

# Corporate governance report

## INTRODUCTION

Saab AB is a Swedish public limited liability company and the company's Series B shares are listed on Nasdaq Stockholm.

Saab's corporate governance is based on the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Nordic Main Market Rulebook for Issuers of Shares (Nasdaq Rulebook), the Swedish Code of Corporate Governance and other relevant Swedish and foreign laws, regulations and guidelines.

Saab has a Code of Conduct containing ethical guidelines in a number of areas on how the company and its employees are expected to act in contacts with customers, business partners and in society as well as their interaction with one another as colleagues. Saab's Code of Conduct is a part of the governance of Saab.

### Swedish Code of Corporate Governance

Since Saab's shares are traded on Nasdaq Stockholm and it must follow good practices in the securities market, Saab is also obligated to comply with the Swedish Code of Corporate Governance (the Code). The Code is available at [www.bolagsstyrning.se](http://www.bolagsstyrning.se).

This Corporate Governance Report is prepared in accordance with the Annual Accounts Act and the Code, and describes how Saab applied the Code in the financial year 2020. Saab's website, [www.saab.com](http://www.saab.com), has a special section on corporate governance, which is updated continuously in accordance with the Code.

The Corporate Governance Report includes the Board of Directors' report on internal control over financial reporting.

This Corporate Governance Report has been reviewed by the company's auditor. Saab did not deviate from the provisions of the Code in 2020.

### Nasdaq Rulebook

Saab has during 2020 had two different cases in the disciplinary committee at Nasdaq Stockholm. The disciplinary committee has tried whether Saab has acted in breach of the Nasdaq Rulebook in respect of disclosure of information. In decision 2020:03, the disciplinary committee found that Saab has acted in breach of the Nasdaq Rulebook and ordered Saab to pay a fine of four annual fees, corresponding to an amount of SEK 7,767,039. In decision 2020:04, the disciplinary committee found that Saab had not acted in breach of the Nasdaq Rulebook.

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## SHAREHOLDERS' MEETING AND OWNERSHIP STRUCTURE

The shareholders' meeting is the highest decision-making body in a company. At the shareholders' meeting, the shareholders have the opportunity to exercise their voting rights.

The Annual General Meeting (AGM) shall be held within six months of the end of each financial year. At the Annual General Meeting' shareholders vote, for example, on resolutions relating to the annual report, dividend, Board election, Board fees, auditor's fees, adoption of remuneration guidelines for senior executives and, when applicable, election of the external auditor and other matters stipulated in the Companies Act.

Preparations for and the execution of the AGM 2020 were carried out in accordance with the Code, and the AGM 2021 will also comply with the provisions of the Code. The Annual General Meeting of Saab was held on 1 April 2020 in Stockholm and the event was affected by the ongoing pandemic Covid-19 and applicable restrictions in the society. Only 239 shareholders were

represented at the meeting, the majority via proxy and only a very few in person, representing about 64 per cent of the total number of votes in the company. This year the Annual General Meeting will be held on 13 April 2021 for more information, see page 157.

On 31 December 2020, Saab's share capital amounted to SEK 2,173,533,552 and consisted of 2,383,903 Series A shares and 133,461,944 Series B shares. Series A shares have ten votes each, while Series B shares have one vote each. A Series A share may, on demand of the owner, be converted to a Series B share. The Saab shares are registered with Euroclear Sweden AB. The quota value per share is SEK 16. The Series B shares are listed on Nasdaq Stockholm's Large Cap list. The Series A shares are not listed. All Series A shares are owned by Investor AB.

The Board of Directors has an authorisation from the shareholders' meeting to repurchase own shares; see pages 96-97. As of 31 December 2020, Saab held 3,598,774 of its own Series B shares, corresponding to 2.65 per cent of the share capital. For more information on the ownership structure, see pages 84, 158.

### Largest shareholders, 31 December 2020

Source: Modular Finance	% of capital	% of votes
Investor	30.2	40.6
Knut and Alice Wallenbergs Foundation	8.8	7.8
Första AP-fonden	4.4	3.9
AllianceBernstein	2.3	2.0
AFA Insurance	2.2	1.9
Vanguard	1.9	1.7
Schroders	1.6	1.4
Unionen	1.4	1.2
Nordea Fonder	1.4	1.2

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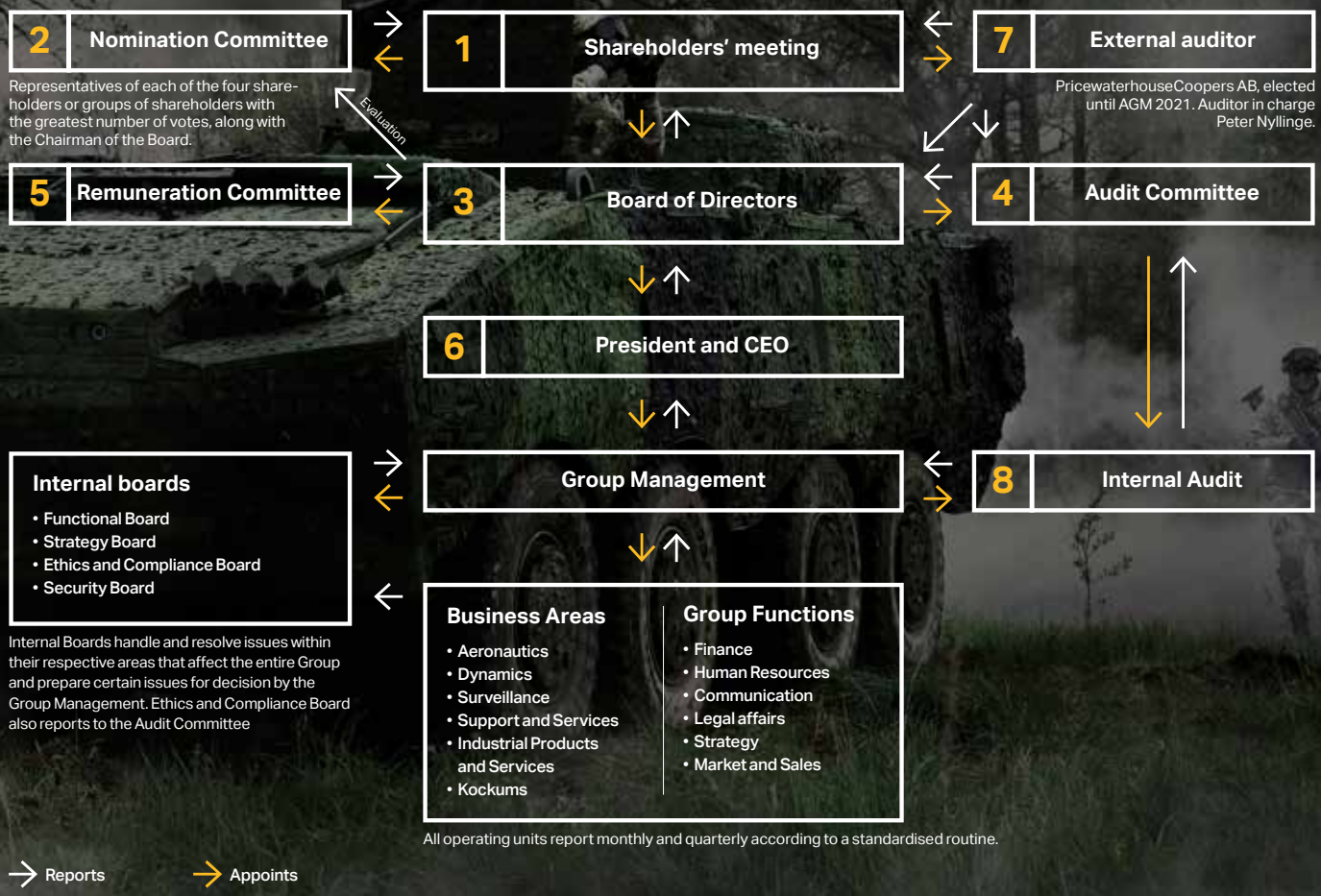
## NOMINATION COMMITTEE

According to the Nomination Committee process adopted by the Annual General Meeting 2011, which applies until further notice, Saab shall have a Nomination Committee consisting of one representative of each of the four shareholders or groups of shareholders with the greatest number of votes, along with the Chairman of the Board. The names of the four shareholder representatives and the shareholders they represent shall be announced at least six months prior to the Annual General Meeting based on known votes as per the last business day of August in the year before the Annual General Meeting. The Nomination Committee process includes procedures, where necessary, to replace a member who leaves the committee before its work has been completed.

According to the process, the Nomination Committee shall prepare a proposal on the following issues to be presented to the Annual General Meeting for resolution:

- Chairman of the shareholders' meeting
- Board of Directors
- Chairman of the Board
- Remuneration to the members of the Board, allocated between the Chairman and other members of the Board, and remuneration for committee work
- Election of auditor, (if applicable), and
- Fees paid to the company's auditor.

GOVERNANCE AND REPORTING



All operating units report monthly and quarterly according to a standardised routine.

→ Reports      → Appoints

Prior to the Annual General Meeting on 1 April 2020, the Nomination Committee issued a proposal for resolution on the Chairman of the shareholders' meeting, the Board of Directors, Board fees and auditor fee. The Nomination Committee has applied rule 4.1 of the Code as a diversity policy with respect to the Board. The goal of the policy is that the Nomination Committee's proposal shall lead to that Saab will have a board with an appropriate composition and with satisfactory diversity and breadth in terms of gender, competence, age, experience and background.

Prior to the Annual General Meeting on 13 April 2021, it was announced in a press release on 22 September 2020 that, in addition to Chairman of the Board Marcus Wallenberg, the following shareholder representatives had been appointed to the Nomination Committee (shareholder's name in parentheses): Petra Hedengran (Investor AB), Peter Wallenberg Jr (Knut and Alice Wallenberg Foundation), Ossian Ekdahl (Första AP-fonden) and Anders Algottsson (AFA Försäkring). Petra Hedengran is Chairman of the Nomination Committee.

The Nomination Committee members represent in the aggregate approximately 53 per cent of the votes in Saab based on the ownership structure as of 31 August 2020.

The proposals of the Nomination Committee for resolution at the Annual General Meeting 2021 will be announced in connection with the notice of the Annual General Meeting 2021.

**Members of the Nomination Committee for Annual General Meeting 2021**

Member	Representing	% of votes, 31 Aug 2020	% of capital, 31 Aug 2020
Petra Hedengran	Investor AB	39.69	30.16
Peter Wallenberg Jr	Knut and Alice Wallenberg Foundation	7.62	8.82
Ossian Ekdahl	Första AP-fonden	3.79	4.39
Anders Algottsson	AFA Försäkring	2.11	2.44
Marcus Wallenberg	Chairman of the Board of Saab AB		

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**BOARD OF DIRECTORS****Composition of the Board**

According to Saab's Articles of Association, the Board of Directors shall, in addition to the employee representatives, consist of at least six and not more than twelve members. Board members are elected annually by the shareholders' meeting. According to the resolution of the Annual General Meeting on 1 April 2020, Saab's Board of Directors shall consist of eleven members elected by the shareholders' meeting with no deputies. In addition, employee organisations appoint three Board members with an equal number of deputies.

At the Annual General Meeting on 1 April 2020, Sten Jakobsson, Danica Kragic Jensfelt, Sara Mazur, Johan Menckel, Daniel Nodhäll, Bert Nordberg, Cecilia Stegö Chilò, Erika Söderberg Johnson, Marcus Wallenberg and Joakim Westh were re-elected. Micael Johansson was elected as a new Board member. Marcus Wallenberg was elected Chairman of the Board.

The current composition of the Board is the result of the Nomination Committee's work prior to the Annual General Meeting 2020 applying the diversity policy. The members of the Board of Directors of Saab represent a diversity and breadth in terms of gender, competence, age, experience and background. In the aggregate, the Board combines the competence and experience that are important to Saab's operations and that the Nomination Committee deems are needed to meet Saab's future challenges and needs. Of the Board members elected by the shareholders' meeting, and not employed by the company, 40 per cent are women.

At the statutory Board meeting after the Annual General Meeting, Sten Jakobsson was elected Deputy Chairman of the Board. Only CEO Micael Johansson is employed by the company and at the same time a member of the Board.

Information on remuneration to the members of the Board as resolved by the AGM 2020 is set forth in note 8.

**Members of the Board elected by the shareholders' meeting**

Marcus Wallenberg	Sara Mazur	Cecilia Stegö Chilò
Micael Johansson	Johan Menckel	Erika Söderberg Johnson
Sten Jakobsson	Daniel Nodhäll	Joakim Westh
Danica Kragic Jensfelt	Bert Nordberg	

**Employee representatives**

<b>Regulars</b>	<b>Deputies</b>
Stefan Andersson	Conny Holm
Göran Andersson	Magnus Gustafsson
Nils Lindskog	Tina Mikkelsen

The Board members' other significant professional commitments, work experience, shareholdings etc. are set forth in the presentation of the Board of Directors on pages 91-92.

**Independence requirement**

The table sets forth the Board members elected by the shareholders' meeting who, according to the provisions of the Code, are considered independent in relation to the company and its management, as well as in relation to the company's major shareholders.

**Composition and independence of the Board in 2020**

Member	Elected	Independent of company/management	Independent of major shareholders
Marcus Wallenberg	1992	Yes	No <sup>1)</sup>
Micael Johansson	2020	No <sup>2)</sup>	Yes
Sten Jakobsson	2008	Yes	Yes
Danica Kragic Jensfelt	2017	Yes	Yes
Sara Mazur	2013	Yes	No <sup>3)</sup>
Johan Menckel	2019	Yes	Yes
Daniel Nodhäll	2017	Yes	No <sup>4)</sup>
Bert Nordberg	2016	Yes	Yes
Cecilia Stegö Chilò	2010	Yes	Yes
Erika Söderberg Johnson	2017	Yes	Yes
Joakim Westh	2010	Yes	Yes

<sup>1)</sup> Member of Investor AB's Board

<sup>2)</sup> President and CEO of Saab AB

<sup>3)</sup> Member of Investor AB's Board

<sup>4)</sup> Employed by Investor AB

Accordingly, the company fulfils the Code's requirement that a majority of Board members appointed by the shareholders' meeting are independent of the company and its management, and that at least two are independent of the major shareholders.

**Work of the Board**

According to the Board's rules of procedure, seven ordinary meetings shall normally be held each year, in addition to the statutory meeting. The Board can also meet when circumstances demand. In 2020, the Board held one statutory meeting, seven ordinary meetings and nine extra meetings, a total of seventeen meetings. The Board meetings in 2020 were held in Stockholm. The Board has during October 2020 visited Kockums' operations in Karlskrona and Surveillance's operations in Gothenburg.

The Board annually adopts rules of procedure, an instruction on the division of work between the Board and the CEO, and an instruction on financial reporting to the Board.

The rules of procedure contain provisions on the number of Board meetings, a list of matters to be considered at the meetings, reporting from the auditor, and special decisions to be taken at the statutory meeting. The rules of procedure and special instruction for the CEO set forth the delegation of responsibilities between the Board and its two committees, the Remuneration Committee and the Audit Committee, including the Chairman's role, as well as the division of duties between the Board and the CEO.

The instruction for the CEO sets forth the CEO's duties and authority, including matters which require a Board decision. Policies on investments, financing and reporting are also connected to the instruction.

During the year, the Board was assisted by the secretary of the Board of Directors, General Counsel Annika Bärems, who is not a member of the Board.

The Board of Directors' meetings follow an agenda. Prior to each meeting, Board members receive documentation and supporting material for the issues on the agenda. At each Board meeting the CEO presents a Market and Operations Report. A financial report is also presented at each Board meeting and is addressed in detail prior to the publication of the interim reports and the year-end report. The Board regularly considers investments,

research and development, organisational issues, management of significant risk areas, and acquisitions and divestments. The Board's annual work includes deciding on the company's business plan and strategy, which in 2020 were addressed in December. The Board meeting in December also considers the company's budget for the coming year as well as Enterprise Risk Management. The Board then also addressed the performance targets in the company's two performance related share plans. In 2020, the Board especially focused on issues relating to major projects such as Gripen NG to Brazil, Gripen E to Sweden, A26 to Sweden, GlobalEye to the United Arab Emirates and the T-7A jet trainer to the U.S. Air Force as well as other significant export and marketing issues. The Board has also during 2020 worked with specific strategic matters, matters related to effects of the Covid-19 pandemic and the appointment of two new deputy CEOs, Christian Luiga and Anders Carp. In 2020, the company arranged one special information session for the Board members, where they received detailed information on i.a. Gripen, certain market opportunities and strategic considerations.

The work in the committees represent an important part of the Board's work. After each meeting of the Audit and Remuneration Committees, the respective Chairman submits a report to the Board on the issues that were dealt with at the meeting. The Board then adopts resolutions on any matters prepared by the committees.

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### BOARD OF DIRECTORS' COMMITTEE WORK

#### Audit Committee

In accordance with the principles set out in the Swedish Companies Act and the Code, the Board of Directors has appointed an Audit Committee consisting of three members. The work of the Audit Committee is mainly of a preparatory nature, i.e. preparing matters for resolution by the Board. The Audit Committee has certain limited decision-making power. For example, it has established guidelines for services other than auditing that the company may procure from the auditor. The Audit Committee's members following the Annual General Meeting 2020 are Joakim Westh (Chairman of the Committee), Daniel Nodhäll and Erika Söderberg Johnson, whereof both Joakim Westh and Erika Söderberg Johnson are independent of the company and its management as well as of the major shareholders. Moreover, all members of the committee have

accounting or auditing competence. The General Counsel, Annika Bäreemo, was secretary to the Audit Committee in 2020.

The Audit Committee's assignment is set forth in the Board's rules of procedure. The Audit Committee shall, among other things, monitor the company's financial reporting and submit proposals to ensure the integrity of the financial reporting, monitor the efficiency of the company's internal control, internal audit and risk management in respect of the financial reporting, keep itself informed of the audit of the annual report and consolidated accounts, inform the Board of the results of the audit, review and monitor the auditor's impartiality and independence, assist the Nomination Committee in preparing the proposal for the shareholders' meeting's election of the auditor and in certain cases procure auditing services, in addition to establishing guidelines for services other than auditing that may be provided by the company's auditor. Moreover, the Audit Committee shall annually monitor and evaluate the effectiveness and appropriateness of the company's business ethics programme, including the Code of Conduct, and keep itself informed of material deviations or non-compliance with the company's business ethics regulations, including whistle-blower reports, through regular reporting from the Ethics and Compliance Board. The company's external auditor normally participates in the meetings of the Audit Committee. In 2020, the Audit Committee focused especially on current issues relating to the company's financial position, matters related to effects of the Covid 19 pandemic, the financial reporting, execution of major projects, budget, risk management, internal control and issues relating to the company's business ethical rules. During 2020, the Audit Committee has also arranged a public tendering process for selection of auditor and assisted the Nomination Committee with a proposal for election of auditor.

The Audit Committee keeps minutes of its meetings, which are distributed upon request to the other members of the Board. In 2020, the Committee held five meetings.

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#### Remuneration Committee

In accordance with principles set out in the Code, the Board of Directors has appointed a Remuneration Committee consisting of three members. The Remuneration Committee's members following the Annual General Meeting 2020 are Sten Jakobsson, Marcus

### Attendance and board remuneration in 2020

Name	Audit Committee	Remuneration Committee	Board meetings attended <sup>1)</sup>	Committee meetings attended <sup>2)</sup>	Board remuneration KSEK <sup>3)</sup>	Audit Committee remuneration KSEK	Remuneration Committee remuneration KSEK	Total remuneration KSEK
Marcus Wallenberg		x	17	4	1,900		90	1,990
Micael Johansson			17 <sup>4)</sup>					
Sten Jakobsson		x	17	4	700		150	850
Cecilia Stegö Chiló			12		620			620
Danica Kragic Jensfelt			16		620			620
Sara Mazur			15		620			620
Johan Menckel			17		620			620
Daniel Nodhäll	x		17	5	620	165		785
Bert Nordberg		x	17	4	620		90	710
Erika Söderberg Johnson	x		16	5	620	165		785
Joakim Westh	x		17	5	620	250		870

<sup>1)</sup> Of a total of 17 meetings in 2020.

<sup>2)</sup> Of a total of 5 meetings of the Audit Committee in 2020 and 4 meetings of the Remuneration Committee in 2020.

<sup>3)</sup> Refers to the remuneration resolved by the AGM 2020 for the period until the AGM 2021. CEO Micael Johansson does not receive remuneration.

<sup>4)</sup> Elected by the AGM in April 2020; Participated in the first 6 meetings as CEO.

Wallenberg and Bert Nordberg. Sten Jakobsson is the Chairman of the Committee. All are independent of the company and its management. The General Counsel, Annika Bäreemo, was secretary to the committee in 2020.

The Remuneration Committee's assignments are to prepare the Board's resolutions on remuneration principles, remuneration and other terms of employment for the Group Management, monitor and evaluate variable remuneration programmes for the Group Management, both ongoing and those ended during the year, and monitor and evaluate the application of the remuneration guidelines for senior executives adopted by the Annual General Meeting as well as the current remuneration structures and levels in the company. The Remuneration Committee also proposes remuneration guidelines for senior executives, which, following resolution by the Board of Directors, are submitted to the Annual General Meeting. Matters concerning the employment terms, remuneration and other benefits for the CEO are prepared by the Remuneration Committee for resolution by the Board. The Remuneration Committee is responsible for interpretation and application of the remuneration guidelines for senior executives and to prepare (on behalf of the Board) a report regarding remuneration in accordance with the guidelines. The Remuneration Committee has no decision-making powers of its own. In 2020, the Remuneration Committee focused especially on issues relating to the company's long-term incentive programmes, including the proposed performance targets in the company's two performance related share plans, a new pension plan for senior executives and the preparation of a remuneration report in accordance with new regulatory requirements.

The Remuneration Committee keeps minutes of its meetings, which are distributed upon request to the other members of the Board. In 2020, the Committee held four meetings.

## EVALUATION

The Chairman of the Board annually performs an evaluation of the Board's work and possible improvement areas, in order to develop the forms and effectiveness of its work. The evaluation is made by having Board members respond to a questionnaire and give their opinions on the Board's work and performance. The results are then compared with previous years and discussed at the Board meeting in December.

The questionnaire consists of six parts covering the breadth of the Board's competence, how the Board conducts its work, the Chairman, the Board's composition, the cooperative atmosphere and possible improvements. The Chairman of the Board does not participate in the Board's discussion on the results of the Chairman's evaluation.

The Nomination Committee is informed of the results of the evaluation in connection with preparing its proposal on the composition of the Board.

The Board continuously evaluates the CEO's work by monitoring the company's performance relative to established goals. The Board annually evaluates the CEO's work through its members' responses to a questionnaire on the CEO in the areas of performance, organisation, people and leadership. The CEO does not participate in this evaluation.

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### CHIEF EXECUTIVE OFFICER

The President and CEO of Saab is Micael Johansson and he is also a member of the Board of Directors. His significant professional commitments outside the company, earlier positions and shareholding in the company are set forth in the presentation of the Board of Directors, see page 91. Micael Johansson does not have

shareholdings or partnerships in any company with which Saab has important business relations.

## GUIDELINES FOR REMUNERATION AND OTHER BENEFITS FOR SENIOR EXECUTIVES

The guidelines for remuneration and other benefits for senior executives are found on pages 94-97.

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### THE COMPANY'S AUDITOR

On behalf of the shareholders and in accordance with current laws and regulations, the external auditor examines the financial statements, consolidated accounts, annual report, and administration and management of the company by the Board of Directors and the CEO, and carries out the statutory audit of the corporate governance report and sustainability report. The company's Q3 interim report has been reviewed by the auditor as well. The auditor presents an auditors' report to the Annual General Meeting. On behalf of the Board, the company's auditor has also reviewed whether the performance targets for the Special Projects Incentive 2020 were met.

The shareholders' meeting elects the auditor. PricewaterhouseCoopers AB was re-elected as auditor by the Annual General Meeting 2019, for the period 2019-2021.

#### *PricewaterhouseCoopers (PwC)*

- Elected by the Annual General Meeting 2019 for the period 2019 through the Annual General Meeting 2021.
- Bo Hjalmarsson, Authorised Public Accountant, was auditor in charge during January-March 2020. Peter Nyllinge, Authorised Public Accountant, is auditor in charge since April 2020. Other major audit assignments: Sandvik AB.

PricewaterhouseCoopers AB is a member of PwC's global network in around 150 countries. PwC has competence and experience in areas important to Saab: auditing of large and listed companies, accounting issues, industry experience and familiarity with international business.

The Audit Committee is responsible for ensuring the independence of the auditor, including by staying updated on ongoing consulting assignments. The Audit Committee has also established guidelines on which services other than auditing the company may procure from the auditor. Where applicable, the committee will approve such services in accordance with these guidelines.

### AUDIT FEES 2019-2020

Saab's auditor receives a fee according to approved invoices as resolved by the Annual General Meeting.

PwC performed limited services on behalf of the company in 2020 in addition to its audit assignments by consulting on accounting and tax issues.

#### Auditor's fees for the Group 2019-2020

MSEK	2020	2019
Audit assignments:		
PwC	20	21
Other	4	3
Other assignments:		
PwC	2	1

## THE BOARD'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board of Directors is responsible for internal control over financial reporting pursuant to the Swedish Companies Act, the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance.

The Board assures the quality of the financial accounting through the Audit Committee and CEO. The entire Board reviews the interim reports before they are published. The Audit Committee follows up the internal control over financial reporting on a regular basis. After each meeting of the Audit Committee, a report is submitted to the Board.

The Audit Committee considers critical accounting issues and the financial reports presented by the company as well as matters of strategic importance, e.g. asset acquisitions and sales and the Group's financing. It also covers issues such as internal control, regulatory compliance, any significant uncertainty in reported values, post-statement events, changes in estimates and judgments, and other circumstances that may affect the quality of the financial statements. The auditor, elected by the Annual General Meeting, participated in 5 of 5 meetings of the Audit Committee in 2020.

The Board of Directors has met with the auditor to discuss their review of the company for the financial year 2020. The Board on the same occasion met with the auditor while not in the presence of the CEO or other members of the Group Management.

### Internal control over financial reporting

The internal control system applies the principles of the Committee of Sponsoring Organizations' (COSO) framework and assists the business in achieving its financial goals by monitoring risk exposure in a structured way. Moreover, internal control aims to provide reasonable assurance of the reliability of the internal and external financial reporting and to ensure that it is prepared in accordance with laws, applicable accounting standards and other requirements for listed companies.

### Control environment

Internal control is based on Saab's organisation, where operating responsibilities and authorities are delegated to the business areas and support units, which are also supported and monitored by Group functions. These Group functions issue guidelines that clarify responsibilities and powers.

Saab has a process for monitoring internal control where roles and responsibilities are defined, control matrixes and key controls included, and reporting clarified.

### Risk assessment

Saab's operations are characterised by the development, production and supply of technologically advanced hardware and software for military and civil customers around the world. The business largely consists of large projects that stretch over long periods, often several years. Saab identifies and assesses risks with an impact on the financial reporting within a number of processes such as the annual accounts, investments, project implementation and procurement. In addition to the risk of inaccurate financial reporting, internal processes are also assessed on the basis of the risk of exposure to improprieties.

Group Finance continuously coordinates an overall risk assessment of the financial reporting. The current risk assessment is reviewed by Internal Audit and taken into account in the preparation of the annual internal audit plan, which is established by the Audit Committee.

### Control activities

Key controls are defined within Saab's internal processes and functions to monitor the internal control. There are also general IT key controls. Key controls are performed according to a predefined schedule. The control activities are both manual and automated and include e.g. authorisation routines, account reconciliations, process compliance and access to programs and data.

### Information and communication

Policies, Group directives and manuals are continuously updated, clearly communicated and available through Saab's internal enterprise management system. A web based tool used to monitor Saab's key controls clearly shows the status and results of performed controls. The results of performed controls are an integral part of Saab's financial closing process and are reported quarterly to the Group Management and the Audit Committee.

### Monitoring and evaluation

- Each manager of a business area/legal entity and each accounting organisation is responsible for the financial information from their unit.
- The Audit Committee decides on the principles for accounting and financial reporting and monitors them.
- A semi-annual self-assessment on completed key controls. The self-assessment process also includes assessing whether the material risks in each internal process are managed with existing key controls.
- Saab's Internal Audit reports directly to the Audit Committee and the CFO. Internal Audit follows the internal audit plan adopted by the Audit Committee and performs independent and objective reviews in order to evaluate and increase the efficiency of the internal control. The function also performs an annual review of performed key controls and self-assessment.
- The company's auditor annually reviews the status of Saab's internal control over financial reporting.

# Board of Directors



**CECILIA STEGÒ CHILÒ**  
Member of the Board since 2010  
Adviser to management of corporations and organisations.



**DANIEL NODHÄLL**  
Member of the Board since 2017  
Member of Saab's Audit Committee.  
Head of Listed Companies, Investor AB.



**MARCUS WALLENBERG**  
Chairman of the Board since 2006  
Deputy Chairman of the Board 1993-2006  
and Member of the Board since 1992.  
Member of Saab's Remuneration Committee.



**SARA MAZUR**  
Member of the Board since 2013  
Director of Strategic Research,  
Knut and Alice Wallenbergs Foundation.



**JOHAN MENCKEL**  
Member of the Board since 2019  
President and CEO of Gränges AB.



**STEN JAKOBSSON**  
Member of the Board since 2008 and  
Deputy Chairman since 2010  
Chairman of Saab's Remuneration Committee.



**DANICA KRAGIC JENSFELT**  
Member of the Board since 2017  
Professor, School of Electrical Engineering  
and Computer Science and Director of the  
Centre for Autonomous Systems, Royal  
Institute of Technology (KTH).



**BERT NORDBERG**  
Member of the Board since 2016  
Member of Saab's Remuneration Committee.

## MARCUS WALLENBERG

Born 1956  
B.Sc. of Foreign Service, Georgetown  
University  
Lieutenant in Royal Swedish Naval Academy  
Shares in Saab: 125,000

**Other board commitments:**  
Chairman of the Board of SEB and FAM AB.  
Board member of AstraZeneca PLC, Investor  
AB and the Knut and Alice Wallenberg  
Foundation.

**Former employment and positions:**  
Chairman of the Board of AB Electrolux,  
LKAB and Svenska ICC Service AB.  
President and CEO of Investor AB. Board  
member of, amongst others, Temasek Hold-  
ing Ltd, Stora Enso Oyj, EQT Holdings AB.

## STEN JAKOBSSON

Born 1949  
M.Sc. in Engineering, Royal Institute of  
Technology (KTH)  
Shares in Saab: 6,875

**Other board commitments:**  
Board member of Xylem Inc. and Arla Plast AB.

**Former employment and positions:**  
Chairman of the Board of Power Wind  
Partners and LKAB. Board member of Stena  
Metall AB and FLSmith A/S. President  
and CEO of ABB, Sweden. Executive Vice  
President of Asea Brown Boveri AB, Sweden.  
Business Area Manager, Business Area  
Cables. President of ABB Cables AB and for  
Asea Cylinda. Production Manager for Asea  
Low Voltage Division.

## DANICA KRAGIC JENSFELT

Born 1971  
Docent, Computer Science, KTH  
Ph.D. Computer Science, KTH  
M.Sc. Mechanical Engineering, Technical  
University of Rijeka, Croatia  
Honorary Doctorate, Lappeenranta,  
University of Technology  
Shares in Saab: 2,000

**Other board commitments:**  
Board member of FAM AB, H&M Group,  
CROSEIR AB, Scientific Advisory Board,  
Max Planck Institute for Intelligent Systems.  
Member of the Royal Swedish Academy  
of Engineering Sciences (IVA), Division of  
Electrical Engineering in the Royal Swedish  
Academy of Sciences (KVA).

**Former employment and positions:**  
Board member Institute for Future Studies.  
Deputy Director, School of Computer  
Science and Communication, KTH. Member  
of the Young Academy of Sweden. Chairman  
of STINT, Natural Sciences and Technology.  
Researcher at Columbia University, Brown  
University, Johns Hopkins University and  
INRIA Rennes. Chairman of IEEE RAS Tech-  
nical Committee on Computer and Robot  
Vision and Board member of Research Policy  
Committee at the KVA.

## SARA MAZUR

Born 1966  
Associate Professor Electrical Engineering,  
Royal Institute of Technology (KTH)  
Ph.D. Electrical Engineering, KTH  
M.Sc. Electrical Engineering, KTH  
Honorary Doctorate Luleå University  
of Technology  
Shares in Saab: 4,500

**Other board commitments:**  
Chair of Wallenberg Autonomous System  
and Software Program (WASP). Board mem-  
ber of Investor AB, Combient AB and Nobel  
Media AB. Member of the Royal Swedish  
Academy of Engineering Sciences (IVA),  
Division Education and Research.

**Former employment and positions:**  
Vice President and Head of Ericsson Re-  
search, Ericsson AB. Vice President System  
Management, Business Unit Networks,  
Ericsson AB, Director Wireless Access  
Networks Research, Ericsson Research,  
Ericsson AB. Board member of Chalmers  
University of Technology AB, RISE Research  
Institutes of Sweden AB, RISE SICS North  
Swedish ICT AB and Integrated Transport  
Research Lab, KTH. Member of Skolstyrel-  
sen, the Strategic Counsel of the school of  
Electrical Engineering, KTH as well as the  
board of Wireless@KTH.

## JOHAN MENCKEL

Born 1971  
M.Sc. Engineering (industrial engineering  
and management), Royal Institute of  
Technology (KTH)  
Shares in Saab: 8,000

**Other board commitments:**  
Board member of Nederman Holding AB  
and World Materials Forum, France.

**Former employment and positions:**  
Board member of Svenska postkod-  
föreningen. CEO of Sapa Heat Transfer.  
Business Area President of Sapa Profiles  
Asia. MD of Sapa Heat Transfer Shanghai.  
Management consultant at Accenture and  
founder of addnature.com.

## DANIEL NODHÄLL

Born 1978  
M.Sc. in Economics and Business,  
Stockholm School of Economics  
Shares in Saab: 2,500

**Other board commitments:**  
Board member of Electrolux Professional AB  
and Husqvarna AB.

**Former employment and positions:**  
Board member of Kunskapsskolan  
Education Sweden AB. Investment Manager,  
Head of Capital Goods at Investor AB.

Information on shareholdings includes holdings of closely affiliated natural persons and legal entities, where applicable.



**MICAEL JOHANSSON**  
Member of the Board since 2020  
President and CEO of Saab AB.



**NILS LINDSKOG**  
Member of the Board since 2016 and deputy  
Board Member 2007-2015  
Member of the Local Swedish Association of  
Graduate Engineers at Saab AB, Gothenburg.



**CONNYS HOLM**  
Deputy Board member since 2017 and  
1995-2008. Member of the Board 2008-2016  
President of the local trade union IF Metall at  
Avionics Systems, Huskvarna.



**ERIKA SÖDERBERG JOHNSON**  
Member of the Board since 2017  
Member of Saab's Audit Committee.  
Chief Financial Officer (CFO), Kinnevik AB.



**JOAKIM WESTH**  
Member of the Board since 2010  
Chairman of Saab's Audit Committee.



**TINA MIKKELSEN**  
Deputy Board member since 2016  
President of the Local Salaried Employees'  
union, Unionen at Saab AB, Järfälla.



**GÖRAN ANDERSSON**  
Member of the Board since 2020  
Treasurer of the local trade union IF Metall at  
Saab AB, Linköping.



**STEFAN ANDERSSON**  
Member of the Board since 2008  
President of the Local Salaried Employees'  
union Unionen at Saab Dynamics AB, Linköping.



**MAGNUS GUSTAFSSON**  
Deputy Board member since 2016  
President of the Local Swedish Association of  
Graduate Engineers at Saab AB, Linköping.

**BERT NORDBERG**

Born 1956  
Engineer  
Shares in Saab: 10,625

**Other board commitments:**  
Chairman of the Board of Vestas Wind Systems A/S. Board member of Svenska Cellulosa Aktiebolag (SCA), Essity Aktiebolag (publ) and Sigma Connectivity AB.

**Former employment and positions:**  
Board member of AB Electrolux, SkiStar AB and Axis AB. Chairman of the Board of TDC Group A/S, Imagination Technologies Group Plc. and Sony Mobile Communications AB. Chairman of the Board and CEO of Sony Ericsson Communications AB. Various senior positions within the Ericsson-group as well as various positions within Data General Corporation and Digital Equipment Corporation.

**MICAEL JOHANSSON**

Born 1960  
B.Sc. + in Mathematics and Computer Science at University of Uppsala  
Shares in Saab: 26,963  
Non-independent

**Other board commitments:**  
Board member of AeroSpace and Defence Industries Association of Europe (ASD).

**Former employment and positions:**  
Deputy CEO of Saab AB, Senior Vice President and Head of Business Area Surveillance, Saab AB. President of Avionics and various senior positions within the Saab group.

**CECILIA STEGÖ CHILÒ**

Born 1959  
Studies in political science and economics  
Shares in Saab: 1,875

**Other board commitments:**  
Board member of Investment AB Spiltan and Infostat AB.

**Former employment and positions:**  
Chairman of the Board of Gotlands Bryggeri AB, Fortum Värme AB (current Stockholm Exergi Holding AB). Board member of Spendrup Bryggeri AB, AMF Fonder AB, Länsförsäkringar Liv, Linköping University Holding AB and Marginalen Group AB. CEO of the Free Enterprise Foundation of Sweden. Head of think tank Timbro, Cabinet member and Head of the Ministry of Culture.

**ERIKA SÖDERBERG JOHNSON**

Born 1970  
M.Sc. in Economics and Business, Stockholm School of Economics  
Shares in Saab: 1,950

**Former employment and positions:**  
CFO at Biotage AB, Karo Bio AB, Affibody AB and Global Genomics AB. Investment Banking Advisor at Enskilda, SEB. Board member of Sectra AB, Qliro Group AB and MedCap AB.

**JOAKIM WESTH**

Born 1961  
M.Sc. in Aeronautics, Royal Institute of Technology (KTH)  
M.Sc. in Aerospace Engineering, Massachusetts Institute of Technology (MIT)  
Shares in Saab: 10,000

**Other board commitments:**  
Chairman of the Board of Amexci AB. Board member of CGI Group Inc., Absolent Group AB and Swedish Match AB.

**Former employment and positions:**  
Chairman of the Board of EMA Technology AB and Absolent AB. Board member of Aream AB, Intrum AB, Rörvik Timber AB, Telelogic AB and VKR Holding A/S. Deputy board member of Sony Ericsson Mobile Communications AB. Senior Vice President of Group Function Strategy & Operational Excellence and member of the Group Management Team, LM Ericsson AB. Group Vice President and member of the Executive Management Group of Assa Abloy AB and, Partner at McKinsey & Co. Inc.

**Employee representatives**

**STEFAN ANDERSSON**

Born 1974  
B.Sc. Mechanical Engineering, Dalarna University  
Shares in Saab: 2,740

**GÖRAN ANDERSSON**

Born 1972  
Shares in Saab: 1,581

**NILS LINDSKOG**

Born 1955  
M.Sc.E.E. Chalmers University of Technology  
Shares in Saab: 1,675

**Deputies**

**MAGNUS GUSTAFSSON**

Born 1965  
M.Sc. in Applied Physics and Electrical Engineering, Linköping Institute of Technology  
Shares in Saab: 905

**CONNYS HOLM**

Born 1947  
Upper secondary engineering education  
Shares in Saab: 1,207

**TINA MIKKELSEN**

Born 1973  
Electrical Engineering, Stockholms Tekniska Institut (STI)  
Shares in Saab: 1,660



# Group Management



**MICAEL JOHANSSON**

President and Chief Executive Officer (CEO)  
Born 1960  
B.Sc.  
Employed 1985  
Shares in Saab 26,963



**CHRISTIAN LUIGA**

Deputy CEO and Chief Financial Officer  
Economics studies, Stockholm University  
Born 1968  
Employed 2020  
Shares in Saab 8,000



**ANDERS CARP**

Deputy CEO and  
Head of Business Area Surveillance  
Born 1971  
Employed 2001  
Shares in Saab 10,680



**JONAS HJELM**

Senior Vice President and  
Head of Business Area Aeronautics  
Born 1971  
Employed 2006  
Shares in Saab 6,156



**GÖRGEN JOHANSSON**

Senior Vice President and  
Head of Business Area Dynamics  
Born 1964  
MBA  
Employed 2004  
Shares in Saab 19,165



**JESSICA ÖBERG**

Senior Vice President and Head of Business  
Area Industrial Products & Services  
Born 1972  
Shares in Saab 7,862



**ELLEN MOLIN**

Senior Vice President and Head of Business  
Area Support and Services  
Born 1973  
Employed: 2006  
Shares in Saab 3,617

Shareholdings as per February 25, 2021.



**LARS TOSSMAN**  
 Senior Vice President and  
 Head of Business Area Kockums  
 Born 1962  
 Employed 1986  
 Shares in Saab 17,611



**ANNIKA BÄREMS**  
 Senior Vice President and  
 Head of Group Legal Affairs, General  
 Counsel, Secretary of the Board of Directors  
 Born 1964  
 LLB  
 Employed 2012  
 Shares in Saab 17,059



**SEBASTIAN CARLSSON**  
 Senior Vice President and  
 Head of Group Communication  
 Born 1984  
 Employed 2012  
 Shares in Saab 3,218



**DEAN ROSENFELD**  
 Senior Vice President and  
 Chief Marketing Officer  
 Born 1968  
 Degree MMgt  
 Employed 2001  
 Shares in Saab 3,738



**CHRISTIAN HEDELIN**  
 Senior Vice President and  
 Chief Strategy Officer  
 Born 1969  
 MSc Electronic Engineering  
 Employed 2018  
 Shares in Saab 1,332



**LENA ELIASSON**  
 Senior Vice President and  
 Head of Group Human Resources  
 Born 1967  
 M.Sc. in Engineering  
 Employed 2012  
 Shares in Saab 19,009

# Auditor's report

To the general meeting of the shareholders of Saab AB (publ), corporate identity number 556036-0793

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of Saab AB for the year 2020 except for the statutory sustainability report and the corporate governance statement on pages 60 to 82 and 84 to 93 respectively. The annual accounts and consolidated accounts of the company are included on pages 44 to 151 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. Our opinions do not include the statutory sustainability report and the corporate governance statement on pages 60 to 82 and 84 to 93 respectively.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the income statement and statement of financial position for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for

accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of my (our) knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### OUR AUDIT APPROACH

#### Audit approach and scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls and the specific circumstances in larger customer projects.

In order to design an appropriate audit, we have updated our understanding of how the operations within Saab are organised, of important systems and processes as well as the internal controls implemented to give the Board of Directors and management confidence that the financial reporting is of high precision. For this purpose we have performed interviews with senior management at various levels in the group and leaders of group functions, as well as reviewed reports, policies, instructions and planning and steering documents. We have also had a regular dialogue with the internal audit and internal controls functions to share relevant information and to coordinate activities when and if deemed relevant.

A significant part of Saab's revenue and result is derived from long term customer contracts including substantial development and

customization for specific customers, which are associated with technical and commercial risks. Revenue and income are in many projects recognised using percentage of completion, which as such are based on management's estimates and measurement of percentage of completion, estimated profit margin as well as total costs and risks. This requires a high level of project control and monitoring to be able to, at any given time confirm the assumptions and estimates for project cost and revenue to give a satisfying base for recognizing revenue and income. In many cases the customer contracts have a significant element of integration with the customer and sub-contractors why the financial outcome is not only dependent on Saab's own activities but other parties as well.

In our audit we have focused on the operations in the parent company Saab AB and the subsidiaries Saab Dynamics AB, Saab Kockums AB, Combitech AB and Saab Barracuda AB. In addition entities in Australia, South Africa and the USA have been subject to review procedures. We have considered covid-19 and its impact in our audit and designed our audit procedures to meet new and/or changed risks in the audit. Overall, we have been able to carry out our audit, even though the pandemic has led to changes in working methods and increased use of digital tools for communication and collection of audit evidence.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

**Key audit matters**

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual

accounts and consolidated accounts of the current period. In the audit of Saab we have identified The matters below were addressed in the context of our audit of, and in forming

our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

**Key audit matter****Long term customer contracts**

Revenue and income are in many projects recognised over time using percentage of completion, which as such are based on management's estimates and measurement of percentage of completion, estimated profit margin as well as total costs and risks. If a project is expected to be in a loss position, the loss is recognised as soon as it can be determined.

Percentage of completion and the income recognised can be based on cost incurred, milestones reached, or units delivered.

The financial reporting risk in the financial reporting is that revenue and income recognised, not correctly reflect Saab's fulfilment of performance obligations in the long term customer contracts and that the risks in the contracts deviate from actual outcome, which can result in revenue being recognised at wrong margin. This in turn might lead to cut off errors in revenue and cost over the project's lifecycle.

Accounting for long term customer contracts also, besides revenue and cost of goods sold, affect balance sheet items such as receivables from customers, inventory and provision for loss contracts.

In the annual report risks related to long term contracts are described on page 50 and in the notes to the financial statements (note 2 and 4) the accounting principles are described in more detail.

**How our audit addressed the Key audit matter**

Saab has implemented processes, methods and controls to account for and monitor the long term customer contracts from tender, through execution and completion. These processes include among other project organisation, documentation, financial reviews and reporting as well as guidance on application of the accounting principles. This is further described in the annual report on page 56.

In our audit we have evaluated the design of these processes, methods and controls and tested on a sample basis that they work as designed. In this testing we have focused on the following:

- Test of monitoring controls on business area, business unit of where applicable on product level.
- Test of transaction controls for accounting for cost incurred related to long term customer contracts for procurement to projects.
- Test that project reviews and documentation has been approved according to methods applied within Saab.

We have further selected a sample of long term customer contracts for substantive testing. Our sample is based on quantitative and qualitative factors where we have selected long term contracts that are material from contract value, revenue recognised or risk in residual cost to complete. Contracts for Gripen E Sweden, Gripen NG Brazil and Airborne surveillance United Arab Emirates have been of specific interest in our audit.

For the selected contracts we have in detail obtained an understanding for the project though, among other procedures, review of contract clauses, project plans, analysis of

stage of completion and contract forecasts. Each quarter we review the projects together with the project leader, the project controller or similar. In these reviews we perform the following procedures focusing on whether significant risks are reasonably accounted for:

- We inspect management's assessment of the project execution and how this affects the financial reporting. This includes total contract value, level of completion, method for recognising stage of completion, cost incurred and estimated remaining cost.
- We reconcile management's assessment to underlying documentation and compare this with previous quarters.
- We reconcile financial information between reports and systems and recalculate calculations.

In these reviews we use our knowledge about Saab and how similar long term contracts have been treated to discuss and ask questions and challenge management's estimates and judgements. We also assess consistent application of accounting principles between contracts with similar circumstances. In this we also test items reported as work in progress. We test them from both quantitative and qualitative aspects and assess whether they are accounted for under Saab's accounting policies. and the audit committee. The projects complexity and judgements involved mean that the amounts recognized by nature is affected by uncertainty where future outcome can deviate significantly from management's judgements.

## OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1 to 43 and 157 to 163 as well as the statutory sustainability report on page 60 to 82. The other information also consists of the remuneration report, which we have had access to prior to the date of this audit report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the

Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

## AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Saab AB for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for

accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisorsansvar](http://www.revisorsinspektionen.se/revisorsansvar). This description is part of the auditor's report.

#### **THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT**

The Board of Directors is responsible for the corporate governance statement on pages 84 to 93 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is differ-

ent and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

#### **THE AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT**

The Board of Directors is responsible for the statutory sustainability report on pages 60 to 83, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statu-

tory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

PricewaterhouseCoopers AB, Stockholm, was appointed auditor of Saab AB (publ)'s by the general meeting of the shareholders on the 11 April 2019 and has been the company's auditor since the 7 April 2011.

Stockholm 1 March 2021  
PricewaterhouseCoopers AB

Peter Nyllinge  
Authorized public accountant  
Partner in charge

Bo Hjalmarsson  
Authorized public accountant