


Patria

Annual review

2024





Annual review

Partner in critical operations on land, sea, air and networks

When if is not an option.

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Patria is an international defence and technology company.

Patria is owned by the State of Finland

50.1%

Norwegian Kongsberg Defence & Aerospace AS

49.9%

Patria owns 50% of Nammo, and together these three companies form a leading Nordic defence partnership.

Founded in

1921

Strategic partnership

with the Finnish Defence Forces

Order stock

2,375.5

EUR million, end of 2024

Personnel

3,662

end of 2024 (FTE)

Net sales 2024

825.7

EUR million

Customers in

54

countries

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Patria

Our values

We want to succeed

We are proud of our work, and we want to show it.

Our operations are customer oriented

Cooperation guarantees the success of all parties.

Together we create success

We give constructive feedback. We enjoy succeeding together.

Mission:

We give our customers confidence in all conditions.

Customer promise:

When if is not an option.

Employer promise:

You Make the difference.

Vision:

The #1 partner for critical operations.

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Highlights 2024

Expansion of the Common Armoured Vehicle (CAVS) programme

The Common Armoured Vehicle System (CAVS) programme grew and evolved in 2024. As of the end of the year, Patria had already received orders for more than 800 Patria 6x6 vehicles through the programme. Deliveries of vehicles are underway to Latvia, Finland and Sweden, with a part of the vehicles already in operational use. Germany signed a formal accession agreement to join the programme.

In May 2024, Patria opened a production facility for armoured vehicles in Valmiera, Latvia. With the new production facility, the full-cycle production of Patria 6x6 armoured vehicles was launched in Latvia.

FAMOUS ATV concept vehicle launched at Eurosatory 2024

Concept for the FAMOUS tracked all-terrain vehicle was launched at Eurosatory 2024 held in Paris in June 2024. The aim of European FAMOUS (Future Highly Mobile Augmented Armoured Systems) programme is to improve the performance of new and existing armoured vehicles through EU funding. Finland is the lead nation of the FAMOUS programme and Patria its industrial coordinator.

Development of Patria's F-35 project capabilities

Finland's F-35 fighter project will call for specialised expertise in the coming years. In March 2024, Patria and Lockheed Martin signed the second Memorandum of Agreement for direct industrial participation on the production and delivery

of landing gear doors as part of Finland's F-35 project. In June 2024, Patria and Pratt & Whitney signed an agreement on the assembly of F135 engines as part of Finland's F-35 industrial participation programme.

With these agreements, Patria's most important task is to ensure the role of its represented industry in domestic security of supply and maintenance of the F-35 fleet, as well as meeting other requirements of industrial participation. As part of the industrial participation, Patria will eventually assemble 400 forward fuselages and 400 landing gear doors for F-35 fighter jets. The assembly line in Halli, Jämsä is under construction, and work on the project will start in 2026. Patria also assembles and maintains the engines of F-35 fighters used by Finland. These operations will be carried out at a facility constructed in Linnavuori, Nokia.

During the year, experts were recruited to Patria's sites in Halli and Linnavuori for tasks in the areas of production planning and management. Recruitment necessary for production tasks will be focused on during 2025 in particular.

Patria announced Patria TREMOS mortar system

Patria announced the new robust and cost-effective Patria TREMOS mortar system at the Future Mortar Systems conference held in London in October 2024.

Patria TREMOS is a modernised version of a traditional mortar. Thanks to its proven recoil dampener technology, TREMOS can be integrated with different types of platforms and meets today's and tomorrow's battlefield challenges with



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New mortar system developed in close cooperation with the Finnish Defence Forces.

improved mobility, firepower and accuracy. The new mortar system has been developed in close cooperation with the Finnish Defence Forces.

Growth through acquisitions

Implementing Patria's growth strategy requires significant investments in R&D, innovation and partnerships. Patria's product range of unmanned systems is constantly being developed and in June 2024, Patria acquired Nordic Drones, a leading manufacturer of professional drone systems. Nordic Drones has designed and delivered comprehensive solutions and training for a variety of technical aerial photography, topography, measurement, survey, surveillance and official duties to more than 100 companies and organisations. The company employs 10 people and is located in Muurame, Finland.

In September 2024, Patria acquired an open source data collection product and business from WithSecure with the aim of strengthening Patria's cyber business area. Following the acquisition, Patria opened an office in Oulu and 10 experts employed in the business acquired from WithSecure joined as Patria's employees.

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CEO Review

Patria at the forefront of Europe’s evolving defence landscape

As we reflect on the past year and look ahead to the challenges and opportunities before us, one truth remains clear – security and defence are no longer concerns for the future; they are the defining imperatives of today. The world around us is shifting rapidly, and the ability to respond with agility and cooperation will determine the safety and resilience of our societies.

Russia’s war of aggression against Ukraine has entered its fourth year, with consequences that extend far beyond the war zone. The threat it represents has wider implications for Europe and the international security, demanding that we build common defence – not to threaten or conquer, but to deter any attack from the outside. Peace through strength is the principle that can guide us forward.

At Patria, preparedness has always been at the core of our mission. In 2024, we positioned ourselves at the forefront of Europe’s evolving defence landscape.

Patria’s strong growth continued in 2024

In terms of financial performance, Patria’s strong growth has continued. Patria’s net sales grew, and order stock developed strongly driven especially by Patria’s 6x6 and 8x8 vehicle

programmes. Profitability was at the expected level. Patria’s order backlog currently amounts to over two billion euros, three times the company’s annual net sales. The company signed new orders valued at EUR 1,252.7 million in 2024. International business now accounts for 37 per cent of Patria’s net sales. A major part of operational focus has been on building production capacity for the new vehicle orders as well as developing and enhancing productivity of internal operating model.

CAVS programme is a European success story

The strong demand is driven by Patria’s vehicle programmes. Patria 6x6 vehicle is the selected platform within the Common Armoured Vehicle System (CAVS) programme, enhancing defence resilience and cooperation through joint

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At Patria, preparedness has always been at the core of our mission.

development of 6x6 vehicles. The programme is already now a European success story.

The CAVS programme is participated today by Finland, Latvia, Sweden and Germany which has garnered considerable interest from other European countries. The programme is open for other countries with similar equipment requirements by mutual consent of the participating countries. Patria has already received orders for over 850 Patria 6x6 vehicles and has delivered more than 200 vehicles.

In addition to Patria's production facility in Hämeenlinna, Finland, an armoured vehicle production facility was opened in Valmiera, Latvia, in May 2024 marking the start of full-cycle Latvian production of Patria 6x6 armoured vehicles. Vast majority of supply of the vehicles is conducted by utilising the member nations' local industrial capabilities and every new nation is inherently reinforcing the security of supply for the whole collaboration system.

Joint development programmes strengthen European defence

Both CAVS and FAMOUS (European Future Highly Mobile Augmented Armoured System) vehicle programmes demonstrate that cooperation between European countries and companies in strengthening defence is worthwhile. The FAMOUS programme develops future armoured vehicle technologies and has progressed as planned. The programme, led by Finland, involves 9 countries and more than 35 defence companies from various EU countries in the industrial consortium led by Patria. In June 2024 at Eurosatory in Paris, a tracked concept vehicle developed within the FAMOUS

programme was revealed in Patria's stand. Patria will launch the vehicle in 2025 as a result of the programme.

Growth through strategic acquisitions

As part of Patria's strategy, growth is sought also through strategic acquisitions.

Both CAVS and FAMOUS vehicle programmes demonstrate that cooperation between European countries and companies in strengthening defence is worthwhile.

Drones have had a significant role during the war in Ukraine. In June, to further strengthen its expertise in unmanned systems (UAS) and aviation, Patria signed a bill of sale for the acquisition of the entire share capital of Nordic Drones Oy, a Finnish leading drone pilot trainer and

manufacturer of drones designed for professional use. From design to maintenance and training, Patria's expertise is at the forefront of Finnish drone technology development with the new Patria Drones product family, launched in late 2024.

In September, Patria announced that it had acquired an open-source data collection product and business related to its cyber business area from WithSecure. As a result of the transaction, Patria has opened an office in Oulu, Finland.

Patria's F-35 projects proceeding as planned

In the F-35 programme, the main industrial cooperation projects for Patria include large-scale assembly of F-35 front fuselages in Finland for F-35 users and further production of structural components. In addition, Patria will establish assembly projects with Pratt & Whitney for the F135 engines powering the Finnish F-35s.

Two Memorandum of Agreements (MoA) for the F-35 project were made in 2024: an agreement with Lockheed Martin to establish a production line for landing gear doors and an agreement with Pratt & Whitney for the production and maintenance operations of F135 engines in Finland.

Preparations to start up production have proceeded as planned. Necessary competences are being assessed and developed, and recruitment has continued throughout the year. Construction of required production lines has proceeded as planned at Patria's Halli facility in Jämsä and Linnavuori facility in Nokia.

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Strong know-how in gun production and development and mortar systems

Patria has sought to hold on to the expertise of gun production and development it has gained over the decades. This has been supported by Patria's long experience in designing and manufacturing mortars. Patria's current range includes the industry-leading Patria NEMO mortar system. Patria has a long experience in integrating a variety of weapon systems into different vehicle platforms, including field gun integration, and is currently actively developing and testing a field gun integrated into a wheeled vehicle.

Beyond traditional capabilities, the range of security challenges we must address is expanding every day, forcing us to think differently and act accordingly.

The newest addition to Patria's mortar systems is Patria TREMOS. Launched in October 2024, Patria TREMOS is a robust and cost-effective mortar system increasing the mobility and accuracy of trusted, traditional high firepower mortars. The Finnish Defence Forces acquired a modular 120 mm mortar system from Patria involving a pre-series, set for delivery in 2025.

We at Patria continue to accelerate our efforts

Today, Europe's production capacity is still on a lower order of magnitude compared to the threats faced. Beyond traditional capabilities, the range of security challenges we must address is expanding every day, forcing us to think differently and act accordingly. Therefore, we at Patria have accelerated our efforts and will continue to do so. As Patria is a key part of Finland's security of supply, preparing for various crises and ensuring comprehensive security are always at the core of Patria's operations.

I want to thank Patria's employees for their committed work. More than ever, the work of every Patrian makes a difference. I also express my sincere thanks to our customers, owners, partners and other stakeholders for the year 2024.

Esa Rautalinko
President and CEO of Patria

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The defence industry must be strengthened in the long term

Russia's invasion of Ukraine made it clear that Europe must bear increasing responsibility for its security. This highlights the importance of long-term development of the defence industry.

Russia's war of aggression against Ukraine continued this year. Meanwhile in Europe, there is growing understanding that Russia's desire to change the geopolitical landscape is not limited to Ukraine alone.

This has led European countries to critically assess their investments in national defence. NATO member states have pledged to spend at least two per cent of their GDP on their defence expenditure annually going forward. According to NATO's predictions, 23 of the total 31 member states would reach this level in 2024. Last year, it was estimated that 11 member states would reach the spending minimum.

The market for defence industry products has begun to see clear growth, particularly in Europe. After Russia's full-scale invasion of Ukraine, demand for ammunition grew dramatically. Following this, focus turned to the sufficiency and condition of defence materiel stocks. This has also greatly increased interest in Patria's products, particularly armoured vehicles. Customers are also increasingly in need of equipment lifecycle services, an area where Patria can offer effective solutions.

Defence issues took centre stage in the EU

In addition to immediate purchases of defence equipment, European countries have seen the necessity of increasing national defence industry production capabilities in the long term. This also means more tight-knit cooperation in areas such as R&D and purchases. Examples of this type of collaboration include the CAVS and FAMOUS vehicle programmes led by Finland and Patria and funded by the EU.

Defence issues have taken centre stage in the European Union, and the EU is increasingly assuming responsibility for defence industry funding. In March 2024, the European Commission announced its first defence industrial strategy, demonstrating the EU's willingness to move on from the initial emergency response that followed Russia's invasion to more long-term action and improve Europe's defence readiness in the long term. European defence cooperation is the key to preserving peace in Europe.

The EU has also decided to support the building of Ukrainian defence industry capabilities, and many Western companies have plans to launch joint production projects of weapons and ammunition in Ukraine.



The growth of the defence market has significantly increased interest in Patria's products.

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Increasing involvement to support the Ukrainian defence industry is also a topic of discussion in Finland. Finnish defence industry companies would have a great deal to offer in this regard, as we have competitive products and the ability to quickly scale production.

Role of modern technology is emphasised

The Ukraine war has taught us many important lessons. Modern warfare is a war of attrition, where massive stocks of arms and materiel are spent and destroyed. Battlefield operations also increasingly rely on modern technologies, such as drones and electronic reconnaissance.

Acquisitions strengthened Patria's expertise in autonomous systems and cybertechnologies.

Integrating the capabilities of unmanned systems as part of defence systems is a prerequisite in today's warfare. The development of Patria's autonomous systems is strengthened by the acquisition of Nordic Drones, a leading manufacturer of professional drone systems, in 2024.

Security-critical systems are increasingly dependent on software and other digital solutions. Patria engages

actively in research and development in warfare-related cybertechnologies. Patria specialises in the systems that security-critical authorities need to organise their operational activities. Operational reliability and information security in all conditions are key. This is reinforced further by Patria's acquisition of an open source data collection product and business from WithSecure in September.

In addition to military threats, governments need to be increasingly prepared for hybrid threats, the methods of which may be wide-ranging and difficult to detect. Patria's expertise includes performance-enhancing intelligence, surveillance and command systems, which the company provides to the Finnish Defence Forces as well as other security authorities.

NATO's focus shifting to Northern Europe

Northern Europe is now an increasingly important focus for NATO, as the defences of Finland and Sweden need to be reinforced in addition to the Northern Atlantic.

Increasing collaboration with Sweden in particular and the wider Nordic front is becoming even more tight-knit as all Nordic countries are now members of NATO. The shared starting point is that Russia will continue to pose a serious threat to European security in the near future.

From the point of view of Finland, important areas of focus include common defence planning for the Lapland region and Arctic expertise. Among other things, they decide what type of defence equipment, where it is stored and how it is maintained.

These developments also open up opportunities for Patria in the provision of vehicles and lifecycle services. Examples of this are the procurement agreements with Finland and Sweden for Patria 6x6 armoured vehicles.

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Execution of growth strategy progressing as planned

The execution of Patria's growth strategy is progressing as planned, and practical implementation of the strategy is moving ahead rapidly.

Patria's Horizon growth strategy, which is set to continue until the end of 2025, consists of two pillars. While the company's core mission is to serve security-critical customers in Finland, in addition to this, the company has set ambitious targets for growth in international markets.

By seeking international competitiveness and financial growth, Patria will also be able to provide its Finnish customers with new solutions that improve cost-effectiveness and performance.

The implementation of Patria's strategy is progressing rapidly. According to current estimates, the initial targets for the development of net sales and profitability will be clearly exceeded by the end of the strategy period.

A more consolidated Patria Group meets demanding customer needs

Rising up to meet growth targets and customer needs has required major changes in Patria's organisation and operating model, and these have been implemented in practice in stages. Most recently, the steering model and organisational structure of the Operations unit, which is responsible for

production and supply chains, were updated as of the start of 2024.

With the Horizon strategy and new operating model, the Group is now an even more tightly knit whole. The purpose of the new operating model is to improve efficiency and meet the growing demand for Patria's products and services.

By improving its operational activities and decision-making, Patria increases customer satisfaction and profitability. Patria's product and service offering has also been developed in line with the strategy. The offering now forms a unified whole whose content development is still being continued.

A stronger participant in the defence market

Russia's aggressive invasion of Ukraine fundamentally changed the European security landscape, as a result of which countries are making increasing investments in defence. For a defence industry company, this does not automatically mean growth—to achieve this, the company must offer competitive products and services.



Patria serves national security and aims for international growth.

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Photo: Lockheed Martin Corporation

This is where Patria has performed well, and we are a stronger participant in the defence market today.

Implementation of our growth strategy has been accelerated by new orders for Patria's armoured vehicles. Equipment deliveries also enable us to increase our provision of support services throughout the lifecycle of products.

In addition to equipment deliveries, Patria actively

Patria continued its systematic efforts to open new markets.

seeks growth in service and maintenance operations from international markets.

During the year, systematic efforts to open new markets and expand our customer base were continued. In our service business, this is supported by the Patria OPTIME service concept, which offers a tailored solution that meets the customer's equipment maintenance needs.

Patria's product and service offering was further strengthened by two acquisitions made during the year. In June, Patria acquired Nordic Drones Oy, a leading manufacturer of professional drone systems. In September, Patria acquired an open source data collection product and business from WithSecure, with the aim of strengthening Patria's cyber business area.

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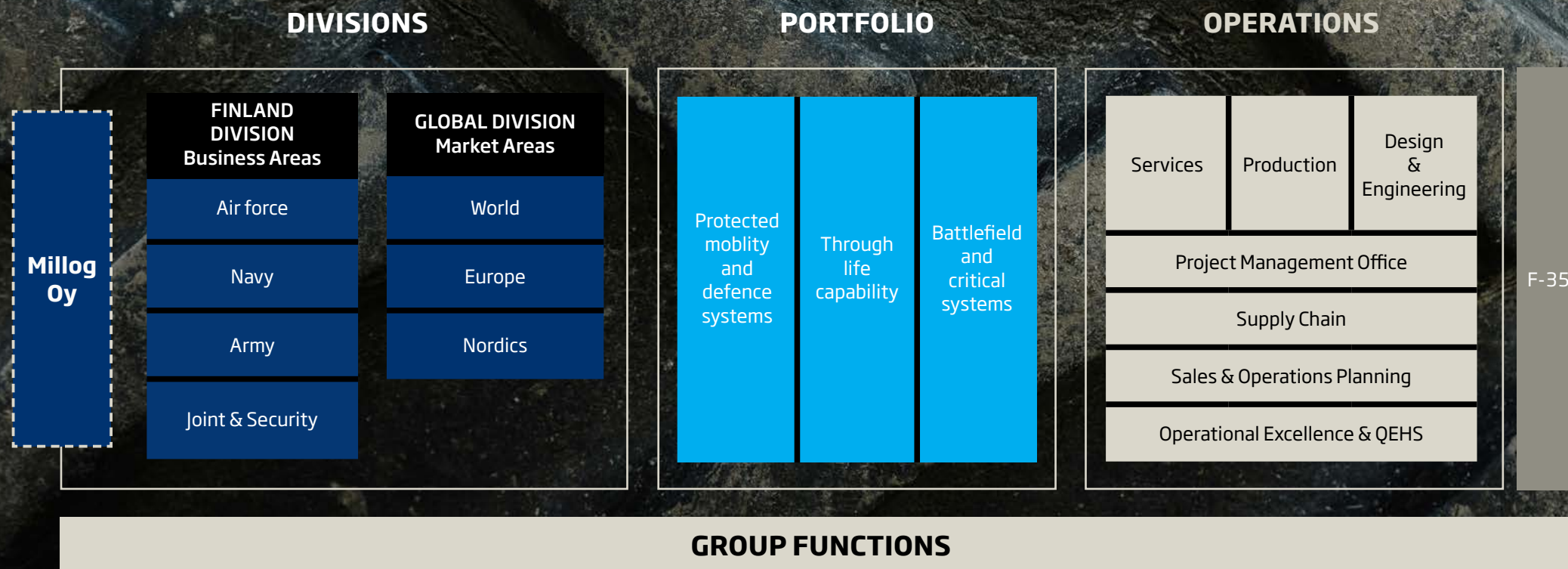
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Patria's organisation



Patria is owned by the State of Finland (50.1%) and Norwegian Kongsberg Defence & Aerospace AS (49.9%).
 Patria owns 50% of Nammo, and together these three companies form a leading Nordic defence partnership.

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Unified operating model to meet growth and customer needs

A unified operating model enables us to get the best out of Patria's overall expertise. It helps us improve efficiency and meet demanding customer needs.

In response to Patria's ambitious growth strategy, the Group has made major changes to its organisation and operating model in recent years. The new operating model improves operational efficiency and enables better co-development and efficient use of resources.

The last business division to implement the change was the Operations unit responsible for Patria's production, where the organisation took effect on 1 January 2024.

The new operating model of the Operations unit brings together competencies that were previously fragmented across different functions. In this way, a similar approach to design and procurement is achieved under one management, regardless of whether the task at hand is the maintenance of military aircraft or serial production of armoured vehicles, for example.

This will enable more efficient distribution of best practices in areas ranging from operations to management and quality development. Joint use and cross-use of resources is also more efficient than

previously. For Patria's customers, improved efficiency is visible as better security of supply, quality of service and transparency of operations.

Focus on improving delivery capacity, productivity and operational culture

In the Operations unit, three key objectives have been set for the new operating model.

The first of these is delivery capacity, which means the ability to deliver products and services to the customer within the agreed time and quality level. The second objective is productivity, which requires simple but carefully refined processes in all activities.


The third objective is the development of an operational culture where efficient performance, continuous improvement and rewarding work for the common good form the foundation for all operations.

Before the Operations unit, the organisational and operating model reform was implemented in Patria's other business areas. In the Portfolio unit, which is responsible for products, services and their

development, similar product and service lines were consolidated into three lines that conform to Patria's product families and customer offering.

The clarified model streamlines close collaboration between the Operations and Portfolio units, which in turn improves operational efficiency and enables joint development of operations to better meet demanding customer needs.

For customers, the new operating model is visible as better security of supply, quality, and transparency.



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Millog Group's year 2024: **Successful NATO exercises and continuous improvement characterised Millog Group's operations in 2024**

Realisation of the strategy and new insights gained from international exercises characterised Millog Group's operations in 2024. The Group has responded to customer demand by keeping their equipment in the best condition ever.

MILLOG provides technical equipment and system maintenance, lifecycle management and logistics services to strategic partners such as the Finnish Defence Forces and other security-critical actors. The company's responsibilities include the maintenance of vehicles and armoured equipment, weapon and electronic systems, vessels and various other systems; the provision of the material and lifecycle services required by them; and equipment and system installations and modifications. The Millog companies include its wholly-owned subsidiaries Senop Oy and Millog Marine & Power Oy. Patria has a 61.8% holding in Millog.

In February 2024, Millog prepared a large fleet of vehicles for the French troops and provided support in Finland's first major international NATO exercise as a NATO member. The provision of maintenance support during the two-week Nordic Response 24 exercise went smoothly. In the spring, Millog played a part in preparing the minehunter Vahterpää for service, installing NATO control systems on board to enable the vessel to join in international operations on 1 April as part of the Standing NATO Mine Countermeasures Group 1. Extensive exercises with both domestic and international forces were very educational and provided new insights into the provision of support to the troops in various operations and exercises.

While changes in the operational environment and the increased collaboration in defence operations do not alter the nature of the strategic partnership between Millog and

the Finnish Defence Forces in any significant manner, Millog has begun to prepare for increases in volume in material procurement, among other things. Millog is also training conscripts in operating maintenance, to enable Millog's experts to focus on more demanding maintenance and service tasks.

Stronger partnership at the core of Millog Group's growth strategy

In August, Millog Group welcomed a new CEO, Janne Tarvainen, previously Managing Director at Nordic Regional Airlines (Norra). He has continued to intensify collaboration with the strategic partner and to enhance the Group's operations. The customer says that their equipment is in better condition than ever, and this will be our aim in the future as well.

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In the autumn, Millog Group determined strategic focuses together with Finnish Defence Forces. The new growth strategy for 2024–2028 revolves around strengthening the partnership and collaborating with the Nordic and NATO countries, while also continuing to invest in the motivation, competence, engagement, and the working capacity of the personnel. Millog's Authorities and Industry operations will be evolved to function as a strong independent business that can support Millog's other operations in both normal and emergency conditions.

Patria owns 61.8% of Millog.

An eventful autumn

Autumn brought with it two major events: the 80th anniversary celebrations of the Finnish Defence Forces auctions, and Millog's Define Hackathon, a competition focused on dual-use technologies. The winning team developed sensor packages that can be used to easily create wireless network solutions for monitoring and surveillance. In late autumn, Millog and The National Defence Training Association (MPK) started collaboration to enable people interested in voluntary defence to participate in support tasks at Millog, when needed.

Senop breaks records

The net sales of Millog's subsidiary Senop reached an all-time high, largely thanks to the demand for optronics products. Other Senop businesses, such as integration and Senop Communications, which focuses on secure professional communications, also had a strong year. Senop made a record operating profit, and the company's volume of orders increased significantly. Senop has made big investments in the development of its future product portfolio and the promotion of internationalisation.

Millog Marine & Power had a challenging year characterised by change. The company was able to right its course, and the demand for its services has increased. It will continue to develop its service business and improve profitability in 2025.



Senop has invested in the development of its portfolio and promotion of internationalisation.

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Nammo's year 2024: **Another year of strong growth for Nammo**

Nammo, an international aerospace and defence company that is 50 per cent owned by Patria, increased its revenues by 18 per cent to NOK10.9 billion in 2023 and posted pre-tax profits of NOK1.23 billion, its highest level ever.

NAMMO is an international aerospace and defence company that is headquartered in Norway. It employs around 3,600 professionals in some 27 locations in 11 countries. Nammo is one of the world's leading producers of ammunition, rocket motors and demilitarisation services for both military and civilian customers. Nammo is owned 50-50 by Patria and the State of Norway. Nammo AS publishes its own annual report and corporate responsibility report, available on the company's website at www.nammo.com.

Nammo AS has seen significant growth since its founding in 1998 and has strengthened its presence in its main markets in Europe and North America. In spite of continued supply-chain challenges and the war in Ukraine, the company's performance and main market areas continued to develop favourably during the year. Nammo's sales, profits, and order stock all rose to record high levels during the year, while its market share and role in security of supply have been bolstered in its key markets. Revenues increased due to higher defense related sales for both small, medium and large caliber ammunition, shoulder-fired systems and rocket motors for tactical missiles. Europe and North America remain the primary markets for Nammo's products and services.

Continued close collaboration with the Finnish Defence Forces deepens

Nammo Lapua Oy and Nammo Vihtavuori Oy, part of the Nammo Group, have an established strategic partnership agreement with the Finnish Defence Forces, which started in 2014. The strategic partnership agreement covers all states of preparedness and the production of ammunition and explosives that safeguards the basis of the domestic security of supply in the sector. Nammo also has a security of supply partnership with the Norwegian Armed Forces.

Investing for the future

The war in Ukraine continues to have an impact on Nammo, and the Group had a 57 percent rise in its order reserve in

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2024 to NOK 39.8 billion. Nammo's commitment to ramping up its production capacity involves investment in additional production equipment, machinery and related infrastructure in multiple countries, and the Group invested up to three times more than in an average pre-Ukraine war year to increase capacity. Still, the level of demand and associated production volumes required has necessitated risk sharing between industry and governments. Indeed, Nammo was awarded co-funding for a handful of projects under the European Union's Act in Support of Ammunition Production (ASAP) arrangement during the year. Through EU ASAP and other direct co-funding support, Nammo received government investment support from Norway, Sweden, Finland, and the United States, instrumental in facilitating its expansion efforts.

Patria owns 50% of Nammo.

To support its long-term business prospects, Nammo continued to make major investments in R&D in key technologies and competence that are important for the company's development, like in Ramjet technology that can enable increased range and accuracy of artillery shells and missiles.

Nammo will continue to bolster its organizational and operational robustness and capacity, and strengthen its internal processes and workforce. Work to support this has already commenced.

The continuous development of responsibility is also an integral aspect of all operations at Nammo. Ethics, transparency and a strong focus on preventing corruption lie at the heart of business management. Nammo is committed to key UN Sustainable Development Goals, and the company works towards their achievement with measures such as reducing waste, improving efficiency in the use of energy and materials, and working to improve reducing its carbon footprint. Nammo also seeks to influence customers to be more sustainable, meaning a greater emphasis on sustainable raw materials and recycling products at the end of their life.



Nammo's market share and role in security of supply were bolstered in its key markets.

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New hires and talent development accelerated Patria's growth

In 2024, Patria recruited more than 300 professionals to strengthen the company's growth. We also continued strong investments in our personnel's competence development, leadership skills and wellbeing at work.

The rapid growth of Patria's business and order stock has required us to recruit a large number of new employees, in addition to continuous development of existing competencies. The company hired more than 300 new professionals in 2024.

Patria's recruitment needs encompass a wide range of tasks. New technicians and welders, among other roles, are needed in production. Additional design professionals and experts in new technologies have also been hired. We have also recruited additional talents in international sales and marketing.

In the coming years, Finland's F-35 fighter programme will also require specialised expertise. Patria's most important task is to ensure the role of its represented industry in domestic security of supply and maintenance of the F-35 fleet, as well as meeting other requirements of industrial participation. As part of the industrial participation, Patria will eventually assemble 400 forward fuselages and 400 landing gear doors for F-35 fighter jets. The assembly line in Halli, Jämsä is under construction, and work on the project will start

in 2026. Patria also assembles and maintains the engines of F-35 fighters used by Finland. These operations will be carried out at a facility constructed in Linnavuori, Nokia.

During the year, experts were recruited to Patria's sites in Halli and Linnavuori for tasks in the areas of production planning and management. Recruitment necessary for production tasks will be focused on during 2025 in particular.

The increased recruitment has necessitated the development of new employee onboarding processes. To meet this need, we have developed our online onboarding process and produced new materials. Our location-specific onboarding processes have also been improved.

Significance of Patria's work is increasingly clear

Applications to the vacancies increased in terms of both numbers and quality, which is partly thanks to the fact that the significance of Patria's work is increasingly clear in the current security-political situation.

Recruitment efforts are also supported by Patria's good reputation. According to a survey of employer brand image

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by Universum, Patria was the ninth most attractive employer for engineers in Finland in 2024. Patria was among the most improved employers in the survey. Among IT professionals, Patria was the 17th most attractive employer. Our ranking improved among these potential employees, too.

In the Young Professional Attraction Index survey, Patria ranked 12th. The survey lists Finland's most attractive employers among young professionals.

Leadership training strengthens the consistency of managerial work.

Safety observations improve workplace safety

In improving workplace safety, the focus was on monitoring workplace accidents and clarifying the instructions aimed at preventing them. For example, Patria has adopted a practice of requiring all employees and visitors in production facilities to wear protective footwear and eyewear.

Accident frequency at Patria is around the industry average, and workplace safety is developed and monitored. We strive for continuous improvement, which is why workplace safety issues are emphasised in new employee orientation and managerial training.

Employees are encouraged to actively make safety observations that help us identify and prevent hazards. In 2024, we set a special target that as many Patria employees as possible report safety observations. During the year, we received observations from more than a thousand employees, by far exceeding our target.

Strong emphasis on supervisor training continues

Patria's operating model reform progressed to its final stage as the Operations unit, which is responsible for production and supply chains, adopted a new organisational and operating model on 1 January 2024. The reform will help the unit respond to growing demand and improve efficiency.

As an important part of the reform, all managers of the Operations unit have participated in training to develop their managerial and leadership skills. Based on the training, a handbook was compiled for managers containing the common rules agreed in the training as well as tools and best practices to support managers.

Leadership training and coaching was also actively continued in Patria's other business divisions in different countries. A key objective was to shift towards more consistent managerial work to ensure the implementation of the new operating model and speed up Patria's growth strategy.

Among other activities, the LEAP coaching programme for future managers was continued in the autumn for the 5th time, with 30 managers and professionals attending the course.

Patria also began holding location-specific meetings with managers. The trial, which began in the autumn,



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gives managers the opportunity to get information and discuss current issues.

Continuous improvement in productivity and quality is supported at Patria by Lean Six Sigma training, which helps improve processes and productivity of operations while offering significant cost savings. In 2024, 150 Patrians participated in Lean Six Sigma Yellow Belt trainings and 18 Patrians participated in Green Belt trainings.

Employees are supported at every stage of their career

To support employee wellbeing and satisfaction, Patria has actively developed its career management, which takes into account the individual circumstances and career stages of employees. A career management model has been developed to help employees and managers recognise available forms of support.

Employees' sense of the meaningfulness of their work has strengthened.

At Patria, job satisfaction is measured quarterly through employee surveys. According to the surveys, employees' sense of the meaningfulness of their work has strengthened. The greatest challenges have to do with coping at work and resource allocation in relation to workload.

Patria also conducts a more extensive employee survey every two years. More than 1,800 respondents participated

in the personnel survey conducted at the end of the year. According to them, Patria's strengths include the employees' strong commitment to the company and motivation for their own work. However, the personnel are of the opinion that the organisation's performance is not optimal in processes related to decision-making, for example. Employee experience has decreased, especially for new employees, and the results of the survey show that the induction process should be developed. In addition, there are a lot of expectations concerning leadership.

Business acquisitions bring new expertise to strategic focus areas

Patria's growth and internationalisation also challenge the company's HR functions to improve their models and processes. One of the key objectives is to harmonise operating models across countries, taking local laws and practices into consideration.

During the year, Patria made two acquisitions that brought in top professionals in their respective fields to the company. A team of ten employees joined Patria from Nordic Drones, a manufacturer of professional drone systems. Patria also acquired an open source data collection business from WithSecure, along with a team of ten professionals based in Oulu.

In the Patria Pilot Training division, which organizes civilian pilot training, change negotiations were held in the second quarter of 2024 regarding the termination of operations during 2025. In January 2025, Patria signed an agreement with Airways Aviation Group for the sale of Patria Pilot Training. From the beginning of February 2025, all employees, operations, and ongoing training of Patria Pilot Training were transferred to Airways Aviation. After the end of civilian professional pilot training, Patria will focus on military pilot training in the future.

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Innovative product development and lifecycle services to meet customer needs

Patria's new Patria TREMOS mortar system enhances the mobility and accuracy of traditional mortars. The order stock for Patria vehicles is growing. Demand for other products and services has also increased.

Interest in Patria's products and services has grown sharply. This was evident throughout the year in all three of the company's product and service lines.

The Protected Mobility and Defence Systems product and service line, which focuses on vehicle and weapons systems, had a busy year as in addition to armoured vehicles, interest in Patria's mortar systems is also growing among potential customers.

In October, Patria announced the new Patria TREMOS mortar system, which offers a durable and cost-effective means to improve the mobility and accuracy of traditional mortars. Thanks to the recoil dampener technology developed by the Patria, TREMOS can be integrated with different types of mobile platforms.

The Finnish Defence Forces has purchased a prototype series of the Patria TREMOS system, in which a heavy mortar is integrated into the modular suspension platform and mounted on an off-road vehicle. Patria will deliver the new weapons system to the Finnish Army during 2025.

In September, Patria and German defence company Rheinmetall presented a prototype of the Boxer Armoured

Mortar Variant at the Defence Vehicle Dynamics exhibition held in the UK. The new solution integrates Patria's NEMO 120mm turreted mortar system with Boxer's mobile and protected vehicle platform.

Patria also made inroads in mortar systems in the United States. In September, the US army carried out several successful fire missions using Patria NEMO, which was integrated into an armoured vehicle and fire control system by the US company BAE Systems.

Order stock for Patria's 6x6 vehicles is growing

In armoured vehicles, demand is the greatest for Patria's 6x6 vehicles, with orders placed for more than 800 vehicles in total as of the end of the year.

Deliveries of Patria's 6x6 related to the multinational CAVS programme are ongoing in Latvia, Finland and Sweden. In addition to Finland, the vehicles are also manufactured in Latvia.

During the year, the largest order for Patria's 6x6 vehicles came from the Swedish Armed Forces, which will purchase



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321 vehicles from Patria. The value of the contract is around 470 million euros.

In the summer of 2023, the Finnish Defence Forces and Patria signed an agreement on the delivery of 91 armoured personnel carriers. The procurement contract included an option to purchase an additional 70 vehicles, which the FDF exercised during 2024.

In connection with the vehicle purchases by Sweden and Finland, in March, Patria signed an agreement with Kongsberg Defence & Aerospace on the delivery of remote-controlled PROTECTOR weapons systems to more than 300 Patria 6x6 vehicles under the CAVS programme. In October, Patria and Latvia agreed on the production and delivery of 56 Patria 6x6 command vehicles in addition to the already ongoing deliveries. The value of the contract is more than 60 million euros.

Increased demand for equipment lifecycle services

The progress of the CAVS partnership project is also reflected in Patria's **Through Life Capability** product family, which is responsible for the service, repair, maintenance, modification, integration and training services of equipment.

In August, Patria signed a Life Cycle Management (LCM) agreement with Finland and Latvia, according to which Patria will provide the lifecycle management services necessary to maintain the performance of CAVS vehicles to Finland and Latvia. Other CAVS partner countries may join the agreement at a later date.

Lifecycle services provided as part of the CAVS programme are based on the Patria OPTIME service concept. The concept,

which can be tailored according to customer needs, combines Patria's strong technical expertise and data analysis in the maintenance of technical performance of military equipment in an unprecedented way.

In modification services, Patria was selected in September

OPTIME service concept combines strong technical expertise and data analysis in the maintenance of technical performance.

to provide Supplemental Type Certification for the Bell 412 helicopter upgrade programme of the Norwegian Armed Forces. In the project, Patria is a subcontractor of Kongsberg Aviation Maintenance Services (KAMS).

In pilot training, Patria will focus on military pilot training in the future. Long-term collaboration in military pilot training between Patria and the Finnish Defence Forces continues and was developed as planned during 2024.

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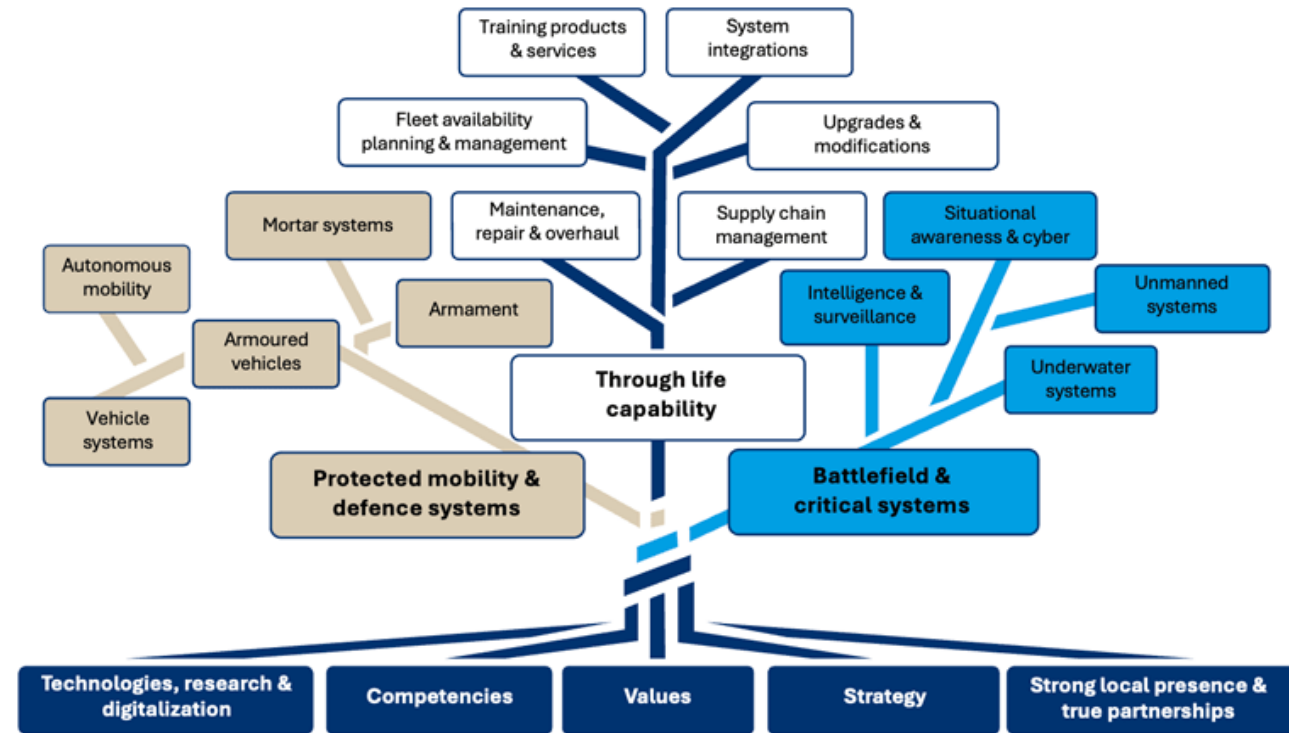
A third-party successor was actively sought for the civilian pilot training programme Patria Pilot Training, following change negotiations in the summer of 2024 on the possible discontinuation of the programme during 2025. In early January 2025, it was announced that Patria had signed an agreement with Airways Aviation Group on the acquisition the entire share capital of the subsidiary Patria Pilot Training Oy. As of 1 February 2025, all employees, operations and ongoing training courses of Patria Pilot Training will transfer to Airways Aviation.

Signal intelligence systems for two NATO countries

Patria's **Battlefield and Critical Systems** product and service offering consists of Patria's command, surveillance and intelligence systems (CSISTAR). In February, Patria announced two contracts to deliver Patria's ARIS electronic intelligence (ELINT) systems to two European NATO member states. Customers will have access to a high-performance signal intelligence system that collects data from signals from counterpart radars and other radio transmitters.

In September, Patria supplemented its offering by acquiring an open source data collection product and business from WithSecure. Patria will continue to develop the product as part of its product family that also includes the Patria CRAWLR open source data collection and analysis tool, among other products.

Patria's offering and expertise in unmanned systems was strengthened by another business acquisition completed during the year, in which Patria acquired Nordic Drones, a leading manufacturer of professional drone systems. Unmanned technologies can be integrated as part of indirect fire control systems, for example.



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European development programmes and business collaboration at the forefront

Patria's eALLIANCE initiative is building partnerships between civilian and defence technology companies on an unprecedented scale. Development programmes on armoured vehicles and tracked vehicles are also progressing rapidly.

The eALLIANCE flagship programme led by Patria and co-funded by Business Finland, was launched in early 2024 to strengthen partnerships between Finnish civilian and defence technology companies.

The initiative involves more than 30 companies, research organisations and other partners. The ecosystem enables large companies and SMEs to collaborate on the development of innovative defence and dual-use technologies.

A common goal of the partnerships is to create innovative digital solutions that enable more efficient information exchange and the construction of a comprehensive digital virtual world.

As an industry-leading technology company, Patria has excellent starting points and resources to lead the eALLIANCE ecosystem, which is one-of-a-kind even on an international scale.

During the initiative, Patria will significantly increase its investments in product development by nearly 100 million euros. In total, eALLIANCE is estimated to increase R&D&I investments in Finland by up to 200 million euros during the course of the initiative.

CAVS programme continues to grow

Among Patria's ongoing development projects, the most significant European programmes are the Common Armoured Vehicle System (CAVS) and the European Future Highly Mobile Augmented Armoured Systems (FAMOUS) programmes. Both EU-funded programmes saw rapid progress during the year.

The multinational CAVS programme led by Finland develops an armoured vehicle system based on Patria's 6x6 vehicle. In addition to Finland, Latvia, Sweden and Germany also participate in the programme. Participating countries will have the opportunity to purchase cost-effective, high-performance modular armoured vehicles according to their requirements.

Patria had already received orders for more than 800 Patria 6x6 vehicles under the CAVS programme as of the end of the year. Deliveries of vehicles are underway to Finland, Latvia and Sweden, where the vehicles are already in operational use. In addition to Finland, the vehicles are manufactured in Latvia.



Patria will significantly increase its investments in product development, which will grow by nearly 100 million euros.

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Rapid progress in the CAVS programme during the year

In February, Patria and German defence industry companies DSL and FFG agreed on collaboration on the CAVS programme. Should Germany decide to purchase Patria's vehicles through the CAVS programme, Patria will serve as the main supplier of the procurement. DSL and FFG will provide local design, production and lifecycle support services.

CAVS programme received 60 million euros in EU funding.

In March, Patria signed an agreement with Kongsberg Defence & Aerospace on the delivery of PROTECTOR remote-controlled weapons systems for more than 300 Patria 6x6 vehicles purchased by Sweden and Finland under the CAVS programme. Deliveries will start in 2025 and continue into the 2030s.

In August, Patria signed agreements on Life Cycle Management (LCM) services with Finland and Latvia. In the agreement, Patria agrees to provide the lifecycle services necessary to maintain the performance of Patria's 6x6 vehicles supplied to Latvia. Other CAVS partner countries may join the agreement at a later date.

In November, the CAVS programme received 60 million euros in funding from the EDIRPA joint defence procurement instrument for EU member states. The funding is used for multinational cooperation, strengthening European defence and cooperation with NATO.

FAMOUS programme announced concept for a new tracked vehicle

The European Future Highly Mobile Augmented Armoured Systems programme FAMOUS, led by Finland and Patria, develops the technologies and performance of future armoured vehicles and improves their ground combat capabilities.

In the current phase, the programme has 9 countries and 18 leading European defence companies participating. Patria also bears main responsibility for tracked vehicle designs, system integrations and prototype manufacture.

The FAMOUS programme is currently in its second phase estimated to continue until 2026, during which vehicle and system concepts will proceed to prototype design, manufacturing and testing. The initial concept of the All Terrain Vehicle (ATV) developed in the programme was announced in June at the Eurosatory event in Paris, where it was received very positively.

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Patria

Patria Oyj
Arkadiankatu 2, 00100 Helsinki, Finland
www.patriagroup.com
info@patriagroup.com

