

Information Memorandum

Invitation to participate in the Equity Issue of:



Equity Issue: Up to SEK 69,999,999

Subscription period commences on:
1 December 2025 at 09:00 CET and ends 8 December 2025 at 15:00 CET

Sole Global Coordinator and Bookrunner:



This Information Memorandum is dated 1 December 2025

Important information

This information memorandum (the "**Memorandum**") has been prepared in connection with the offer of shares and application for admission to trading of shares in Argo Defence Group AB (publ), a Swedish public limited liability company (the "**Offer**", or, the "**Offering**" or, the "**Equity Issue**") on NGM Nordic SME ("**Nordic SME**"). In the Memorandum, "**Argo Defence**" or the "**Company**" refers to Argo Defence Group AB (publ) reg. no. 5595290734, or, depending on the context, the group in which Argo Defence is the parent company (the "**Group**").

This Information Memorandum does not fulfil the requirements of being a prospectus in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council and has not been reviewed or approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*). This Information Memorandum does not include any offer to subscribe for, or otherwise acquire, shares or any other financial instrument in Argo Defence in either Sweden or any other jurisdiction. Distribution of this Information Memorandum is subject to restrictions in law and other regulations. The Information Memorandum may not be distributed in or into the United States, Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Switzerland, Singapore, South Africa, South Korea or any other jurisdiction where such distribution requires a prospectus, registration or any other actions to be taken in addition to the requirements under Swedish law. Persons who receive copies of this Information Memorandum, or wish to invest in the Company, must inform themselves about and follow such restrictions. Swedish law is applicable in relation to this Information Memorandum. Disputes regarding the Information Memorandum and thereby applicable legal circumstances shall be handled under Swedish law exclusively.

No financial instruments in the Company shall be offered, subscribed, utilised, or transferred, directly or indirectly, in or to the United States, Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Switzerland, Singapore, South Africa, South Korea or any other jurisdiction where publication or distribution of this Memorandum would be illegal, require additional registration or measures other than those required under Swedish legislation, or otherwise violate the regulations in these jurisdictions, or which cannot be implemented without application of exceptions in these jurisdictions. Subscription for shares in violation of the above restrictions may be invalid. Persons receiving copies of the Memorandum, the application form or other documents pertaining to the Offer are requested by the Company to inform themselves about, and comply with, such restrictions. Failure to comply with the restrictions described above could lead to the violation of applicable securities legislation. The shares in the Offer have not been recommended by any US federal or state authority. Furthermore, the foregoing authorities have not confirmed the accuracy or assessed the adequacy of this Memorandum. Any representation to the contrary is a criminal offence in the US. Securities in the Company that are mentioned in this Memorandum have not been and will not be registered under the US Securities Act of 1933, as amended, (the "**Securities Act**") or with any other authority in any state in the US, and may not be offered or sold in the US unless these securities are registered under the Securities Act or pursuant to an applicable exception from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Company engages in protected activities (Sw. *skyddsvärd verksamhet* according to the (2023:560) Screening of foreign direct investments act ("**FDI act**"). The Company is obliged to inform prospective investors that an investment in the Company may be subject to notification under the FDI act and must be reviewed by the Inspectorate of Strategic Products ("**ISP**") before the investments can take place. An investment may be subject to notification if i) the investor, any member of its ownership structure, or any person on whose behalf the investor acts, would, following the investment, directly or indirectly, hold voting rights equal to or exceeding any of the thresholds of 10, 20, 30, 50, 65 or 90 per cent of the voting rights in the Company, ii) the investor would, as a result of the investment, acquire the Company and the investor, someone in its ownership structure or someone on whose behalf the investor acts, would, directly or indirectly, hold 10 per cent or more of the voting rights in the Company, iii) and the investor, someone in its ownership structure or someone on whose behalf the investor acts, would in another way as a result of the investment, have a direct or indirect influence on the management of the Company. If the investment is implemented before the ISP has issued a final decision the investor may be subject to an administrative fine. For more information regarding which investments that may be subject to notification under the FDI act, see the FDI act and the ISP's website <https://isp.se/eng/foreign-direct-investment/>

Unless otherwise stated herein, no financial information in the Memorandum has been audited or reviewed by the Company's auditor. Financial information relating to the Company in this Memorandum, and that is not part of the information that has been revised or reviewed by the Company's auditor in accordance with what is stated herein, has been obtained from the Company's internal accounting or reporting system. Certain figures presented in the Memorandum have been rounded, which means that the tables in the Memorandum do not necessarily tally exactly. Moreover, certain percentages presented in the Memorandum have been calculated based on underlying figures that were not rounded, which means that they may differ slightly from the percentages calculated based on rounded kronor amounts. All financial amounts are in Swedish kronor ("**SEK**"), unless indicated otherwise. "**TSEK**" indicates thousand SEK and "**MSEK**" indicates million SEK.

FORWARD-LOOKING STATEMENTS

The Memorandum contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, for example, contain wording such as "believes", "estimates", "anticipates", "expects", "assumes", "forecasts", "intends", "could", "will", "should", "would", "according to estimates", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "to the knowledge of" or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Memorandum concerning future financial results, plans and expectations with respect to the Company's business and management, future growth and profitability and general economic and regulatory environment as well as other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company's knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including the Company's cash flow, financial position and results of operations, to differ materially from the results or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favorable than the results expressly or implicitly assumed or described in those statements. Accordingly, prospective investors should not place undue reliance on the forward-looking statements herein and are strongly advised to read the Memorandum in its entirety, including the following sections: "Summary", "Risk factors" and "Business description and market overview", which include more detailed descriptions of factors that might have an impact on the Company's business and the market in which the Company operates. The Company cannot give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual outcome of such statements.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Memorandum may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in the Memorandum may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to changes in general economic conditions, in particular economic conditions in the markets in which the Company operates, negative outcomes in ongoing and planned clinical trials, changes affecting interest rates, changes affecting currency exchange rates, changes in competition levels, regulatory changes and accidents or systemic delivery deficiencies. The Company expressly disclaims all obligations to update these forward-looking statements to reflect any changes in their expectations or any change in events, conditions or circumstances on which such statements are based upon unless required to do so by applicable law or the rules for NGM Nordic SME. All subsequent written and verbal statements about the future attributable to the Company or to persons acting on its behalf are fully made with reservations for the uncertainties stated above and those described elsewhere in the Memorandum.

INDUSTRY AND MARKET DATA

The Memorandum includes industry and market data pertaining to the Company's business and the market in which the Company operates. Such information is based on the Company's analysis of several different sources, including industry publications and reports. Information that has been obtained from third parties has been reproduced correctly, and as far as the Company is aware and can ascertain from the information published by the third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Such third-party information is identified by reference to its respective source. Neither the Company nor Pareto Securities AB have independently verified and cannot give any assurances as to the accuracy of industry and market data contained in this Memorandum. The Memorandum contains a description of the risks associated with the Company's operations. The description is not exhaustive, and the risks are not the only risks to which the Company and its shareholders may be exposed. Other risks that are currently unknown to the Company, or which the Company currently does not consider to be material, may also adversely impact the Group's operations, earnings, and financial position. Such risks may also cause a considerable decline in the price of the Company's shares, and investors in the Company risk losing all or part of their investment.

INFORMATION REGARDING NORDIC SME

The Company's shares will be traded on Nordic SME under the short name ARGO. Trading in the Company's shares will be available in real time at www.ngm.se. Nordic SME is a growth market for small and medium enterprises intended for the listing and trading of shares and share-related instruments operated by Nordic Growth Market NGM AB. Nordic SME is an SME growth market in accordance with MiFID II (the Directive on Markets in Financial Instruments (EU 2014/65)). An investor should keep in mind that shares and share-related instruments listed on Nordic SME are not admitted to trading on a regulated market and therefore not subject to the same rules for the protection of the shareholders as companies whose shares are listed on a regulated market. At Nordic SME, the same rules do not apply as for companies on regulated markets, as defined in EU legislation and implemented in national legislation, thus neither the Act (2006:451) on public takeover offers on the stock market, nor the regulation of the European Parliament and the Council (EC) No 1606/2002 of 19 July 2002 on the application of international accounting standards (IFRS) is applicable. It is also possible, under certain conditions, to list shares or share-related shares securities on an SME without an obligation to produce a prospectus according to the Regulation (EU) 2017/1129 of the European Parliament and of the Council. The Swedish Corporate Governance Code does not apply on Nordic SME. However, Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and the Stock Market Self-Regulation Committee's "Takeover rules for certain trading platforms" do apply. Trading at Nordic SME takes place in Nordic Growth Market's proprietary trading system, Elasticia, which means that all Nordic Growth Market members can trade in the shares. Information about the trading, market data, is distributed in real time to, among others, Bloomberg, Thomson Reuters, Infront and leading Internet portals with a financial focus. Real-time market data is also available free of charge at www.ngm.se. At Nordic SME, Nordic Growth Market NGM AB, one of Sweden's two stock markets with license from the Swedish Financial Supervisory Authority, is responsible for the surveillance of both the listed companies' provision of information and the trading in the companies' shares.

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Information about Argo Defence's shares

Marketplace	Nordic SME
Ticker	ARGO
ISIN for shares in Argo Defence	SE0026820540

Financial calendar

Year-end report 2025	26 February 2026
Annual report 2025	22 April 2026
Interim report January – March 2026	20 May 2026
Annual General Meeting 2026	28 May 2026
Interim report April – June 2026	12 August 2026
Interim report July – September 2026	21 October 2026

Summary of the Equity Issue

Offer Price (SEK)	17.00
Maximum number of shares in the Offering:	4,117,647
Offer size	SEK 69,999,999
Subscription period	1 December – 8 December 2025
Preliminary date for announcement of outcome:	8 December 2025

DEFINITIONS

Company	Argo Defence Group AB (publ), a company incorporated under the laws of Sweden with business registration number 559529-0734.
Equity Issue	<p>The issuance by the Company of up to 4,117,647 new shares for total gross proceeds of up to SEK 69,999,999 (excluding the Over-Allotment Option described below).</p> <p>The Equity Issue comprises the Institutional Offering and the Retail Offering.</p>
Institutional Offering	The offering of shares in the Equity Issue to a limited number of identified investors, each subscribing for a minimum investment amount of EUR 100,000.
Offer Price	The Offer Price refers to the price for subscription of shares in the Company, which has been set at SEK 17.00 per share. The Offer Price is the same for the Institutional Offering, the Retail Offering, and the Over-Allotment Option.
Offer or Offering	Same definition as the Equity Issue, see Equity Issue definition for details.
Over-Allotment Option	The option to issue 617,647 additional new shares for total gross proceeds of up to SEK 10,499,999, corresponding to up to 15 percent of the total number of shares in the Offering, at the Offer Price, within 30 calendar days from the first day of trading in the Company's shares on NGM Nordic SME, to cover potential over-allotments in connection with the Offering.
Manager	Pareto Securities AB with business registration number 556206-8956.
Retail Offering	The offering of shares in the Equity Issue to investors for an aggregate total subscription amount not exceeding the equivalent of EUR 2,500,000.

INVESTMENT SUMMARY

This summary should be read as an introduction to the Memorandum, and is entirely subordinate to the more detailed information contained in this Memorandum including its appendices. Any decision to invest in the Company should be based on an assessment of all information in this Memorandum and any other relevant information. In particular, potential investors should carefully consider the risk factors.

For an explanation of definitions and terms used throughout this Memorandum, please refer to chapter 1 (Definitions).

Summary of the Company

Argo Defence is a growth-oriented defence group focused on customers within both the military and civil defence sectors. The Company was established in 2025 and today consist of five subsidiaries: Swedish Net Air & Defence AB, Disarmament Solutions, Disarmament Solutions Ukraine, Zel-Aaren Innovation, and LPG Trafikmarkeringar.

Argo Defence operates through three business areas: Defence Materiel, Counter-Explosive Risk Solutions, and Airfield Operations.

- Within Defence Materiel, the Company develops and delivers advanced equipment, and systems that strengthen both national defence capabilities and civil protection.
- The Counter-Explosive Risk Solutions business area provides comprehensive solutions for mine clearance, risk management, and the safe destruction of conventional weapons and ammunition.
- Through Airfield Operations, Argo Defence designs, integrates, and constructs technical systems and infrastructure for airports and other high security facilities.

Together, these business areas enable Argo Defence to offer a broad and complementary range of defence-related products and services that contribute to increased resilience and security across the Nordic region and internationally.

Argo Defence continues to demonstrate strong momentum in its largest business area, Defence Materiel, having recently been awarded a framework agreement worth approximately SEK 340 million by FMV. The market conditions are assessed as favorable, and the Company sees opportunities to secure additional, relatively large, framework agreements within this segment. In Disarmament Solutions, where Argo Defence has a local presence in Ukraine, demand has increased during 2025. The number of outstanding bids has risen significantly, and the Company sees potential for these to gradually convert into new projects.

Investment Case in Brief

Argo Defence offers an attractive investment case, underpinned by strong market fundamentals, a clearly defined strategic positioning, and a proven business model. With structural trends driving sustained demand, combined with operational strengths and financial discipline, the Company is well-placed to deliver both long-term growth and compelling shareholder returns.

Investment highlights:

- Riding the wave of decades of defence underspending – Swedish military expenditures now accelerating from 1.4% (2023) to 2.6% of GDP by 2028 under the new government proposal.¹
- Framework agreement portfolio of ~SEK 700m and solid momentum from a newly awarded SEK 340m framework agreement – first call-off received, providing visibility in 2026. Focus ahead on securing additional large, high-margin framework agreements.

¹ Government offices of Sweden

- Proven ability to identify, participate in, and win complex procurements – best-in-class hit rate of 51%.
- Scalable cost base with stable fixed costs, even as the Company wins larger procurements.
- Unique investment opportunity with strong potential for organic growth through increased sales focus and larger framework wins, complemented by acquisitions in three identified areas.

Summary of financial information (Pro forma figures)

- **Strong revenue growth:** Revenue increased from SEK 31m in FY23 to SEK 141m in FY24, with FY25 guidance of SEK 150–165m (representing 18–30% YoY growth).
- **Improved profitability:** EBITDA improved from SEK –5m (FY23) to SEK 15m (FY24), corresponding to a 12% margin. FY25 EBITDA is guided at SEK 18–23m (11–15% margin).
- **Solid contract base:** Framework agreements amount to SEK 862m in total, of which SEK 156m has been delivered or ordered, and SEK 706m remains with expected order and deliveries through 2029, with a focus on 2026 and 2027.
- **2025 guidance:**
 - Revenue SEK 150–165m.
 - EBITDA SEK 18–23m (11–15% margin).
- **Medium-term financial targets:**
 - Organic revenue growth >20% per year. With individual years potentially affected positively or negatively by the timing of customer orders. In addition to organic growth, the company is expected to pursue acquisitions.
 - EBITDA margin >15% per year. With individual years potentially affected positively or negatively by the timing of customer orders.

Summary of the Equity Issue

Subscription Specifics

- The Offer Price is SEK 17.00 per share in the Company.
- Each applicant's minimum subscription in the Institutional Offering in the Equity Issue is set to SEK 1,190,000, which corresponds to 70,000 shares.
- Each applicant's minimum subscription in the Retail Offering in the Equity Issue is set to SEK 5,100 which corresponds to 300 shares.
- The subscription period for the Institutional Offering runs from 1 December 2025 at 09:00 CET to 8 December 2025 at 15:00 CET.
- The subscription period for the Retail Offering runs from 1 December 2025 at 09:00 CET to 8 December 2025 at 15:00 CET.
- The Board of Directors of the Company and/or the Manager reserve(s) the right to, in sole discretion, shorten or extend the subscription period.

Payment of Shares

- Settlement for the subscribed shares is expected to be due on or about 12 December 2025.
- Settlement is effected as Delivery vs Payment (DvP). Each investor must notify his or her custodian/bank to instruct receipt of the shares vs payment in the VPC system (Euroclear Sweden).
- If full payment is not received in time, the allotted Shares may be transferred to another investor.
- If the price in the event of such a transfer is lower than the Offer Price, the party originally allotted the Shares in the Offering may be required to pay the difference.

- The Board of Directors of the Company and/or the Manager is free to extend or shorten the payment period of up to six weeks without giving the applicant the right to cancel any applications for Shares.

Prevention of money laundering

In order to subscribe for Shares, the investor must satisfy the applicable requirements pursuant to the Money Laundering and Terrorist Financing Prevention Act (Sw. Lag (2009:62) om åtgärder mot penningtvätt och finansiering av terrorism) and its associated regulations in the country where the Applicant is situated. To apply for Shares, the Applicant must be a client of the Manager or the Distributors and have a VP-account with Euroclear Sweden or a custody account with a custodian.

RISK FACTORS

This section describes the risk factors and significant circumstances considered to be material to Argo Defence operations and future development as well as Argo Defence securities. The risk factors relate to Argo Defence operations, industry, and markets, and include operational risks, legal risks, tax risks, financial risks, and risk factors related to the securities. The assessment of the materiality of each risk factor is based on the likelihood of its occurrence and the expected magnitude of its adverse effects. The risk factors mentioned below are limited to risks that are specific to the Company and/or to the securities and that are material for making an informed investment decision.

The following description is based on information available on the date of this Memorandum. The risk factors that are currently considered to be the most significant are presented first in each category, with the other risk factors presented in no particular order afterwards.

Risks related to Argo Defence operations and market

General market conditions in the Company's segment

Argo sells and manufactures various products that are affected differently by market conditions. The majority of the Company's sales are to defense forces, primarily in Sweden but also in Ukraine. The demand for products in the defense industry in these markets is currently high. If market conditions deteriorate, demand may decrease, which could negatively affect the Company's operations.

Likelihood: Medium

Negative impact: Medium

Dependence on individual customers

Argo is dependent on its largest customers, such as the Swedish Armed Forces, FMV, and Fortifikationsverket, which currently represent 77% of the Company's net sales and are expected to continue to account for the majority of revenues. If demand from the Company's largest customers decreases, it would negatively affect the Company's operations.

Likelihood: Low

Negative impact: High

Dependence on individual suppliers

The Company has a relatively diversified supplier base, with the three largest suppliers currently representing about 44% of total purchased volume. The business model is based on having specific suppliers for each project, and if any of these suppliers fail or are otherwise unable to deliver, Argo's operations would be negatively affected. Finding new suppliers on acceptable terms for the Company can be complicated.

Likelihood: Low

Negative impact: High

Risks related to the Company's acquisition strategy

As part of its growth strategy, the Company intends to acquire other companies and businesses in related areas. Acquisitions involve risks and uncertainties that may negatively affect the Company's operations. There is a risk that the Company may not identify suitable acquisition targets on acceptable terms, or that acquired businesses may not develop as expected. Integration processes may be more complicated, time-consuming, and costly than anticipated, leading to disruptions in ongoing operations. Acquisitions may also involve unforeseen liabilities, legal obligations, or other hidden risks not discovered during due diligence. Overpaying for acquisitions or failing to realize expected synergies could have a material adverse effect on the Company's financial position and results. Acquisitions may also require significant financial resources and lead to increased indebtedness, limiting the Company's financial flexibility.

Likelihood: Medium

Negative impact: Medium

Regulatory compliance

The Company, including its subsidiaries, holds several permits to supply military materiel and a number of ISO certifications. These permits, granted by ISP, mainly cover products supplied to the Armed Forces and FMV. These permits are necessary to deliver a broad range of products to defense forces. There is a risk that the Company may not obtain permits for new products or those required to participate in new tenders, which could limit the Company's ability to expand its product range and participate in business opportunities. Losing existing permits or failing to obtain necessary permits for new products and tenders would negatively affect the Company's operations.

Likelihood: Low

Negative impact: High

Financing and future capital needs

Depending on the overall development of its operations, the Company may need capital to acquire assets or further develop assets on acceptable terms. If the Company cannot obtain sufficient financing on acceptable terms, the scope of its operations may be limited, which could ultimately prevent the Company from executing its future plans.

Likelihood: Medium

Negative impact: Medium

Competition

The Company's operation is mainly defense-related, and competitors exist both globally and locally. The Company faces competition from other companies that can produce products and offer services with similar features, customization, pricing, and delivery reliability. Competitors may have greater financial resources and better capacity to withstand market downturns, retain skilled personnel, and access local markets. Increased competition may lead to loss of market share and reduced net sales. To meet increased competition, the Company may be forced to lower prices and offer more extensive guarantees, risking reduced margins and/or increased costs. The competitive situation may also require the Company to develop new products or services, and failure to do so may result in loss of customers or significantly increased development costs.

Likelihood: Medium

Negative impact: Medium

Currency risk

The Company's supply of goods occurs in various currencies, while sales are mainly in SEK but also in EUR. If SEK significantly weakens against other currencies, it may result in lower profitability for the Company.

Likelihood: Medium

Negative impact: Low

Economic cycles

External factors such as supply and demand and economic cycles can affect operating costs, sales prices, and share valuation. The Company's future revenues and share valuation may be affected by these factors, which are beyond the Company's control.

Likelihood: Medium

Negative impact: Low

Liquidity risk

Liquidity risk is the Company's potential inability to meet its payment obligations. The Company has long-term banking relationships and credit arrangements that cover liquidity needs if they arise. Failure to meet payment obligations would negatively affect the Company's financial position.

Likelihood: Low

Negative impact: High

Disputes

The Company has not been involved in significant disputes with competitors, suppliers, or customers. However, as a company operating in the defense industry and involved in several complex projects simultaneously, there is a risk that the Company may in the future become involved in disputes related to deliveries, contract interpretations, product liability, intellectual property, or other business matters. Disputes can be time-consuming and costly to handle, regardless of their merit, and may require significant management and legal resources. Even if the Company wins a dispute, the costs of legal proceedings may be significant and negatively affect profitability. Disputes, especially those receiving public attention, may damage the Company's reputation and relationships with customers, suppliers, and other business partners. In the worst case, disputes may result in liability for damages, delayed deliveries, or terminated business relationships, which could have a material adverse effect on the Company's operations, financial position, and results.

Likelihood: Low

Negative impact: High

Political decisions

The Company operates in Sweden but sells its products and services globally and is therefore affected by the general financial and political situation worldwide. Demand for the Company's products is mainly influenced by individual countries' annual defense budgets, which in turn are affected by factors such as current political leadership, long-term economic conditions, defense and security policy, and the national and global security situation. In times of greater security policy uncertainty, defense budgets often increase. However, such political proposals may change, and political or economic changes that result in significant reductions in defense budgets in individual countries may affect the Company's customers' investment plans and thus demand for the Company's products, which could have a material adverse effect on the Company's net sales and results. There is also a risk that security policy considerations may lead individual countries to restrict imports in favor of national development and manufacturing, which could also affect demand for the Company's products.

Likelihood: Medium

Negative impact: Medium

Financial and operational targets

There is a risk that the Company's targets will not be achieved. It may take longer than planned to reach the goals set by the board, which could negatively affect the Company's operations. Failure to acquire companies affects the Company's ability to generate growth.

Likelihood: Low

Negative impact: Medium

Dependence on key personnel

For the Company to develop as planned, it is important that key resources are optimally allocated. There is a risk that the Company may fail to retain key personnel, which could lead to temporary disruptions in operations. It may also be difficult for the Company to effectively prevent management personnel from engaging in competing activities in the future, which could negatively affect the Company if such individuals leave.

Likelihood: Medium

Negative impact: High

Risks related to investing in Argo Defence shares

An active, liquid, and functioning market for the Company's shares may not develop positively

The Company's shares will be traded on the Nordic Growth Market (NGM), which is an MTF and not a regulated market. Companies whose shares are traded on NGM are not subject to all the legal regulations that apply to companies listed on a regulated market. NGM has chosen to apply many of these legal regulations through its own rules. However, investors should be aware that trading in shares listed outside a regulated market may be riskier. There is a risk that an active and liquid market will not develop. If trading is insufficient, a liquidity guarantor may be required.

Likelihood: Medium

Negative impact: Medium

Decline in share price

An investment in the Company involves risk. There are no guarantees that the share price will develop positively. The stock market can generally decline for various reasons such as interest rate increases, political events, currency fluctuations, or economic downturns. The stock market is also largely influenced by psychological factors. A share like the Company's can be affected in the same way as any other share by these factors, which are often difficult to predict and protect against.

Likelihood: Medium

Negative impact: Medium

No dividend

Argo has not paid dividends in previous years. Investors should consider that future dividends may not be paid. In considering future dividends, the board will propose to take into account factors such as the requirements of the business, its scope and risks, the size of equity, and the Company's consolidation needs, liquidity, and overall position. As long as no dividend is paid, any return on investment must be generated through an increase in the share price.

Likelihood: Medium

Negative impact: Medium

Fluctuations in the Company's share price

The Company's share price may fluctuate significantly in the future, for example due to quarterly results, general economic conditions, and changes in capital market interest in the Company. In addition, the stock market in general may react with extreme price and volume fluctuations that are not always related or proportional to the operational performance of individual companies.

Likelihood: Medium

Negative impact: Low

Dilution through future share issues

The Company may in the future carry out new share issues or issue share-related instruments to raise capital. Any such issues may reduce the proportional ownership and voting rights as well as earnings per share for existing shareholders. Furthermore, any new share issues may negatively affect the market price of the shares.

Likelihood: Medium

Negative impact: Medium

THE LIABILITY STATEMENT OF THE BOARD OF DIRECTORS

The board of directors of the Company, which is responsible for the contents of this Memorandum, has performed all reasonable precautionary actions to ensure that the information presented in the Memorandum is, to the directors' knowledge, in accordance with the actual circumstances and the requirements set by Nordic Growth Market NGM AB, and that no information has been omitted which could affect the assessment of the Company.

Stockholm, Sweden on the date of this Memorandum

Argo Defence Group AB (publ)

The board of directors

BACKGROUND AND REASONS

Argo Defence is a growth-oriented defence group with a focus on customers within both military and civil defence. The Company was established in 2025 and today consist of five subsidiaries: Swedish Net Air & Defence AB, Disarmament Solutions, Disarmament Solutions Ukraine, Zel-Aaren Innovation, and LPG Trafikmarkeringar. By combining complementary expertise, Argo Defence has positioned itself as a more comprehensive supplier of defence-related solutions with the ability to address the evolving needs of both governmental and private sector clients.

The Company expects to grow both organically, driven by strong market demand for modern defence solutions, and through acquisitions, supported by an established pipeline of potential targets. To support this growth strategy and increase the Company's visibility in the market, Argo Defence intend to list the Company's shares on Nordic SME in Stockholm.

The purpose of the listing is to raise capital to accelerate the Company's growth, both organically and through acquisitions, while broadening the shareholder base. The listing will give the Company access to a wider capital market, thereby strengthening its financial flexibility and enabling a higher pace of acquisitions and investments in innovation over time. In addition, being a listed company is expected to enhance the Company's brand recognition, credibility, and attractiveness to potential partners, clients, and employees.

On 18 November 2025, Argo Defence submitted its application for admission to trading on Nordic SME. Provided that the application is approved, the first day of trading is expected to occur on or around 16 December 2025.

The Equity Issue and Over-Allotment Option

Prior to the first day of trading, the Company intends to carry out an equity issue, raising up to approximately SEK 70 million through the issuance of up to 4,117,647 new shares (the "**Equity Issue**")². The Equity Issue is intended to be carried out to achieve the required shareholder distribution for the listing, pursue attractive M&A opportunities, strengthen the Company's working capital position, and finalize payments related to previous acquisitions. The shares will be offered to the general public in Sweden as well as to institutional investors.

In order to cover potential over-allotments, the Equity Issue may comprise up to an additional 617,647 new shares, corresponding to a maximum of 15 percent of the total number of shares included in the Equity Issue (the "**Over-Allotment Option**", also referred to as the greenshoe option). The Over-Allotment Option relates to new shares issued by the Company and may be exercised by Pareto Securities AB, in whole or in part, within 30 calendar days from the first day of trading in the Company's shares on NGM Nordic SME.

Use of proceeds

The Equity Issue, if fully subscribed and assuming the Over-Allotment Option is not exercised, will bring the Company approximately SEK 70 million³ before deduction of transaction costs, which are estimated to

² Of which SEK 8,000,000 will be subscribed for and paid through set-off by LPG Trafikmarkeringar AB in connection with the acquisition. For further details, see section "Acquisition of LPG Trafikmarkeringar AB" under "Legal Considerations" in this Memorandum.

amount to approximately SEK 8 million. In the event that the Over-Allotment Option is exercised in full, the Company is expected to receive an additional approximately SEK 10 million.

The net proceeds from the Equity Issue and the Over-Allotment Option, amounting to a maximum of approximately SEK 72⁴ million, are intended to be allocated as follows:

- **Approximately 35 percent – M&A**
The proceeds will be used to pursue attractive M&A opportunities and explore potential acquisition targets that complement the Company's existing operations. The objective is to expand Argo Defence's product and service offering, strengthen its market position, and accelerate growth through strategic and value-creating acquisitions within the defence and security sector.
- **Approximately 35 percent – Payment of previous acquisitions**
The proceeds will be used to pay for the previous acquisitions, LPG Trafikmarkeringar and Zel-Aaren. For the avoidance of doubt, the 8 MSEK set-off issue is also included under this item.
- **Approximately 30 percent – Working Capital**
The proceeds will be used to strengthen the Company's working capital position, enabling Argo Defence to efficiently manage recently secured larger framework agreements and maintain the financial flexibility required to deliver on these commitments. Strengthened working capital will also support operational scalability and provide a solid foundation for continued expansion.

The Equity Issue and the Over-Allotment Option support Argo Defence's strategy of becoming a leading Nordic defence group, enabling accelerated growth, an enhanced market position, and long-term value creation for shareholders.

The Board of Directors of Argo Defence confirms that, in its opinion, the Company's working capital is sufficient to meet its current requirements and, based on present plans and assumptions, will remain sufficient for at least the next twelve (12) months from the date of this Memorandum.

⁴ Of which SEK 8,000,000 will be subscribed for and paid through set-off by LPG Trafikmarkeringar AB in connection with the acquisition. For further details, see section "Acquisition of LPG Trafikmarkeringar AB" under "Legal Considerations" in this Memorandum.

TERMS AND CONDITIONS FOR THE OFFER

The Equity Issue

The Board of Directors has resolved to raise equity in the amount of SEK 69,999,999 through the Equity Issue, in which the Company will issue up to 4,117,647 new shares at an offer price of SEK 17.00 per share ("**Offer Price**").

The Company's intention is to apply for listing of the shares on Nordic SME, with an intended first day of trading expected to occur on or around 16 December 2025. There is no guarantee that the shares will be admitted to such trading within such timeframe or admitted to trading at all.

The shares will be offered to investors through two separate tranches (together referred to as the "**Offering**"):

- i. **Retail Offering** – directed to the general public, where the aggregate subscription amount will not exceed the equivalent of EUR 2,500,000 (the "**Retail Offering**").
- ii. **Institutional Offering** – directed to a limited number of identified investors, with a minimum subscription amount of EUR 100,000 per investor (the "**Institutional Offering**").

The Offering are made in accordance with applicable exemptions in the Financial Instruments Trading Act (Sw. lag (1991:980) om handel med finansiella instrument) and the Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) (the "Prospectus Directive").

Terms of the Equity Issue

To be able to facilitate settlement mechanics in the Offering, the Board of Directors of the Company on 8 December 2025 proposed to issue a total of 4,117,647 shares in the Company at par value which the Manager subscribed for, for a total remuneration of SEK 142,692.531668438.

The shares will be sold to certain investors through the Offering for an Offer Price of SEK 17.00 per share. Subscriptions in the Retail Offering and the Institutional Offering will be paid for by investors in cash, of which SEK 8,000,000 will be subscribed for and paid through set-off by LPG Trafikmarkeringar AB in connection with the acquisition. For further details, see section "*Acquisition of LPG Trafikmarkeringar AB*" under "*Legal Considerations*" in this Memorandum.

The formal resolution to issue a total of maximum 4,117,647 new shares in the Company will, in accordance with the Swedish Companies Act (Sw. Aktiebolagslagen (2005:551)), be made by the Board of Directors on 8 December 2025 based upon an authorization from the Extraordinary General Meeting held on 2 October 2025.

The Equity Issue is conditional upon:

- a) all corporate resolutions required to implement the Equity Issue being taken, including the approval of the Equity Issue and any changes needed in the Company's articles of association by the general meeting of the Company, and
- b) the execution of the Corporate Administration Agreement with respect to the management of the Group.

The paid-in funds from the Equity Issue will be transferred to an account held by the Company but pledged by the Manager until completion of the Equity Issue. No assurance can be made by the Company that the conditions listed above will be satisfied. In the event that not all of the conditions for the Equity Issue (as set out above) have been met prior to 31 December 2025, the funds will be returned to the investors and the Equity Issue will be cancelled.

Further, the Company and the Manager may in their sole discretion cancel the Equity Issue at any time for any other reason. Upon cancellation, the investor shall receive repayment of such investor's investment and shall after such repayment no longer have any rights or obligations pursuant to this Memorandum. Neither the Manager nor the Company will be liable for any losses of the investor due to the Equity Issue being cancelled, irrespective of the reason for such cancellation.

The Board of Directors and the Manager shall be authorised to make any adjustments to the corporate resolutions required to register the Equity Issue with the Swedish Companies Registration Office (Sw. Bolagsverket).

Over-Allotment Option

To cover potential over-allotments in connection with the Offering, the Offering may comprise up to an additional 617,647 new shares, corresponding to a maximum of 15 percent of the total number of shares included in the Offering. The Over-Allotment Option relates to new shares issued by the Company and may be exercised by Pareto Securities AB, in whole or in part, within 30 calendar days from the first day of trading in the Company's shares on NGM Nordic SME. The subscription price for shares issued in the Over-Allotment Option will be the same as in the Equity Issue.

If the Over-Allotment Option and the Equity Issue are exercised in full, the Company will issue a total of 4,735,294 shares in the Company, which will bring the Company approximately SEK 81 million before deduction of transaction costs related to the Equity Issue and Over-Allotment Option.

Allocation - Over-Allotment Option

The Company undertakes to issue the number of shares covered by the Over-Allotment Option to the investors designated by Pareto Securities during a period of 30 days from the first day of trading in the Company's shares on NGM Nordic SME, with a right to acquire up to an additional 617,647 newly issued shares.

Offer Price and Pricing

The Offer Price is set at SEK 17.00 per share. The Offer Price is identical in the Institutional Offering and the Retail Offering. No brokerage fee will be charged.

Considering the above, the Offer Price is deemed to be market-based. Furthermore, the Offer Price has to some extent been established through discussions between the Company's board and advisors regarding current market conditions and the Company's long-term business prospects, including a certain comparative analysis of the market prices of other growth companies in the technology sector listed on regulated markets and alternative trading venues.

Subscription Period

The Retail Offering

- The subscription period for the Retail Offering starts on 1 December 2025 at 09:00 CET and ends on 8 December 2025 at 15:00 CET. Subscriptions from retail investors to acquire shares must be for a minimum of 300 shares and a maximum of 70,000 shares in even blocks of 100 shares. The total allocated amount in the Retail Offering will not exceed EUR 2,500,000. In order to subscribe for shares in the Retail Offering you must have an account with Pareto Securities.

The Institutional Offering

- The subscription period for the Institutional Offering starts on 1 December 2025 at 09:00 CET and ends on 8 December 2025 at 15:00 CET. Subscriptions from institutional investors to acquire shares must be for a minimum of 70,000 shares in even blocks of 100 shares. In order to subscribe for shares in the Institutional Offering you must have an account with Pareto.

The Board of Directors and/or the Manager may in their sole discretion shorten or extend the subscription periods.

Subscription

Subscription shall be made according to instructions from your client responsible broker.

The Manager may, in its sole discretion, accept subscriptions placed by taped phone, e-mail, Bloomberg or other means it deems appropriate, but may request that the order is subsequently confirmed in writing, and may, if the subscriber fails to satisfy such requirement, in its sole discretion, disregard the subscription, without any liability towards the subscriber. Any subscription placed by taped phone, Bloomberg or e-mail shall be deemed made on the terms and subject to the conditions set out in the Memorandum, irrespective of whether it is subsequently confirmed in writing or not. Any subscription received by the Manager (whether in writing, by taped phone, Bloomberg or e-mail) becomes binding when the subscription is received by the Manager and may not be withdrawn or amended after such time. When submitting such subscription the

subscriber commits to make any payment, in relation to the shares subscribed for as directed by the Manager.

In order to apply for subscription of shares and be allocated shares, the subscriber must satisfy the applicable requirements of the Swedish Money Laundering and Terrorist Financing Prevention Act (*Sw. lag (2009:62) om åtgärder mot penningtvätt och finansiering av terrorism*) and its associated regulations. A Subscriber who is not registered as a client with the Manager must therefore complete the Manager's customer agreement before such Subscriber can be considered for an allotment of shares in the Offering. Should the Subscriber not have received the customer agreement, please contact the Manager as soon as possible to obtain it or refer to Pareto Securities website www.paretosec.com.

Authorization

By placing a subscription by taped phone, Bloomberg or e-mail, each subscriber gives the Manager an irrevocable authorization to, in the name and on behalf of the subscriber (i) subscribe the number of shares applied for in the Equity Issue and (ii) enter into any other agreement or document and to conclude the transactions described in this Memorandum.

Allocation of shares

Subscribers will be notified of allocation of shares on or about 9 December 2025 by way of a contract note. The subscriber undertakes to make its payment in respect of the allocated shares on the settlement date as specified in the contract note. Those not allotted shares will not receive any notification.

The Board of Directors may delete or reduce any subscription of shares at its own discretion. When allocating shares, the Board of Directors will, inter alia, emphasize investor composition, solvency and the date of subscription, and also assign priority to investors that in the opinion of the Board of Directors make positive contributions to the activities of the Company.

Payment of shares

The expected payment date is 12 December 2025. The payment date may be changed by the Board of Directors and/or the Manager at its discretion without entitling the subscriber to claim that the subscription is not binding.

Full payment for allotted shares shall be made in cash against delivery of shares in accordance with the contract note. Payment shall be made in SEK, based on the exchange rate provided by the Manager and procured on or about the date of allocation, of which SEK 8,000,000 will be subscribed for and paid through set-off by LPG in connection with the acquisition of LPG Trafikmarkeringar AB. For further details, see section "*Acquisition of LPG Trafikmarkeringar AB*" under "*Legal Considerations*" in this Memorandum.

Late, insufficient or incorrect payment of shares

The Manager assumes no responsibility for the delivery and payment obligations of the Company and the investors, respectively. The Manager may in the event of a payment default by an investor transfer the shares which have not been paid for to another party and transfer the net proceeds thereof to the Company. The defaulting investor will be solely responsible for any deficit amount.

Listing of the shares

Following the Equity Issue, the Company will apply for listing of the Company's shares on Nordic SME. The Company intends to complete the listing of the shares within 3 business days from final approval from NGM. However, it cannot be guaranteed that the shares will be admitted to trading within such timeframe or admitted to trading at all.

In connection with a future listing on Nordic SME, the Company's shares must be distributed to the public in order to meet the listing requirements of the trading platform. Such distribution may take place by way of a secondary sale of the existing shares in the Company (i.e. the shares) to a larger number of shareholders. If such secondary sale proves insufficient to meet the requirements of the trading platform, the Board of Directors may propose that the general meeting decides to issue new shares in the Company (in which case the Company's share capital will be increased) or to conduct a split of the Company's shares to be followed by a secondary sale of shares held by one or more major shareholders (in which case the share capital of the Company will not be affected). A new share issue or a share split would result in a dilution (in

respect of number of shares) of the existing (at the time of the issue) shareholders' holding in the Company. As such new share issue or split would be made on market conditions, there would however be no financial dilution of the shares.

Conditions precedent to the Equity Issue

The registration and completion of the Equity Issue is conditional upon the satisfaction of the conditions as set out in section Terms and Conditions. If the conditions are not satisfied, the funds will be returned to the investors and the Equity Issue will be cancelled.

If the Equity Issue for any reason is cancelled after settlement, the shares will be redeemed and the investors who are registered as shareholders at the communicated record date will receive repayment of its investment. The timing for such redemption will be subject to any legal regulations and limitations imposed by Euroclear Sweden. Neither the Manager nor the Company will be liable for any losses of the investors due to the Equity Issue being cancelled, irrespective of the reason for such cancellation.

Manager

Pareto Securities AB is appointed as the sole Sole Global Coordinator and Bookrunner in connection with the Offer.

Limitation of the Equity Issue

Please note that, due to restrictions under securities legislation in the United States, Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Switzerland, Singapore, South Africa, or any other jurisdiction where the Equity Issue may be deemed unlawful, no offer to subscribe for shares is directed at persons or entities registered in any of these countries. Applications to subscribe for shares in violation of the above may be considered invalid.

Announcement of the outcome of the Offering

As soon as possible after the end of the subscription period, the outcome of the Equity Issue will be announced through a press release, which will also be published on the Company's website, www.argodefence.se, around 8 December 2025.

Important information regarding the possibility to sell allotted shares

Notification regarding allotment to the general public in Sweden will be made through the distribution of contract notes, expected to occur around 9 December 2025. Following payment for allotted shares, processed by Pareto Securities AB, the paid shares will be transferred to the securities account or VP account specified by the purchaser. The time required for the processing and registration of payment, as well as the transfer of paid shares to the purchasers, may result in the acquired shares not being available in the designated securities account or VP account until approximately 12 December 2025, at the earliest. Trading in the Company's shares on Nordic SME is expected to commence around 16 December 2025. Investors should note, however, that shares might not be available in the purchaser's VP account or securities account by 16 December 2025, potentially limiting the purchaser's ability to sell these shares on the trading venue from the day trading commences, and not until the shares have become available in the VP account or securities account.

Important information regarding NID and LEI

According to Directive 2011/61/EU of the European Parliament and of the Council, all investors must, as of January 3, 2018, have a global identification code to carry out a securities transaction. These requirements entail that legal entities must apply for an LEI code registration, and natural persons must obtain their NID (National ID or National Client Identifier) in order to subscribe for shares in the Equity Issue. Please note that the subscriber's legal status determines whether an LEI code or an NID number is required, and that Pareto Securities AB may be prevented from executing the transaction on behalf of the person in question if an LEI code or NID number (as applicable) is not provided. Legal entities needing to obtain an LEI code may contact any of the providers available in the market. Instructions for the global LEI system can be found on the following website: www.gleif.org/en/about-lei/howto-get-an-lei-find-lei-issuing-organizations. For natural persons holding only Swedish citizenship, the NID number consists of the designation "SE"

followed by the person's personal identity number. If the individual holds multiple citizenships or a citizenship other than Swedish, the NID number may be another type of identifier.

Those intending to subscribe for shares in the Equity Issue are advised to apply for registration of an LEI code (legal entities) or determine their NID number (natural persons) well in advance, as this information must be provided on the subscription form when submitted.

BUSINESS DESCRIPTION AND MARKET OVERVIEW

Organisation

The legal name of the Company is Argo Defence Group AB (publ), its ticker is ARGO and the Company's LEI is 98450045DD7Q6D3B6B17. The Company's reg. no. is 5595290734 and the board of directors registered office is in Stockholm, Sweden. The Company is a Swedish public limited liability company, affiliated to Euroclear and its legal entity form is regulated by the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)). The address of the Company is Munkbrogatan 2, 111 27 Stockholm, Sweden, and the website is www.argodefence.se. Argo Defence was founded in 2025, with underlying operations that have existed since the 1990s, and was registered with the Swedish Companies Registration Office on 29 April 2025. The information on the website is not part of the Memorandum provided the information has not been incorporated into the Memorandum through reference. The Company intends to use Swedish and English in its communication to the markets.

Business description

Introduction

Argo Defence is a growth-oriented defence company. Argo Defence primarily focuses on procurements, supply sourcing, and delivery of defence materiel to FMV and equivalent authorities.

The offering also includes demining systems, explosive risk management, high-security infrastructure, and airfield operations. Argo Defence's underlying operations have existed since the 1990s, which registered as Swedish Net Air & Defence AB in 2005, and became a subsidiary of Argo Defence which was formed in 2025.

The largest portion of Argo Defence's client base is FMV and other equivalent organizations, governmental and intergovernmental organizations. These organizations are characterized by low sensitivity to economic fluctuations. Since Argo Defence operates under long-term framework agreements with its non-cyclical customers, this provides a high degree of operational stability.

The Company employs 25 people and is operational at 5 locations.

History

Argo Defence's underlying operations can be traced to 1998 in what was to become Swedish Net Air & Defence AB in 2005, which later became a subsidiary to Argo Defence in 2025.

Year	Event
1998-2005	<ul style="list-style-type: none">Swedish Net Air & Defence business starts in Hallsberg in 1998 (although under another name until 2005) with focus on security.Back then it was a pure consultancy business.Registered as a limited liability company in 2005.
2008-2012	<ul style="list-style-type: none">Launch of engineering department in 2011, handling design project for defence facilities, prisons, and other authorities.Secures its first public procurement in 2012 with Kriminalvården, delivering 150 projects and 40,000 hours over four years.
2015-2021	<ul style="list-style-type: none">Secures its first two FMV contracts in 2015 for search equipment and airfield operations.Secure sits largest contract within airfield operations in 2017.Disarmament Solutions was founded in 2021 to invest in sustainable destruction of old and obsolete ammunition.
2022	<ul style="list-style-type: none">Divestment of Swedish Net Air & Defence AB's engineering consultancy company, enabling the renewed Swedish Net Air & Defence to focus on defence procurements.
2023-2024	<ul style="list-style-type: none">In 2023, two procured projects valued at SEK 120 million was secured.Disarmament solutions Ukraine was formed in 2023 to be closer to clients.

	<ul style="list-style-type: none"> • In 2024, civil and military defence framework agreements worth a total of SEK 405 million were secured.
2025	<ul style="list-style-type: none"> • Argo Defence was formed in 2025 with subsidiaries Swedish Net Air & Defence AB, Disarmament Solutions Ukraine, later joined by Zel-Aaren and LPG to expand within civil and military airports.

Vision and values

The vision of Argo Defence is to contribute to a stronger, safer society by developing sustainable solutions for future defence and security challenges. Argo Defence creates value through specialist expertise, technological innovation, and strategic partnerships – in Sweden and globally.

The values of the Argo Defence are sustainable impact, security through innovation & collaborative excellence:

1. **Sustainable impact:** Creating responsible, long-term solutions for a safer society.
2. **Security through innovation:** Driving technology to meet future defence and security needs.
3. **Collaborative excellence:** Combining expertise and partnerships to deliver greater value.

Business idea

Argo Defence is a specialized provider of mission-critical solutions to government agencies and defense-related organizations, with a particular focus on serving the Swedish Defence Materiel Administration (FMV) and similar institutions. The Company's core business is to participate in complex public procurement processes, offering tailored solutions that meet stringent technical, operational, and regulatory requirements.

Argo Defence's expertise spans high-demand areas such as counter-explosive risk solutions, airfield operations, and other strategically vital domains. By combining deep sector knowledge with agile execution capabilities, Argo Defence ensures that its clients receive reliable, compliant, and quality-assured products and solutions for their most critical needs. The Company is structured to manage multifaceted product orders and deliver integrated services that support national security, operational readiness, and infrastructure resilience.

Through its proactive engagement in procurement cycles and its ability to navigate complex evaluation criteria, Argo Defence positions itself as a trusted partner in the defence ecosystem, capable of delivering value across both peacetime and contingency operations.

Strategy

Strategic shift towards defence

Argo Defence has strategically transitioned from broad government assignments to a focused delivery model serving defence-related operations and civil contingency needs. Over the past decade, the Company has secured and executed a series of long-term framework agreements and specialized contracts with leading organizations such as the Swedish Defence Materiel Administration (FMV), the United Nations Development Programme (UNDP), and the Organization for Security and Co-operation in Europe (OSCE).

This shift is reflected in a diverse portfolio of deliveries, ranging from search and field equipment, satellite communication systems, and explosive ordnance disposal (EOD) toolkits, to advanced medical devices, boats for demining, and mobile backup power solutions. By prioritizing mission-critical products and services for military and civil protection clients, Argo Defence has reinforced its position as a trusted partner in the defence sector and demonstrated its ability to adapt to evolving market demands and operational requirements. Argo Defence's offerings span defence materiel, counter-explosive risk solutions, and airfield operations, with a strong emphasis on meeting stringent technical and operational criteria.

Procurement excellence and framework agreements

A cornerstone of Argo Defence's strategy is its active participation in public procurement processes, where the Company leverages its deep sector knowledge and proven track record to win contracts for defence equipment, demining systems, explosive risk management, and high-security infrastructure. Argo Defence maintains a diversified contract portfolio, including long-term framework agreements that ensure operational stability and visibility of future earnings. The Company's historical hit-rate in tenders demonstrates its ability to navigate complex evaluation criteria and deliver compliant, reliable solutions.

Integrated service offering and operational agility

Argo Defence's business model is built on network effects and accumulated know-how, enabling the Company to deliver integrated services across its three core business areas. In defence materiel, Argo Defence source, develop, and supplies systems and materiel, supporting both civil and military defence. In counter-explosive risk solutions, the Company provides mine clearance, ammunition and weapon disposal, and advisory-led training for authorities and international missions. Airfield operations comprise both project/services and products. Historically, the project and service area has focused on complex government projects but has now shifted primarily towards the military sector (airports). The service part includes areas such as project management, construction projects, ground works, electrical power, and technical installations for military airport infrastructure. On the product side, the Company offers sealant pavement solutions for the global airfield pavement materials market through its proprietary products and systems.

Growth through innovation and market expansion

Argo Defence's strategy is underpinned by a clear agenda for organic growth, supplemented by value-creating acquisitions. The Company seeks to expand its supplier network, increase its ability to compete for larger procurements, and cross-sell solutions across business areas and geographies. Product development is partly subsidized by clients such as FMV, enabling Argo Defence to cost-effectively adapt offerings to new markets. The Company's proactive engagement in industry events, use of advanced tender tracking tools, and focus on home-ground areas provide a strong foundation for continued expansion.

Financial targets and 2025 guidance

Argo Defence is guided by a clear ambition and a comprehensive strategy for sustained growth. The Company is well-positioned to outperform the underlying market, leveraging both organic expansion and targeted acquisitions to accelerate its development.

The Board of Directors has established the following mid-term financial objectives (3–5 years):

- **Organic revenue growth:** >20% per year, with individual years potentially affected positively or negatively by the timing of customer orders. In addition to organic growth, the Company is expected to pursue acquisitions.
- **EBITDA margin:** >15% per year, with individual years potentially affected positively or negatively by the timing of customer orders.

In the medium-term, the Company intends to prioritize acquisitions over dividends, aiming to create long-term and sustainable value for shareholders

The Board of Directors has also established the following guidance for 2025:

- **Revenue:** SEK 150-165m (18-30% YoY growth range).
- **EBITDA:** SEK 18-23m (11-15% EBITDA margin).

Strengths and competitive advantages

Argo Defence stands uniquely positioned to capitalize on the structural underspending in defence and the rising complexity of global security needs. With a diversified business model, deep operational expertise, and a proven procurement track record, Argo Defence has built a resilient and scalable business that delivers value to stakeholders. The Company's strength lies in its expertise in procurement, its technical knowledge related to the products, and its network.

Favorable market dynamics and low cyclical sensitivity

Argo Defence operates in a structurally expanding market with strong tailwinds. Defence spending in Sweden and across NATO countries is on a long-term upward trajectory, driven by geopolitical instability, modernization needs, and NATO commitments. Sweden's military expenditures are expected to grow from SEK 143 billion in 2025 to SEK 173 billion by 2028 which equals a compound annual growth rate of 7%, with FMV's procurement segment most relevant to Argo Defence (orders for equipment and facilities) growing at a CAGR of 12% over the same period. Argo Defence is well positioned to benefit from this expansion.⁵

The Company's registration with NSPA enables participation in NATO tenders across ~30 countries, further expanding its addressable market.

Importantly, the defence sector exhibits low sensitivity to economic cycles. Unlike consumer or industrial markets, defence investments are often protected from budget cuts during downturns due to their strategic importance. This provides Argo Defence with a stable demand environment and predictable revenue streams, even in periods of macroeconomic uncertainty.

Argo Defence's positioning within mission-critical sectors and long-term government contracts further insulates it from short-term volatility, making it a resilient and attractive platform for investors seeking dependable growth.

Mission-critical focus and proven track record

Argo Defence operates exclusively within defence and safety solutions, serving military, civil, and humanitarian clients. The Company has delivered over 40 complex government and military projects, including Sweden's largest defence facility at the time (Ronneby helicopter hangar) and a turnkey heated logistics facility of 1,200 sqm between 2023-2025.

Argo Defence's credibility is reinforced by its long-standing relationships with key authorities such as FMV (Swedish Defence Materiel Administration), UNDP, OSCE, and multiple Ukrainian actors. These relationships have resulted in 11 high-value, long-duration framework agreements, with an average value of SEK 78.4 million, with an average duration of 4.0 years and a value-weighted duration of 4.1 years.

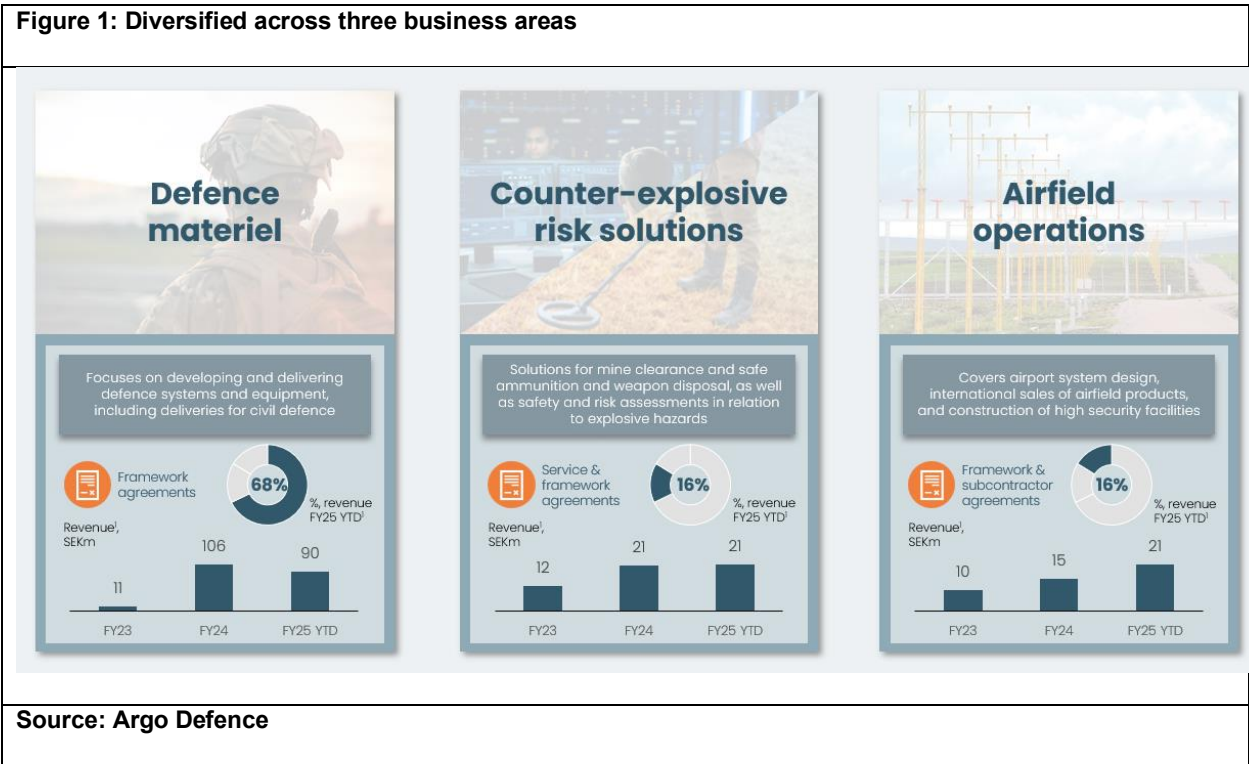
Diversified business model with network effects

Argo Defence's operations are structured across three business areas:

- **Defence materiel:** Supply of materiel to FMV and other authorities.
- **Counter-explosive risk solutions:** Mine clearance, ammunition and weapon disposal, and advisory services.
- **Airfield operations:** Turnkey infrastructure solutions and products for civil and military airports.

⁵ Government offices of Sweden, The Swedish Defence Materiel Administration (FMV).

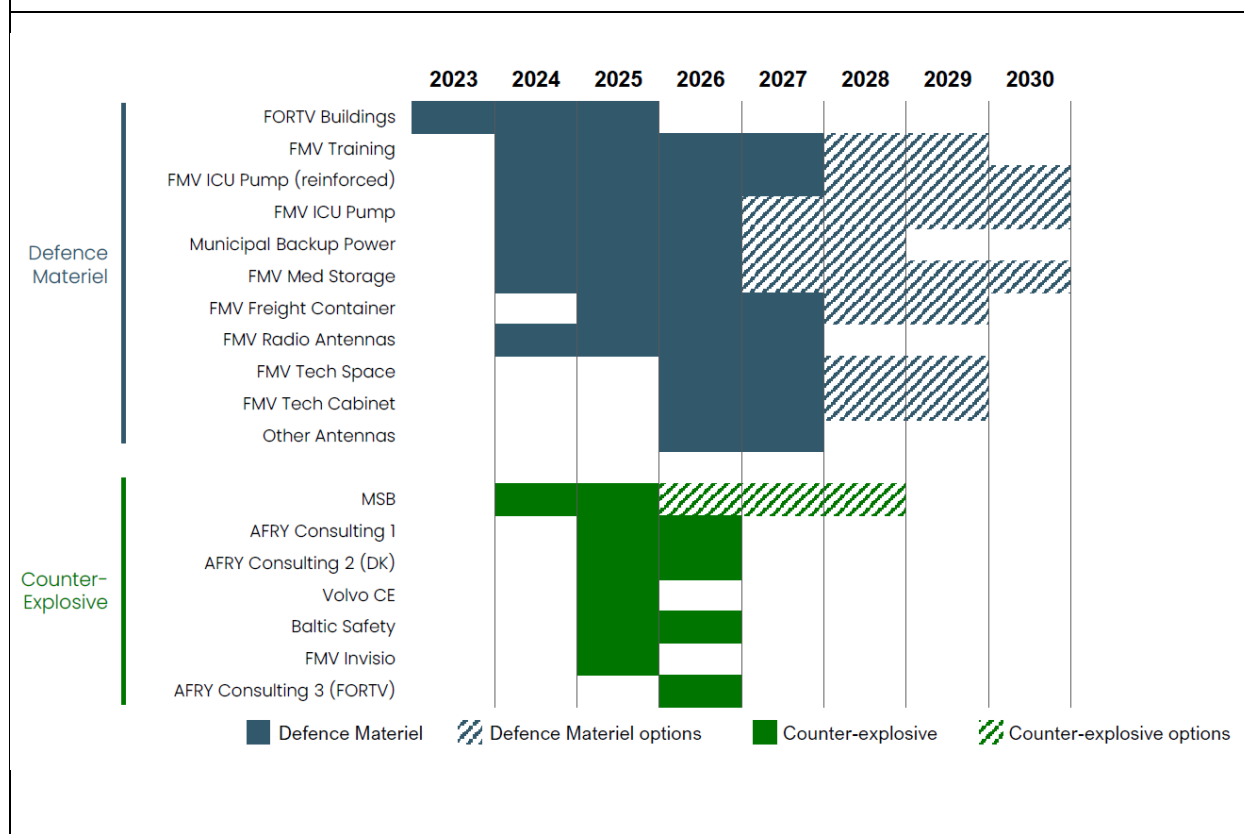
Argo Defence operates across three business areas, supported by a business model driven by network effects and decades of accumulated know-how. This structure enables the Company to leverage technical expertise and operational insights across segments, supporting scalable growth and expansion into adjacent markets.



Long-term revenue visibility and contract stability

Argo Defence’s contract portfolio provides strong earnings visibility. The Company holds 11 framework agreements with remaining value of SEK 706 million, and 7 explosive risk management contracts with a remaining value of SEK 17 million. The combined remaining value from the framework agreements and the explosive risk-management portfolio is approximately SEK 725 million. These agreements span up to 2030 and include critical deliveries such as ICU pumps, technical cabinets, containers, and mobile backup power systems.

Figure 2: Overview of the contract and framework durations



Source: Argo Defence

The long duration and high value of these contracts ensure operational stability and predictable cash flows, supporting both organic growth and potential strategic acquisitions.

Scalable strategy and acquisition potential

Argo Defence sees opportunities to pursue acquisitions to support its organic growth. The Company has identified three priority areas for potential acquisitions: (i) proprietary products, (ii) services/consultancies, and (iii) agencies.

Within proprietary products, the Company is seeking businesses that, among other characteristics, have proprietary products for critical use, asset-light or outsourced production, and/or internal development capabilities, with revenues of SEK 10–100 million. The rationale for acquisitions in this category is that Argo Defence can leverage its existing network and supply expertise to drive sales, benefit from attractive margins and long-term predictability, and gain direct access to identified growth segments. The Company is engaged in multiple ongoing dialogues and has a track record of acquisitions in this category through the acquisition of Zel-Aaren. One of the ongoing dialogues is with a defence niche product company with revenue exceeding SEK 50 million, in-house development, and dual-use potential.

Within services/consultancies, the Company is primarily targeting businesses that, among other characteristics, provide critical services or expert consultancy with long-term engagements, and system suppliers with proven delivery capabilities, with revenues of SEK 20–100 million. The rationale for acquisitions in this category is that Argo Defence can extend its reach to critical customers (contact points), gain access to key staff with expertise in current focus areas, and/or obtain complementary technological capabilities. Argo Defence is engaged in ongoing discussions with consulting companies providing software and organizational support for defence customers, and historically LPG has been acquired within this category.

Within agencies, the Company is primarily seeking businesses that, among other characteristics, have agencies supplying products to defence customers, long-term supply relationships with geographic growth potential, and revenues of SEK 5–50 million. The rationale for acquisitions in this category is that Argo Defence can leverage product and supplier access to enhance required specifications for critical customers, utilize its current customer network for cross-sales, and/or secure supply sources in selected markets. The Company is in ongoing discussions with several niche product agencies in Sweden and Ukraine.

Business areas

Argo Defence has a strategic focus in three business areas. These are Defence materiel, Counter-explosive risk solutions and Airfield operations.

Defence materiel

Argo Defence won its first procurement in defence materiel in 2015 and has since then built a strong know-how in submitting valid bids under strict requirements and advanced criteria. The defence materiel business area focuses on the procurement, sourcing, and delivery of defence materiel to authorities such as FMV (Swedish Defence Materiel Administration) and equivalent international organizations. This business area represents the core operational engine of the group, built around the ability to identify, qualify for, and win complex and high-value public tenders.

At the heart of this business area is Argo Defence's expertise in navigating demanding tender processes that often result in multi-year framework agreements with substantial contract values, such as the SEK 340 million FMV container framework agreement. These agreements require not only competitive pricing and compliance but also deep logistical and technical capabilities to deliver across diverse product categories.

The product range within Defence Materiel is broad, and includes:

- Demining equipment
- Medical equipment
- Backup power systems
- Freight containers
- Radio link antennas

The general contract structure is framework agreements through procurements and direct contracts, as well as development projects and standardized projects. Defence materiel share of revenue in Q3 2025 YTD was 68%.

Example customers include authorities such as the FMV, The Swedish Armed Forces and MSB.

Counter-explosive risk solutions

Argo Defence delivers a broad spectrum of counter-explosive risk solutions through four specialized subdivisions: materiel, training & consulting, arms destruction, and donation programs. The Company provides advanced equipment and systems for mine and ammunition clearance across diverse terrains, complemented by diving and communications technology and standardized mine clearance kits.

Argo Defence offers heavy-duty advisory and strategic consulting in high-risk environments, including risk analysis and specialized training for both industrial clients and Swedish authorities preparing for international missions. The Company conducts on-site explosive risk management training, notably in Ukraine.

In arms destruction, Argo Defence supplies customized mobile facilities for the safe, and sustainable disposal of weapons and ammunition, serving government agencies, manufacturers, and international aid organizations. Through its donation program, operated in partnership with the Embassy of Ukraine in Stockholm, Argo Defence supports Ukraine with training and equipment, having delivered over SEK 23 million since its inception. Key customers include actors under the Ukrainian state, MSB, UNDP, UNOPS, and VOLVO Construction Equipment.

The general contract structure is direct sales / commercial contracts. Counter-explosive risk solutions share of revenue in Q3 2025 YTD was 16%.

Airfield operations

Argo Defence's airfield operations business area is distinguished by its comprehensive capabilities in delivering turnkey infrastructure projects for military and civil clients. Having evolved from complex government projects, the Company now focuses primarily on the military sector, providing project deliveries that spans planning, design, construction, installations, and documentation.

The scope of services includes airport ground lighting (AGL), instrument landing systems (ILS), air traffic control (ATC), and airfield surface works.

Notable projects include the Scandinavian Mountains Airport (category 3 airport) in Sälen, Sweden - the first newly built airport for regular traffic in Sweden for 20 years. During 2018-2019, Swedish Net Air & Defense had a turnkey contract for Scandinavian Mountains Airport with full responsibility for:

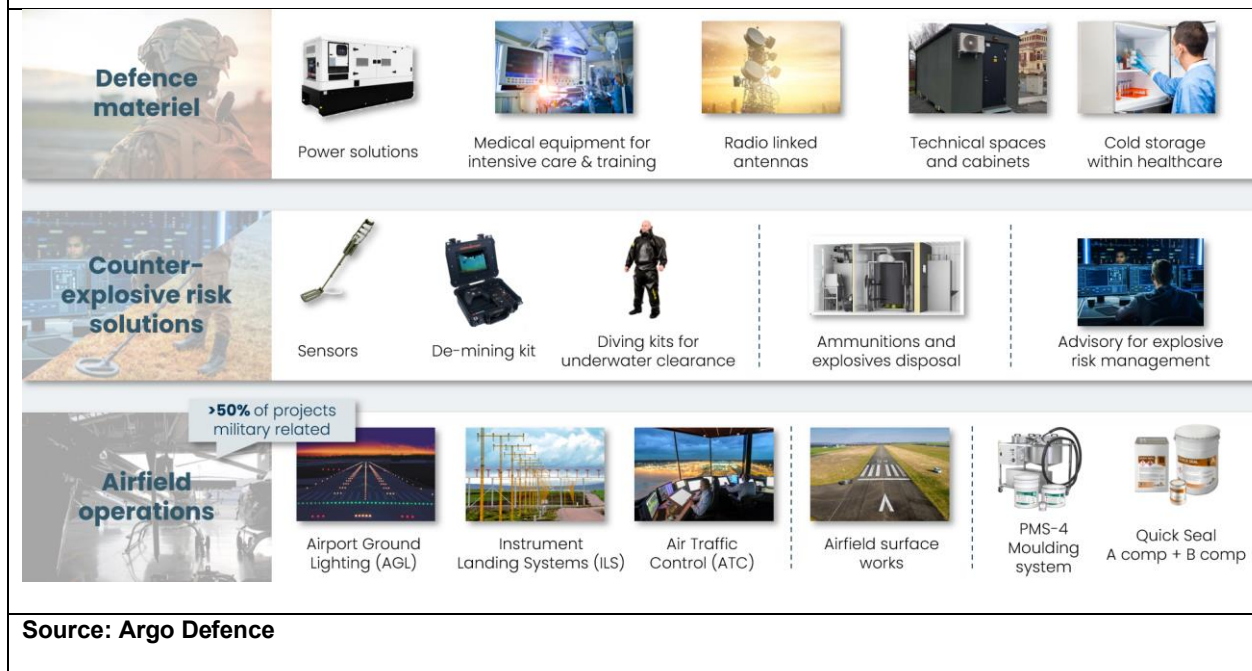
- Design and ground drawings for installations
- Systems for airfield ground lighting (AGL)
- Airfield lighting control and monitoring system (ALCMS)
- Power supply generators and uninterruptible power supply
- Technical buildings
- APRON installations
- Infrastructure for power and communication on airside
- Mast and mast installations

In addition to turnkey project delivery, Argo Defence's airfield operation business area is the largest supplier of technical installations at airside in Sweden and has a proven track record, securing 57% of the total procurement volume in airfield operations tenders of which, with over half of these projects being military related. The Company also has more than 35 years of expertise in direct sales of airport maintenance products, including sealing and runway casting compounds. Argo Defence's airfield operation is trusted in over 100 airports across 20 countries.

The general contract structures are procurement, subcontractor (fixed price per meter or per unit, not per hour leading to great margins), and direct sales. Airfield operations share of revenue in Q3 2025 YTD was 16%.

Example customers include airport operators such as Swedavia, and military airports. Construction companies like PEAB and Skanska when working on subcontractor agreements, as well as directly to airports or their subcontractors.

Figure 3: Selection of products and services by business area



Business model

The FMV ecosystem and Argo Defence's part in the supply chain

Argo Defence's business model is designed to streamline procurement for suppliers and authorities. By acting as an integrator with design responsibility, Argo Defence allows suppliers to focus on core operations while it handles complex procurement processes. The value chain can be described as a win-win-win, for FMV, Argo Defence, as well as the suppliers:

1. **FMV:** FMV estimate their orders for equipment and facilities will grow from SEK 42.4 billion in 2025 to SEK 59.1 billion in 2028, implying a compound annual growth rate of 12%. This creates a significant demand for suppliers capable of delivering quickly and reliably, while meeting FMV's strict criteria.⁶
2. **Argo Defence:** Framework agreements come in two types of projects, either standardized projects or development projects. During development projects, Argo Defence is essentially having their research & development of new products subsidized and committed by FMV and/or Ukraine, which can also potentially later be sold to additional NATO members.
3. **Argo Defence / Suppliers:** As Argo Defence's network of suppliers grows, the possibilities for tendering on larger projects, and even preparing to fill complex orders with demanding criteria, are due to having the right network of suppliers. The economies of scale drive growth into larger projects as the number of suppliers grows in Argo Defence's network.
4. **Suppliers:** As suppliers work with Argo Defence to participate in their procurement processes, the suppliers can focus on maintaining a high utilization of their machines, minimize downtime, and maximize production. The suppliers can also avoid lengthy and complicated procurements procedures, which are especially demanding in the defence sector. This leads to the suppliers being able to focus on their core business.

⁶ Swedish Defence Materiel Administration (FMV)

Defined process to keep track of new potential procurements

Argo Defence employs a structured and proactive approach to identifying and evaluating new procurement opportunities. The Company leverages annual industry events, such as Swedish Security and Defence Industry Association ("SOFF") meetings where FMV presents upcoming procurement categories, to anticipate future tenders. This is complemented by in-depth seminars and continuous market analysis, allowing Argo Defence to predict demand by identifying gaps or critical needs in the sector.

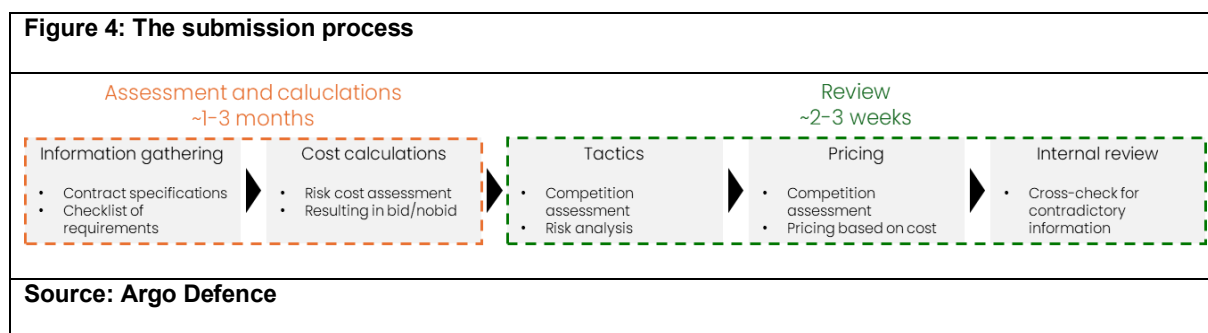
To further enhance its process, Argo Defence utilizes software tools, including Merzell Bidding, to systematically track framework agreements and their expiration dates. All potential procurements are filtered and assessed through a rigorous internal evaluation process, considering requirements, pricing, available resources, and strategic fit. This disciplined methodology ensures that Argo Defence focuses on the most relevant and winnable tenders, supporting a high historical hit-rate and efficient allocation of company resources.

According to Argo Defence, the total number of defence-related procurements in Sweden of relevant size amounts to approximately 300 per year. When filtered to Argo Defence's focus areas, the number is approximately 100, of which Argo currently has resources to work with approximately 50, and submit about 10-30 per year.

Proven and successful submission process

Argo Defence applies a rigorous, multi-phase process to every procurement submission, ensuring both competitiveness and compliance. Each tender begins with comprehensive information gathering, including contract specifications and detailed requirement checklists. This is followed by thorough cost calculation and risk assessment, which determines whether to proceed with a bid. The Company then conducts a tactical review, analyzing competition and associated risks, before establishing pricing strategies grounded in cost analysis and market conditions.

All submissions undergo an internal review to cross-check for consistency and eliminate contradictory information, minimizing the risk of disqualification. Typically, 2–7 participants are involved in each procurement. Argo Defence's process is supported by a dedicated tendering organization comprising the Group CEO, relevant business area CEOs, senior management, and independent reviewers. This structured approach, combined with proactive supplier engagement and a focus on credibility and trust, enables Argo Defence to maintain a strong track record in winning complex, high-value contracts.



Proven tender process leading to highly attractive hit-rates

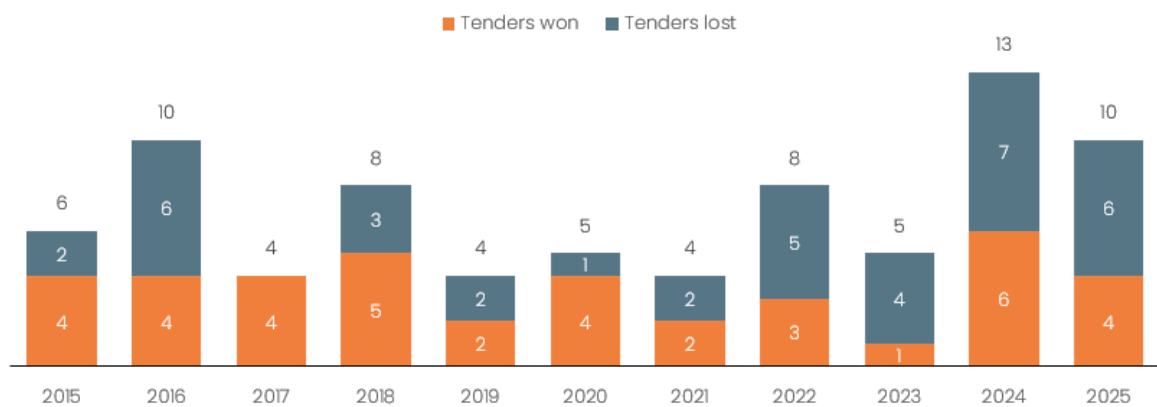
Argo Defence has developed a robust tendering process that combines internal intelligence, software tools, and industry events to identify and win procurements. The Company's ability to meet strict technical and security requirements has proven successful, with a historical hit-rate of 51% by count and 27% by value. In defence material the hit-rate in % by count is 39% and by value is 24%. In airfield operations the corresponding figures are 68% and 57% respectively.

Figure 5: Hit-rate overview



Source: Argo Defence

Figure 6: Hit-rate over time



Source: Argo Defence

The discrepancy between hit-rate by count and by value is explained partly due to size-related eligibility criteria imposed by FMV. Historically, Argo Defence was limited in tendering competitively in larger tenders due to scale. However, having now surpassed SEK 100 million in annual revenue, Argo Defence qualifies for larger framework agreements. This shift is exemplified by its recent win of the SEK 340 million FMV container project, marking its entry into high-value contracts.

Argo Defence's tendering efficiency is further enhanced by its scalable supplier network, which enables participation in larger procurements with minimal incremental cost. In practice, both large and small framework agreements require similar levels of administrative effort and compliance, making scale a strategic advantage.

Execution after winning a procurement

The two main types of projects for delivering a won procurement are standard project, and development projects. Common for both is that they usually run for four years.

Standard projects

Standard projects are characterized by low risk and limited working capital needs. Together with a network of suppliers, Argo Defence can source the required materiel, modify them to fit specified criteria and conduct quality assurance. After only about 3-4 months of a won procurement process, Argo Defence can send its first partial delivery and receive payment with each partial delivery. There is an element of price pressure in standard projects, as well as limited strategic/IP value. Despite higher competition, standard projects usually still have an attractive margin profile.

Development projects

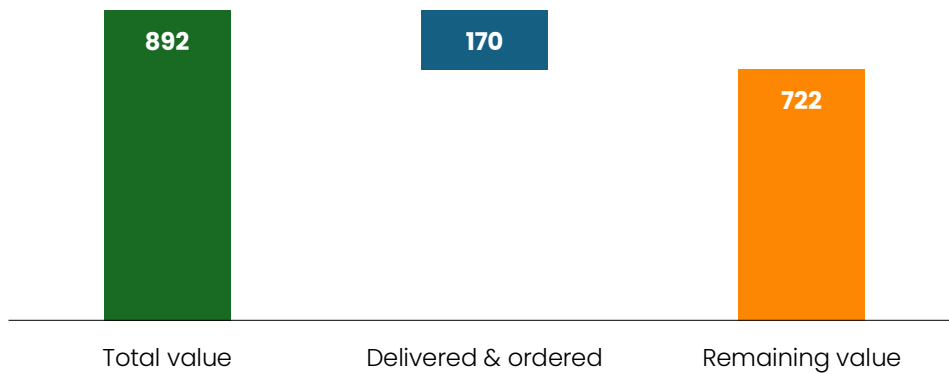
Development projects are essentially financed research & development by FMV and/or Ukraine, where Argo Defence develops the demanded product together with its' suppliers. The development phase takes roughly 6–12 months and includes prototypes, tests and iterations, followed by a 3–4-month delivery period. As Argo Defence funds the development upon delivery, development projects are riskier and with longer lead times to revenue. The upside however is that it builds IP and know-how, the projects have a higher margin potential and there is a higher predictability in volumes and requirements.

Argo Defence may sell its' developed product within standard projects to other NATO members after it's been developed, capitalizing on its' subsidized research & development.

Contract portfolio

Argo Defence's contract portfolio can be divided into two sections, one part is related to its' Defence Materiel-related Framework agreements, and the other part is related to the Explosive-risk management solutions contract portfolio. The framework agreements are usually longer in duration and of higher value and constitute the lion's share of Argo Defence total contract portfolio. The total value of the combined portfolio is approximately SEK 892 million, of which approximately SEK 170 million have already been delivered and/or ordered, while approximately SEK 722 million constitutes the remaining value.

Figure 7: Overview of the framework agreements, figures in SEKm



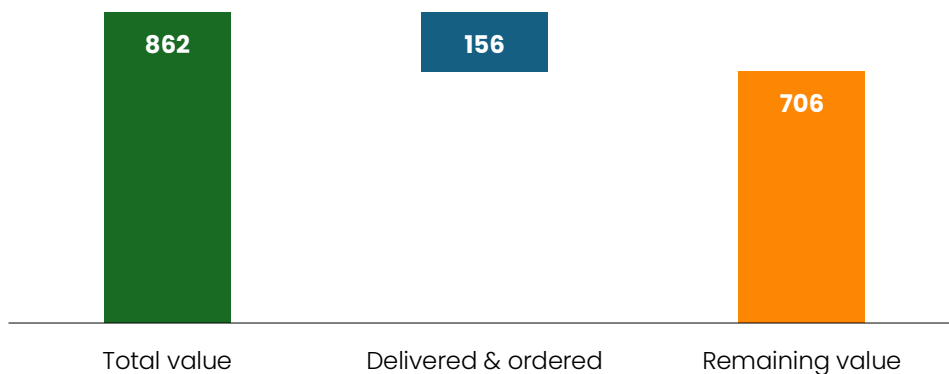
Source: Argo Defence

The framework agreement portfolio

There are currently 11 active framework agreements in Argo Defence's portfolio, they have an average value of SEK 78.4 million and an average duration of 4.0 years. The value-weight duration in the framework agreement portfolio is 4.1 years, indicating a skewedness towards longer durations in higher value agreements.

The framework agreement portfolio of Argo Defence is diverse within the defence sector. Argo Defence holds long-term agreements for training and advanced medical equipment, including reinforced ICU pumps and cold storage solutions, for the Swedish Defence Materiel Administration (FMV) and other public entities. The product categories also include contracts for backup power generators, freight containers, radio link antennas, technical spaces, and cabinets.

Figure 8: Overview of the framework agreement portfolio, figures in SEKm



Source: Argo Defence

Historically, Argo Defence has been highly successful in winning submitted tenders, with a hit-rate of 51% in the Framework agreement, however, only winning 27% of the value on the submitted contracts. The explanation for this is primarily attributable to size constraints in the organization. Having recently surpassed SEK 100 million in annual revenue has enabled Argo Defence to meet size requirements, as demonstrated by winning the SEK 340 million FMV container project, signaling entry into larger contracts.

Figures 9: The framework agreements, SEKm				
Contract	Framework agreement value	Remaining value, SEK	Remaining value, %	Extension end-year
#1	SEK 340m	SEK 340m	100%	2029
#2	SEK 200m	SEK 198m	99%	2028
#3	SEK 70m	SEK 70m	100%	2030
#4	SEK 61m	SEK 24m	39%	2029
#5	SEK 48m	SEK 14m	28%	2026
#6	SEK 46m	SEK 5m	10%	2025
#7	SEK 31m	SEK 8m	26%	2027
#8	SEK 24m	SEK 22m	90%	2030
#9	SEK 23m	SEK 22m	96%	2030
#10	SEK 18m	SEK 4m	21%	2027
#11	SEK 1m	SEK 0.6m	45%	2026
Source: Argo Defence				

Figure 9 above shows the Company's 11 framework agreements, sorted by value-size, as well as the remaining value, i.e., excluding the drawn-down portion of each individual agreement, the remaining value as a percentage of the total value and the end-year assuming fully exercised extensions where applicable.

The Explosive-risk management solution contracts

There are currently 7 active explosive-related contracts in Argo Defence's portfolio, they have an average value of SEK 4.3 million and an average duration of 1.4 years. The value-weight duration in the contract portfolio is 3.0 years, indicating a skewedness towards longer durations in higher value contracts.

The contracts include agreements with public sector and industrial clients, including MSB (Swedish Civil Contingencies Agency), AFRY Consulting, Volvo Construction Equipment, and Baltic Safety.

Figure 10: Overview of the explosive-risk management solutions contract portfolio, figures in SEKm



Source: Argo Defence

Figure 11: The explosive-risk management solutions contracts, SEKm

Contract	Framework agreement value	Remaining value, SEK	Remaining value, %	Extension end-year
#1	SEK 20m	SEK 11m	54%	2028
#2	SEK 3m	SEK 1m	18%	2025
#3	SEK 2m	SEK 2m	100%	2026
#4	SEK 2m	SEK 2m	100%	2025
#5	SEK 1m	SEK 0m	8%	2026
#6	SEK 1m	SEK 1m	100%	2026
#7	SEK 1m	SEK 0m	27%	2025

Source: Argo Defence

Figure 11 above shows the Company's 7 contracts, sorted by value-size, as well as the remaining value, i.e., excluding the drawn-down portion of each individual agreement, the remaining value as a percentage of the total value and the end-year assuming fully exercised extensions where applicable.

Sustainability

Argo Defence places sustainability and responsible business practices at the heart of its operations, recognizing that long-term value creation is inseparable from environmental stewardship, social responsibility, and robust governance. The Company's ESG (Environmental, Social, and Governance) strategy is designed to align with internationally recognized standards and to make a measurable impact across its value chain, from internal processes to supplier relationships and customer outcomes.

Environmental initiatives

Argo Defence is committed to strengthening environmental management throughout its operations. The Company's ambition is to align its practices with globally recognized standards, ensuring that sustainability is embedded in every aspect of its business. Argo Defence actively works to minimize waste and increase

the use of recycled and sustainable materials in production. This approach not only reduces the Company's environmental footprint but also encourages innovation in product design and manufacturing.

The Company strives to create a positive environmental impact not only through its own activities but also by influencing suppliers and partners to adopt sustainable practices. By setting clear expectations and collaborating closely with its network, Argo Defence extends its sustainability reach beyond its immediate operations. The Company's environmental agenda is further reinforced by its commitment to several of the United Nations Sustainable Development Goals (SDGs).

Social responsibility

Argo Defence's social responsibility is reflected in its comprehensive due diligence processes, which are integral to all contracts and partnerships. These processes include rigorous reviews of workplace safety, accident history, and employee conditions, ensuring that every engagement meets high standards for health, safety, and welfare. The Company is dedicated to promoting diversity and inclusion, with a clear aim for gender balance across all organizational levels. This commitment is not only a matter of principle but also a strategic priority, as diverse teams drive innovation and resilience.

Safe working environments and long-term employment opportunities are central to Argo Defence's social strategy. The Company maintains strong collaboration with unions and actively engages its workforce to foster a culture of safety, respect, and continuous improvement. By prioritizing employee well-being and development, Argo Defence builds a loyal, skilled, and motivated team capable of delivering on the Company's mission.

Argo Defence's social initiatives also support broader societal goals, such as Decent Work and Economic Growth, and Industry Innovation and Infrastructure, as outlined in the UN SDGs. The Company's efforts contribute to the creation of sustainable communities and the advancement of responsible business practices within the defence sector.

Governance and ethical conduct

Governance at Argo Defence is founded on transparency, accountability, and ethical conduct. The Company upholds strict compliance standards, with zero tolerance towards corruption and robust whistleblower protection. These measures ensure that all employees and partners can report concerns safely and confidentially, reinforcing a culture of integrity and trust.

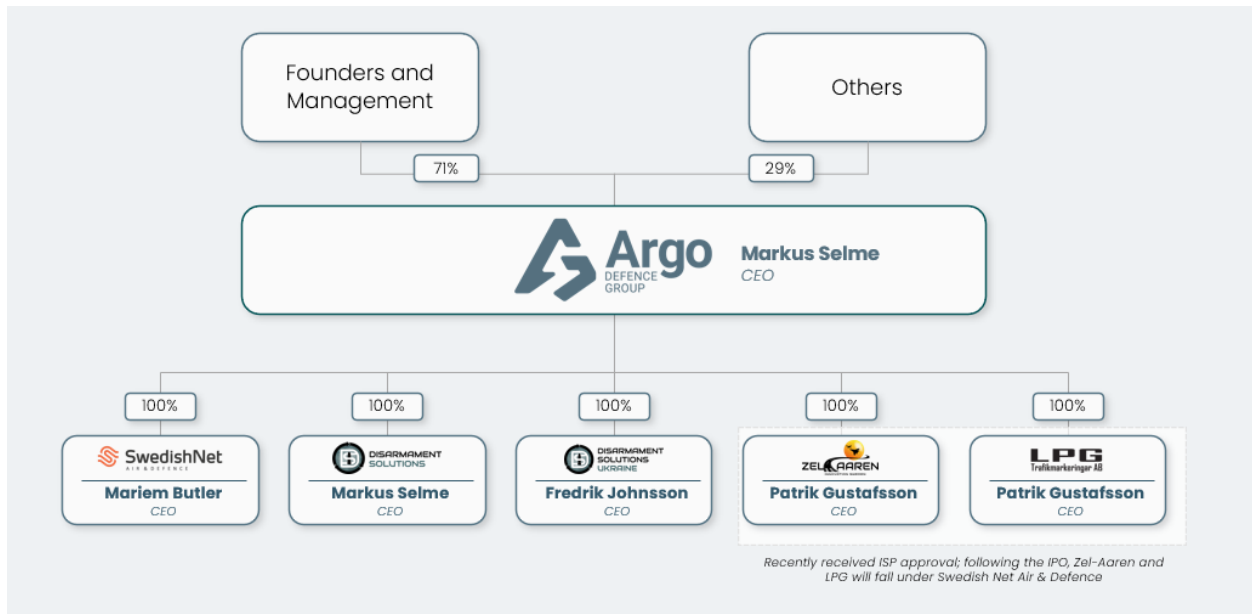
Argo Defence maintains transparent governance structures, including below-market executive compensation levels until significant reinvestment into the Group is achieved. This approach aligns leadership incentives with long-term value creation and responsible growth. The Company is committed to gradually introducing ESG-linked Key Performance Indicators (KPIs) to measure and track progress, ensuring that sustainability objectives are integrated into business performance metrics.

The governance framework also supports the Company's commitment to Peace, Justice, and Strong Institutions, another key UN SDG. By promoting disarmament initiatives, transparency, anti-corruption measures, and strong governance standards, Argo Defence contributes to the development of resilient and ethical institutions within its sphere of influence.

Alignment with UN sustainable development goals

- **Goal 8, Decent work and economic growth:** Commitment to safe working environments, fair labor practices, and long-term workforce development.
- **Goal 9, Industry, innovation, and infrastructure:** Contributing to sustainable infrastructure and promoting innovation in defence and security technologies.
- **Goal 11, Sustainable cities and communities:** Delivering solutions that strengthen the resilience, safety, and sustainability of cities and human settlements.
- **Goal 12, Responsible consumption and production:** Striving for resource efficiency, waste reduction, and sustainable procurement practices.
- **Goal 13, Climate action:** Reducing the environmental footprint of operations and supporting security in regions affected by climate change.

Legal structure, Argo Defence



Market overview

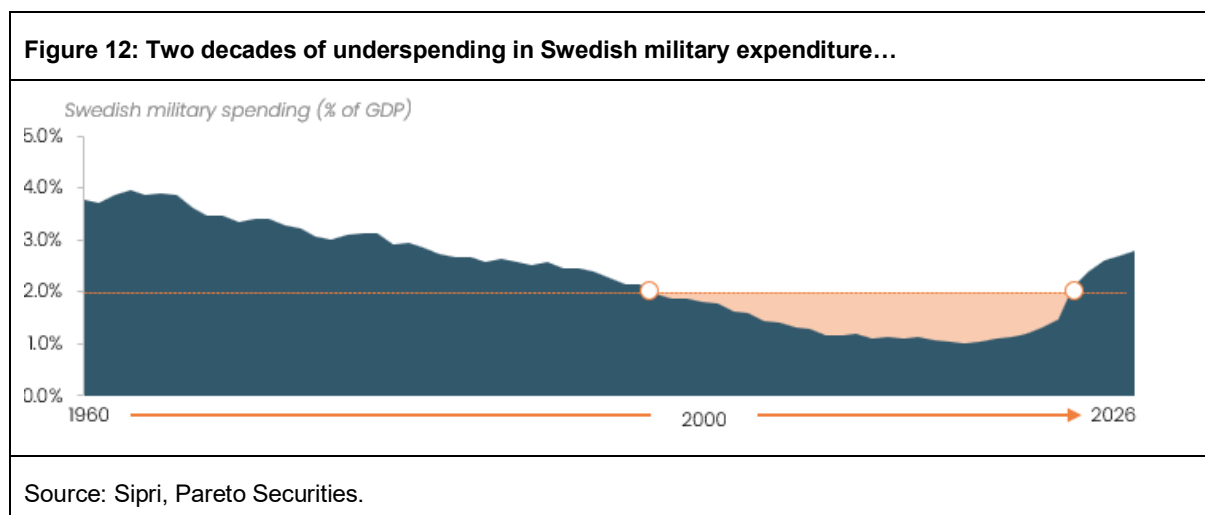
Introduction

Argo Defence is a growth-oriented defence company. Argo Defence primarily focuses on procurements, supply sourcing, and delivery of defence materiel to FMV and equivalent authorities. The offering also includes demining systems, explosive risk management, high-security infrastructure, and airfield operations. In Q3 2025 YTD, the main business area, defence materiel, accounted for approximately 68% of the Company's revenue, the counter-explosive risk business area for approximately 16%, and the airfield operations business area for approximately 16%, according to the Company.

Within the Defence Materiel business area, Argo Defence operates in the Swedish military market. The Company plays a key role as one of the few actors capable of participating in – and winning procurements issued by FMV. Nearly all revenue is conducted through framework agreements or direct procurements with FMV, meaning that developments in the Swedish military expenditure market and FMV's role within it affect the Company's revenue potential. In the Counter-explosive risk solutions business area, Argo Defence conducts similar operations to those in the Defence Materiel business area, but with a specific focus on mine clearance materiel. Additionally, the Company provides advisory services to other countries, primarily Ukraine, in the field of Counter-explosive risk solutions. In its third business area, Airfield Operations, Argo Defence provides services and executes projects both as a contractor and subcontractor within the Swedish airfield market (with focus on military airfields), as well as global product sales – including the Quick Seal A Comp + B Comp product and a molding system.

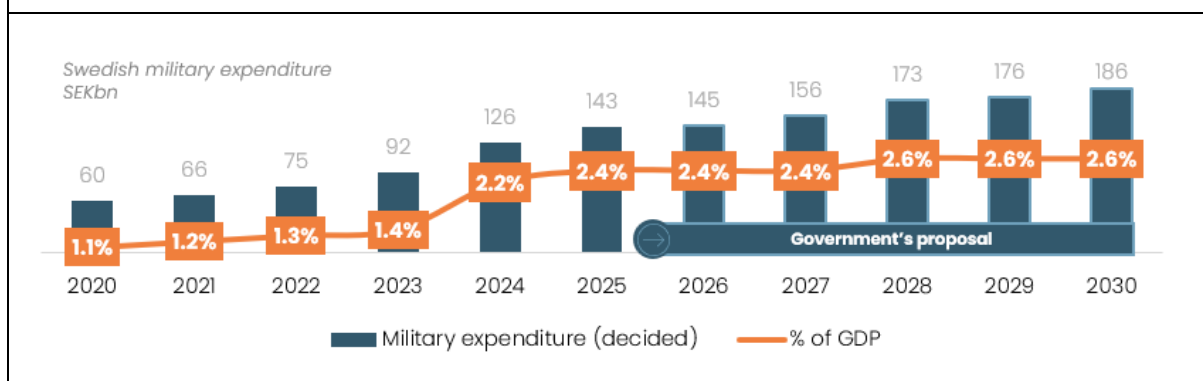
Swedish Defence Market

After two decades of underinvestment, Sweden's defence spending has increased sharply, both in absolute terms and as a share of GDP. The government's proposal entails a rise in the defence budget from SEK 60 billion in 2020 (1.1% of GDP) to SEK 186 billion in 2030 (2.6% of GDP). By 2025, the government has already committed to a budget of SEK 143 billion, corresponding to 2.4% of GDP. The estimated average annual growth rate ("CAGR") of Sweden's military expenditures from 2025 through 2030 is approximately 7%.⁷



⁷ Government offices of Sweden.

Figure 13: ...have led to a sharp rise in Sweden's defence spending as a share of GDP



Source: Government offices of Sweden, Pareto Securities.

Structural Growth in Sweden's Defence Sector

Sweden has committed over SEK 140 billion annually the coming years to strengthen the military capabilities. This investment supports the expansion of military units, increased personnel, and enhanced capacity for joint exercises – all of which drive demand for defence materiel. In alignment with the 2020 Defence Resolution, major capital is being allocated to procure advanced defence materiel, including anti-aircraft systems, ammunition, logistical supplies, and infrastructure for unit production. The sustained increase in defence spending is accelerating procurement activity, creating long-term opportunities for actors such as Argo Defence. Additionally, it reinforces the role of FMV in sourcing and preparing materials to meet the evolving needs of Sweden's armed forces.⁸

Introduction to FMV and their role in the Swedish military market

The Swedish Defence Materiel Administration (FMV) plays a central role in ensuring the operational readiness of the Swedish Armed Forces. FMV is responsible for procuring and delivering weapons, equipment, and services that meet the Armed Forces' evolving needs. In addition to its procurement function, FMV provides technical expertise and maintenance support to ensure that defence systems remain fully functional and mission ready. The agency works closely with the Armed Forces on strategic planning, delivery coordination, and prioritization of operational capabilities. FMV also facilitates and supports defence-related exports, contributing to Sweden's position in the international defence market. These responsibilities are outlined in FMV's official mandate from the Swedish Ministry of Defence.⁹

FMV's share of the Swedish military expenditures

In 2024, Sweden's total military expenditure reached SEK 126 billion.¹⁰ Of this amount, the Swedish Defence Materiel Administration (FMV) accounts for approximately SEK 68 billion in total industry orders. Within FMV's segments, the segment for "Orders Equipment and Facilities" is expected to represent around SEK 28 billion, corresponding to roughly 31% of total military spending for the year. Argo Defence considers this segment to be its most relevant market, as it closely reflects the types of procurements in which the Company participates.¹¹

Overall, FMV's total industry orders represent approximately 54% of Sweden's military expenditure in 2024. Between 2025 and 2028, the "Orders Equipment and Facilities" segment is expected to grow at a CAGR

⁸ Government offices of Sweden, The Swedish Defence Materiel Administration (FMV).

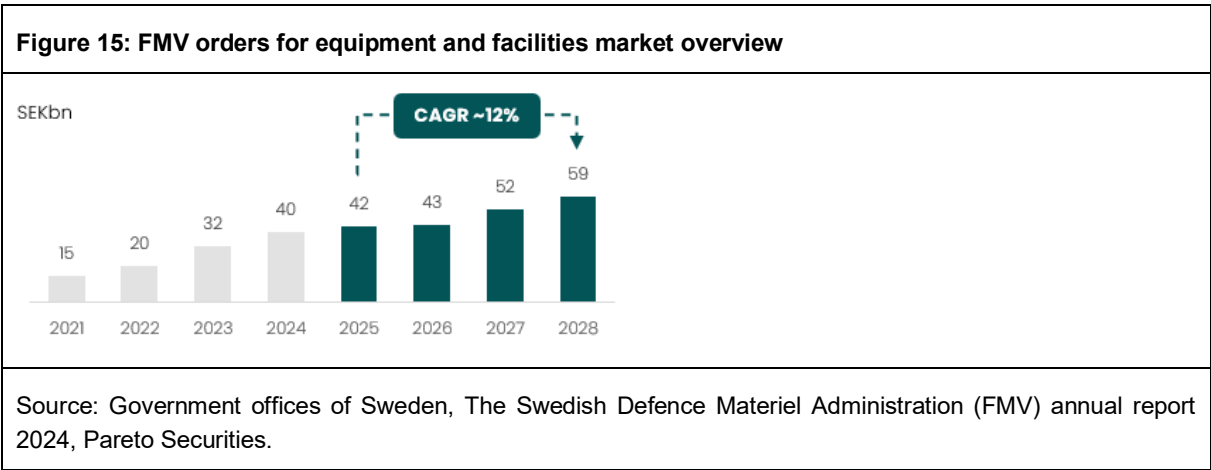
⁹ The Swedish Defence Materiel Administration (FMV).

¹⁰ Government offices of Sweden, The Swedish Defence Materiel Administration (FMV)

¹¹ The Swedish Defence Materiel Administration (FMV) annual report 2024

of approximately 12%, compared to a CAGR of around 7% for total military spending during the same period.¹²

According to Argo Defence, the reason this segment grows faster than overall defence spending is that as the defence budget increases, so does the need for material acquisitions. This leads to a proportionally larger share of the budget being allocated to FMV, which is responsible for sourcing and delivering the necessary equipment and infrastructure to meet the operational requirements of the Swedish Armed Forces. The Company further explains that FMV's share tends to grow disproportionately in periods of budget expansion because procurement processes – particularly those involving equipment and facilities – require long-term planning, technical coordination, and contractual commitments. As such, FMV becomes the central channel through which increased defence resources are translated into operational capability, making the “Orders Equipment and Facilities” segment a key indicator of market opportunity for suppliers like Argo Defence.



Defence materiel tendering – market overview

The Company is currently participating in procurement processes in both the Swedish and Ukrainian markets. In Sweden, the government decides on the overall direction and budget for the Armed Forces. The Armed Forces, in turn, identify needs and define material requirements, after which they issue a formal procurement request to FMV (the Swedish Defence Materiel Administration). FMV is then responsible for procurement, development, and acquisition based on that request. A similar dynamic can be seen in the Ukrainian market, where the Ministry of Defence serves a role comparable to FMV in Sweden. The main difference, however, is that due to wartime conditions, procurement often involves international

¹² The Swedish Defence Materiel Administration (FMV) annual report 2024

cooperation, meaning that other countries may also procure on behalf of Ukraine. Thanks to Sweden's recent NATO membership, Argo Defence has been able to register with NSPA (NATO Support and Procurement Agency) – NATO's central procurement organization. This opens opportunities for expansion and relations across approximately 30 NATO member countries. In addition to NSPA, the Company also sees opportunities for expansion into markets such as Norway, Denmark, and Finland. These countries are geographically close to Sweden and Argo Defence, and their procurement systems share many similarities with Sweden's, with designated authorities responsible for procurement, development, and acquisition. Examples of common tendering requirements across these markets include references, technical expertise, and financial capacity.¹³


Competitive landscape

The Company assesses that there is no single competitor that consistently appears in FMV's procurement processes. Instead, participation varies widely between actors – typically with 2 to 7 companies submitting bids – which the Company believes reflects the fact that few possess the competence and experience required to meet FMV's extensive and often complex requirements. In many cases, a significant portion of competitors are disqualified during the tendering process, often due to shortcomings in their reference portfolios or technical documentation. The Company highlights that foreign participants in particular often face difficulties in presenting relevant local references and in adapting their bids to FMV's detailed processes and formal requirements. According to the Company, it is also very rare to encounter listed peers in the procurements in which Argo Defence participates. In the Company's view, this is because such companies typically focus on manufacturing or product development rather than on the procurement process itself. Taken together, this results in a fragmented and unpredictable competitive landscape, where the Company considers itself to possess a unique capability to successfully navigate FMV's tendering requirements – and therefore, a unique positioning once listed.

Against this background, the Company believes that Argo Defence is distinctly positioned through a procurement-driven business model. In contrast to listed peers – which are only rarely encountered in FMV's processes, and then primarily as manufacturers or high-tech solution providers – the Company argues that Argo Defence is situated at the very core of the procurement process. In the Company's view, this constitutes a clear competitive advantage, as many competitors lack the scale or specialization that Argo Defence brings to the table. To be successful in FMV's tenders, companies should have been active for several years in order to build a sufficiently broad portfolio of references and develop the expertise required to submit complete bids. This includes the ability to handle up to 400 technical specifications, to structure the tender documentation correctly, and to ensure appropriate pricing. The Company further emphasizes that reaching critical mass is essential for future growth. Once revenues exceed approximately SEK 100 million, opportunities open up to participate in larger framework agreements valued at several hundred million SEK, which, according to the Company, creates unique conditions for strong growth going forward.

¹³ FMV (Sweden), MOD/Ukroboronprom (Ukraine), Forsvarsmateriell (Norway), FMI (Denmark), FDF Logistics Command (Finland).

Figure 16: Example of a defence material procurement

Example of a defence material procurement and Argo Defence's position				
Participant	Requirements		Won / Lost	Other observations
Company	Size criteria (sales, solvency, etc)	Documentation (References, design and technical solutions, etc.)	Result	Supplier independence
	✓	✓	Won	✓
Procurement competitor #1	✓	✓	Lost (on pricing)	✓
Procurement competitor #2	✓		Disqualified	✓
Procurement competitor #3	✓		Disqualified	✓
Procurement competitor #4	✓		Disqualified	
Procurement competitor #5	✓		Disqualified	
Procurement competitor #6			Disqualified	✓
Above is only an illustration based on the company's assessment of what it reasonably looks like, however, a procurement is characterized by 2-7 actors where the majority are disqualified				
Source: Company Information, Pareto Securities.				

Airfield Operations Market

Within the Airfield operations business area, the Company is active in both project deliveries and product sales.

Swedish airfield service/project market

To date, the Company has only participated in project deliveries within the Swedish market. Argo Defence has made an estimated assessment based on the number of relevant airports and airfields, the frequency at which these require renovation, and the average project size for the Company. The Company estimates that there are approximately 50 airports/airfields in Sweden. Multiplying this by Argo Defence's average project value of around SEK 20 million and dividing by 5 (reflecting the Company's assumption that airfields require renovation within Argo Defence's scope roughly once every five to ten years), results in a total annual market of approximately SEK 200 million in this business area. As Argo Defence grows and develops expertise in additional areas, the Company expects the available market to increase.

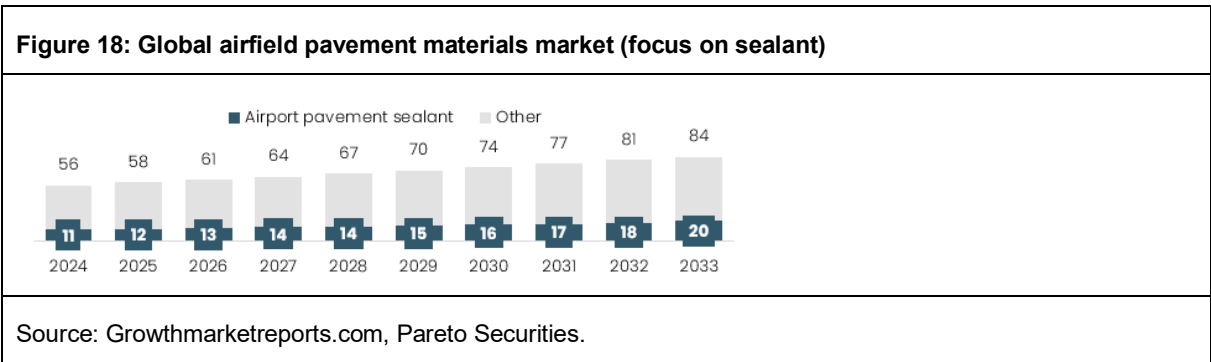
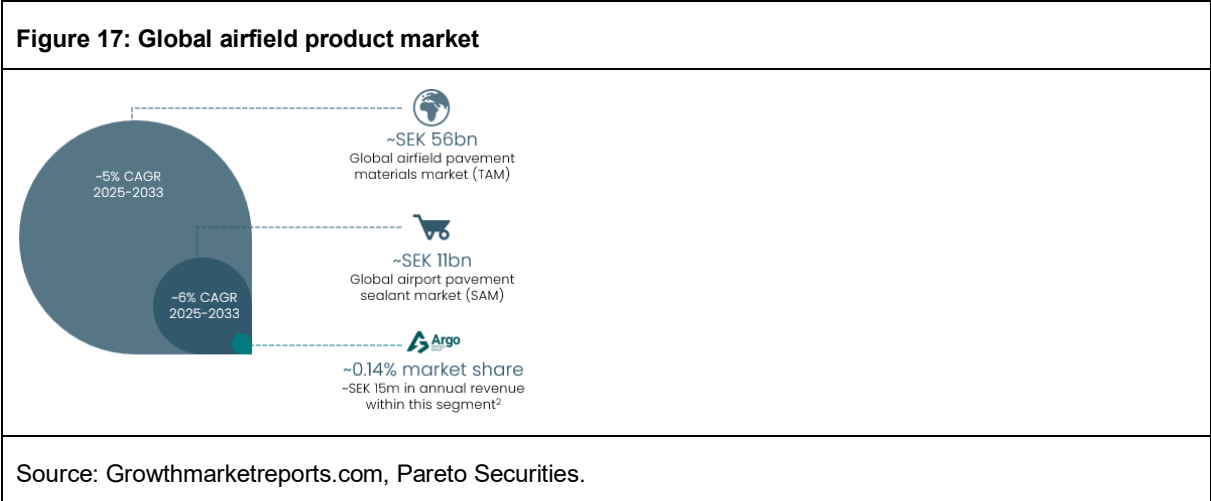
Global airfield product market

Argo Defence offers products for the repair and renovation of airfields and has delivered solutions to more than 100 airports across over 20 countries. The Company's underlying market in this area is the global market for airfield pavement materials (Total Addressable Market, TAM), estimated at approximately SEK 56 billion in 2024 and expected to grow at a CAGR of 5% through 2033.

Within pavement materials, the Company's products are focused on sealants, which defines the global market for airfield pavement sealants (Serviceable Available Market, SAM) as its direct addressable market.

This market is estimated at SEK 11 billion in 2024 and is expected to grow at a slightly faster rate than the broader market, with a CAGR of 6% between 2025 and 2033.

In 2024, Argo Defence’s revenues from airfield operations, including project deliveries, amounted to approximately 15 million SEK, corresponding to a market share of approximately 0.14% of the global market. This highlights the significant growth potential for the Company within this business area.



SELECTED FINANCIAL INFORMATION

This section presents selected financial information for the Company's subsidiary Swedish Net Air & Defence AB (reg. no. 556690-3737) regarding the financial years 2023 and 2024. The following selected financial information for the financial years 2023 and 2024 has, unless otherwise stated, been collected from Swedish Net Air & Defence AB:s audited annual reports. The financial information presented below, has been prepared in accordance with the Swedish Annual Reports Act (Sw. årsredovisningslagen (1995:1554)) and BFNAR 2012:1 (K3). This section should be read in conjunction with the sections "Comments to the selected financial information" and "Working capital statement and other financial information".

The reasoning for incorporating the selected financial information for the Company's subsidiary Swedish Net Air & Defence AB is due to the fact that Argo Defence was established in 2025 and therefore lacks audited historical financial statements for earlier periods. As Swedish Net Air & Defence AB constitutes the Company's largest operating subsidiary, its financial development serves as a relevant and representative proxy for the Group's underlying performance. To complement this and provide a more complete and comparable financial overview, the Company has also prepared pro forma financial information for the financial years 2023 and 2024, as well as quarterly financial information for the period January–September 2025.

Swedish Net Air & Defence AB – Income Statement

SEKt	(Audited) 2023	(Audited) 2024	(Reviewed) Jan-Sep, 2025
OPERATING REVENUES			
Net sales	9,979	103,924	90,328
Capitalized work for own account	6,333	0	0
Other operating income	568	2,402	-79
Total operating income	16,880	106,326	90,249
OPERATING EXPENSES			
Direct costs	-11,146	-87,302	-78,857
External costs	-10,778	-9,758	-4,387
Personnel expenses	-1,012	-1,161	-3,440
Depreciation and amortization	-644	-1,944	-1,135
Total operating expenses	-23,579	-100,164	-87,818
Operating profit	-6,699	6,162	2,431
RESULT FROM FINANCIAL ITEMS			
Interest income and similar items	25	505	0
Interest expenses and similar items	-1,237	-1,638	-455
Total financial items	-1,212	-1,132	-455
Earnings before tax	-7,911	5,029	1,976
Result for the year	-7,911	5,029	1,976

Swedish Net Air & Defence AB – Balance Sheet, Assets

<i>SEKt</i>	(Audited) 2023-12-31	(Audited) 2024-12-31	(Reviewed) 2025-09-30
Long-term assets			
Goodwill			
Intangible fixed assets	6,543	4,873	4,215
Tangible fixed assets	501	365	91
Financial fixed assets	0	36	0
Total long-term assets	7,044	5,273	4,306
Current assets			
Finished goods and merchandise	1,072	1,218	1,218
Sum inventory	1,072	1,218	1,218
Accounts receivable	116	3,780	99
Receivables from group companies	7,097	15,368	9,643
Current tax liabilities	928	0	0
Other receivables	473	3	2
Accrued but not invoiced income	411	1,798	0
Prepaid expenses and accrued income	431	12,544	6,078
Sum current receivables	9,455	33,494	15,822
Cash and bank	220	1,629	275
Total current assets	10,747	36,341	17,315
TOTAL ASSETS	17,791	41,614	21,621

Swedish Net Air & Defence AB – Balance Sheet, Equity and Liabilities

<i>SEKt</i>	(Audited) 2023-12-31	(Audited) 2024-12-31	(Reviewed) 2025-09-30
Equity			
RESTRICTED EQUITY			
Share capital	100	100	100
Fund for development costs	6,543	4,873	3,963
Total restricted equity	6,643	4,973	4,063
UNRESTRICTED EQUITY			
Retained earnings	1,397	-843	5,096
Net income for the period	-7,911	5,029	1,976
Total unrestricted equity	-6,514	4,186	7,072
Total equity	129	9,159	11,135
Long-term liabilities			
To credit institutions	5,812	3,000	4,500
Other liabilities	0	1,384	0
Sum long-term liabilities	5,812	4,384	4,500
Current liabilities			
To credit institutions	4,078	8,500	0
Accounts payable	1,473	17,383	1,202
Liabilities to group companies	1,535	0	0
Tax liabilities	0	4	0
Other current liabilities	4,571	1,987	4,488
Accrued expenses and deferred income	193	198	296
Sum current liabilities	11,850	28,072	5,986
TOTAL EQUITY AND LIABILITIES	17,791	41,614	21,621

Swedish Net Air & Defence AB – Cash Flow Statement (limited reviewed¹⁴)

<i>SEKt</i>	2023	2024	Jan-Sep, 2025
Income after financial items	-7,911	5,029	1,976
Adjustments for items not affecting cash flow:			
Depreciation, amortization and impairment losses	644	1,944	1,135
Cash flow from operating activities before changes in working capital	-7,267	6,973	3,111
Change in working capital:			
Increase (–), decrease (+) in current receivables	528	-24,074	17,672
Increase (+), decrease (–) in current liabilities	1,757	16,222	-22,085
Cash flow from operating activities	-4,982	-879	-1,302
Change in intangible assets	-6,333	0	0
Change in tangible fixed assets	-48	-137	-167
Change in inventories	-91	-147	0
Cash flow from investing activities	-6,472	-283	-167
Change in long-term liabilities	276	-1,428	116
Shareholder contributions received	3,400	4,000	0
Cash flow from financing activities	3,676	2,572	116
Cash flow for the year	-7,777	1,409	-1,354
Cash and cash equivalents at beginning of year	7,997	220	1,629
Cash and cash equivalents at end of year	220	1,629	275

¹⁴ The cash flow information for Swedish Net Air & Defence AB, included in this Memorandum, has been subject to a limited review. The procedures performed have primarily consisted of controls and reconciliation checks against the Company's general ledger. The review is limited in scope and does not constitute an audit or provide the same level of assurance as an audit.

COMMENTS TO THE SELECTED FINANCIAL INFORMATION

Swedish Net Air & Defence AB, comparison between the financial years 2024 and 2023

The comments below regarding the financial development refer to the financial years 2024 and 2023 for the Company's subsidiary Swedish Net Air & Defence AB. This section should be read in conjunction with the sections "Selected financial information" and "Working capital statement and other financial information".

Income Statement

Total operating income

The Company's total operating income for the period amounted to SEK 106,326 thousand (SEK 16,880 thousand). The change in total operating income between the periods was mainly attributable to the completion and delivery of orders placed in 2023, which, due to extended development processes and security clearance requirements, generated revenue first in 2024. In addition, Swedish Net Air & Defence AB secured several new procurement contracts during 2024, further contributing to the increase in operating income.

Gross profit

The Company's gross profit for the period amounted to SEK 19,024 thousand (SEK 5,734 thousand), corresponding to a gross margin of 18 percent (34 percent). The change in gross profit was mainly attributable to a reclassification of approximately SEK 6.3 million as an intangible asset related to the development of container shelters in 2023. In relation to the lower revenue that year, this resulted in an unusually high gross margin for 2023, while the 2024 margin reflects a more normalized profitability level.

Operating profit

The Company's operating profit for the period amounted to SEK 6,162 thousand (SEK –6,699 thousand). For further details regarding the development between the periods, please refer to the explanation under "Total operating income".

Result for the year

The Company's result for the year amounted to SEK 5,029 thousand (SEK –7,911 thousand). For further details regarding the development between the periods, please refer to the explanation under "Total operating income".

Balance Sheet

Intangible assets

The Company's intangible assets as of 31 December 2024 amounted to SEK 4,873 thousand (SEK 6,543 thousand). The decrease compared with the previous year was mainly attributable to write-downs of intangible assets carried out during 2024.

Current receivables

The Company's current receivables as of 31 December 2024 amounted to SEK 33,494 thousand (SEK 9,455 thousand). The increase compared with the previous year was primarily driven by accrued customer invoices amounting to SEK 11.6 million, work in progress of SEK 1.8 million, and receivables from group companies totaling SEK 15.4 million.

Restricted equity

The Company's restricted equity as of 31 December 2024 amounted to SEK 4,973 thousand (SEK 6,643 thousand). The decrease compared with the previous year was primarily attributable to depreciation of the intangible asset related to the development of container shelters.

Non-restricted equity

The Company's non-restricted equity as of 31 December 2024 amounted to SEK 4,186 thousand (SEK – 6,514 thousand). The improvement compared with the previous year was mainly explained by the positive net result for the period.

Long-term liabilities

The Company's long-term liabilities as of 31 December 2024 amounted to SEK 4,384 thousand (SEK 5,812 thousand). The decrease compared with the previous year was primarily due to amortization of long-term debt.

Current liabilities

The Company's current liabilities as of 31 December 2024 amounted to SEK 28,072 thousand (SEK 11,850 thousand). The increase compared with the previous year was mainly explained by higher accounts payable and an increase in short-term borrowings.

Cash flow statement***Cash flow from operating activities***

Cash flow from operating activities for the financial year 2024 amounted to SEK -879 thousand (SEK -4,982 thousand). The improvement compared with the previous year was mainly explained by improved liquidity resulting from higher revenue.

Cash flow from investing activities

Cash flow from investing activities for the financial year 2024 amounted to SEK -283 thousand (SEK -6,472 thousand). For further details regarding the development between the periods, please refer to the explanation under "Cash flow from operating activities".

Cash flow from financing activities

Cash flow from financing activities for the financial year 2024 amounted to SEK 2,572 thousand (SEK 3,676 thousand). The decrease compared with the previous year was mainly attributable to the shareholder contribution of SEK 3.4 million received in 2023, as well as the reclassification of SEK 5.5 million in long-term liabilities to short-term liabilities during 2024.

Swedish Net Air & Defence AB, comparison between the financial period January-September 2025 and full year 2024

The comments below regarding the financial development refer to the financial period January-September 2025 and full year 2024 for the Company's subsidiary Swedish Net Air & Defence AB. This section should be read in conjunction with the sections "Selected financial information" and "Working capital statement and other financial information".

Income Statement***Operating profit***

Operating profit for January–September 2025 decreased to SEK 2,431 thousand from SEK 6,162 thousand in 2024. The change was mainly attributable to seasonal effects, as a significant share of revenues is generated in Q4, meaning that the difference is not expected to be as large for the full year.

Result for the year

Result for the period January–September 2025 decreased to SEK 1,976 thousand from SEK 5,029 thousand in 2024. For further details regarding the development between the periods, please refer to the explanation under "Operating profit".

Balance Sheet

Total current assets

Total current assets as of 30 September 2025 decreased to SEK 17,315 thousand from SEK 36,341 thousand at year-end 2024. The change was mainly attributable to a high level of invoicing toward the end of the year.

Total assets

Total assets as of 30 September 2025 decreased to SEK 21,621 thousand from SEK 41,614 thousand at year-end 2024. For further details regarding the development between the periods, please refer to the explanation under "Total current assets".

Total equity and liabilities

Total equity and liabilities as of 30 September 2025 decreased to SEK 21,621 thousand from SEK 41,614 thousand at year-end 2024. The change was mainly attributable to the repayment of loans.

WORKING CAPITAL STATEMENT AND OTHER FINANCIAL INFORMATION

Working capital statement

The Company's existing working capital will be sufficient for the Company's and the Group's current capital requirements during the next 12-month period. Sufficient working capital means that the Company has access to the cash and cash equivalents required to fulfill its payment obligations as they fall due.

Significant changes

Besides what is stated under the section "Comments to the Selected Financial Information" and "Comments to the Pro Forma Financial Report" in this Memorandum, there have been no material changes in the Company's financial results since the date of this Memorandum.

For further details regarding significant investments and information on the Company's financing structure and loans, please refer to the sections below.

Investments

During 2025, the Company has made several important investments, including the acquisition of operating subsidiaries.

For further details regarding these acquisitions, please refer to the section "Significant Agreements" under "Legal Considerations" in this Memorandum.

Except for the acquisitions referred to above, the Company has not made any material investments since the date of this Memorandum.

Other financial information

Sufficient internal routines

The Company has established sufficient internal routines, relevant systems and a clear allocation of responsibility for its finance department. The Company's accounting and bookkeeping are managed internally by a dedicated finance team under the supervision of the Company's Accounting Manager. A temporary Chief Financial Officer (CFO) is engaged until 31 December 2025 to oversee financial reporting, budgeting, and internal controls.

Audit services are provided by Kvadrat Revision AB, with Johan Dahl serving as the responsible auditor. The Company does not maintain a separate internal audit function given its current size and organizational structure; however, internal control procedures have been implemented to ensure accurate financial reporting, tax compliance, and adherence to applicable accounting standards.

Financing structures and loans

As of the date of this Memorandum, the Company and its subsidiaries have several financing arrangements in place, primarily consisting of shareholder and intercompany loans as well as external bank financing.

Loan agreement with Swedish Net Air & Defence AB

As of the date of this Memorandum, the Company's total outstanding loans from Swedish Net Air & Defence amount to SEK 18,586,150. The loan carries interest at the government lending rate (stadslåneränta) plus 2 percent (4 percent in total) and is repayable no later than 31 December 2026.

Loan agreement with Swedbank

As of the date of this Memorandum, the subsidiary Swedish Net Air & Defence has an outstanding corporate loan with Swedbank AB, of SEK 22,500,000. In addition, the Swedish Net Air & Defence has an unused credit facility with Swedbank of SEK 22,500,000. The loan has a five-year term and bears interest at 3 percent plus STIBOR, while the overdraft facility carries interest at 3.25 percent plus STIBOR.

Other financial matters

Swedish Net Air & Defence currently has a tax deferral amounting to SEK 1,397,832, which is being repaid under an installment plan running until September 2027.

Contingent liabilities and indirect indebtedness

As of the date of this Memorandum, the Company had no indirect or contingent indebtedness.

Employees

As of the date of this Memorandum, Argo Defence had 25 full-time employees, of which 21 were based in Sweden and 4 in Ukraine.

PRO FORMA FINANCIAL REPORT

Bakground and basis for preparation

In 2025, Argo Defence was established and today consist of five subsidiaries: Swedish Net Air & Defence, Disarmament Solutions, Disarmament Solutions Ukraine, Zel-Aaren Innovation, and LPG Trafikmarkeringar.

The formation of Argo Defence represents a significant structural and operational change, bringing together complementary businesses within the military and civil defence sectors under a unified group structure.

In light of this corporate restructuring, the Company has prepared pro forma financial information to illustrate the Group's financial position and performance as if the merger had been completed at an earlier date. The pro forma financial information includes a balance sheet as of 31 December 2023, 31 December 2024, and 30 September 2025, income statements for the financial years 2023 and 2024, as well as quarterly financial information for the period January-September 2025. The figures have been prepared to reflect the combined operations of the entities included in the merger.

The pro forma financial information has been prepared based on the financial statements for Argo Defence Group AB (publ), Swedish Net Air & Defence AB, Disarmament Solutions AB, Disarmament Solutions Ukraine, Zel-Aaren Innovation AB, and LPG Trafikmarkeringar AB.

The pro forma financial information has been prepared in accordance with the Swedish Annual Accounts Act (Årsredovisningslagen) and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Reporting and Consolidated Financial Statements (K3).

The pro forma financial information is presented solely for illustrative purposes and is intended to facilitate understanding of the Group's aggregated financials following the merger. The figures are of a hypothetical nature and do not represent actual financial results or forecasts. Furthermore, potential synergies, integration costs, or other effects related to the merger have not been considered in the pro forma information.

In connection with the preparation of this Memorandum, the Company's auditor has performed a limited review of the pro forma financial information included herein. The full-year figures for 2023 and 2024 included in the pro forma financial information are based on the audited financial statements of the respective subsidiaries. However, the pro forma figures as a whole have not been subject to a full audit, and the Group's aggregated financial information presented in this section should therefore not be regarded as audited financial statements. For further details regarding the auditor's procedures, conclusions, and limitations, reference is made to the section "Auditor's statement over the pro forma financial report".

The pro forma financial information has been prepared exclusively for inclusion in this Memorandum and should be read in conjunction with the historical financial statements of each of the merged entities and other financial information contained herein.

Argo Defence – Proforma Income Statement (limited reviewed)

SEKt	2023	2024	Jan-Sep, 2025
Net sales	24,072	126,956	130,558
Other operating income	7,284	13,629	-118
Total operating income	31,355	140,585	130,439
OPERATING EXPENSES			
Direct costs	-14,868	-104,776	-100,248
Other external expenses	-15,615	-14,101	-11,696
Personnel expenses	-5,584	-6,704	-6,530
Depreciation and amortisation	-19,564	-21,137	-15,559
Other operating expenses	0	0	-1
Total operating expenses	-55,632	-146,718	-134,034
Operating profit	-24,276	-6,133	-3,595
RESULT FROM FINANCIAL ITEMS			
Income from shares in group companies	0	0	0
Interest income and similar items	0	0	0
Interest expenses and similar items	-1,263	-1,162	-708
Net financial items	-1,263	-1,162	-708
Profit after financial items	-25,539	-7,295	-4,303
EBITDA	-4,712	15,004	11,964

Argo Defence – Proforma Balance Sheet, Assets (limited reviewed)

SEKt	2023-12-31	2024-12-31	2025-09-30
Non-current assets			
Goodwill	73,519	55,021	41,326
Intangible non-current assets	7,816	5,828	4,931
Property, plant and equipment	2,585	3,697	3,282
Financial non-current assets	1,835	1,878	1,700
Total non-current assets	85,755	66,423	51,239
Current assets			
Inventories	1,845	3,463	3,411
Accounts receivable	116	5,612	4,058
Other receivables	9,465	16,172	703
Prepaid expenses and accrued income	1,323	14,996	8,091
	12,748	40,242	16,264
Cash and cash equivalents	2,233	5,698	7,817
Total current assets	14,981	45,940	24,080
TOTAL ASSETS	100,737	112,364	75,319

Argo Defence – Proforma Balance Sheet, Equity and Liabilities (limited reviewed)

SEKt	2023-12-31	2024-12-31	2025-09-30
EQUITY AND LIABILITIES			
Equity			
Share capital	551	551	551
Reserve fund	7,836	5,930	4,782
Retained earnings including share premium reserve	96,672	76,528	54,677
Profit for the period	-24,765	-8,227	-3,396
Total equity	80,294	74,782	56,616
Untaxed reserves			
Depreciation in excess of plan	0	1,126	0
Tax allocation reserves	695	815	0
	695	1,941	0
Long-term liabilities			
To credit institutions	5,812	3,710	4,607
To others	89	1,384	1,000
Total long-term liabilities	5,901	5,094	5,607
Current liabilities			
Accounts payable	4,137	18,376	3,262
Tax liabilities	-58	144	593
Other current liabilities	9,132	11,329	7,639
Accrued expenses and prepaid income	635	697	1,604
Total current liabilities	13,846	30,547	13,097
TOTAL EQUITY AND LIABILITIES	100,737	112,364	75,319

COMMENTS TO THE PRO FORMA FINANCIAL REPORT

Considerations for pro forma Comparison

The pro forma financial information has been prepared based on the financial statements for Argo Defence Group AB (publ), Swedish Net Air & Defence AB, Disarmament Solutions AB, Disarmament Solutions Ukraine, Zel-Aaren Innovation AB, and LPG Trafikmarkeringar AB. This section should be read in conjunction with the sections "Working capital statement and other financial information".

As the figures presented at Group level are pro forma and illustrate how the operations would have appeared had all entities been part of the Group already in 2023, they do not reflect the actual historical financial development of the Group. The pro forma information is therefore hypothetical in nature and should not be interpreted as a representation of the Group's real financial performance, nor as an explanation of actual period-to-period fluctuations.

Against this background, Swedish Net Air & Defence AB is presented separately as it constitutes the Company's largest operating subsidiary, and its financial performance provides a relevant and representative proxy for the Group's underlying operational development. This is further supported by the financial statements presented below, which illustrate the relative contribution of the other subsidiaries to the Group during the financial year 2024 and confirm Swedish Net Air & Defence AB:s significant weight in the Group structure.

Therefore, this section will not include any further comments on material fluctuations based on the pro forma figures. As the pro forma financial information is hypothetical and does not represent actual historical developments, any commentary on period-to-period movements would risk being misleading and would not provide a fair or meaningful reflection of the Group's operational performance. Instead, comments on material fluctuations are provided where the Company has actual, audited financials to rely upon. Accordingly, please refer to the section "Comments to the selected financial information", which contains detailed commentary on the financial development of the Company's largest operating subsidiary, Swedish Net Air & Defence AB. Given its relative size and contribution to the Group, Swedish Net Air & Defence AB financial statements offer a more accurate basis for assessing real underlying performance trends within the Group.

Besides a remark concerning the fact that half of the share capital was depleted during parts of the financial year 2023 in Swedish Net Air & Defence AB, the Company confirms that no remarks have been issued by the auditors regarding the audited annual reports of the Group subsidiaries,

Argo Defence – Proforma Income Statement 2024, detailed view (limited reviewed)

SEKt	Swedish Net Air & Defence AB	Disarma ment Solutions AB	Zel-Aaren	Argo Defence group	LPG Trafikmar keringar AB	Disarma ment Solutions Ukraine	Elimina- tion	Goup
Net sales	103,924	8,839	5,609	0	9,112	725	-1,253	126,956
Other operating income	2,402	11,280	-53	0	0	0	0	13,629
Total operating income	106,326	20,119	5,557	0	9,112	725	-1,253	140,585
OPERATING EXPENSES								
Direct costs	-87,302	-12,164	-2,007	0	-3,303	0	0	-104,776
Other external expenses	-9,758	-1,335	-1,508	0	-2,292	-463	1,253	-14,101
Personnel expenses	-1,161	-4,180	0	0	-1,362	0	0	-6,704
Depreciation and amortisation	-1,944	-347	-20	0	-459	0	-18,367	-21,137
Other operating expenses	0	0	0	0	0	0	0	0
Total operating expenses	-100,164	-18,026	-3,535	0	-7,416	-463	-17,114	-146,718
Operating profit	6,162	2,092	2,022	0	1,696	262	-18,367	-6,133
RESULT FROM FINANCIAL ITEMS								
Income from shares in group companies*	0	0	0	0	0	0	0	0
Interest income and similar items	0	0	0	0	0	0	0	0
Interest expenses and similar items	-1,132	8	3	0	-41	0	0	-1,162
Net financial items	-1,132	8	3	0	-41	0	0	-1,162
Profit after financial items	5,029	2,101	2,025	0	1,656	262	-18,367	-7,295
EBITDA	8,105	2,440	2,042	0	2,155	262	0	15,004

**Argo Defence – Proforma Balance Sheet 2024, Assets, detailed view
(limited reviewed)**

<i>SEKt</i>	Swedish Net Air & Defence AB	Disarma ment Solutions AB	Zel-Aaren	Argo Defence group	LPG Trafikmar keringar AB	Disarma ment Solutions Ukraine	Elimina- tion	Goup
Non-current assets								
Goodwill	0	0	0	0	0	0	55,021	55,021
Intangible non-current assets	4,873	955	0	0	0	0	0	5,828
Property, plant and equipment	365	111	17	0	3,204	0	0	3,697
Financial non-current assets	36	105	0	115,131	1,730	37	-115,161	1,878
Total non-current assets	5,273	1,171	17	115,131	4,934	37	-60,140	66,423
Current assets								
Inventories	1,218	0	2,198	0	0	46	0	3,463
Accounts receivable	3,780	933	0	0	301	598	0	5,612
Other receivables	15,371	346	201	0	220	34	0	16,172
Prepaid expenses and accrued income	14,343	51	33	0	570	0	0	14,996
	34,712	1,329	2,432	0	1,091	678	0	40,242
Cash and cash equivalents	1,629	2,480	197	0	1,393	0	0	5,698
Total current assets	36,341	3,809	2,629	0	2,483	678	0	45,940
TOTAL ASSETS	41,614	4,980	2,645	115,131	7,418	715	-60,140	112,364

Argo Defence – Proforma Balance Sheet 2024, Equity and Liabilities, detailed view (limited reviewed)

SEKt	Swedish Net Air & Defence AB	Disarma ment Solutions AB	Zel-Aaren	Argo Defence group	LPG Trafikmar keringar AB	Disarma ment Solutions Ukraine	Elimina- tion	Goup
EQUITY AND LIABILITIES								
<i>Equity</i>								
Share capital	100	50	100	551	50	80	-380	551
Reserve fund	4,873	955	20	0	0	83	0	5,930
Retained earnings including share premium reserve	-843	1,375	504	114,580	1,940	365	-41,392	76,528
Profit for the period	5,029	1,751	1,773	0	1,587	0	-18,367	-8,227
Total equity	9,159	4,131	2,397	115,131	3,577	528	-60,140	74,782
<i>Untaxed reserves</i>								
Depreciation in excess of plan	0	0	0	0	1,126	0	0	1,126
Tax allocation reserves	0	0	0	0	815	0	0	815
	0	0	0	0	1,941	0	0	1,941
<i>Long-term liabilities</i>								
To credit institutions	3,000	0	0	0	710	0	0	3,710
To others	1,384	0	0	0	0	0	0	1,384
Total long-term liabilities	4,384	0	0	0	710	0	0	5,094
<i>Current liabilities</i>								
Accounts payable	17,383	83	229	0	682	0	0	18,376
Tax liabilities	4	401	0	0	-261	0	0	144
Other current liabilities	10,487	152	0	0	503	187	0	11,329
Accrued expenses and prepaid income	198	214	20	0	266	0	0	697
Total current liabilities	28,072	850	249	0	1,190	187	0	30,547
TOTAL EQUITY AND LIABILITIES	41,614	4,980	2,645	115,131	7,418	715	-60,140	112,364

AUDITOR'S STATEMENT OVER THE PRO FORMA FINANCIAL REPORT



To the Board of Directors of Argo Defence Group AB, Reg. No. 559529-0734

We have performed a limited review of the pro forma figures in the income statement and balance sheet for the financial years 2023, 2024, and the period January 1, 2025 – September 30, 2025, for the Group and the parent company Argo Defence Group AB.

Responsibility of the Board of Directors and the Chief Executive Officer

It is the responsibility of the Board of Directors and the Chief Executive Officer to prepare and present this financial information in accordance with applicable accounting principles and to ensure that such internal control exists as the Board of Directors and the Chief Executive Officer deem necessary to enable the preparation of financial information free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial information based on our limited review.

Scope and Nature of the Limited Review

We have conducted our limited review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

A limited review consists primarily of making inquiries, mainly of persons responsible for financial and accounting matters, performing analytical procedures, and undertaking other review procedures.

A limited review has a different focus and is substantially narrower in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards.

The procedures performed in a limited review do not enable us to obtain the level of assurance that would be obtained in an audit, and therefore we do not express an audit opinion.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the financial information does not, in all material respects, present a true and fair view of the financial position of the Group and the parent company as of December 31, 2023, December 31, 2024, and September 30, 2025, and of their financial performance for the financial years 2023, 2024, and the period January 1, 2025 – September 30, 2025, in accordance with applicable accounting principles.

Stockholm, date as per electronic signature

Kvadrat Revision AB

Johan Dahl

Authorized Public Accountant

BOARD OF DIRECTORS, SENIOR EXECUTIVES AND AUDITOR

Board of directors and forms of board work

The Company's board of directors currently comprises 5 members: Lars Granbom (Chair), Anna Höjer, Magnus Ericsson, Markus Selme and Mariem Butler. All board members are elected for the period up until the end of the annual general meeting to be held in 2026. Detailed information about the Company's board members is presented below.

Lars Granbom, chair of the board (COB)

Born 1961, elected 2025.

Experience and key positions: Extensive experience from more than 30 high-tech start-ups and 5 IPOs. CEO roles include Viking Microwave AB, SAF Tehnika Sweden AB, Trebax AB, Raybased AB, 4E Antenna AB, RanLOS AB. COB roles include Gapwaves AB, Scandinavian Astor Group AB, Marstrom Composite AB, Mikroponent AB, Scandiflash AB, Airsafe AB, Gotmic AB.

Education: Master of Science in Electrical Engineering, Chalmers University of Gothenburg (1985), specialization in microwave engineering and wireless communications.

Other ongoing and previous assignments: CEO RanLOS AB, COB Gotmic AB.

Holdings of financial instruments in the Company: Owns 50,000 warrants.

Anna Höjer, board member

Born 1968, elected 2025.

Experience and key positions: Broad industry experience and leadership expertise. Former Senior Vice President Saab and Head of Market Area Nordics/Baltics and Poland. Former CEO and Head of Nordics Bombardier, CEO Transdev Sweden.

Education: MSc in Mechanics, Luleå University of Technology.

Other ongoing and previous assignments: Board member at CTT Systems, Swedish industry association for rail operators, Samtrafiken i Sverige AB, Spektrumare AB, Antohuna AB.

Holdings of financial instruments in the Company: Owns 25,000 warrants.

Magnus Ericsson, board member

Born 1974, elected 2025.

Experience and key positions: Deputy Regional Manager, Swerock AB. Over 30 years in construction and aggregates industry with expertise in sustainability, business development, and governance.

Education: High school studies.

Other ongoing and previous assignments: Chair of Sveriges Bergmaterialindustri SBMI AB (since 2022), board member at Kungsörs Grusaktiebolag (since 2009) and Svenskt Näringsliv (since 2022).

Holdings of financial instruments in the Company: Owns 25,000 warrants.

Markus Selme, board member

See under *Senior executives*

Mariem Butler, board member

See under *Senior executives*

Senior executives

Markus Selme, Chief Executive Officer (CEO)

Born 1974, elected 2025.

Experience and key positions: CEO for Swedish Net Air & Defence, CEO for Disarmament Solutions, CEO Argo Defence.

Education: High school studies.

Other ongoing and previous assignments: Project manager for security enhancement projects for nuclear facilities, penal institutions, defence and airfield operations.

Holdings of financial instruments in the Company: Owns 10,200,000 shares through the company Swedish Net Holding AB (80 percent owned by Selme Holding AB, which is 97 percent owned by Markus Selme), corresponding to 64.2 percent of the total number of shares in the Company.

Nicklas Karlbom, Interim CFO

Born 1970, appointed in 2025.

Experience and key positions: Senior finance executive with broad experience from CFO roles in Nordic and international companies. Nicklas has over 25 years of experience in financial reporting, treasury, corporate governance, and leadership of finance functions, including extensive work within the financial sector. Currently serving as Interim CFO and Senior Advisor to Argo Group. Previously Interim CFO at Frilans Finans (listed on Spotlight Stock Market), where he led financial restructuring and IPO preparation. Former Country Manager and CFO at Deutsche Leasing, where he built and managed the Nordic operations.

Education: Bsc in Business and Economics, Stockholm University.

Other ongoing assignments: Board member of Kafinco AB, Midkra AB.

Assignments completed in the past five years: Board member of HSH N Nordic Finance No.1 AB, Deutsche Leasing Sverige AB, Finansbolagens Service FF AB, HSH N Fastighetsleasing AB. CEO of DAL Nordic Finance AB.

Holdings of financial instruments in the Company: Owns no shares or warrants in the Company.

Mariem Butler

Born 1975, elected 2025.

Experience and key positions: Over 25 years of international experience in business development, finance, management, sales, procurement and logistics. Positions include CEO Swedish Net Air & Defence (current), Business Development Manager Electric Trucks at Scania, Head of International Procurement and Financing at Business Sweden, Business Controller at Shell Italy, Senior Project Manager at Business Sweden Italy, Division Financial Analyst Nordics & Baltics at Coca-Cola Company, Pricing Controller at Coca-Cola Company.

Education: Master of Science in Business and Economics, Uppsala University.

Other ongoing and previous assignments: Board member at Swedish Net Holding, Disarmament Solutions, Swedish Net Air & Defence, Lamaris Holding (own company).

Holdings of financial instruments in the Company: Owns 10,200,000 shares through the company Swedish Net Holding AB (10 percent owned by Lamaris Holding AB, which is 100 percent owned by Mariem Butler), corresponding to 64.2 percent of the total number of shares in the Company.

Fredrik Johnsson, CEO of Disarmament Solutions Ukraine LLC & Head of Business Development Ukraine in Argo Defence Group AB

Born 1971, elected 2021.

Experience and key positions: CEO of Disarmament Solutions Ukraine LLC (ongoing), CEO of RICON AB (ongoing), CEO of Disarmament Solutions AB, Deputy Commanding Officer (DCO) of the Swedish Explosive Ordnance Disposal and Demining Centre (SWEDEC), Chief of Staff (COS) at SWEDEC, Doctoral student at the Swedish Defence University and Lund University of Technology, Operation Support Director at SWEDEC, Head of Training Development at SWEDEC, Acting Training Director at SWEDEC, Head of Technical Intelligence Department at SWEDEC, Deputy Head of Ammunition Technical Unit at SWEDEC,

various military positions at Göta Engineer Regiment (Ing 2), and participation in multiple international military and civilian operations.

Education: Doctoral studies for PhD in Risk Management at the Swedish Defence University and Lund University of Technology, Master's degree in Military Technology (Higher Staff Officer Programme, HSU-T) at the Swedish Defence University, Bachelor's degree in Civil Engineering at Blekinge Institute of Technology, Staff Officer Programme (SU) at the Swedish Defence University, Tactical Programme in Military Engineering at the Swedish Army Engineering School, Army Officer Programmes for ranks 2nd and 1st Lieutenant at the Swedish Armed Forces. Special training includes risk management, Explosive Ordnance Disposal (EOD), military demining, Counter Improvised Explosive Devices (C-IED), counter terrorism including technical intelligence, humanitarian mine action, explosives and ammunition technology, weapons and ammunition safety, NATO Force Protection, International Ammunition Technical Guidelines (IATG), Disarmament, Demobilization and Reintegration (DDR), and Weapon and Ammunition Management (WAM).

Other ongoing and previous assignments: Member of United Nations international expert roster for UN SaferGuard Programme, member of United Nations international expert roster for Weapons and Ammunition Management (WAM), CEO and owner of RICON AB, CEO and owner of STRAPOS Ukraine LLC, board member and co-partner of Critical Infra System AB.

Holdings of financial instruments in the Company: Owns 800,000 shares through RICON AB, corresponding to 5.0 percent of the total number of shares in the Company.

Auditor

Kvadrat Revision AB, with auditor Johan Dahl, authorised public accountant and member of FAR (the Swedish professional institute for authorised public accountants), was appointed as the Company's auditor for Argo Defence on 17 June 2025, for the period until the next Annual General Meeting. While Johan Dahl has not personally been responsible for the audit of the Company or its subsidiaries prior to this date, Kvadrat Revision AB conducted the audits of Swedish Net Air & Defence, Zel-Aaren and Disarment Solution for the financial year 2024, with Ivan Ticic serving as the signing auditor.

Remuneration to the board of directors and the senior executives

At the Extraordinary General Meeting held on 2 October 2025, it was resolved that a fee of SEK 235,200 (corresponding to four price base amounts, where the price base amount for 2025 amounts to SEK 58,800) will be payable to the chairman of the board and that SEK 117,600 (corresponding to two price base amounts) will be payable to the other non-employed board members, proportionally in relation to the remaining term of office.

The table below presents the remuneration paid to senior executives and board members (including any conditional or deferred remuneration or similar) for the financial years 2025 and 2024, as well as any benefits in kind granted by the Company or its subsidiaries. The remuneration presented in the table below has been compiled based on the current composition of the Group. Given that Argo Defence was established in 2025, the remuneration for 2024 and 2025 includes only amounts paid to individuals who are part of the current management team or board of directors and who have received compensation within the entities forming the Group.

Remuneration paid - 2024

Senior executive	Fixed salary and other benefits	Variable remuneration	Pension costs	Amount
Management	1,290,800	-	420,000	1,710,800

Remuneration paid - 2025

Senior executive	Fixed salary and other benefits	Variable remuneration	Pension costs	Amount
Management	2,290,000	-	810,000	3,100,000
Lars Granbom (Chair)	58,800	-	-	58,800
Anna Höjer (Board member)	29,400	-	-	29,400
Magnus Ericsson (Board member)	29,400	-	-	29,400
Total	2,407,600	-	810,000	3,217,600

Other information on board members and senior executives

All board members and senior executives can be reached at the Company's address Munkbrogatan 2, 111 27 Stockholm.

There are no familial connections between the board members and/or the senior executives. No board member or senior executive has been sentenced in any fraud-related cases in the last five years. None of them have been involved in any bankruptcy, receivership, or liquidation in the capacity as a member of an administrative, management or inspection body or senior executive in the last five years. No accusations or sanctions have been issued by government or inspection authorities (including accredited professional associations) against any board member or senior executive in the last five years. No board member or senior executive has been prohibited by court action in the last five years from becoming a member of a company's administrative, management or inspection body, or from exercising management or general functions at an issuer.

No board member or senior executive has any private interest or other assignments that could conflict with the tasks they perform for Argo Defence. However, as indicated above, several board members and senior executives have financial interests in Argo Defence through shareholdings.

There are no separate agreements with major shareholders, customers, suppliers or other parties under which any board member or other senior executive has been appointed.

Lock up

Shareholding board members and senior executives have, towards Pareto Securities, undertaken, subject to certain customary exceptions, not to sell, transfer or otherwise dispose of their shares in the Company for a period of 360 days from the first day of trading in the Company's shares on NGM Nordic SME.

In addition, existing shareholders holding more than one percent of the shares in Argo Defence have undertaken that 90 percent of their shareholdings shall be subject to lock-up, meaning that they may not sell, transfer or otherwise dispose of such portion of their shares for a period of 180 days from the first day of trading in the Company's shares on NGM Nordic SME.

The lock-up undertakings for shareholding board members, senior executives and existing shareholders (holding more than one percent of the shares) are together referred to as the **"Lock-up Undertakings"**.

The Lock-up Undertakings cover existing shares (with the exception of any shares subscribed for within the scope of the Offering).

SHARES, SHARE CAPITAL AND OWNERSHIP STRUCTURE

Information about the share

According to the Company's articles of association, the share capital shall not be less than SEK 550,000 and no more than SEK 2,200,000, divided into no less than 15,870,000 shares and no more than 63,480,000 shares. As of the date of this Memorandum, the Company's share capital amounted to SEK 550,748.87, distributed over 15,892,839 shares.

The shares are denominated in Swedish kronor with a par value of SEK 0.034654. The Company's shares have been issued in accordance with Swedish law, are fully paid and freely transferable.

Resolution on the Offer and dilution

If fully subscribed, the Equity Issue will result in an increase in share capital from SEK 550,748.87 to SEK 693,441.40, and an increase in the number of shares in Argo Defence from 15,892,839 shares to 20,010,486 shares. The Offer Price per share in the Equity Issue is SEK 17.00.

Full subscription in the Equity Issue could result in dilution for shareholders who do not subscribe for shares in the Offer corresponding to a maximum of approximately 21 per cent of the share capital and votes in the Company following the Equity Issue.

In the event that the Over-Allotment Option is exercised in full, this would result in an increase in share capital from SEK 693,441.40 to SEK 714,845.28, and an increase in the number of shares in the Argo Defence from 20,010,486 shares to 20,628,133 shares, corresponding to a dilution of approximately 3 per cent of the share capital and votes in the Company following the Equity Issue and the Over-Allotment Option.

The dilution from the potential Over-Allotment Option has been calculated as the total number of shares and votes that will be issued in the Over-Allotment Option divided by the total number of shares and votes in the Company following the Equity Issue and the Over-Allotment Option.

Changes in the share capital

Year	Event ¹⁵	Issue price per share (SEK)	Increase in number of shares	Total number of shares	Increase in share capital (SEK)	Total share capital (SEK)	Quota value per share (SEK)
2025	Share issue (cash)	5.00	650,000	15,892,839	22,525.04	550,748.87	0.034654
2025	Share issue (PIK)	5.00	800,000	15,242,839	27,723.12	528,223.83	0.034654
2025	Share issue (PIK)	5.00	13,000,000	14,442,839	450,500.71	500,500.71	0.034654

Certain rights attached to the shares

The rights associated with the shares issued by the Company, including rights under the Company's articles of association, may only be amended in accordance with the procedures set out in the Swedish Companies Act.

Voting rights

Each share entitles the holder to one (1) vote at a general meeting. Each shareholder is entitled to cast votes equal in number to the number of shares they hold.

¹⁵ Payment in Kind (PIK) – New share issue where shares are paid for with non-cash consideration

Preferential rights to new shares, etc.

Should the Company issue new shares, warrants or convertibles by way of a cash issue or a set-off issue, the shareholders have preferential rights to subscribe for such securities in proportion to the number of shares held prior to the issue. However, this shall not imply any limitation in the possibility of deciding on a cash issue or set-off issue with deviation from the shareholder's preferential rights. As of the date of this Memorandum, there are no provisions in the Company's articles of association restricting the possibility to issue new shares, warrants or convertibles.

Rights to dividends and surpluses in the event of liquidation

All shares in the Company have an equal right to dividends as well as to the Company's assets and any surplus in the event that the Company enters into liquidation. Resolution of possible dividends are made by the general meeting. All shareholders who are registered in the share register maintained by Euroclear on the record date decided by the general meeting is entitled to receive a dividend. Dividends are normally disbursed to shareholders in a cash amount per share through Euroclear Sweden but can also be disbursed in the form of a non-cash consideration. If a shareholder cannot be reached through Euroclear Sweden, the shareholder's claim against the Company in respect of the dividend amount remains for a limited period of ten years. At the end of this period, the dividend amount will be transferred to the Company. There are no restrictions regarding right to dividend for shareholders resident outside of Sweden. Subject to possible restrictions imposed by banks or clearing systems in the relevant jurisdiction, payments are to be made to such shareholders in the same way as to shareholders in Sweden. However, shareholders subject to restricted taxation in Sweden are normally subject to Swedish withholding tax.

Central securities depository

The shares in the Company are recorded in a securities register in accordance with the Swedish Central Securities Depository and Financial Instruments Accounts Act (*Sw. Lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*). The register is maintained by Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden. No share certificates have been issued for the Company's shares. The ISIN for the Company's shares is SE0026820540.

Convertibles, warrants and other share-based instruments

As of the date of this Memorandum, there were no convertibles, warrants or other share-based instruments outstanding that could lead to dilution, other than the incentive programs presented below.

Authorizations

The Extraordinary General Meeting held on 2 October 2025 resolved to authorize the Board of Directors, on one or more occasions until the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, to resolve on issues of shares, warrants and/or convertible instruments within the limits of the Articles of Association. The authorization includes the right to decide that such issues may be made against payment in cash, in kind, or through set-off.

Incentive programs

The Extraordinary General Meeting on 2 October 2025 resolved, in accordance with the board of directors' proposal, to introduce a long-term incentive program (the "**Program**"). The Program comprises a maximum of 100,000 warrants, of which 50 percent are offered to Lars Granbom and the remaining warrants are offered in equal parts to Anna Höjer and Magnus Ericsson (25 per cent each).

The warrants shall be subscribed for at a subscription price corresponding to their market value, as determined according to the Black & Scholes valuation model. The subscription period for the warrants runs until 31 December 2025.

Each warrant entitles the holder to subscribe for one (1) new share in the Company during the period from 1 October to 31 December 2028. The subscription price upon exercise shall amount to 130 percent of the

share price in connection with the offering of shares in relation to the Listing, however not less than SEK 13 per share.

If all warrants are exercised for subscription of shares, the dilution for existing shareholders amounts to approximately 0.5 percent, calculated as the total number of shares and votes that will be issued in the Program divided by the total number of shares and votes in the Company following the Equity Issue, the Over-Allotment Option and the Program.

Largest shareholders

As of date of this Memorandum, and including any subsequent changes known to the Company, the Company's largest shareholders, with a shareholding of 5 per cent or more of the total number of shares or votes outstanding, are presented below.

As far as the Company is aware, there is no one who, individually or in concert with others, directly or indirectly controls the Company.

Name	Number of shares	Number of shares, %	Number of votes, %
<i>Swedish Net Holding AB</i> ¹⁶	10,200,000	64.2%	64.2%
<i>Råsunda Advice AB</i> ¹⁷	1,561,136	9.8%	9.8%
<i>Artilia AB</i>	800,000	5.0%	5.0%
<i>RICON AB</i> ¹⁸	800,000	5.0%	5.0%
<i>Capital AB</i>	561,136	3.5%	3.5%

Swedish Code of Corporate Governance

The Company does not apply the Swedish Code of Corporate Governance.

Information related to takeover bids and redemptions of minority shares

As of the date of this Memorandum, the shares in the Company are not subject to any public takeover bid. No public takeover bid relating to the shares in the Company has occurred during the current or the preceding financial year.

General

According to the Swedish Corporate Governance Board's (*Sw. Aktiemarknadens självregleringskommitté*) takeover rules for certain trading platforms, any party who (i) does not hold any shares or holds shares that represent less than three-tenths of the voting rights for all shares in a Swedish limited liability company whose shares are admitted to trading on NGM Nordic SME (the "**Target Company**"), and (ii) through the acquisition of shares in the Target Company, alone or together with an affiliated party, achieves a shareholding that represents at least three-tenths of the votes for all shares in the Target Company, must immediately disclose the size of his or her shareholding in the Target Company, and within four weeks thereafter submit a public takeover bid relating to the remaining shares in the Target Company (mandatory bid).

¹⁶ Shares distributed between: Markus Selme (80%), Mariem Butler (10%), and Jörgen Eklund through company (10%)

¹⁷ Per Nilsson, privately and through company

¹⁸ Fredrik Johnsson

The shares in the Company are not subject to any bid made as a result of a mandatory bid, redemption rights or sell-out obligation. No public takeover bid has been made for the offered shares during the current or preceding financial year.

Compulsory redemption

Chapter 22 of the Swedish Companies Act contains provisions pertaining to redemptions of minority shareholders (so called forced redemption), which entail that a shareholder who holds more than nine-tenths of the shares in a company (the majority shareholder) is entitled to buy out the remaining shares of the other shareholders. The majority shareholder is also obliged to buy out a minority shareholder's shares if the minority shareholder so requests. The rights and obligations of shareholders in conjunction with a compulsory redemption proceeding are set out below.

Disputes pertaining to the existence of a right or obligation to buy out or to the amount of the purchase price shall be settled through arbitration pursuant to the special rules set out in Chapter 22 of the Swedish Companies Act and the Swedish Arbitration Act (Sw. *Lagen (1999:116) om skiljeförfarande*). Minority shareholders have the opportunity to appoint a joint arbitrator. In the event this does not take place, the board of directors shall request that the Swedish Companies Registration Office appoint a trustee tasked with securing the appointment of a joint arbitrator to represent the minority shareholders and to protect the rights of the minority shareholders in the buy-out dispute. A minority shareholder also has the opportunity to bring his/her own action in the arbitration proceedings.

Prior to final determination of the purchase price and upon petition by the majority shareholder, the arbitral tribunal may decide, in a separate award, upon advance vesting of title in the shares. This entails a transfer of title in the shares to the majority shareholder and enables the majority shareholder to exercise those rights provided by the shares from the date that the judgement on advance vesting enters force or, if the arbitral tribunal has so decided, from the date of the decision.

The majority shareholder is liable to defray the fees of the arbitrators and the trustees. A minority shareholder who brings his/her own action in the arbitration proceedings is also entitled to have his/her costs defrayed by the majority shareholder.

Important information on taxation

The tax legislation in the investor's home country and in Sweden may affect any income received from shares in the Company. The taxation of any dividend, as well as capital gains taxation and rules concerning capital losses in connection with the disposal of securities, depends on the investor's particular circumstances. Special rules apply to certain categories of taxpayers and certain types of investment forms. Each holder of shares should therefore consult a tax adviser for information on the specific implications that may arise in an individual case, including the applicability and effect of foreign tax rules and tax treaties.

Dividend policy

The Company has not adopted a formal dividend policy. In the medium-term, the company intends to prioritize acquisitions over dividends, aiming to create long-term and sustainable value for shareholders.

LEGAL CONSIDERATIONS

Significant agreements

During 2025, the Company entered into several important agreements, including acquisitions of operating subsidiaries and key customer contracts with public authorities.

Acquisitions of Swedish Net Air & Defence and Disarmament Solutions

On 7 May 2025 and 30 May 2025, the Company entered into separate agreements to acquire Swedish Net Air & Defence AB and Disarmament Solutions, respectively. The acquisitions were mainly financed through non-cash share issues, whereby the shares in the acquired companies were transferred in exchange for newly issued shares in the Company. Prior to the transactions, Swedish Net Air & Defence AB was wholly owned by Swedish Net Holding AB, while Disarmament Solutions was owned 50 percent by Swedish Net Holding AB and 50 percent by RICON AB.

As consideration, Swedish Net Holding AB received 13,000,000 shares in the Company, while RICON AB received 800,000 shares, SEK 3,250,000 in cash, and a promissory note of SEK 3,250,000, with final settlement expected during week 44, 2025.

The Company has obtained a statement from an independent auditor pursuant to Chapter 13, Section 23 of the Swedish Companies Act, confirming that the contributed shares were transferred to the Company and recorded at no higher value than their fair market value.

In connection with the non-cash share issues, a directed cash issue of 650,000 shares was also carried out to an external investor (Råsunda Advice AB), corresponding to approximately 4 percent of the total shares in the Company following completion of all share issues. The proceeds from this issue were used to finance the initial cash consideration to RICON AB.

In conjunction with the allocation of shares to Swedish Net Holding AB, a partial exit was executed, whereby Swedish Net Holding AB sold 2,800,000 of its newly received shares in the Company to external investors for a total consideration of SEK 14,000,000. Following completion of the transactions, Swedish Net Holding AB holds approximately 64.2 percent of the shares in the Company.

The acquisition agreements contain customary warranties and limitations of liability. For the acquisition of Disarmament Solutions, total liability is limited to SEK 3,250,000. For the acquisition of Swedish Net Air & Defence AB, total liability is limited to SEK 2,000,000, with claims only permitted if the aggregate amount exceeds SEK 1,000,000 and provided that each individual claim amounts to at least SEK 200,000. The agreements regarding the acquisitions of Swedish Net Air & Defence AB and Disarmament Solutions do not contain any lock-up obligation for Swedish Net Holding AB.

Acquisition of LPG Trafikmarkeringar AB

On 15 September 2025, the Company entered into a share purchase agreement to acquire all shares in LPG Trafikmarkeringar AB from its owner, Startplattan 200439 AB (to be renamed Via Leca Holding AB). The total purchase price amounts to SEK 17,480,775, to be paid through a set-off share issue corresponding to SEK 8,000,000 and a cash payment of SEK 9,480,775. Both components are to be settled in connection with the Company's planned listing, with the cash portion financed through the proceeds of the offering.

The Swedish Inspectorate of Strategic Products ("ISP") has approved the transaction under the Act (2023:560) on the Review of Foreign Direct Investments ("FDI Act"), and the transfer of the shares is expected to take place on or around 1 December 2025. The agreement also includes customary representations, warranties, and a commitment from key individual Patrik Gustafsson to remain employed by LPG Trafikmarkeringar for at least 36 months following completion. The seller's total liability is capped at 50 percent of the purchase price.

Acquisition of Zel-Aaren Innovation AB

On 15 September 2025, the Company also entered into a share purchase agreement to acquire all shares in Zel-Aaren Innovation AB from Friris Holding AB, Jörgen Eklund Konsult och Säkerhet AB, LPG Trafikmarkeringar AB, Startplattan 200439 AB (to be renamed Via Leca Holding AB) and Holdingbolaget

MMJ AB. The purchase price amounts to SEK 9,000,000, payable in full in cash upon completion of the listing.

The ISP has approved the transaction under FDI Act, and the transfer of the shares is expected to take place on or around 1 December 2025. The agreement contains standard warranties and a commitment from key individual Marcus Selme to remain with the company for at least 36 months after completion.

Key customer agreements

The Company, through its subsidiary Swedish Net Air & Defence AB, has entered into a number of framework and supply agreements with key customers, including the Swedish Armed Forces (Försvarsmakten) and the Swedish Defence Materiel Administration (FMV), as well as, in certain cases, the National Board of Health and Welfare (Socialstyrelsen) and the Swedish Civil Contingencies Agency (MSB).

These agreements, entered into during 2024 and 2025, have contractual terms ranging from two to six years and cover various types of goods and infrastructure-related services, including equipment shelters, training systems, and radio antennas. The contracts are generally based on the standard terms of the Swedish Armed Forces or FMV.

While the agreements entail exposure to performance guarantees, indemnities, and delay penalties, such risk exposure is deemed normal for the industry in which the Company operates. None of the reviewed agreements includes a guaranteed minimum order volume. The Company assesses that the agreements collectively provide a stable and long-term customer base while offering significant potential for additional order volumes.

Other

Apart from the agreements described above, there are no significant agreements that the Company has signed in the last two years, or any other agreements that the Company has signed that involve rights or obligations of material significance to the Company (in both cases, excluding agreements signed as part of operating activities).

Intellectual property rights

The Company does not have any intellectual property rights which are essential for the Company's operations.

Legal proceedings and arbitration

The Company is not involved in any official proceedings, legal proceedings, or arbitration (including proceedings that have not yet been concluded or, to the Company's knowledge, risk being initiated) and, in the last 12 months, has not been involved in any such proceedings that could have or recently have had any significant effects on the Company and/or the Group's financial position or profitability.

Related-party transactions

Other than the transactions described under the section "Significant agreements", no related-party transactions have been identified within the Company or the Group that, individually or collectively, are considered material to the Company since the date of this Memorandum.

It is the Company's view that the transactions described under the section "Significant Agreements" were carried out at market terms.

Protected activities under the FDI Act

The Company has assessed that its operations constitute "protected activities" in accordance with Section 3 of the FDI Act. The Company's assessment has not given rise to any reason for objection.

This means that the Company is required to inform potential investors that an investment in the Company may be subject to notification and review by the ISP under the FDI Act before the investment can be completed.

An investment in the Company may be notifiable if:

1. the investor, any entity within its ownership structure, or any person on whose behalf the investor is acting, as a result of the investment, directly or indirectly, obtains control of voting rights in the Company corresponding to or exceeding any of the thresholds of 10, 20, 30, 50, 65, or 90 percent of the voting rights in the Company;
2. the investor, through the investment, acquires the Company and would, directly or indirectly, hold 10 percent or more of the voting rights; or
3. the investor, any entity within its ownership structure, or any person on whose behalf the investor acts, through the investment obtains direct or indirect influence over the management of the Company.

If a notifiable investment is completed before the ISP has concluded its review, the investor may be subject to an administrative sanction fee.

Costs related to the Offer

The Company's costs related to the Equity Issue and the Over-Allotment Option are expected to amount to approximately SEK 8 million. These costs are primarily related to fees for financial advisers, legal advisers, auditors and other transaction-related expenses.

Mentor

Svensk Kapitalmarknadsgranskning AB acts as the Company's mentor on Nordic SME. Svensk Kapitalmarknadsgranskning AB does not hold any shares in the Company as per the date of this Memorandum.

Adviser interests

The Company's financial adviser in conjunction with the Offer is Pareto Securities AB. Pareto Securities AB (and companies related to Pareto Securities AB) have provided, and may in the future provide, various financial, investment, commercial and other services to the Company for which Pareto Securities AB has been and may be remunerated. Pareto Securities AB receives compensation depending on the outcome of the Offer, therefore Pareto Securities AB has an interest in the Offer as such

Apart from the information stated above, the Company's advisers do not have any material interests, either directly or indirectly, in the Company or the Offer.

ARTICLES OF ASSOCIATION

§ 1 Company name

The company's company name is Argo Defence Group AB (publ).

§ 2 Seat of the Board of Directors

The Board of Directors has its registered office in Stockholm (municipality).

§ 3 Activities

The company's business shall be to own and manage shares in subsidiaries and associated companies in the defence and security industry and to conduct activities compatible therewith.

§ 4 Share capital

The share capital shall be a minimum of SEK 550,000 and a maximum of SEK 2,200,000.

§ 5 Number of shares

The number of shares shall be a minimum of 15,870,000 and a maximum of 63,480,000.

§ 6 Board of Directors

The Board of Directors shall have a minimum of 3 and a maximum of 10 Board members.

§ 7 Auditor

An auditor or a registered auditing firm is appointed to audit the administration of the Board of Directors and the CEO and the company's accounts.

§ 8 Financial year

The limited liability company's financial year is from 1 January to 31 December.

§ 9 Matters at the Annual General Meeting

The Annual General Meeting shall:

1. Be opened by the person who is going to do it
2. elect the chairman of the meeting
3. approve the electoral roll
4. elect at least one adjuster
5. examine whether the meeting has been called in a timely and correct manner (in the appropriate order)
6. Approve the agenda
7. decide, when the annual report and the auditor's report have been presented,
 - (a) to adopt the profit and loss account and the balance sheet;
 - (b) the allocation of the company's profit or loss in accordance with the adopted balance sheet
 - c) whether discharge from liability shall be given to each of those who have served as a member of the Board of Directors or the Managing Director
8. Resolve on fees to the Board of Directors and auditor
9. decide how many board members the board shall have
10. Elect the Board of Directors
11. Choosing an auditor
12. address other matters that are stated in the Swedish Companies Act (2005:551) or in the articles of association.

§ 10 Notice and notification of general meeting

Notice of the Annual General Meeting shall be given by means of an announcement in the Swedish Official Gazette and on the company's website. The fact that the notice has been issued shall be announced in Svenska Dagbladet.

In order to participate in the Annual General Meeting, shareholders must notify the company of their intention to participate no later than the date stated in the notice of the meeting. This day may not be Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth weekday before the meeting.

Counsel for a shareholder may be brought to a general meeting only if the shareholder has provided information on the number of assistants, not more than two, in its notification in accordance with the previous paragraph.

§ 11 Digital General Meeting

The limited liability company may hold general meetings digitally.

§ 12. Reconciliation Clause

The company's shares shall be registered in a CSD register in accordance with the Act on Central Securities Depositories and Financial Instruments Accounts.

ADDRESSES

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