2024
Nordics	239	155	560	439	816	695
Europe (excl. Nordics)	252	56	535	212	633	310
North America	29	32	91	112	132	153
Other countries	20	7	77	20	100	43
Total revenue	540	250	1,263	783	1,680	1,201

Note 2. Non-recurring items

	July 1–September 30		January 1–September 30		Last 12 months	Full year
SEK m	2025	2024	2025	2024	Oct 2024– Sept 2025	2024
Acquisition-related expenses	-	-	3.5	-	14.3	10.8
Restructuring costs	-3.4	-	-8.9	-	301.1	310.0
Total	-3.4	-	-5.4	-	315.5	320.8

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
- 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

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.

	July 1–September 30		January 1–September 30		Last 12 months	Full year
SEK m	2025	2024	2025	2024	Oct 2024– Sept 2025	2024
Operating profit (EBIT)	68.1	21.8	82.7	49.1	-175.3	-209.0
Restructuring costs	-3.4	-	-8.9	-	301.1	310.0
Acquisition-related expenses	-	-	3.5	-	14.3	10.8
Adjusted operating profit (EBIT)	64.7	21.8	77.4	49.1	140.2	111.8
Adjusted operating profit (EBIT)	64.7	21.8	77.4	49.1	140.2	111.8
Net sales	540	250	1,263	783	1,680	1,201
Adjusted operating margin (EBIT), %	12.0%	8.7%	6.1%	6.3%	8.3%	9.3%
Operating profit (EBITA), SEK m						
Operating profit (EBIT)	68.1	21.8	82.7	49.1	-175.3	-209.0
Amortization of intangible non-current assets	19.8	9.3	48.1	29.7	56.3	37.9
Operating profit (EBITA)	88.0	31.1	130.8	78.7	-119.0	-171.1
Adjusted operating profit (EBITA), SEK m						
Operating profit (EBITA)	88.0	31.1	130.8	78.7	-119.0	-171.1
Restructuring costs	-3.4	-	-8.9	-	301.1	310.0
Acquisition-related expenses	-	-	3.5	-	14.3	10.8
Adjusted operating profit (EBITA)	84.6	31.1	125.5	78.7	196.5	149.7
Adjusted operating profit (EBITA)	84.6	31.1	125.5	78.7	196.5	149.7
Net sales	540	250	1,263	783	1,680	1,201
Adjusted operating margin (EBITA), %	15.7%	12.5%	9.9%	10.0%	11.7%	12.5%
Operating profit (EBITDA), SEK m						
Operating profit (EBIT)	68.1	21.8	82.7	49.1	-175.3	-209.0
Depreciation/amortization	30.5	16.6	77.8	51.7	93.2	67.1
Operating profit (EBITDA)	98.6	38.4	160.5	100.7	-82.1	-141.9
Adjusted operating profit (EBITDA), SEK m						
Operating profit (EBITDA)	98.6	38.4	160.5	100.7	-82.1	-141.9
Restructuring costs	-3.4	-	-8.9	-	301.1	310.0
Acquisition-related expenses	-	-	3.5	-	14.3	10.8
Adjusted operating profit (EBITDA)	95.2	38.4	155.2	100.7	233.4	178.9
Adjusted operating profit (EBITDA)	95.2	38.4	155.2	100.7	233.4	178.9
Net sales	540	250	1,263	783	1,680	1,201
Adjusted operating margin (EBITDA), %	17.6%	15.4%	12.3%	12.9%	13.9%	14.9%

Available cash and cash equivalents

SEK m	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024
Cash and bank balances	118.1	199.9	207.9	530.4	41.5
Unutilized overdraft facility	84.4	120.0	120.0	120.0	84.7
Available cash and cash equivalents	202.5	319.9	327.9	650.4	126.2

Working capital including cash and bank balances

SEK m	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024
Total current assets excluding cash and bank balances	1,116.8	917.1	1,027.5	651.9	609.3
Cash and bank balances	118.1	199.9	207.9	530.4	41.5
Current liabilities, non-interest-bearing	-463.3	-389.0	-488.1	-321.0	-232.6
Working capital including cash and bank balances	771.7	728.1	747.4	861.3	418.2
Net sales last 12 months	1,680	1,390	1,308	1,201	1,136
Working capital including cash and bank balances in relation to net sales, %	45.9%	52.4%	57.1%	71.7%	36.8%

Working capital excluding cash and bank balances

SEK m	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024
Inventories	620.2	530.7	480.7	234.4	326.4
Current receivables	496.6	386.4	546.9	417.5	282.8
Current liabilities, non-interest-bearing	-463.3	-389.0	-488.1	-321.0	-232.6
Working capital excluding cash and bank balances	653.6	528.2	539.5	330.9	376.7
Net sales last 12 months	1,680	1,390	1,308	1,201	1,136
Working capital excluding cash and bank balances in relation to net sales, %	38.9%	38.0%	41.2%	27.5%	33.2%

Return on capital employed

SEK m	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024
Profit after financial items, last 12 months	-195.4	-225.7	-213.5	-222.6	74.0
Financial expense, last 12 months	-32.3	-25.0	-27.6	-23.2	-25.0
Profit before financial expense, last 12 months	-163.0	-200.6	-186.0	-199.4	99.0
Capital employed at beginning of period	1,117	1,215	1,216	1,212	1,208
Capital employed at end of period	2,147	2,106	2,115	1,322	1,117
Average capital employed	1,632	1,661	1,666	1,267	1,163
Return on capital employed, %	-10.0%	-12.1%	-11.2%	-15.7%	8.5%

Return on equity

SEK m	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024
Profit after tax, last 12 months	-195.0	-223.2	-209.0	-220.3	54.8
Equity at beginning of period	852	840	835	845	829
Equity at end of period	1,432	1,388	1,408	1,102	852
Average equity	1,142	1,114	1,122	973	840
Return on equity, %	-17.1%	-20.0%	-18.6%	-22.6%	6.5%

Net debt/EBITDA

SEK m	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024
Non-current liabilities, interest-bearing	590.2	612.6	612.3	163.2	172.8
Current liabilities, interest-bearing	125.5	105.8	94.4	57.2	92.3
Cash and bank balances	-118.1	-199.9	-207.9	-530.4	-41.5
Net debt incl. IFRS 16	597.6	518.5	498.8	-310.0	223.5
Operating profit, last 12 months	-175.3	-221.6	-193.4	-209.0	90.5
Depreciation, amortization and impairment, last 12 months	93.2	79.2	67.8	67.1	70.1
Non-recurring items, last 12 months	315.5	318.9	319.2	320.8	-
Adjusted EBITDA, last 12 months	233.4	176.5	193.5	178.9	160.6
Net debt/EBITDA, multiple	2.6	2.9	2.6	-1.7	1.4

BOARD OF DIRECTORS' ASSURANCE

Board of Directors' assurance

The Board of Directors and CEO hereby provide an assurance that this interim report presents fairly the operations, position and results of the Parent Company and the Group, and describes material risks and uncertainties faced by the Parent Company and the other companies included in the Group.

MilDef Group AB (publ)
Helsingborg, October 23, 2025

Björn Karlsson
Chair

Jan Andersson
Board member

Elisabeth Åbom
Board member

Carl Mellander
Board member

Charlotte Darth
Board member

Lennart Pihl
Board member

Bengt-Arne Molin
Board member

Daniel Ljunggren
Chief Executive Officer

Auditors' Review Report

To the Board of Directors of MilDef Group AB, corp. reg. no. 556893-5414

Introduction

We have reviewed the condensed financial interim information (interim report) of MilDef Group AB as of September 30, 2025 and the nine-month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope and focus of the review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information has not been prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act in the case of the consolidated financial statements and in accordance with the Annual Accounts Act in the case of the Parent Company.

Malmö, October 23, 2025

Öhrlings PricewaterhouseCoopers AB

Eric Salander
Authorized Public Accountant
Auditor-in-Charge

Johan Rönnbäck
Authorized Public Accountant

DEFINITIONS

NUMBER OF OUTSTANDING SHARES

Number of registered shares less repurchased shares, held by the Company.

RETURN ON EQUITY

Profit after tax attributable to owners of the parent as a percentage of average equity.

RETURN ON CAPITAL EMPLOYED

Profit before tax after reversal of financial expense, on a last 12-month basis, expressed as a percentage of average capital employed.

EBIT

Earnings before interest and taxes according to the income statement.

EBITA

Operating profit excluding amortization of intangible non-current assets.

EBITDA

Earnings before interest, taxes, depreciation and amortization of property, plant and equipment and intangible non-current assets.

FREE CASH FLOW

Cash flow from operating activities and cash flow from investing activities excluding acquisitions and divestments of intangible non-current assets and of property, plant and equipment.

ADJUSTED PROFIT MARGIN (EBT)

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

NON-RECURRING ITEMS

Non-recurring items are specific material items that are reported separately because of their size or frequency, e.g. restructuring costs, impairment, divestments and acquisition-related expenses.

NET DEBT

Long-term and short-term interest-bearing liabilities less income-bearing financial assets.

ORGANIC GROWTH

Annual growth in net sales excluding acquisition-related net sales, calculated as increase in net sales excluding acquisition-related net sales compared with the previous year, expressed as a percentage.

EARNINGS PER SHARE BEFORE DILUTION

Profit after tax attributable to owners of the parent as a percentage of the average number of outstanding shares.

EARNINGS PER SHARE AFTER DILUTION

Profit after tax attributable to owners of the parent as a percentage of average number of outstanding shares plus average number of shares added upon conversion of outstanding convertibles and warrants.

WORKING CAPITAL

Current assets, excluding cash and cash equivalents and current tax assets, minus interest-free current liabilities, excluding current tax liabilities.

OPERATING MARGIN

Operating profit as a percentage of net sales.

EQUITY/ASSETS RATIO

Equity as a percentage of total assets.

CAPITAL EMPLOYED

Average total assets less non-interest-bearing liabilities and provisions.

MILDEF IN BRIEF

BRIEF FACTS

MilDef's shares are listed on the NASDAQ Stockholm Mid Cap Index.

Ticker: MILDEF.

- Supplier of tactical IT solutions
- Founded in 1997
- Stock exchange listing on June 4, 2021
- 460 employees
- Key markets: Nordics, Europe and selected NATO nations
- Customers: defense and security
- Product portfolio: Hardware, software and services

VISION

Your number one choice for tactical IT.

MISSION

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

BUSINESS CONCEPT

MilDef's business concept is to develop, offer and deliver tactical IT products and services for operations and functions that are critical for society. MilDef customizes solutions to meet the customers' specific requirements in the demanding environments in which they are used. MilDef's hardware and software products are combined with services to deliver effective digitalization. MilDef operates in the international defense and security market and within other areas that are critical for society.

FINANCIAL TARGETS

Growth

MilDef's target is to grow sales over time by at least 25% per year, including acquisitions.

Profitability

MilDef's target is an operating margin (EBITA) over time of at least 15%.

Capital structure

MilDef's target is for interest-bearing net debt not to exceed 2.5 times operating profit (EBITDA), other than temporarily.

Dividend policy

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

GROWTH STRATEGIES

MilDef's growth strategy is based on three prioritized areas.

Organic growth

In established markets MilDef is aiming to increase the share of long-term contracts and framework agreements. A long-term presence, strong position and proven delivery capability increase the opportunities to win large contracts in markets that are already established.

Acquisitions

MilDef has a structured acquisition strategy to support market entry and add complementary technologies to its portfolio where the Company's strong international distribution channels can be reused. Based on implemented acquisitions, MilDef has created a structured model to identify potential acquisition candidates, address and evaluate these and, once the transaction is complete, integrate them.

Expanded customer offering

MilDef has expanded its customer offering, which in the past was mainly focused on hardware, to also include services and software. Complete solutions for a strong defense and increased safety.

MILDEF IN BRIEF

SUSTAINABILITY STRATEGY

Our reason to exist is to safeguard society's sustainable structures. To stand up for freedom and democracy. To make the world a safer place and protect our way of life. We integrate our focus on sustainability into all aspects when taking responsibility for a sustainable world.

We aim to maintain a good balance between business, environmental and social sustainability. This is considered crucial in order to meet current needs without jeopardizing the ability of future generations to meet their needs. MilDef complies with mandatory requirements, such as those in laws and regulations, applicable organization and industry standards, contractual obligations and codes of conduct.

MilDef strives to maintain a sustainable strategy to ensure that investments are made responsibly. A framework for KYC (know your customer) is used to ensure that the actors MilDef chooses to do business with live up to both regulatory and ethical standards.





Important information

This interim report may contain forward-looking information that reflects MilDef's current view of future events, as well as financial and operative development. Words such as "intends," "sees," "expects," "may," "assesses," "plans," "considers," "estimates" and other expressions that convey indications or predictions regarding future development or trends, and that are not based on historical fact, constitute forward-looking information. Forward-looking information is by nature associated with both known and unknown risks and factors of uncertainty because it depends on future events and circumstances. Forward-looking information does not offer any guarantee regarding future performance or development, and actual outcomes may differ materially from those expressed in forward-looking information.

Invitation to a presentation of MilDef's interim report for January–September 2025

The presentation will be held in English and will conclude with a Q&A. The meeting will start at 10.00 CEST on October 23, 2025 and will last for about 45 minutes. The report will be made available at www.mildef.com the same morning.

Connecting to the meeting

Connect to the meeting either by clicking on this [Teams link](#) or by calling the relevant telephone number below (audio only).

Telephone numbers:

+46 8 502 413 79 (Sweden)
+47 23 52 52 25 (Norway)
+45 32 73 03 21 (Denmark)
+358 9 23106849 (Finland)
+44 20 3855 6017 (UK)
+1 323 486 4735 (USA)

Enter conference ID: **823 358 132#**

Financial calendar

Year-End Report 2025	February 5, 2026
Annual Report 2025	April 15, 2026
Interim Report Q1 2026	April 23, 2026
Annual General Meeting 2026	May 21, 2026
Interim Report Q2 2026	July 16, 2026
Interim Report Q3 2026	October 22, 2026
Year-End Report 2026	February 4, 2027

The Company's financial reports are made available via the Cision news service and on MilDef's website, www.mildef.com.

This information is the information that MilDef Group AB (publ) is required to publish in accordance with the EU market abuse regulation and the Swedish Securities Market Act. The information is disclosed through the contact person below for publication on October 23, 2025 at 08:00 CEST.

For further information please contact:



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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.

WE ARMOR IT.™

Letters. Words. Codes. Coordinates. Orders.

Every moment vital information is transmitted around us and at risk.
Enter MilDef. We create rugged IT solutions for the harshest conditions
and most challenging environments, which prevent your information from
being interrupted, intercepted or disrupted.

Put simply: we armor your IT, when and where the stakes are the highest.