



# 2026

Interim Report January-March



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# FINANCIAL SUMMARY

- » Strengthened profitability – EBITDA amounted to 10.2 (2.0\*) MSEK
- » Margin above target – EBITDA margin amounted to 22.2% (3.4%\*)
- » Strong order intake – Order intake increased by +207% to 90.3 (29.4\*) MSEK
- » Growing order backlog – Order backlog increased by +168% to 144.4 (53.8\*) MSEK
- » Framework agreement value amounted to a total of 867 MSEK, of which 583 MSEK remained under existing framework agreements

## THE GROUP JANUARY – MARCH 2026

- » Net sales amounted to SEK 45,645 thousand (54,158\*)
- » EBITDA amounted to SEK 10,157 thousand (1,859\*), corresponding to an EBITDA margin of 22.2% (3.4%\*)
- » EBITA amounted to SEK 10,062 thousand (1,122\*), corresponding to an EBITA margin of 22.0% (2.1 %\*)
- » Operating profit amounted to SEK 5,577 thousand (-3,470\*)
- » Profit for the period amounted to SEK 4,670 thousand
- » Earnings per share amounted to SEK 0.23\*\*\*
- » Order intake amounted to SEK 90,332 thousand (29,394\*) and the order backlog amounted to SEK 144,357 thousand (53,821\*)

Argo Defence Group completed its first fully reported quarter as a listed company during the period January–March 2026. On 2 March 2026, the Group acquired 99.55% of the shares in Poseidon Diving Group AB, which was consolidated as of the acquisition date.

Figures in parentheses refer to the corresponding period in the previous year and are presented on a pro forma basis.

\* Pro forma figures have been prepared for illustrative purposes and are based on the assumption that the Group had owned the five subsidiaries – Swedish Net Air & Defence AB, Disarmament Solutions AB, Disarmament Solutions Ukraine, Zel-Aaren Innovation AB and LPG Trafikmarkeringar AB – throughout the full year of 2025. Poseidon Diving Group AB is not included in the pro forma figures, as the acquisition was completed only on 2 March 2026. The pro forma information is hypothetical in nature and is intended as supplementary information only and does not replace the statutory financial reporting. For a detailed description of the methodology and reconciliation, please refer to the section “Pro Forma Information”.

\*\* Argo Defence Group AB (publ) was incorporated on 29 April 2025; the Group’s first financial year covers the period from 29 April to 31 December 2025.

\*\*\* Earnings per share have been calculated as profit for the period (SEK 4,670 thousand) divided by the weighted average number of outstanding shares during the period (20,383,905 shares). At the end of the period, the number of outstanding shares amounted to 20,979,000.

## SIGNIFICANT EVENTS

### The Quarter January – March 2026

- » Argo Defence Group acquired 99.55% of Poseidon Diving Group AB, whose subsidiary Poseidon Diving Systems AB is a leading developer of advanced diving and breathing equipment for military units and professional users worldwide.
- » A second order from Försvarets materielverk (FMV) was received under the framework agreement for specialised containers, valued at SEK 54 million, with expected delivery during Q3–Q4 2026.

### Significant events after the end of the period

- » The acquisition of the remaining outstanding 0.45% of the shares in Poseidon Diving Group AB is ongoing during Q2 2026 and is expected to be completed during the quarter, after which Argo Defence Group AB will own 100% of the shares.

## KEY FIGURES

Group, TSEK unless otherwise stated	Q1 2026	Q1 2025 (Pro forma)*	Apr 29 – Dec 31 2025**
Net sales	45 645	54 158	62 970
EBITDA	10 157	1 859	5 726
EBITDA margin, %	22,2 %	3,4 %	9,1 %
EBITA	10 062	1 122	5 581
EBITA margin, %	22,0 %	2,1 %	8,9 %
Operating profit	5 577	-3 470	-7 549
Profit after net financial items	4 999	-	-7 655
Profit for the period	4 670	-	-7 347
Earnings per share, SEK***	0,23	-	-0,37
Equity	152 952	-	127 187
Equity ratio, %	57,2 %	-	71,6 %
Total assets	267 907	-	177 730
Order intake	90 332	29 394	134 686
Order backlog	144 357	53 821	70 050

# Q1 2026 KEY FIGURES – SUMMARY

Ongoing framework agreement value\*

**867**  
MSEK

Remaining framework agreement value

**583**  
MSEK

Net sales

**45.6**  
MSEK

Order backlog

**144**  
MSEK

EBITDA margin

**22.2**  
%

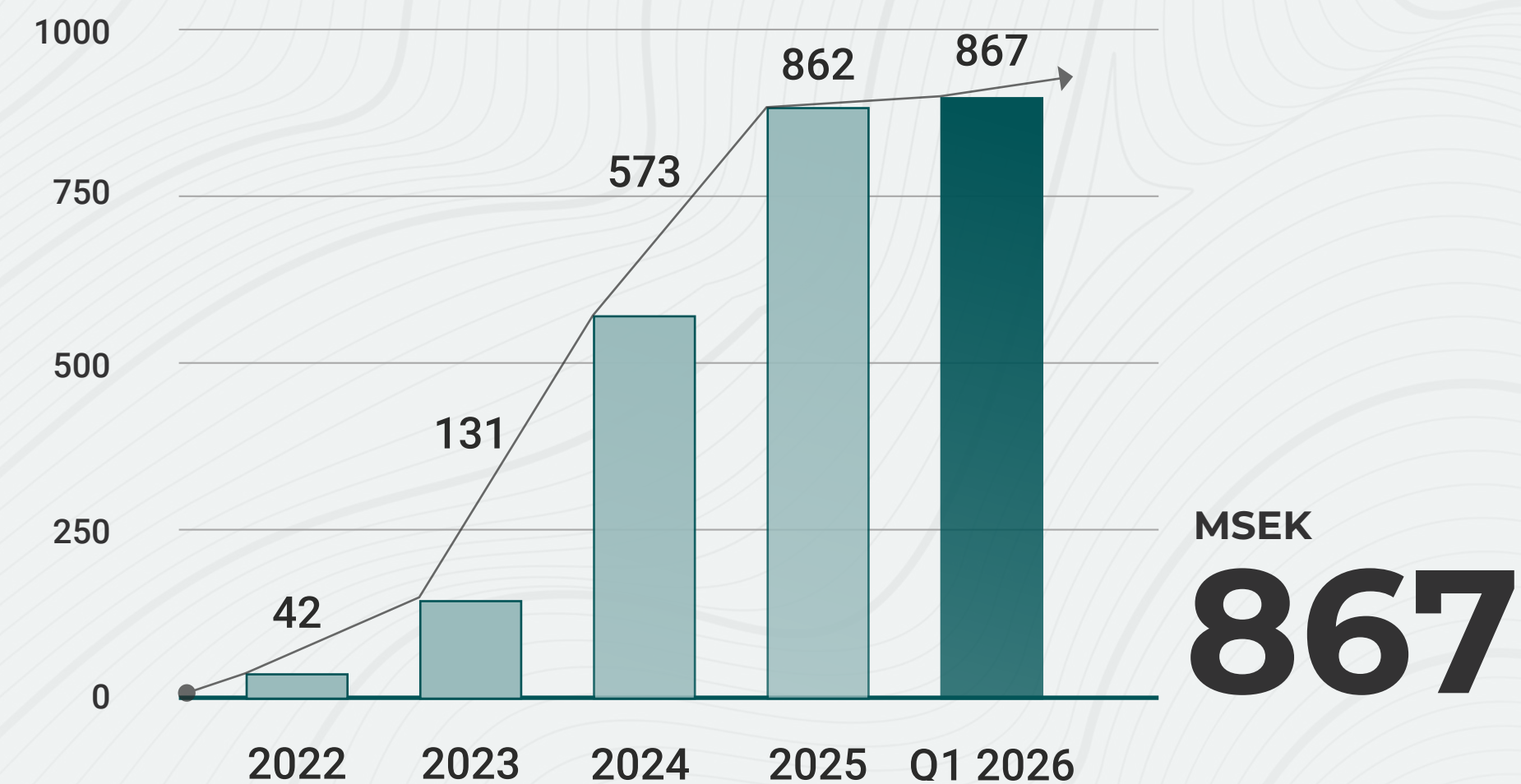
EBITA margin

**22.0**  
%

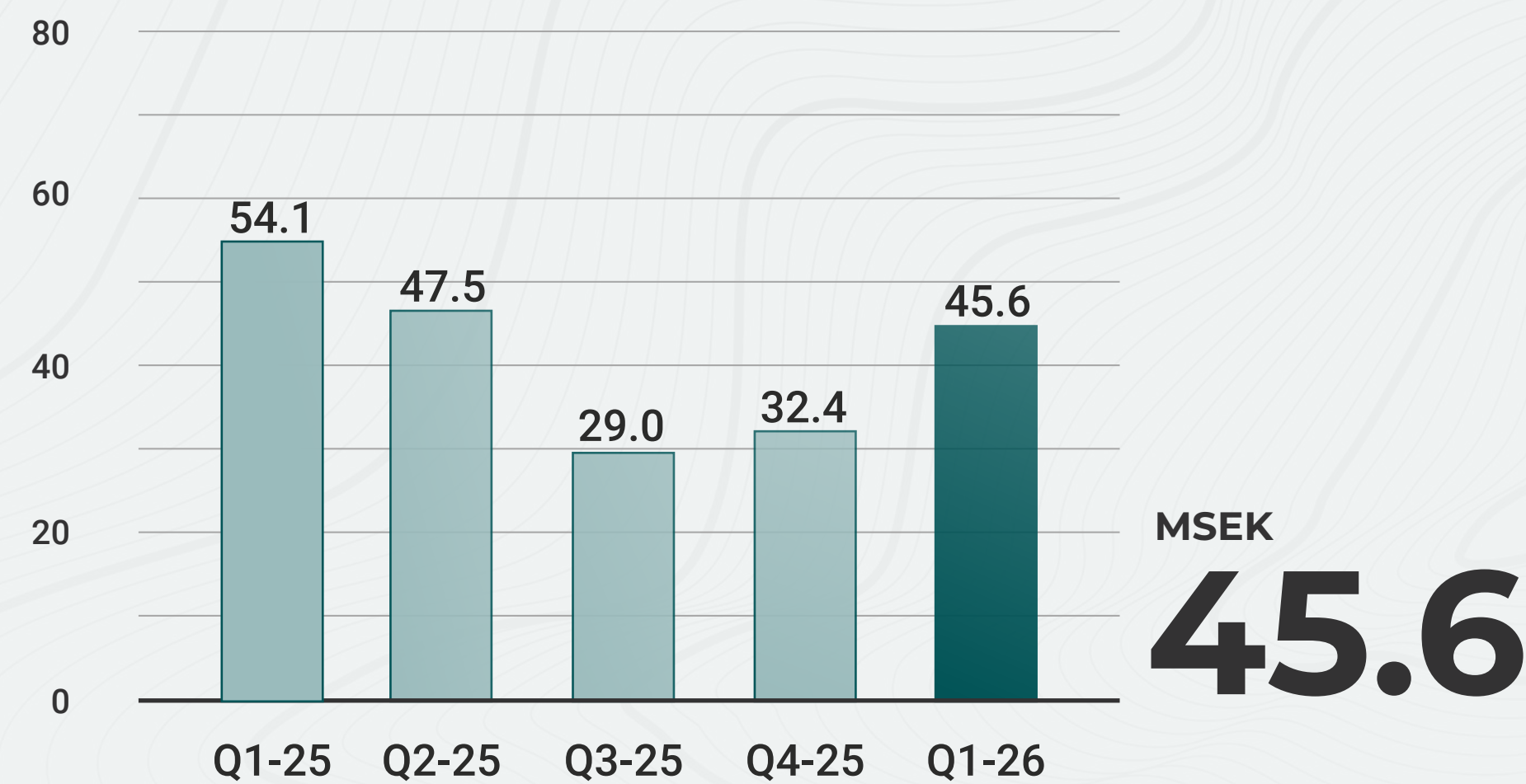
\* The value is based on the assumption that all extension options and agreements are fully exercised.

\*\* The figures for Q1 2025 to Q4 2025 refer to pro forma figures. The pro forma figures have been prepared for illustrative purposes and are based on the assumption that the Group had owned the five subsidiaries – Swedish Net Air & Defence AB, Disarmament Solutions AB, Disarmament Solutions Ukraine, Zel-Aaren Innovation AB and LPG Trafikmarkeringar AB – throughout the full year of 2025. Poseidon Diving Group AB is not included in the pro forma figures, as the acquisition was completed only on 2 March 2026. The pro forma information is hypothetical in nature and is intended as supplementary information only and does not replace the statutory financial reporting. For a detailed description of the methodology and reconciliation, please refer to the section "Pro Forma Information".

## ONGOING FRAMEWORK AGREEMENTS, MSEK



## NET SALES PER QUARTER\*\*, MSEK



# RESULTS AND ORDER BACKLOG IN LINE WITH OUR TARGETS

I am pleased to note that we have entered 2026 exactly as planned. The first quarter confirms that our strategy is delivering and that we are moving in the right direction – precisely where we want to be.

Q1 2026 is a quarter of particular significance for us. It is the first quarter in which we report actual figures rather than pro forma figures. This means that the results presented reflect our underlying business as it is, without adjustments or assumptions. It is a milestone we are proud of and one that provides us with a solid foundation for the remainder of the year.

For the first quarter of 2026, we report EBITDA of SEK 10.2 million, corresponding to an EBITDA margin of 22.2%, primarily driven by deliveries within the Defence Materiel business area. This demonstrates that we are growing in a profitable and sustainable manner while maintaining cost discipline, even during a period of active growth.

During the quarter, we received a second order from Försvarets materielverk (FMV) under our framework agreement for specialised containers, valued at SEK 54 million, with deliveries planned for Q3–Q4 2026. Together with other business secured during the quarter, this resulted in order intake of SEK 90 million, with particularly strong demand within the Defence Materiel business area, supported by increasing volumes under our framework agreements with FMV and the Swedish Armed Forces.

Framework agreements constitute a central part of our business model, with call-off orders placed continuously throughout contract periods that often extend four years or longer. The total value of the Group's ongoing framework agreements amounts to approximately SEK 867 million, of which approximately SEK 583 million remains outstanding, providing us with a solid and predictable revenue base going forward.

At the end of the quarter, the order backlog amounted to SEK 144 million, providing us with clear visibility into the remainder of 2026. Within the Defence Materiel business area, we currently have eight ongoing projects relating to materiel deliveries to the Swedish Armed Forces, all scheduled for Q2–Q4 2026. Within Counter-Explosive Risk Solutions, we are broadening our customer base through new strategic customers and reseller agreements, while also seeing increased demand from international defence customers. The Airfield Operations business area has an active delivery schedule during Q2–Q3 2026, including product deliveries to Sweden, Italy, Poland, Denmark, Norway and Finland, as well as repair and maintenance assignments at Sweden's largest airports. Overall, this provides us with favourable conditions for continued stable revenue growth and profitability, and we enter the coming quarters with confidence in both our delivery capacity and underlying demand.

In March, we acquired Poseidon Diving Group AB, including its wholly owned subsidiary Poseidon Diving Systems AB, which is being integrated into the Counter-Explosive Risk Solutions business area. The acquisition adds unique expertise within underwater environments and clearance operations to the Group and represents a natural and value-creating addition to Argo Defence Group's combined offering.

We enter the remainder of 2026 with confidence, driven by the conviction that what we deliver matters – for our customers, for defence capabilities and for society as a whole. Our pipeline is strong, our organisation is well positioned and our financial position provides us with the flexibility to continue investing in the future. We are delivering according to plan – and our outlook for the full year remains unchanged.

I would like to thank our employees, customers and shareholders for the trust you place in us. We remain firmly committed to continuing to earn that trust.

**Stockholm, May 2026**

**Marcus Selme**, Group CEO



**” We are delivering according to plan – and our outlook for the full year remains unchanged.**



## THIS IS ARGO

Argo Defence Group is a growth-oriented defence group operating within both military and civil defence, with three business areas: **Defence Materiel, Counter-Explosive Risk Solutions and Airfield Operations**. Through six specialized subsidiaries, the Group delivers products and services in defence materiel, EOD equipment and explosive risk management, advanced breathing and diving systems, as well as airfield infrastructure, with a strong emphasis on meeting high technical and operational requirements.

Supported by long-term framework agreements and international collaborations, Argo Defence Group has established long-standing customer relationships and a clear position within the defence and security sector, with the capability to deliver value both in peacetime and in periods of increased preparedness.

The Group was established in 2025 and is built on subsidiaries with origins dating back to the 1950s. Today, we have approximately 40 employees across six locations, with headquarters in Stockholm and operations in Gothenburg, Jönköping, Kumla, Fjugesta, and Kyiv.

## OUR CUSTOMERS

Below is a selection of the customers we work with.

- » **The Swedish Armed Forces**
- » **The Swedish Defence Materiel Administration, FMV**
- » **Swedish Defence Research Agency, FOI**
- » **Swedish Fortifications Agency**
- » **Swedish Civil Defence and Resilience Agency, MCF**
- » **Ministry of Defence of Ukraine**
- » **United Nations Development Programme, UNDP**
- » **United Nations Office for Project Services, UNOPS**
- » **Swedavia Airports**



## **BUSINESS CONCEPT**

The business concept of Argo Defence Group is to be a longterm and reliable provider of advanced solutions to authorities and organizations within military and civil defence, with the aim of strengthening defence capabilities in Sweden and in other security-critical environments internationally.

## **VISION**

Our vision is to contribute to a stronger and safer society through sustainable solutions for the defence and security challenges of the future.

# BUSINESS AREAS



## DEFENCE MATERIEL

- » Development and delivery of defence materiel and systems
- » Equipment and services to strengthen civil defence



## COUNTER-EXPLOSIVE RISK SOLUTIONS

- » Equipment and training for demining on-land and underwater
- » Explosive risk management
  - » Threat and risk assessment
  - » Safety distances and protective measures
- » Disposal of ammunition and weapons
- » Diving systems for military applications



## AIRFIELD OPERATIONS

- » Design and installation of airfield systems at civil and military airports
- » Repair and maintenance of airfields
- » Development and international sales of specialized airfield products



# ARGO AS AN INVESTMENT

## » DEFENCE AND SECURITY – A STABLE MARKET WITH LONG-TERM GROWTH

Argo Defence Group operates in a market with growing demand, driven by a shifting global security environment, increased defence spending and rising requirements for preparedness and modernization. This creates a stable, long-term need for the Group's specialized products, solutions and services in a sector that is only to a limited extent affected by economic cycles.

## » STABLE REVENUES THROUGH LONG-TERM FRAMEWORK AGREEMENTS AND CONTRACTS

The operations are largely based on long-term framework agreements and established customer relationships, complemented by airport-related projects and the sale of specialized products. The business model generates recurring revenues and stable cash flows. Argo Defence Group has an extensive framework agreement portfolio and strong momentum from recently awarded contracts, providing good revenue visibility for 2026 and the years ahead. Going forward, the focus is on securing additional larger framework agreements with attractive commercial terms.

## » SUCCESS IN COMPLEX PROCUREMENT PROCESSES

With extensive experience in public procurement and a strong ability to identify relevant business opportunities at an early stage, Argo Defence Group has established a high hit rate in the tenders it chooses to participate in. This selective and disciplined approach enables the Group to prioritize opportunities with strong potential, thereby creating the conditions for rapid and profitable growth.

## » ESTABLISHED BUSINESSES WITH EXTENSIVE EXPERIENCE

The Group is built on businesses with origins dating back to 1958. Although Argo Defence Group was formed as a group in 2025, it consists of six established subsidiaries with extensive industry experience within the defence and security sector, providing a solid operational foundation, proven business models and deep industry expertise.

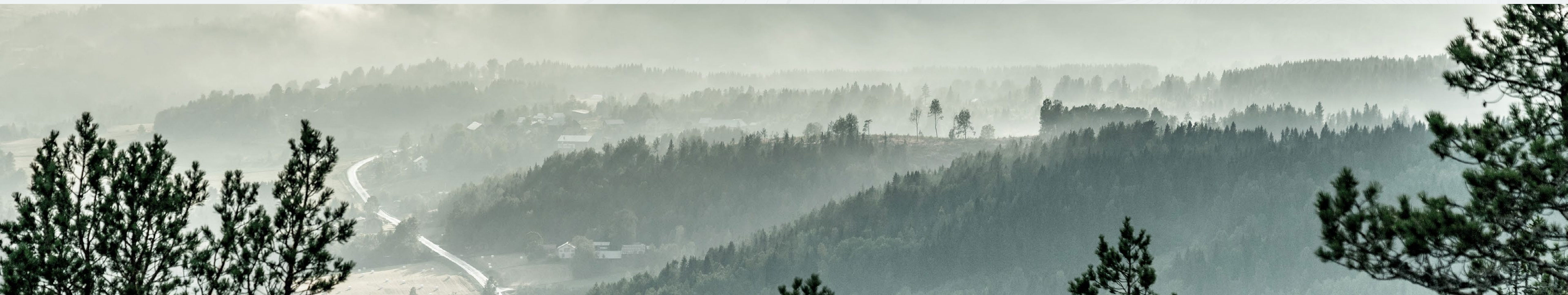
## » OPERATIONAL PRESENCE IN UKRAINE

The Group's operations in Ukraine provide direct access to a region with high security requirements and significant demand for defence materiel. This proximity enables a deeper understanding of current needs and market conditions, contributing to greater visibility on demand while allowing for shorter decision-making processes, tailored solutions and efficient execution in a complex and operationally demanding environment.

## » STRATEGY FOR GROWTH AND PRODUCT EXPANSION

Argo Defence Group combines organic growth with selective, value-accretive acquisitions to strengthen its market position. Organic growth is driven by increased volumes under existing framework agreements, new contracts and a more focused sales approach, while acquisitions broaden the Group's offering within the defence and security sector.

At the same time, a key part of Argo Defence Group's forward strategy is to expand its portfolio of proprietary and internally developed products. By combining technical expertise, experience, and targeted acquisitions, both recurring business and the Group's product portfolio are strengthened over time.



**OUR MISSION IS CLEAR –  
TO CONTRIBUTE TO A SAFER  
SOCIETY AND A MORE STABLE  
FUTURE**



# OPERATIONAL DEVELOPMENT

The first quarter of 2026 was characterised by continued high activity levels in both procurement processes and deliveries under existing framework agreements, alongside the integration of Poseidon Diving Group, which was acquired on 2 March 2026. The Group operates through three business areas: Defence Materiel, Counter-Explosive Risk Solutions and Airfield Operations. The development within each business area is outlined below.

## DEFENCE MATERIEL

### Swedish Net Air & Defence

Swedish Net Air & Defence accounted for the largest share of the Group's revenue during the quarter, reporting net sales of SEK 41.1 million and EBITDA of SEK 12.1 million, corresponding to an EBITDA margin of 29.3%.

Deliveries under existing framework agreements with Försvarets materielverk (FMV) continued according to plan. During the period, a second call-off order valued at SEK 54 million was received relating to specially adapted containers under the existing framework agreement, with deliveries scheduled for Q3–Q4 2026.

## AIRFIELD OPERATIONS

### Zel-Aaren Innovation & LPG Trafikmarkeringar

Activity levels within Airfield Operations are seasonally lower during the first quarter, which is reflected in LPG Trafikmarkeringar reporting net sales of SEK 0.2 million and negative EBITDA of SEK -1.5 million – a normal pattern in which revenues are concentrated to Q2 and Q3.

Zel-Aaren Innovation reported net sales of SEK 1.4 million and positive EBITDA of SEK 0.4 million. During the period, both companies prepared for planned project start-ups scheduled for Q2–Q3 2026.

## COUNTER-EXPLOSIVE RISK SOLUTIONS

### Disarmament Solutions AB & Disarmament Solutions Ukraine

Operations in Ukraine developed in line with the intensified presence established during 2025 through a permanent management function in Kyiv. Disarmament Solutions Ukraine continued to be impacted by establishment and build-up costs related to the permanent structure in Kyiv.

Disarmament Solutions AB reported net sales of SEK 1.9 million and positive EBITDA of SEK 0.1 million. The quotation pipeline continued to grow, although lead times in international procurement processes remain long.

## POSEIDON DIVING GROUP

### Acquired on 2 March 2026 – consolidated as a subsidiary of the Group from the acquisition date.

Poseidon Diving Group was consolidated as of the acquisition date on 2 March 2026 and contributed net sales of SEK 1.7 million, EBITDA of SEK -0.7 million and operating profit of SEK -0.6 million during March.

The acquisition adds unique expertise within underwater environments and clearance operations to the Group. It strengthens Argo Defence Group's combined offering and broadens the Group's portfolio of proprietary technical defence products for which Argo holds the intellectual property rights.



**Financial Overview**

# FINANCIAL COMMENTS

**Result**

Net sales amounted to SEK 45,645 thousand for the period January–March 2026. EBITDA amounted to SEK 10,157 thousand, corresponding to an EBITDA margin of 22.2 percent, while EBITA amounted to SEK 10,062 thousand, corresponding to an EBITA margin of 22.0 percent. Operating profit amounted to SEK 5,577 thousand, corresponding to an operating margin of 12.2 percent.

Acquisition-related advisory costs relating to the Poseidon acquisition have been capitalised as part of the purchase price allocation and therefore do not impact earnings for the period. Interest expenses increased to SEK 586 thousand during the quarter, primarily driven by utilisation of the overdraft facility in Swedish Net Air & Defence during the period.

Profit after financial items amounted to SEK 4,999 thousand and profit for the period amounted to SEK 4,670 thousand. Earnings per share amounted to SEK 0.23.

**Cash flow**

Cash flow from operating activities before changes in working capital amounted to SEK 8,897 thousand. Changes in working capital amounted to SEK -3,582 thousand, mainly driven by increases in other current receivables of SEK 54,942 thousand and inventories of SEK 4,344 thousand, partly offset by decreases in trade receivables of SEK 11,100 thousand and increases in trade payables of SEK 12,129 thousand and other current liabilities of SEK 32,475 thousand. Cash flow from operating activities therefore amounted to SEK 5,315 thousand.

Investing activities were primarily affected by the acquisition of Poseidon, with a net cash flow effect of SEK -29,304 thousand. Investments in property, plant and equipment amounted to SEK -235 thousand. Total cash flow from investing activities amounted to SEK -29,539 thousand.

Financing activities were affected by the over-allotment issue of SEK 1,682 thousand and amortisation of interest-bearing liabilities of SEK -3,419 thousand, resulting in total cash flow from financing activities of SEK -1,737 thousand.

Cash flow for the period amounted to SEK -25,961 thousand. Cash and cash equivalents at the end of the period amounted to SEK 10,325 thousand.

**Financial position**

At the end of the period, equity amounted to SEK 152,952 thousand, corresponding to an equity ratio of 57.2 percent. Total assets amounted to SEK 267,907 thousand.

Goodwill amounted to SEK 79,458 thousand. Other intangible non-current assets amounted to SEK 20,851 thousand, of which SEK 15,479 thousand relates to the fair value measurement of Poseidon's brand in connection with the acquisition.

Interest-bearing liabilities to credit institutions amounted to a total of SEK 23,489 thousand, consisting of long-term loans of SEK 20,114 thousand and short-term loans of SEK 3,375 thousand.

In addition, the Group has access to overdraft facilities totalling SEK 37,500 thousand, of which SEK 24,592 thousand was utilised at the end of the period and classified within other current liabilities.

Including the utilised overdraft facilities, the Group's gross interest-bearing debt amounted to SEK 48,081 thousand.

**Legal vs Pro forma – reading guidance**

The legal financial reports below constitute the primary financial reporting. Pro forma information is presented further back as a complement and illustrates the development of the five subsidiaries that have formed part of the Group since 2025 (excluding Poseidon, which was acquired only on 2 March 2026). Pro forma is hypothetical and does not replace legal reporting.



## Financial Overview

# OTHER INFORMATION

## Largest shareholders as of 31 March 2026

Owner	Number of shares	Capital %
Swedish Net Holding AB	10 200 000	48,62%
Nordnet Pensionsförsäkring AB	3 053 398	14,55%
Exelity AB	1 046 930	4,99%
OneFive AB	800 000	3,81%
Ricon AB	800 000	3,81%
<b>Total five largest shareholders</b>	<b>15 900 328</b>	<b>75,79%</b>
Other shareholders	5 078 672	24,21%
<b>Total</b>	<b>20 979 000</b>	<b>100,00%</b>

Holdings are based on the latest fully available share register as of 31 December 2025. The ownership percentage has been recalculated based on the total number of shares outstanding as of 31 March 2026 (20,979,000 shares), including the effects of the over-allotment option and the non-cash share issues completed during Q1 2026.

## Incentive program 2025/2028

The Company has issued 100,000 warrants under the 2025/2028 incentive programme for the Company's Board of Directors. Each warrant entitles the holder to subscribe for one (1) new share in Argo Defence Group AB at a subscription price of SEK 22.1 per share during the period from 15 October to 31 December 2028. Upon full exercise of the warrants, the Company would receive proceeds of approximately SEK 2.21 million

Shareholder	Warrants
Lars Granbom	50 000
Anna Höjer	25 000
Magnus Ericsson	25 000
<b>Total</b>	<b>100 000</b>

## The share

Argo Defence Group has been listed on NGM Nordic SME, a marketplace operated by Nordic Growth Market, since 16 December 2025, under the ticker symbol ARGO and ISIN code SE0026820540..

## Number of shares and share capital

As of 31 March 2026, the Company's share capital amounted to SEK 727,004.37, divided among 20,979,000 shares. The shares have a quota value of approximately SEK 0.03465 per share. During Q1 2026, the share capital increased by a total of SEK 33,562.37 through two share issues (see table below)..

## Earnings per share

Earnings per share for the period January–March 2026 amounted to SEK 0.23, calculated as profit for the period of SEK 4,670 thousand divided by the weighted average number of shares outstanding during the period, amounting to 20,383,905 shares.

## Aktiekapitalets utveckling under Q1 2026

Event	Date	Additional shares	Total number of shares	Share capital (SEK)
Opening balance	2026-01-01		20 010 486	693 442,00
Over-allotment issue	2026-01-15	+98 963	20 109 449	696 871,03
Non-cash share issue	2026-03-02	+869 551	20 979 000	727 004,37
<b>Closing balance 2026-03-31</b>			<b>20 979 000</b>	<b>727 004,37</b>

## Group structure

As of 31 March 2026, the Group comprised the parent company Argo Defence Group AB and six subsidiaries: Swedish Net Air & Defence AB (100%), Disarmament Solutions AB (100%), Disarmament Solutions Ukraine (100%), Zel-Aaren Innovation AB (100%), LPG Trafikmarkeringar AB (100%), and Poseidon Diving Group AB (99.55%).

## Risk factors

The risk factors described in Argo Defence Group AB's Information Memorandum and the Year-End Report 2025 are deemed to remain relevant as of 31 March 2026. Following the acquisition of Poseidon Diving Group, the Group's risk profile has also expanded to include risks related to the integration of the acquired operations.

## Employees

As of 31 March 2026, the Group employed a total of 40 employees.

## Financial Reports

## Consolidated income statement

TSEK	2026-01-01 – 2026-03-31	2025-04-29 – 2025-12-31
<b>Operating income</b>		
Net sales	45 645	62 970
Other operating income	564	4 243
<b>Total operating income</b>	<b>46 209</b>	<b>67 213</b>
<b>Operating expenses</b>		
Direct costs	-26 307	-50 892
Other external expenses	-1 686	-3 347
Personnel expenses	-7 747	-7 249
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-4 580	-13 275
Other operating expenses	-312	1
<b>Total operating expenses</b>	<b>-40 632</b>	<b>-74 762</b>
<b>Operating profit</b>	<b>5 577</b>	<b>-7 549</b>
<b>Financial items</b>		
Interest income and similar income items	8	509
Interest expenses and similar expense items	-586	-615
<b>Total net financial items</b>	<b>-578</b>	<b>-106</b>
<b>Operating Profit before tax</b>	<b>4 999</b>	<b>-7 655</b>
Income tax	-329	308
<b>OPERATING PROFIT FOR THE PERIOD</b>	<b>4 670</b>	<b>-7 347</b>
<b>Earnings per share before and after dilution, SEK</b>	<b>0,23</b>	<b>-0,367</b>
Weighted average number of shares outstanding	20 383 905	-



## Financial Reports

## Consolidated balance sheet

TSEK	2026-03-31	2025-12-31
<b>Non-current assets</b>		
<b>Intangible assets</b>		
Goodwill	79 458	75 698
Other intangible assets	20 851	637
<b>Total intangible assets</b>	<b>100 309</b>	<b>76 335</b>
<b>Property, plant and equipment</b>		
Buildings and land	3 008	2 725
Equipment, tools, machinery and installations	2 857	2 499
<b>Total property, plant and equipment</b>	<b>5 865</b>	<b>5 224</b>
<b>Financial non-current assets</b>		
Deferred tax assets	1 906	1 112
Other long-term receivables	18 128	0
<b>Total financial non-current assets</b>	<b>20 034</b>	<b>1 112</b>
<b>Total non-current assets</b>	<b>126 208</b>	<b>82 670</b>
<b>Current assets</b>		
Inventories	28 063	8 292
Trade receivable	7 842	13 956
Current tax receivables	0	334
Other receivables	2 927	2 769
Accrued income not yet invoiced	21 330	4 664
Prepaid expenses and accrued income	71 212	28 758
<b>Total current receivables</b>	<b>131 374</b>	<b>58 774</b>
Cash and bank equivalents	10 325	36 286
<b>Total current assets</b>	<b>141 699</b>	<b>95 060</b>
<b>TOTAL ASSETS</b>	<b>267 907</b>	<b>177 730</b>

Argo Defence Group AB (publ) was incorporated on 29 April 2025; accordingly, no legal balance sheet as of 31 March 2025 is available as the Group did not exist at that date. The balance sheet as of 31 December 2025 has been derived from the Year-End Report for the financial year 2025 (the period 29 April – 31 December 2025).

TSEK	2026-03-31	2025-12-31
<b>EQUITY</b>		
Share capital	727	693
Other equity, including profit for the period	152 059	126 494
Non-controlling interests	165	0
<b>Total equity</b>	<b>152 952</b>	<b>127 187</b>
<b>Provisions</b>		
Deferred tax liabilities	3 162	0
<b>Total provisions</b>	<b>3 162</b>	<b>0</b>
<b>Non-current liabilities</b>		
Liabilities to credit institutions	23 114	20 152
<b>Total long-term liabilities</b>	<b>23 114</b>	<b>20 152</b>
<b>Current liabilities</b>		
Liabilities to credit institutions	3 375	3 527
Trade payables	22 367	3 725
Current tax liabilities	1 633	1 326
Other current liabilities	26 203	5 171
Accrued expenses and deferred income	38 101	16 643
<b>Total current liabilities</b>	<b>88 679</b>	<b>30 391</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>267 907</b>	<b>177 730</b>



## Financial Reports

## Consolidated cash flow statement

TSEK	2026-01-01 – 2026-03-31	2025-04-29 – 2025-12-31
<b>Operating activities</b>		
Operating profit	5 577	-7 549
Adjustments for depreciation and amortisation	4 580	13 275
Adjustments for non-cash items	-480	312
Interest received	8	509
Interest paid	-586	-303
Income tax paid	-202	-165
<b>Cash flow from operating activities before changes in working capital</b>	<b>8 897</b>	<b>6 079</b>
<b>Changes in working capital</b>		
Change in inventories	-4 344	-8 292
Change in trade receivable	11 100	-13 956
Change in current receivables	-54 942	-36 191
Change in trade payable	12 129	3 725
Change in other current liabilities	32 475	23 140
Acquired working capital (reclassified to investing activities)	0	13 025
<b>Cash flow from operating activities</b>	<b>4 315</b>	<b>-12 470</b>
<b>Investing activities</b>		
Investments in and disposals of property, plant and equipment	-235	-365
Acquisition of subsidiaries	-29 304	-25 272
<b>Cash flow from investing activities</b>	<b>-30 235</b>	<b>-25 637</b>
<b>Financing activities</b>		
Share issues	1 682	58 250
Transaction costs	0	-7 648
Warrants	0	112
Change in interest-bearing liabilities	-3 419	23 679
<b>Cash flow from financing activities</b>	<b>-1 737</b>	<b>74 393</b>
<b>Cash flow for the period</b>	<b>-25 961</b>	<b>36 286</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>36 286</b>	<b>0</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>10 325</b>	<b>36 286</b>



## Financial Reports

## Changes in equity for the group

## Changes in equity for the period 1 January – 31 March 2026

TSEK	Share capital	Other contributed capital	Other equity	Profit for the period	Minority	Total
<b>Opening balance 2026-01-01</b>	<b>693</b>	<b>133 694</b>	<b>146</b>	<b>-7 347</b>	<b>-</b>	<b>127 187</b>
Transfer of previous year's result			-7 347	7 347		0
Non-cash/new share issue	33	21 649				21 682
Group adjustments			-325			-325
Additional minority interest					165	165
Translation differences			-427			-427
Profit for the period				4 670		4 670
<b>CLOSING BALANCE 2026-03-31</b>	<b>727</b>	<b>155 343</b>	<b>-7 953</b>	<b>4 670</b>	<b>165</b>	<b>152 952</b>

## Changes in equity for the period 29 April – 31 December 2025

TSEK	Share capital	Other contributed capital	Other equity	Profit for the period	Total
<b>Opening balance 2025-04-29</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
New share issue	643	141 607			142 250
Warrants		112			112
Transaction costs		-8 024			-8 024
Formation of company	50				50
Group adjustments			146		146
Profit for the period				-7 347	-7 347
<b>CLOSING BALANCE 2025-12-31</b>	<b>693</b>	<b>133 694</b>	<b>146</b>	<b>-7 347</b>	<b>127 187</b>

\*\* Reconciliation item to be investigated; preliminarily relates to a combination of deferred tax liability on fair value adjustments in the acquisition analysis and other group adjustments.



## Financial Reports

## Parent company income statement

TSEK	2026-01-01 – 2026-03-31	2025-04-29 – 2025-12-31
<b>Operating income</b>		
Net sales	2 489	176
<b>Total operating income</b>	<b>2 489</b>	<b>176</b>
<b>Operating expenses</b>		
Cost of goods sold	0	-111
Other external expenses	-1 443	-1 648
Personnel expenses	-687	-929
Depreciation of property, plant and equipment	-18	-43
Other operating expenses	0	-8
<b>Total operating expenses</b>	<b>-2 148</b>	<b>-2 737</b>
<b>Operating profit</b>	<b>340</b>	<b>-2 561</b>
<b>Financial items</b>		
Interest income and similar income items	15	17
Interest expenses and similar expense items	-62	-314
<b>Total net financial items</b>	<b>-47</b>	<b>-297</b>
<b>Operating Profit before tax</b>	<b>294</b>	<b>-2 858</b>
<b>OPERATING PROFIT FOR THE PERIOD</b>	<b>294</b>	<b>-2 858</b>



## Financial Reports

## Parent company balance sheet

TSEK	2026-03-31	2025-12-31
<b>NON-CURRENT ASSETS</b>		
<b>Property, plant and equipment</b>		
Equipment, tools, machinery and installations	304	323
<b>Total property, plant and equipment</b>	<b>304</b>	<b>323</b>
<b>Financial non-current assets</b>		
Shares in subsidiaries	171 405	116 549
<b>Total financial non-current assets</b>	<b>171 405</b>	<b>116 549</b>
<b>Total non-current assets</b>	<b>171 709</b>	<b>116 872</b>
<b>Current assets</b>		
<b>Current receivables</b>		
Trade receivable	1 037	0
Current tax receivables	319	46
Other receivables	39	279
Receivables from group companies	3 015	0
Prepaid expenses and accrued income	197	121
<b>Total current receivables</b>	<b>4 606</b>	<b>447</b>
Cash and bank equivalents	209	21 203
<b>Total current assets</b>	<b>4 815</b>	<b>21 650</b>
<b>TOTAL ASSETS</b>	<b>176 524</b>	<b>138 521</b>

TSEK	2026-03-31	2025-12-31
<b>EQUITY</b>		
<b>Restricted equity</b>		
Share capital	727	693
<b>Total restricted equity</b>	<b>727</b>	<b>693</b>
<b>Unrestricted equity</b>		
Share premium reserve	163 367	133 694
Retained earnings, including profit for the year	-10 588	-2 858
<b>Total unrestricted equity</b>	<b>152 779</b>	<b>130 836</b>
<b>Total equity</b>	<b>153 506</b>	<b>131 529</b>
<b>Current liabilities</b>		
Trade payable	3 696	483
Liabilities to group companies	19 135	5 873
Other liabilities	16	96
Accrued expenses and deferred income	171	541
<b>Total current liabilities</b>	<b>23 018</b>	<b>6 992</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>176 524</b>	<b>138 521</b>



## Financial Reports

## Parent company cash flow statement

TSEK	2026-01-01 – 2026-03-31	2025-04-29 – 2025-12-31
<b>Operating activities</b>		
Operating profit	340	-2 561
Adjustments for non-cash items	0	312
Adjustments for depreciation and amortisation	18	43
Interest received	15	17
Interest paid	-62	-2
Income tax paid	0	-46
<b>Cash flow from operating activities before changes in working capital</b>	<b>312</b>	<b>-2 239</b>
<b>Changes in working capital</b>		
Change in trade receivable	-1 037	0
Change in current receivables	-3 169	-400
Change in trade payable	3 213	483
Change in liabilities to group companies	13 262	4 632
Change in other current liabilities	-402	187
<b>Cash flow from operating activities</b>	<b>12 179</b>	<b>2 662</b>
<b>Investing activities</b>		
Investments in and disposals of property, plant and equipment	0	-365
Acquisition of subsidiaries	-24 693	-30 445
Shareholder contributions	-10 163	-1 363
<b>Cash flow from investing activities</b>	<b>-34 856</b>	<b>-32 173</b>
<b>Financing activities</b>		
New share issue	1 682	58 250
Transaction costs	0	-7 648
Warrants	0	112
<b>Cash flow from financing activities</b>	<b>1 682</b>	<b>50 714</b>
<b>Cash flow for the period</b>	<b>-20 994</b>	<b>21 203</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>21 203</b>	<b>0</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>209</b>	<b>21 203</b>



## Financial Reports

## Changes in equity for the parent company

## Changes in equity for the period 1 January – 31 March 2026

TSEK	Share capital	Share premium reserve	Retained earnings	Profit for the period	Total
<b>Opening balance 2026-01-01</b>	<b>693</b>	<b>133 694</b>	<b>0</b>	<b>-2 858</b>	<b>131 529</b>
Transfer of previous year's result			-2 858	2 858	0
Non-cash share issue	30	19 970			20 000
Over-allotment issue	3	1 679			1 682
Profit for the period				294	294
<b>CLOSING BALANCE 2026-03-31</b>	<b>727</b>	<b>155 343</b>	<b>-2 858</b>	<b>294</b>	<b>153 506</b>

## Changes in equity for the period 29 April – 31 December 2025

TSEK	Share capital	Share premium reserve	Profit for the period	Total
<b>Opening balance 2025-04-29</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Formation of company	50			50
New share issue	643	141 607		142 250
Warrants		112		112
Transaction costs		-8 024		-8 024
Profit for the period			-2 858	-2 858
<b>CLOSING BALANCE 2025-12-31</b>	<b>693</b>	<b>133 694</b>	<b>-2 858</b>	<b>131 529</b>



## Financial Reports

# ACQUISITIONS DURING THE PERIOD

During the period January–March 2026, Argo Defence Group completed the acquisition of Poseidon Diving Group AB, with closing taking place on 2 March 2026. The acquisition was announced in the Company's press release at an enterprise value of SEK 56.0 million on a customary cash- and debt-free basis, meaning that the final purchase price for the shares was adjusted for Poseidon's interest-bearing net debt and working capital adjustment as of the closing date.

Following these adjustments, the purchase price for 99.55 percent of the shares amounted to SEK 41,344 thousand. The total acquisition cost of SEK 44,693 thousand includes directly attributable acquisition-related costs of SEK 3,349 thousand, which, in accordance with the accounting principles applied by the Group, have been included in the acquisition cost and therefore do not impact operating profit for the period.

The purchase price allocation is preliminary and may be subject to adjustment.

## Summary of acquisition, SEK thousand

Acquired company	Acquisition date	Ownership stake	Purchase price (SEK thousand)
Poseidon Diving Group AB	2026-03-02	99,55%	44 693

## Acquisition analysis – Poseidon Diving Group AB

TSEK	Amount
<b>Purchase price paid in cash</b>	<b>44 693</b>
Total acquisition cost	44 693
Carrying amount of net assets at the acquisition date	24 452
Fair value adjustment related to brand-related intangible assets	15 479
Deferred tax liability on fair value adjustments (20.6%)	-3 189
Identifiable net assets at fair value	36 742
Acquired share of identifiable net assets (99.55%)	36 577
Non-controlling interest	165
<b>GOODWILL</b>	<b>8 116</b>

*The identified fair value adjustment relates to the revaluation of Poseidon's brand to fair value. The fair value adjustment is amortized over a period of 10 years, while goodwill is amortized over 5 years. Q1 2026 includes one month of amortization (March), amounting to SEK 264 thousand before tax and SEK 237 thousand after reversal of deferred tax.*



## Financial Reports

# PRO FORMA — METHOD AND RECONCILIATION

Pro forma information has been prepared for illustrative purposes and is based on the assumption that the Group owned the subsidiaries throughout the entire comparative period. The pro forma information does not constitute reported historical financial information in accordance with applicable regulations and should not be regarded as a forecast.

Poseidon Diving Group is excluded from the pro forma comparison for Q1 2025, as the company was acquired only on 2 March 2026 and a hypothetical inclusion over different reporting periods (one month in Q1 2026 compared with three months in Q1 2025) would reduce comparability. For consistency purposes, Poseidon's contribution to Q1 2026 is presented separately in the table below\*.

## Pro forma comparison Q1 2026 vs Q1 2025

TSEK	Q1 2026 (legal)	of which Poseidon (March)	Q1 2026 excl. Poseidon	Q1 2025 (Pro forma, excl. Poseidon)
<b>Net sales</b>	<b>45 645</b>	<b>1 699</b>	<b>43 946</b>	<b>54 158</b>
EBITDA	10 157	-702	10 859	1 859
EBITDA margin	22,2%	-	24,7%	3,4%
Operating profit	5 577	-590	6 167	-3 470

\* Pro forma information for Q1 2025 has been prepared using the same methodological principles as the pro forma full-year information presented in the Year-End Report 2025 and assumes that the five subsidiaries – Swedish Net Air & Defence, Disarmament Solutions AB, Disarmament Solutions Ukraine, Zel-Aaren Innovation, and LPG Trafikmarkeringar – formed part of the Group throughout the entire comparative period. For detailed definitions and methodology, please refer to the Year-End Report 2025.



## Financial Reports

# SUBSIDIARY OVERVIEW

Subsidiary	Business area	Geography	Offering
Swedish Net Air & Defence AB	Defence Materiel	Sweden	Defence materiel and equipment; deliveries under framework agreements/public procurements.
Disarmament Solutions AB	Counter-Explosive Risk Solutions	Sweden/International	Explosive risk management, training, and project deliveries in complex environments.
Disarmament Solutions Ukraine	Counter-Explosive Risk Solutions	Ukraine	Operational activities and project-related services related to risk reduction.
Zel-Aaren Innovation AB	Airfield Operations	Sweden/International	Technical solutions and equipment for airfield and infrastructure operations.
LPG Trafikmarkeringar AB	Airfield Operations	Sweden/Nordic	Service, repair, and maintenance work on airfields.
Poseidon Diving Group AB	Defence Materiel	Sweden/International	Development and manufacturing of advanced diving and breathing equipment for military units and professional users.



## Accounting Principles

# ACCOUNTING PRINCIPLES

The interim report has been prepared in accordance with the requirements of the Swedish Annual Accounts Act and the rules and regulations of NGM Nordic SME. Argo Defence Group AB applies the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's supplementary accounting framework BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3). The accounting principles applied are unchanged compared with those applied in the Year-End Report for the financial year 2025.

## Key figures and definitions

### Net sales

Invoiced revenues for the period excluding value added tax, including project revenues and deliveries under framework agreements.

### EBITDA

Operating profit before depreciation and amortisation of property, plant and equipment and intangible non-current assets.

### EBITDA margin

EBITDA as a percentage of net sales.

### EBITA

Earnings Before Interest, Taxes and Amortisation – profit before net financial items, tax, and amortisation of goodwill and fair value adjustments from acquisitions. Calculated as operating profit plus amortisation of goodwill and fair value adjustments from acquisitions. EBITA shows the Group's underlying operational profitability before structural acquisition-related amortisation and is a relevant measure for acquisition-driven groups.

### EBITA margin

EBITA as a percentage of net sales.

### Operating profit

Profit after depreciation and amortisation but before net financial items and tax.

### Profit after net financial items

Profit for the period before tax, after interest income and interest expenses have been taken into account.

### Earnings per share

Profit for the period attributable to the parent company's shareholders divided by the weighted average number of shares outstanding during the period.

### Order intake

The value of orders received during the period, including call-offs from framework agreements.

### Order backlog

The value of orders not yet delivered or recognised as revenue at the end of the period.

### Equity ratio

Equity, including adjusted portion of untaxed reserves, as a percentage of total assets.

### Total assets

The sum of the Group's assets at the end of the period.

### Cash and cash equivalents

Cash and bank balances at the end of the period, excluding utilised overdraft facility (reported as current liabilities).

### Review

This interim report has been subject to review by the auditor.



**Board of Directors' and CEO's Declaration**

# **BOARD OF DIRECTORS' AND CEO'S DECLARATION**

The Board of Directors and the CEO certify that this interim report provides a true and fair overview of the Parent Company's and the Group's operations, financial position and results. This interim report has been subject to a limited review by the Company's auditor.

**Lars Granbom**

Chairman of the Board

**Mariem Butler**

Board Member

**Magnus Ericsson**

Board Member

**Anna Höjer**

Board Member

**Marcus Selme**

CEO and Board Member



## Financial Calendar

# FINANCIAL CALENDAR

Argo Defence Group prepares and publishes financial reports on a quarterly basis. The Company's financial reports are made available through the MFN news service and on the Company's website, [www.argodefence.se](http://www.argodefence.se). Upcoming reports are scheduled to be published on the following dates:

Report	Date
Annual General Meeting (AGM)	28 May 2026
Interim Report Q2 2026	12 August 2026
Interim Report Q3 2026	21 October 2026
Year-End Report 2026	18 February 2027

**This report is in all respects a translation of the Swedish original interim report. In the event of any discrepancies between this translation and the Swedish original, the latter shall prevail.**

**For further information, please contact:**

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