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Saab announces proposed changes to incentive programs

The Board of Directors of Saab proposes changes to its Long-term Incentive Program 2026 to the Annual General Meeting. The proposed changes are primarily related to the Performance Share Plan 2026 and the Special Projects Incentive 2026.

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The Annual General Meeting of Saab in April 2025 resolved on a Long-term Incentive Program 2026 ("LTI 2026") consisting of a Share Matching Plan for all employees, a Performance Share Plan and a Special Projects Incentive for Senior Executives (including the CEO) and other key employees.

In view of the rapidly changing environments and in response to an evaluation by the Board of Directors, as well as investor feedback, the Board of Directors has decided to propose a revised Long-term Incentive Program 2026 ("Revised LTI 2026") to the Annual General Meeting 2026 that will replace the previously resolved LTI 2026. The intention is to offer the participants to enroll in the Performance Share Plan 2026 and the Special Projects Incentive 2026 prior to the Annual General Meeting 2026, subject to the approval of the Revised LTI 2026 by the General Meeting.

The main purposes of the proposed changes of the Revised LTI 2026 are to further amplify the ability to attract, retain and motivate senior leaders in a competitive market and offer them market aligned and competitive remuneration, and thereby remain committed to creating increased shareholder value. Moreover, Saab's current order backlog continues to include certain special projects and the execution of these projects remains very important. Meeting the aforesaid requires both that Saab can retain the best competencies and their loyalty, and that the Company's management and other key employees continue to deliver results and perform at a very high level.

The aim is also to continue to encourage the build-up of equity holdings to align the interests of the participants with those of Saab's shareholders, which is further enhanced by the Board of Directors' amendments to the current policy on holding of shares in Saab by Senior Executives. The amended shareholding policy entails that the CEO shall build up and maintain a holding of series B shares in Saab ("B-shares") representing 200 percent of the annual cash base salary and other Senior Executives shall build up and maintain a holding of B-shares representing 100 percent of their respective annual cash base salaries.

Compared to the LTI 2026 adopted by the Annual General Meeting 2025, the

Revised LTI 2026 entails the following principal changes:

Share Matching Plan 2026

The Share Matching Plan 2026 remains unchanged except for that the CEO and the members of the Group Management shall no longer be offered to participate in the Share Matching Plan 2026. Instead, the number of performance shares that may be allotted to the Group Management under the Performance Share Plan 2026 and the Special Projects Incentive 2026 is proposed to be adjusted as described below.

Performance Share Plan 2026

- The structure is amended from a performance share matching program to a performance allotment program with no savings requirement for purchase of B-shares. This means that, similar to the Special Projects Incentive 2026, delivery of performance shares to the participants shall be based on the achievement of the performance targets and continued employment within the Saab Group during the entire three-year period of the plan.
- The level of allotment of performance shares is proposed to be up to 50 percent of the annual cash base salary¹ for the CEO and up to 40 percent of the respective annual cash base salaries for members of the Group Management.
- The total number of participants will increase from up to 300 to up to 400 participants.

Special Projects Incentive 2026

- Participation in the plan shall no longer presuppose savings under the Performance Share Plan 2026 or the Share Matching Plan 2026.
- The level of allotment of performance shares is proposed to be up to 50 percent of the annual cash base salary for the CEO and up to 40 percent of the respective annual cash base salaries for the members of the Group Management.
- The level of allotment of performance shares for Group C (selected Heads of Business Unit and other specially selected key employees) will be adjusted from up to 15 percent to up to 20 percent of their respective annual cash base salaries.
- The total number of participants will increase from up to 150 to up to 200 participants.

The total value of allotted performance shares under the Performance Share Plan 2026 and the Special Projects Incentive 2026 may for the CEO not exceed 100 percent of the annual cash base salary and for the members of Group Management not exceed 80 percent of their respective annual cash base salaries.

In view of this, the Revised LTI 2026 is considered to have a positive effect on

¹ Any reference to annual cash base salary refers to the respective participant's annual cash base salary as of 1 January, 2026.

Saab's future development, reducing the level of administration for both the company and the participants, and thus be of advantage to both the shareholders and the employees in the Saab Group. The Revised LTI 2026 is estimated to comprise approximately 1,720,000 B-shares in Saab. The total effect on the income statement is estimated to approximately SEK 1,164² million unevenly distributed over the years 2026-2030. These costs should be compared with the Saab Group's total remuneration costs in 2024, including social security costs, amounting to approximately SEK 20,100 million.

The complete proposal, including updated estimated costs, dilution effects and hedging measures, will be presented in the notice to the Annual General Meeting 2026.

The Board of Directors also intends to propose a long-term incentive program 2027, in line with the Revised LTI 2026, to the Annual General Meeting 2026.

Key Employee Plan 2026

In light of the significant increase in the number of employees, the Board of Directors has also decided to increase the number of participants from 1,500 to 2,000 in the Key Employee Plan 2026 ("KEY 2026") that was decided earlier this year.

KEY 2026 constitutes a complement to Saab's long-term incentive programs consisting of synthetic shares based on the share price of the B-shares at the time of grant. The program is not directed to the Board, the CEO, members of the Group Management or other senior managers. The participants will be nominated based on critical skills, performance and/or potential.

KEY 2026 will not lead to any dilution of existing shareholders' shares but only entail a cost for Saab. The total effect on the income statement is estimated to approximately SEK 311 million distributed over the years 2026-2029.

The Board of Directors' intention is to annually decide on incentive plans corresponding to the KEY 2026.

Saab is a leading defence and security company with an enduring mission, to help nations keep their people and society safe. Empowered by its 26,000 talented people, Saab constantly pushes the boundaries of technology to create a safer and more sustainable world. Saab designs, manufactures and maintains advanced systems in aeronautics, weapons, command and control, sensors and underwater systems. Saab is headquartered in Sweden. It has major operations all over the world and is part of the domestic defence capability of several nations.

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² These calculations are based on a share price of SEK 500. The costs are dependent on the future development of Saab's share price and the number of participants. At a higher share price, a lower number of available shares in the Revised LTI 2026 will be utilized.