

MILDEF GROUP

Q2

INTERIM REPORT
JANUARY–JUNE 2025



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SUMMARY OF THE PERIOD

ORDER INTAKE REMAINS STRONG – SALES AND PROFITS LOWER THAN PLANNED

Second quarter 2025

- The order intake in the second quarter amounted to SEK 878 million (407), equivalent to an increase of 116%, of which organic growth accounted for 58% and acquired growth for 58%.
- Net sales increased by 27% to SEK 383 million (302), of which organic growth amounted to -36% and acquired growth to 63%.
- The gross margin amounted to 46.0% (51.1). The acquisition of roda negatively impacted the quarter's gross margin. Excluding the acquisition, the gross margin amounted to 57.9% for the quarter.
- Adjusted EBITA amounted to SEK 25.1 million (46.4), equivalent to an adjusted operating margin of 6.5% (15.4). The explanation for the decline in operating profit is entirely related to the lower organic net sales.
- Adjusted operating profit (EBIT) amounted to SEK 5.6 million (34.1), corresponding to an operating margin of 1.5% (11.3).
- Free cash flow amounted to SEK 32.7 million (20.3) during the quarter.

January–June 2025

- The order intake amounted to SEK 1,282 million (622), an increase of 106%. Organic growth accounted for 58% and acquired growth for 48%.
- As of June 30, 2025 the order backlog was up 121% to SEK 3,205 million compared with the same date in 2024 (1,447). Organic growth accounted for 71% of this and acquired growth for 50%.
- Net sales increased by 35% to SEK 723 million (534), of which organic growth accounted for -11% and acquired growth for 46%.
- The gross margin amounted to 47.0% (49.9). The acquisition of roda negatively impacted the period's gross margin. Excluding the acquisition, the gross margin amounted to 54.3% for the period.
- Adjusted EBITA amounted to SEK 41.0 million (47.6), equivalent to an adjusted operating margin of 5.7% (8.9).
- Adjusted operating profit (EBIT) amounted to SEK 12.7 million (27.2), corresponding to an operating margin of 1.8% (5.1).
- Free cash flow amounted to SEK -41.6 million (41.1) during the period.
- Earnings per share after dilution over the last 12-month period amounted to SEK -5.05 (1.07).

LAST 12 MONTHS, JULY 2024–JUNE 2025

NET SALES	ADJUSTED OPERATING PROFIT (EBITA)	ADJUSTED OPERATING MARGIN (EBITA)
SEK 1,390 m	SEK 143.1 m	10.3%

Summary of significant events in the second quarter, April–June 2025

- The MilDef subsidiary Westek signed a contract with a global defense group for a value of SEK 45 million. The contract is for rugged IT equipment for a mission-critical defense platform. This is the single largest order to date for Westek and deliveries will take place in 2026.
- As part of ongoing accelerated defense rearmament, the Swedish Defence Materiel Administration (FMV) has ordered hardware from MilDef for a value of SEK 126 million. The deliveries to FMV, replacing older IT equipment and aimed at digitalizing the Swedish Army, will begin in 2025.
- Kongsberg Defence & Aerospace ordered MilDef's rugged IT equipment for a value of SEK 225 million. MilDef will supply hardware to increase digitalization capacity and deliveries will begin in 2026.

Summary of significant events after the end of the period

- MilDef won a OneCIS software contract and hardware orders from the Swedish Defence Materiel Administration for a value of SEK 139 million. This will involve supplying the Swedish Army with command systems for increased NATO interoperability. Based on the outcome of the options, the total value could reach up to SEK 203 million.

FINANCIAL SUMMARY

	April 1–June 30		January 1–June 30		Last 12 months	Full year
All figures are in SEK million unless otherwise indicated	2025	2024	2025	2024	July 2024– June 2025	2024
Net sales	383	302	723	534	1,390	1,201
Sales growth, %	27	4	35	-7	25	4
Of which organic, %	-36	4	-11	-7	3	4
Of which acquisition-driven, %	63	-	46	-	22	-
Gross margin, %	46.0	51.1	47.0	49.9	47.6	49.0
Adjusted operating profit (EBITA)	25.1	46.4	41.0	47.6	143.1	149.7
Adjusted operating margin (EBITA), %	6.5	15.4	5.7	8.9	10.3	12.5
Order intake	878	407	1,282	622	2,470	1,810
Order backlog	3,205	1,447	3,205	1,447	3,205	2,055
Free cash flow	32.7	20.3	-41.6	41.1	48.8	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

POSTPONED DELIVERIES – ORDER INTAKE REMAINS STRONG

The second quarter was characterized by a sustained strong order intake which grew by 116% to SEK 878 million, 58% of which was organic. This is proof of MilDef's resilience in its ability to offer attractive products and solutions. Sales and profits for the quarter were, however, negatively impacted by some sizable planned deliveries that were moved to the third quarter. Sales therefore decreased organically by 36% while total sales grew by 27% driven by the acquisition of roda.

Second quarter deliveries postponed

MilDef's sales and operating profit in the second quarter were negatively affected by two larger deliveries being moved to the third quarter. Changed delivery dates are not unusual in our industry, and the reasons for this can vary. Changes are made in close dialogue with our customers. The two aforementioned delivery postponements were primarily due to integration technical issues and late changes regarding final assembly. I have previously emphasized the fact that MilDef operates in an industry which typically has high volatility over individual quarters and this volatility is expected to persist. It is best to look at a longer time horizon when evaluating MilDef's financial performance rather than on a quarterly basis.

Strategic contracts advance MilDef in the value chain

At the beginning of July MilDef announced that it had won two significant contracts, both strategic in nature. The contracts clearly demonstrate that MilDef is advancing in the value chain as the orders include undertakings that go beyond MilDef's traditional business of supplying rugged hardware. The first contract is with the Norwegian company Kongsberg Defence & Aerospace and represents MilDef's largest order to date in the Norwegian market. The order value is SEK 225 million. In addition to hardware, the order from Kongsberg also includes a contract for system design and implementation. The second contract is with the Swedish Defence Materiel Administration

“The contracts clearly demonstrate that MilDef is advancing in the value chain”





for a value of SEK 139 million with an option for an additional SEK 64 million. This contract is for command and control systems to increase the Swedish Army's NATO interoperability and connectivity with a solution that consists of MilDef's software (OneCIS), hardware and integration services. Both contracts are evidence of MilDef's ever growing capacity to deliver comprehensive and in-demand IT solutions for military purposes.

NATO's new capability targets set the tone going forward

In June NATO's 32 member countries agreed on new capability targets and on historic rearmament. By 2035 the NATO countries are to invest 5% of their GDP in security and defense. This decision is a direct response to the war in Ukraine and an increasingly tense global security situation. Now that the agreement is in place the arduous task of turning the promises into practice begins. For most European countries the updated capability targets will require significantly increasing defense appropriations. This historic rearmament will impact the entire European defense industry – including MilDef – and will set the tone for demand for a decade to come. With MilDef's many years of experience and proven capacity, we are addressing important defense priorities in digitalization of the different military branches. MilDef can also contribute significantly to the buildup of Europe's defense capabilities.

The roda acquisition and its potential

Intense integration of the German company roda is under way and initially our main focus will be on realizing commercial synergies. The acquisition is part of MilDef's strategy to

expand and increase the Company's presence in the European market. The relevance of this investment is clear. Earlier this year Germany announced a defense reform whereby EUR 500 billion will be allocated for comprehensive rearmament over the next 12 years, making our acquisition seemingly even more timely. Germany's ambition to increase its defense capabilities will bring growth opportunities in the future – opportunities that we can now address through the roda acquisition.

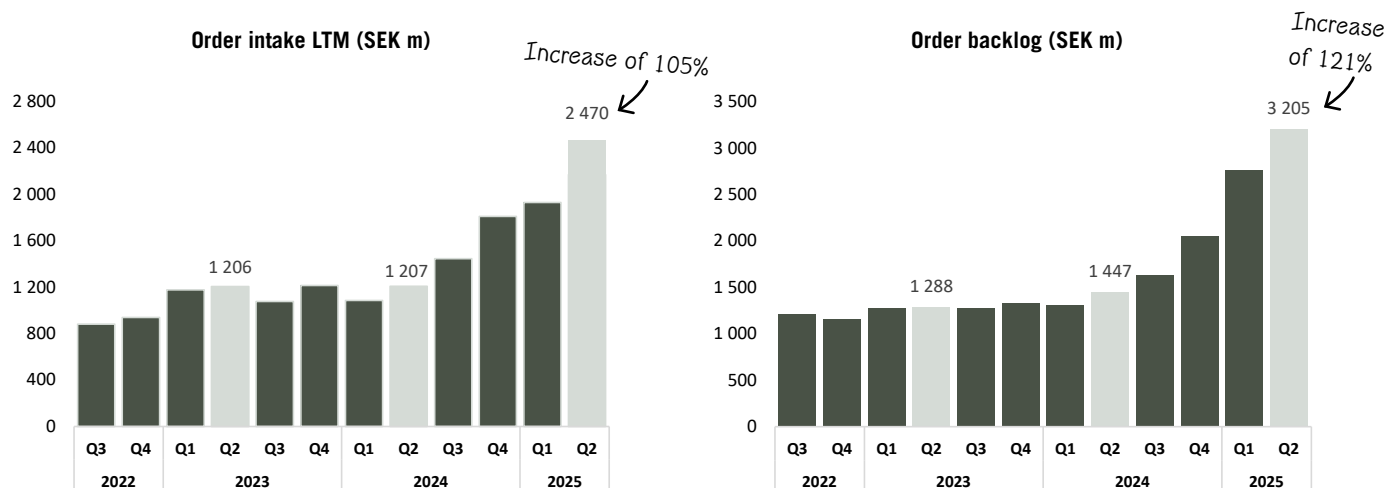
Positive expectations in 2025

There is still strong demand in the market and the growing interest in our offering is clearly evident. Due to the uncertain geopolitical situation security and defense remains a high priority, both nationally and internationally, in the short and the long term. An example is, again, NATO's raised ambition level requiring the member countries to invest a total of 5% of GDP in their defense capabilities. All in all, this strengthens the prospects for continued high demand during the second half of 2025, and against this backdrop, MilDef continues to execute plans and make investments in growth and expanded delivery capacity.

Daniel Ljunggren, President and CEO of MilDef Group

MILDEF'S FINANCIAL DEVELOPMENT

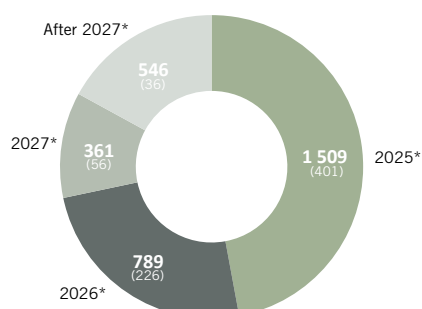
ORDER STATUS



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

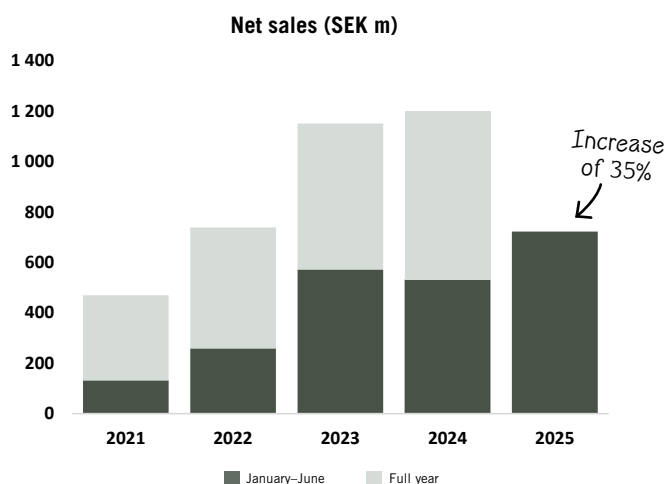
The pie chart above shows future planned deliveries by year in SEK m and is based on MilDef's order backlog at the end of the period. The actual outcome may differ significantly from the above planned deliveries, above all due to postponements.

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

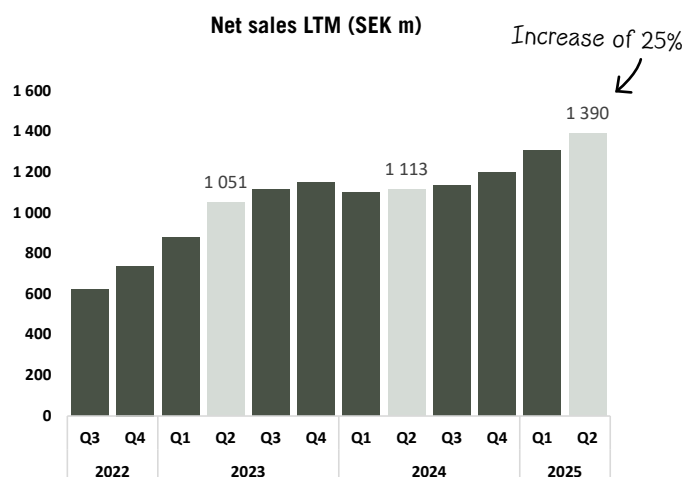
Order backlog as of January 1, 2025	2,055
Order intake January–June 2025	1,282
Sales January–June 2025	-723
Sales January–June 2025 not impacting order backlog	34
Order backlog acquired in the period	693
Currency effect in order backlog during the period	-136
Order backlog as of June 30, 2025	3,205

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

NET SALES

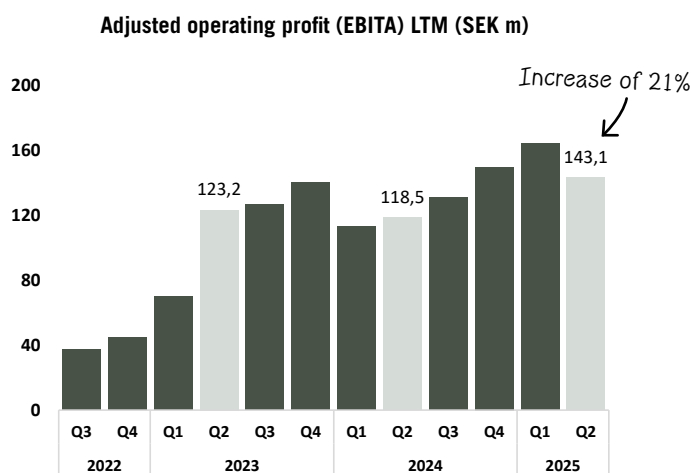


The columns above show MilDef's net sales for full years 2021–2024 and for January–June 2021–2025.

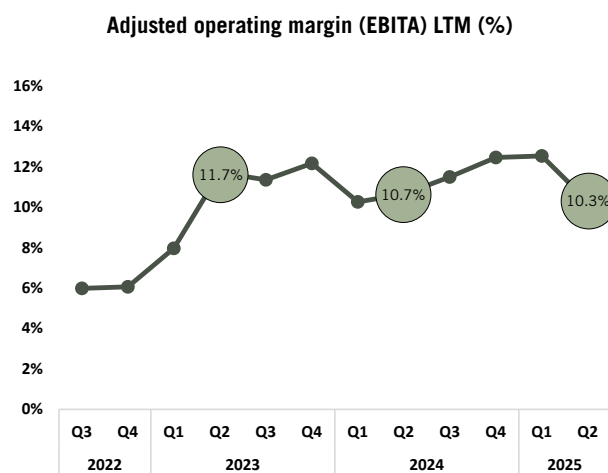


The columns above show MilDef's net sales over the last 12 months (LTM) in SEK million.

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



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



The chart above 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.

Second quarter: April–June 2025

Order status

There was strong growth in order intake in the second quarter of 2025 compared with the same quarter in 2024. During the period the order intake increased by 116% to SEK 878 million, compared with SEK 407 million in the second quarter of 2024. The order intake remains strong in the Nordic market. The underlying trend in the market remains positive.

The quarter's order intake was strengthened by roda, with contracts worth SEK 232 million.

Net sales

Net sales increased in the second quarter of 2025 by 27% compared with the same quarter the previous year and amounted to SEK 383 million (302). Growth related to the acquisition of roda amounted to SEK 191 million. Excluding roda, development in the second quarter decreased due to delivery postponements.

Gross profit

Gross profit amounted to SEK 177 million (154), equivalent to a gross margin of 46.0% (51.1). 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 second 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 second quarter of 2025 amounted to SEK 171 million (120), of which SEK 53 million relates to acquired operating expenses. During the quarter, items affecting comparability were reported that reduced the company's operating expenses by a net amount of SEK 0.3 million, partly in the form of acquisition costs related to the acquisition of roda, and partly 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 remained unchanged in the second quarter compared with the same period last year. During the second quarter, integration costs related to the acquisition of roda had a negative impact on operating expenses of SEK

4.1 million. The integration costs of SEK 4.1 million are not reported as items affecting comparability.

Sequentially, the company's operating expenses increased by 10% in the second quarter of 2025 compared with the first quarter of 2025. Adjusted for acquisition-related operating expenses, the company's operating expenses decreased sequentially by SEK 16 million, corresponding to a decrease of 12%.

As a percentage of sales, operating expenses were 45% (40) in the second quarter of 2025.

Non-recurring items

During the quarter, acquisition costs relating to the acquisition of roda were reported at SEK 2,5 million. In addition, the cost of goods sold covered by the restructuring reserve in the fourth quarter of 2024 were reversed in the amount of SEK 2.8 million.

Operating profit (EBIT)

Operating profit (EBIT) in the second quarter of 2025 amounted to SEK 5.9 million (34.1). This is equivalent to an operating margin of 1.5% (11.3). Non-recurring items impacted operating profit for the period by SEK 0.3 million. Adjusted operating profit (EBIT) amounted to SEK 5.6 million (34.1), which corresponds to an operating margin of 1.5% (11.3).

Adjusted operating profit (EBITA)

Adjusted operating profit before amortization and impairment of intangible non-current assets amounted to SEK 25.1 million (46.4), equivalent to a margin of 6.5% (15.4). The explanation for the decline in operating profit is entirely related to the lower organic net sales. Amortization and impairment of intangible non-current assets amounted to SEK 19.5 million (12.3). The acquisition of roda contributed SEK 13.9 million to the quarter's operating profit.

Financial items

Net financial items for the period amounted to SEK 10.9 million (-5.0). The shift is mainly due to positive exchange rate changes, as well as increased interest expense on loans taken out to finance the acquisition of roda.

Tax

The second quarter's tax effect impacted net profit in the amount of SEK -7.6 million (-5.7).

Net profit for the quarter

Profit after tax amounted to SEK 9.2 million (23.3). Earnings per share before dilution amounted to SEK 0.20 (0.58) and earnings per share after dilution to SEK 0.20 (0.58).

Cash flow

Cash flow for the quarter was recognized at SEK -9.7 million (-6.1). The negative development is related to financing ac-

FINANCIAL OVERVIEW

tivities. Free cash flow for the quarter amounted to SEK 32.7 million (20.3).

Cash flow from operating activities amounted to SEK 36.0 million (26.5). Cash flow from changes in working capital amounted to SEK -12.7 million (-14.1).

Cash flow from investing activities amounted to SEK -3.3 million (-10.0). The lower pace of investment is due to the fact that the focus in the second quarter of 2025 has been on delivering customer-specific development projects that have not been capitalized in the consolidated accounts.

Cash flow from financing activities amounted to SEK -42.5 million (-22.6). Repayment instalments on the credit facility for the roda acquisition amounted to SEK 11.1 million during the second 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 -7.4 million (-5.5) in the quarter.

First half of the year: January–June 2025

Order status

The order intake in the first half of the year increased significantly compared with the previous year amounting to SEK 1,282 million compared with SEK 622 million for the first half of 2024. With an order intake of SEK 301 million, roda made a positive contribution in the first half of the year. The underlying trend remains very positive. The order backlog on June 30 was at a historically high level, amounting to SEK 3,205 million (1,447).

Net sales

Net sales increased in the first half of 2025 by 35% compared with the same period the previous year and amounted to SEK 723 million (534). Growth related to the acquisition of roda amounted to SEK 256 million. Organic growth was 1% and acquisition-driven growth made up 34 percentage points of total sales growth. Development during the period was weaker than anticipated due to deliveries being postponed to the third quarter.

Gross profit

Gross profit amounted to SEK 340 million (266), equivalent to a gross margin of 47.0% (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, while the lower gross margin on roda's products is negatively impacting the Group's gross margin.

Operating expenses

Operating expenses amounted to SEK 325 million (239), of which SEK 74 million relates to acquired operating expenses. During the quarter, items affecting comparability were reported that reduced the company's operating expenses by a net amount of SEK 1.9 million, partly in the form of acquisition costs related to the acquisition of roda, and partly 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 and items affecting comparability, operating expenses increased by 8% in the period compared with the same period last year. During the first half of 2025, integration costs related to the acquisition of roda had a negative impact on operating expenses of SEK 4.1 million. The integration costs of SEK 4.1 million are not reported as items affecting comparability.

Sequentially, the company's operating expenses decreased by 42% in the first half of 2025 compared with the second half of 2024. Adjusted for acquisition-related operating expenses and items affecting comparability, the company's operating expenses increased sequentially by SEK 19 million, corresponding to an increase of 8%.

As a percentage of sales, operating expenses were 45% (45) in the first half of 2025.

Non-recurring items

During the first half, 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 5.4 million.

Operating profit (EBIT)

Operating profit (EBIT) in the first half of 2025 amounted to SEK 14.6 million (27.2). This is equivalent to an operating margin of 2.0% (5.1). MilDef's sales and profits are affected by volume variations between periods. The weaker EBIT development during the period is related to the lower organic sales volume combined with the Company's increased costs relating to the roda acquisition.

Adjusted operating profit (EBITA)

Adjusted operating profit before amortization and impairment of intangible non-current assets amounted to SEK 41.0 million (47.6), equivalent to a margin of 5.7% (8.9). Amortization and impairment of intangible non-current assets amounted to SEK 28.3 million (20.4), 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 OVERVIEW

Financial items

Net financial expense for the period amounted to SEK -2.0 million (-11.5). 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 of the first half of the year impacted net profit in the amount of SEK -3.5 million (-3.8). This makes the effective tax rate 28.1% (24.4). The change is a consequence of the Company in 2024 being able to utilize loss carryforwards from previous years in certain markets and is also due to roda's higher tax rate.

Net profit for the period

Profit after tax amounted to SEK 9.1 million (11.9). Earnings per share before dilution amounted to SEK 0.20 (0.30) and earnings per share after dilution to SEK 0.19 (0.30).

Cash flow

Cash flow reported for the period amounted to SEK -327.9 million (23.2). Free cash flow in the first half of the year amounted to SEK -41.6 million (41.1).

Cash flow from operating activities amounted to SEK -33.8 million (49.8). Cash flow from changes in working capital amounted to SEK -84.3 million (16.3). The change is primarily due to the increase of inventories.

Cash flow from investing activities amounted to SEK -671.0 million (-12.5). The decrease is related to the acquisition of roda in the period.

Cash flow from financing activities amounted to SEK 377.0 million (-14.0). Repayment instalments on the credit facility for the acquisition of roda amounted to SEK 22.0 million and on a past credit facility obtained in connection with the acquisition of Handheld Group in September 2022 amounted to SEK 6.6 million in the first half of 2025. Amortization of leases was charged to financing activities in the amount of SEK -12.9 million (-11.3).

Equity

The Group's equity amounted to SEK 1,387.8 million (840.0) at the end of the period. The equity/assets ratio as of June 30, 2025 was 52% (56).

The "Incentive program 2021/2025" described in the 2024 Annual and Sustainability Report has been open for subscribing for shares since September 1, 2024. This has been utilized by most participants on a number of occasions and the Company has therefore issued new shares for the program. In the first half of 2025 this resulted in issue proceeds of SEK 6.6 million. The total number of shares following the issue was 47,114,895 and the share capital is SEK 11,778,723.75.

Net working capital

Net working capital amounted to SEK 528 million (390) at the end of the period. Development compared with the comparison period was driven by increased inventories. Net working capital in relation to net sales increased compared with the same time the previous year to 38.0% (35.1); as of December 31, 2024 it was 27.6%.

SEK m	June 30, 2025	June 30, 2024	Dec. 31 2024
Inventories	530.7	305.0	234.4
Accounts receivable	255.2	193.6	330.1
Other current receivables	131.2	126.6	87.4
Accounts payable	-125.7	-71.3	-85.6
Other current liabilities	-263.2	-163.5	-235.3
Net working capital	528.2	390.3	330.9
<i>as a percentage of net sales LTM (%)</i>	<i>38.0%</i>	<i>35.1%</i>	<i>27.6%</i>

Net debt and cash and cash equivalents

The net debt including lease liabilities amounted to SEK 518.5 million (268.4) at the end of the period. Cash and cash equivalents as of June 30 amounted to SEK 199.9 million (106.9). At the end of the period there was an unutilized revolving overdraft facility of SEK 120.0 million (36.1). 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 2.1 (1.2). Calculated including the effects of IFRS 16, the net debt/equity ratio was 2.9 (1.8).

SEK m	June 30, 2025	June 30, 2024	Dec. 31 2024
Other interest-bearing liabilities	564.6	281.3	133.9
Lease liabilities	153.8	93.9	86.5
Cash and cash equivalents	-199.9	-106.9	-530.4
Net debt incl. IFRS 16	518.5	268.4	-310.0
<i>relative to adjusted operating profit (EBITDA) LTM, times</i>	<i>2.9</i>	<i>1.8</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 64 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 June 30, 2025 was 47,114,895 (39,859,566) and the share capital was SEK 11,778,723.75 (9,964,891.50). 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 198.30 and the market capitalization was SEK 9,343 million. The total number of shareholders at the end of the period was 46,105.

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 and 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 does not monitor results on a disaggregated level lower than at consolidation level. The CEO thus also decides on allocation of resources and takes strategic decisions based on consolidation as a whole. Based on IFRS 8, the analysis has concluded that the MilDef Group consists of only one reporting segment.

Volatility between periods

MilDef's sales and profits are affected by quarter-on-quarter volatility. 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 second quarter of 2025

The MilDef subsidiary Westek signed a contract with a global defense group for a value of SEK 45 million. The contract is for rugged IT equipment for a mission-critical defense platform. This is the single largest order to date for Westek and deliveries will take place in 2026.

As part of ongoing accelerated defense rearmament, the Swedish Defence Materiel Administration (FMV) has ordered hardware from MilDef for a value of SEK 126 million. The deliveries to FMV, replacing older IT equipment and aimed at digitalizing the Swedish Army, will begin in 2025.

OTHER INFORMATION

Kongsberg Defence & Aerospace ordered MilDef's rugged IT equipment for a value of SEK 225 million. MilDef will supply hardware to increase digitalization capacity and deliveries will begin in 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 rugged IT for defense and security, and will provide MilDef with access to important market channels.

MilDef's Board of Directors, as authorized by an extraordinary shareholders' meeting on December 9, 2024, resolved on an issue in kind as a portion of the purchase consideration for the acquisition of roda, as communicated when the acquisition was made public on November 13, 2024. In addition to the cash consideration of EUR 70 million, as part of the purchase consideration MilDef is issuing a total of 1,374,047 new shares in MilDef Group AB for the sellers of roda. This is 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 contingent consideration is estimated at EUR 3.9 million, which reflects the time value of money.

The fair value of the acquired assets and liabilities presented is 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 issued shares amounted to 1,374,047.

	EUR m	SEK m
Total purchase consideration	99.9	1,095.5
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	52.5	575.1
Total acquired net assets	99.9	1,095.5
The purchase consideration consists of		
Cash payment	70.0	767.3
Adjustment of net cash and working capital*	2.7	29.8
Shares issued, at fair value	28.7	314.7
Contingent consideration	3.9	43.2
Total purchase consideration	99.9	1,095.5
Cash flow attributable to the acquisition		
Cash payment of purchase consideration	-70.0	-767.3
Cash in the acquired company	9.5	104.2
Total	-60.5	-663.2
Acquisition-related expenses	-1.1	-11.8
Net cash flow	-61.6	-675.0

* 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

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 1.0 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 are measured at an amount equivalent to the lease liabilities and adjusted to reflect the favorable terms in the lease in relation to the market terms.

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

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 OneCIS software contract and hardware orders from the Swedish Defence Materiel Administration for a value of SEK 139 million. This will involve supplying the Swedish Army with command systems for increased NATO interoperability and connectivity. Based on the outcome of the options, the total value could reach up to SEK 203 million.

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 470 (320) at the end of the period. 345 (237) of the employees were men and 125 (83) were women. The average number of FTEs during the period was 468, compared with 312 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.

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.

OTHER INFORMATION

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.

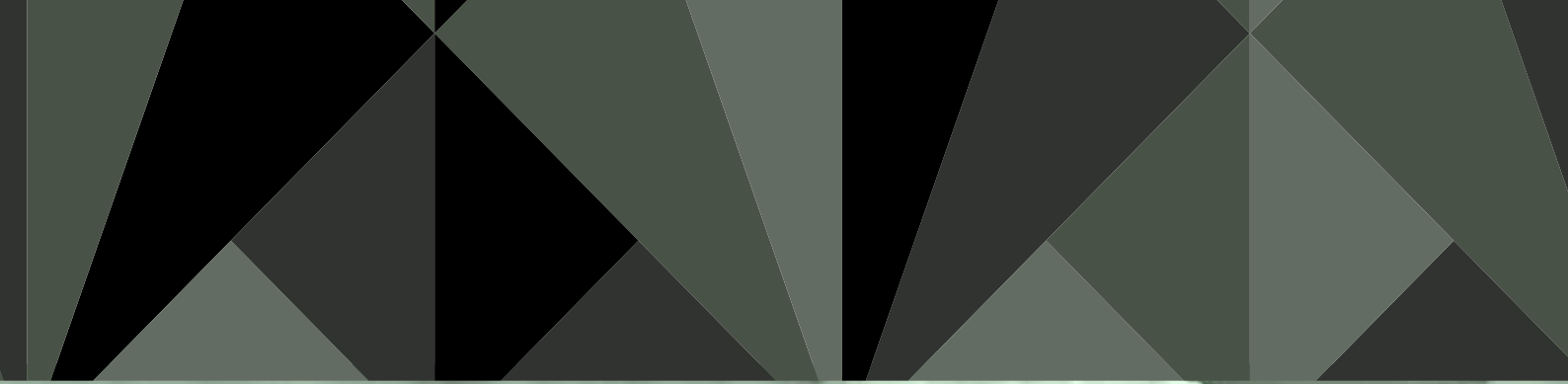
The AGM also decided to authorize the Board, on one or several occasions up to the 2026 AGM, to decide on issuing new shares for cash, in-kind or offset payment, allowing deviation from the shareholders' preferential rights. This authorization is limited to a maximum of 10% of the total number of shares 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 report has not been reviewed by the Company's auditors.



Condensed consolidated statement of comprehensive income

SEK m	Note	April 1–June 30		January 1–June 30		Last 12 months	Full year
		2025	2024	2025	2024	July 2024–June 2025	2024
Net sales	1	383.3	301.5	722.8	533.5	1,390.2	1,200.9
Cost of goods sold		-206.9	-147.5	-383.1	-267.1	-727.8	-611.8
Gross profit		176.5	154.0	339.7	266.3	662.3	589.0
Selling expenses		-116.7	-70.3	-208.3	-141.2	-346.1	-279.0
Administrative expenses		-36.3	-25.1	-66.9	-49.8	-122.8	-105.7
Research and development expenses		-25.7	-23.5	-46.6	-45.1	-85.5	-84.0
Acquisition costs		-2.5	-	-3.5	-	-14.3	-10.8
Restructuring costs		2.8	-	5.4	-	-304.6	-310.0
Other operating income/expenses		7.9	-1.0	-5.2	-3.0	-10.6	-8.4
Operating profit		5.9	34.1	14.6	27.2	-221.6	-209.0
Net financial items		10.9	-5.0	-2.0	-11.5	-4.1	-13.6
Profit after financial items		16.8	29.0	12.6	15.7	-225.7	-222.6
Income tax		-7.6	-5.7	-3.5	-3.8	2.5	2.2
Profit for the period		9.2	23.3	9.1	11.9	-223.2	-220.3
Other comprehensive income for the Group							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Translation differences		-8.7	1.3	-20.7	3.4	-21.7	2.4
Other comprehensive income for the period		-8.7	1.3	-20.7	3.4	-21.7	2.4
Comprehensive income for the period		0.5	24.6	-11.7	15.3	-244.9	-217.9

Earnings per share

	April 1–June 30		January 1–June 30		Last 12 months	Full year
	2025	2024	2025	2024	July 2024–June 2025	2024
Number of shares at the end of the period	47,114,895	39,859,566	47,114,895	39,859,566	47,114,895	45,573,068
Weighted average number of shares in the period before dilution	47,043,241	39,859,566	46,510,119	39,859,566	43,898,875	40,598,903
Weighted average number of shares in the period after dilution	47,109,950	40,301,066	46,624,072	40,301,066	44,151,295	41,013,824
Earnings per share before dilution (SEK)	0.20	0.58	0.20	0.30	-5.08	-5.43
Earnings per share after dilution (SEK)	0.20	0.58	0.19	0.30	-5.05	-5.37

Condensed consolidated balance sheet

SEK m	Note	June 30, 2025	Dec. 31, 2024	June 30, 2024
ASSETS				
Non-current assets				
Capitalized product development expenses		10.7	12.7	57.9
Acquisition-related intangible assets		1,304.3	378.8	573.9
Other intangible non-current assets		1.1	0.2	0.2
Right-of-use assets		136.3	70.1	90.4
Other property, plant and equipment		39.3	20.3	20.0
Deferred tax assets		34.1	19.2	17.5
Other financial non-current assets		1.6	0.3	0.3
Total non-current assets		1,527.6	501.5	760.3
Inventories		530.7	234.4	305.0
Accounts receivable		255.2	330.1	193.6
Other current receivables		131.2	87.4	126.6
Cash and cash equivalents		199.9	530.4	106.9
Total current assets		1,117.0	1,182.2	732.0
TOTAL ASSETS		2,644.6	1,683.7	1,492.3
EQUITY AND LIABILITIES				
Equity		1,387.8	1,101.7	840.0
Non-current liabilities				
Lease liabilities		120.8	60.7	67.4
Non-current interest-bearing liabilities		491.8	102.5	117.5
Deferred tax liabilities		132.8	24.8	42.2
Total non-current liabilities		745.4	188.0	227.2
Current liabilities				
Current interest-bearing liabilities		72.8	31.4	163.8
Lease liabilities		33.0	25.8	26.5
Accounts payable		125.7	85.6	71.3
Other provisions		16.7	15.8	-
Other current liabilities		263.2	235.3	163.5
Total current liabilities		511.5	393.9	425.1
TOTAL EQUITY AND LIABILITIES		2,644.6	1,683.7	1,492.3

Condensed consolidated statement of changes in equity

SEK m	June 30, 2025	Dec. 31, 2024	June 30, 2024
Equity, opening balance	1,101.7	844.6	844.6
Comprehensive income for the period	-11.7	-217.9	15.3
New share issues	321.3	495.0	-
Dividend	-23.5	-19.9	-19.9
Equity, closing balance	1,387.8	1,101.7	840.0

Condensed consolidated cash flow statement

	April 1–June 30		January 1–June 30		Last 12 months	Full year
SEK m	2025	2024	2025	2024	July 2024–June 2025	2024
Cash flow from operating activities						
Operating profit	5.9	34.1	14.6	27.2	-221.6	-209.0
Reversal of depreciation, amortization and impairment	30.2	19.6	47.3	35.1	315.6	303.4
Other non-cash items	-8.9	4.7	-11.8	2.0	63.3	77.1
Net financial items	10.9	-5.1	-2.0	-11.4	-4.1	-13.5
Income taxes paid	10.7	-12.6	2.3	-19.4	-0.3	-22.1
Change in working capital	-12.7	-14.1	-84.3	16.3	-92.1	8.4
Cash flow from operating activities	36.0	26.5	-33.8	49.8	60.8	144.4
Cash flow from investing activities						
Investments in intangible non-current assets	-	-5.4	-	-6.2	-3.6	-9.8
Investments in property, plant and equipment	-3.3	-4.6	-7.8	-6.3	-12.2	-10.7
Acquisition of subsidiaries, net of acquired cash and cash equivalents	-	-	-663.2	-	-676.0	-12.8
Cash flow from investing activities	-3.3	-10.0	-671.0	-12.5	-691.8	-33.3
Cash flow from financing activities						
Dividend	-23.5	-19.9	-23.5	-19.9	-23.5	-19.9
New share issues, net	2.9	-	6.6	-	501.7	495.0
Increase in liabilities to credit institutions	-	10.4	435.3	32.2	315.3	-87.8
Repayment of interest-bearing liabilities	-14.4	-7.5	-28.6	-15.0	-43.6	-30.0
Repayment of lease liabilities	-7.4	-5.5	-12.9	-11.3	-23.8	-22.2
Cash flow from financing activities	-42.5	-22.6	377.0	-14.0	726.1	335.1
Total cash flow for the period	-9.7	-6.1	-327.9	23.2	95.1	446.2
Change in cash and cash equivalents						
Cash and cash equivalents at beginning of period	207.9	113.2	530.4	81.5	530.4	81.5
Exchange rate difference in cash and cash equivalents	1.7	-0.1	-2.6	2.1	-2.0	2.7
Cash and cash equivalents at end of period	199.9	106.9	199.9	106.9	623.5	530.4

Quarterly overview for the Group

	2025		2024				2023		
SEK m	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net sales	383.3	339.5	417.5	249.9	301.5	231.9	352.8	226.5	288.8
Cost of goods sold	-206.9	-176.3	-219.8	-125.0	-147.5	-119.6	-182.8	-113.2	-144.0
Gross profit	176.5	163.2	197.8	124.9	154.0	112.3	170.0	113.3	144.8
Operating expenses	-170.6	-154.5	-455.8	-103.1	-120.0	-119.2	-128.5	-101.9	-111.2
Operating profit	5.9	8.7	-258.0	21.8	34.1	-6.8	41.4	11.4	33.6
Net financial items	10.9	-12.9	-1.7	-0.5	-5.0	-6.5	-4.6	-6.0	-5.4
Profit before tax	16.8	-4.2	-259.7	21.4	29.0	-13.3	36.9	5.4	28.2
Income tax on profit for the period	-7.6	4.1	10.2	-4.1	-5.7	1.9	-11.3	0.4	-6.9
Profit for the period	9.2	-0.1	-249.5	17.2	23.3	-11.4	25.7	5.8	21.3

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

	April 1–June 30		January 1–June 30		Last 12 months	Full year
SEK m	2025	2024	2025	2024	July 2024– June 2025	2024
Net sales	33.2	30.0	65.3	60.0	116.5	111.2
Selling expenses	-11.9	-10.4	-22.8	-20.1	-44.1	-41.5
Administrative expenses	-17.9	-12.1	-30.8	-23.5	-53.3	-46.1
Research and development expenses	-8.2	-7.5	-16.5	-14.9	-30.6	-29.1
Restructuring costs	-	-	-	-	-4.9	-4.9
Other operating income/expenses	-10.2	-1.4	-20.2	0.3	-20.3	0.2
Operating profit	-15.1	-1.4	-24.9	1.8	-36.7	-10.2
Net financial items	13.2	0.2	0.8	1.5	-239.2	-238.5
Profit after financial items	-1.9	-1.2	-24.1	3.3	-275.5	-248.7
Year-end appropriations	-	-	-	-	27.1	27.1
Profit before tax	-1.9	-1.2	-24.1	3.3	-248.8	-221.6
Income tax	0.7	0.2	5.4	-0.7	5.2	-0.9
Profit for the period	-1.9	-1.0	-18.7	2.6	-243.6	-222.5
Other comprehensive income						
Profit for the period	-1.9	-1.0	-18.7	2.6	-243.6	-222.5
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-
Comprehensive income for the period	-1.9	-1.0	-18.7	2.6	-243.6	-222.5

Condensed Parent Company balance sheet

SEK m	June 30, 2025	Dec. 31, 2024	June 30, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	5.9	6.6	7.4
Financial non-current assets	548.0	542.6	781.3
Total non-current assets	553.8	549.1	788.7
Current receivables from Group companies	1,423.8	255.6	314.6
Other current receivables	27.4	28.7	18.4
Cash and cash equivalents	52.5	474.4	38.8
Total current assets	1,503.7	758.7	371.8
TOTAL ASSETS	2,057.6	1,307.8	1,160.5
EQUITY, PROVISIONS AND LIABILITIES			
Equity	1,282.4	1,003.2	733.3
Untaxed reserves	3.6	3.6	3.6
Provisions			
Charitable contributions	1.4	1.4	-
Restructuring reserve	2.7	4.9	-
Total provisions	4.1	6.3	-
Non-current liabilities			
Non-current interest-bearing liabilities	491.6	102.5	237.5
Deferred tax liabilities	-	-	0.7
Total non-current liabilities	491.6	102.5	238.2
Current liabilities			
Current interest-bearing liabilities	57.8	30.0	42.5
Current liabilities to Group companies	190.1	139.4	119.4
Accounts payable	9.4	8.1	3.0
Other current liabilities	18.6	14.8	20.5
Total current liabilities	275.9	192.3	185.4
TOTAL EQUITY, PROVISIONS AND LIABILITIES	2,057.6	1,307.8	1,160.5

Condensed Parent Company statement of changes in equity

SEK m	June 30, 2025	Dec. 31, 2024	June 30, 2024
Equity, opening balance	1,003.2	750.6	750.6
Comprehensive income for the period	-18.7	-222.5	2.6
Merger result	-	0.3	-
New share issues	321.3	494.7	-
Dividend	-23.5	-19.9	-19.9
Equity, closing balance	1,282.4	1,003.2	733.3

Notes

Note 1. Net sales by geographic area

	April 1–June 30		January 1–June 30		Last 12 months	Full year
SEK m	2025	2024	2025	2024	July 2024–June 2025	2024
Nordics	138	163	322	285	732	695
Europe (excl. Nordics)	186	103	283	156	437	310
North America	22	33	62	80	135	153
Other countries	37	3	56	13	86	43
Total revenue	383	302	723	534	1,390	1,201

Note 2. Non-recurring items

	April 1–June 30		January 1–June 30		Last 12 months	Full year
SEK m	2025	2024	2025	2024	July 2024–June 2025	2024
Acquisition-related expenses	2.5	-	3.5	-	14.3	10.8
Restructuring costs	-2.8	-	-5.4	-	304.6	310.0
Total	-0.3	-	-1.9	-	318.9	320.8

Restructuring costs

In the fourth quarter of 2024 MilDef decided to focus fully on its business in the defense and security domains. 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.

	April 1–June 30		January 1–June 30		Last 12 months	Full year
SEK m	2025	2024	2025	2024	July 2024–June 2025	2024
Operating profit (EBIT)	5.9	34.1	14.6	27.2	-221.6	-209.0
Restructuring costs	-2.8	-	-5.4	-	304.6	310.0
Acquisition-related expenses	2.5	-	3.5	-	14.3	10.8
Adjusted operating profit (EBIT)	5.6	34.1	12.7	27.2	97.3	111.8
Adjusted operating profit (EBIT)	5.6	34.1	12.7	27.2	97.3	111.8
Net sales	383	302	723	534	1,390	1,201
Adjusted operating margin (EBIT), %	1.5%	11.3%	1.8%	5.1%	7.0%	9.3%
Operating profit (EBITA), SEK m						
Operating profit (EBIT)	5.9	34.1	14.6	27.2	-221.6	-209.0
Amortization of intangible non-current assets	19.5	12.3	28.3	20.4	45.8	37.9
Operating profit (EBITA)	25.4	46.4	42.9	47.6	-175.8	-171.1
Adjusted operating profit (EBITA), SEK m						
Operating profit (EBITA)	25.4	46.4	42.9	47.6	-175.8	-171.1
Restructuring costs	-2.8	-	-5.4	-	304.6	310.0
Acquisition-related expenses	2.5	-	3.5	-	14.3	10.8
Adjusted operating profit (EBITA)	25.1	46.4	41.0	47.6	143.1	149.7
Adjusted operating profit (EBITA)	25.1	46.4	41.0	47.6	143.1	149.7
Net sales	383	302	723	534	1,390	1,201
Adjusted operating margin (EBITA), %	6.5%	15.4%	5.7%	8.9%	10.3%	12.5%
Operating profit (EBITDA), SEK m						
Operating profit (EBIT)	5.9	34.1	14.6	27.2	-221.6	-209.0
Depreciation/amortization	30.1	19.6	47.3	35.1	79.2	67.1
Operating profit (EBITDA)	36.0	53.6	61.8	62.3	-142.3	-141.9
Adjusted operating profit (EBITDA), SEK m						
Operating profit (EBITDA)	36.0	53.6	61.8	62.3	-142.3	-141.9
Restructuring costs	-2.8	-	-5.4	-	304.6	310.0
Acquisition-related expenses	2.5	-	3.5	-	14.3	10.8
Adjusted operating profit (EBITDA)	35.7	53.6	59.9	62.3	176.5	178.9
Adjusted operating profit (EBITDA)	35.7	53.6	59.9	62.3	176.5	178.9
Net sales	383	302	723	534	1,390	1,201
Adjusted operating margin (EBITDA), %	9.3%	17.8%	8.3%	11.7%	12.7%	14.9%

Available cash and cash equivalents

SEK m	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024
Cash and bank balances	199.9	207.9	530.4	41.5	106.9
Unutilized overdraft facility	120.0	120.0	120.0	84.7	36.1
Available cash and cash equivalents	319.9	327.9	650.4	126.2	143.0

Working capital including cash and bank balances

SEK m	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024
Total current assets excluding cash and bank balances	917.1	1,027.5	651.9	609.3	625.1
Cash and bank balances	199.9	207.9	530.4	41.5	106.9
Current liabilities, non-interest-bearing	-389.0	-488.1	-321.0	-232.6	-234.9
Working capital including cash and bank balances	728.1	747.4	861.3	418.2	497.1
Net sales last 12 months	1,390	1,308	1,201	1,136	1,113
Working capital including cash and bank balances in relation to net sales, %	52.4%	57.1%	71.7%	36.8%	44.7%

Working capital excluding cash and bank balances

SEK m	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024
Inventories	530.7	480.7	234.4	326.4	305.0
Current receivables	386.4	546.9	417.5	282.8	320.2
Current liabilities, non-interest-bearing	-389.0	-488.1	-321.0	-232.6	-234.9
Working capital excluding cash and bank balances	528.2	539.5	330.9	376.6	390.3
Net sales last 12 months	1,390	1,308	1,201	1,136	1,113
Working capital excluding cash and bank balances in relation to net sales, %	38.0%	41.2%	27.5%	33.2%	35.1%

Return on capital employed

SEK m	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024
Profit after financial items, last 12 months	-225.7	-213.5	-222.6	74.0	57.9
Financial expense, last 12 months	-25.0	-27.6	-23.2	-25.0	-22.3
Profit before financial expense, last 12 months	-200.6	-186.0	-199.4	99.0	80.1
Capital employed at beginning of period	1,215	1,216	1,212	1,208	1,129
Capital employed at end of period	2,106	2,115	1,322	1,117	1,215
Average capital employed	1,661	1,666	1,267	1,163	1,172
Return on capital employed, %	-12.1%	-11.2%	-15.7%	8.5%	6.8%

Return on equity

SEK m	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024
Profit after tax, last 12 months	-223.2	-209.0	-220.3	54.8	43.2
Equity at beginning of period	840	835	845	829	821
Equity at end of period	1,388	1,408	1,102	852	840
Average equity	1,114	1,122	973	840	830
Return on equity, %	-20.0%	-18.6%	-22.6%	6.5%	5.2%

Net debt/EBITDA

SEK m	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024
Non-current liabilities, interest-bearing	612.6	612.3	163.2	172.8	184.9
Current liabilities, interest-bearing	105.8	94.4	57.2	92.3	190.4
Cash and bank balances	-199.9	-207.9	-530.4	-41.5	-106.9
Net debt incl. IFRS 16	518.5	498.8	-310.0	223.5	268.4
Operating profit, last 12 months	-221.6	-193.4	-209.0	90.5	80.0
Depreciation, amortization and impairment, last 12 months	79.2	67.8	67.1	70.1	68.6
Non-recurring items, last 12 months	318.9	319.2	320.8	-	-
Adjusted EBITDA, last 12 months	176.5	193.5	178.9	160.6	148.6
Net debt/EBITDA, multiple	2.9	2.6	-1.7	1.4	1.8

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, July 18, 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

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.

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.

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.

ORGANIC GROWTH

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

WORKING CAPITAL

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

OPERATING MARGIN

Operating profit as a percentage of net sales.

EQUITY/ASSETS RATIO

Equity as a percentage of total assets.

CAPITAL EMPLOYED

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

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.

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
- Around 500 employees
- Key markets: Nordics, Europe and selected NATO nations
- Customers: Security and defense
- 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 security and defense 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–June 2025

The presentation will be held in English and will conclude with a Q&A. The meeting will start at 10:00 CEST on July 18, 2025 and 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: [166 022 178#](#)

Financial calendar

Capital Markets Day 2025
Interim Report Q3 2025
Year-End Report Q4 2025

September 18, 2025
October 23, 2025
February 6, 2026

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 was submitted, through the agency of the contact persons set out below, for publication at 08:00 CEST on July 18, 2025.

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.