SAAB

Annual & Sustainability Report 2024

Innovating for resilience, security, and sustainability

We've been here since 1937

Did you know?

The Saab B 17 was Sweden's first domestically designed combat aircraft, introduced in 1940. Notable for its versatility, one of its unique features was its landing system, which allowed the aircraft to operate with standard wheels, floats for water landings, or skis for landing on snow and ice, making it ideal for challenging winter conditions in the North.

Read more about our aeronautics business on **page 28.**

Our mission is to keep people and society safe. With a vision to lead innovation in security and defence, we develop advanced technologies that protect what matters most. Saab began as an aircraft manufacturer and has since evolved into a global leader in defence, aerospace, and security solutions.

Today, Saab plays a critical role in ensuring safety and security around the world, offering cutting-edge solutions that strengthen defence capabilities, protect borders, and enhance resilience against emerging threats.

About this report

The formal Annual Report comprises pages 45-218. The administration report is included on pages 45-147.

Sustainability is integrated through-out the Annual Report. Pages 66-145 describe Saab's sustainability work in greater detail and comprise the statutory Sustainability Report.

Due to the rounding of numbers, certain tables and calculations may not add up.

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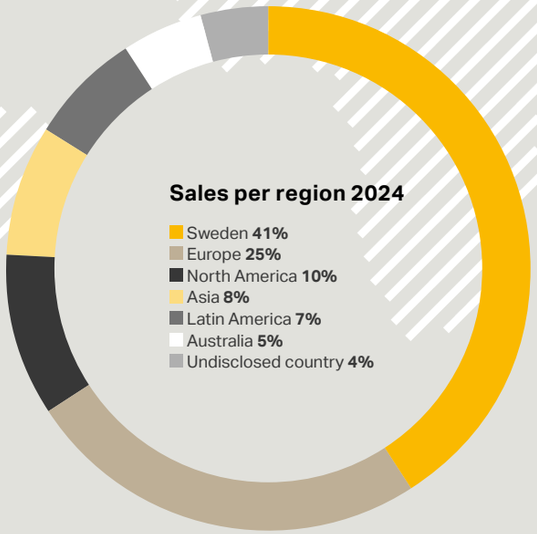
This is Saab

Since Saab was founded, we have strived to keep people and society safe. It is a basic human need to feel safe and, as we see it, a human right.

As a defence company, we offer solutions that range from protecting the depths of the ocean to high in the sky, on land and in cyberspace. In a world facing widespread instability and both geopolitical and climate related challenges, the safety and resilience of our societies are crucial. Saab was founded as a result of the security situation in 1937 and a way for Sweden to safeguard its freedom. Since then, Saab's product portfolio and global presence have grown, while our purpose to contribute to a secure society has remained.

Saab serves customers in over 100 countries and operates in more than 30 countries. Research and development is concentrated in Sweden with employees in Europe, the U.S., Australia and South Africa.



Sales in 2024, SEK billion
64

Employees
24,500

Countries with operations
30

Markets served
100

Products in offering
525

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A tech leader focused on constant innovation

Saab's global operations and strategic markets in brief

Saab's global operations span across continents, with a presence in key markets and emerging regions. Leveraging decades of expertise in defence, security, and advanced technology, Saab offers innovative solutions tailored to the specific needs of each market. From aerospace to underwater defence, Saab's global footprint ensures that we remain at the forefront of technological advancements, collaborating closely with governments, industries, and defence forces to meet their security challenges. Our key markets, where we have established enduring partnerships, are central to our mission of delivering safety and defence capabilities worldwide.

The product portfolio and its contribution to global defence

Saab's diverse product portfolio covers critical areas of defence and security, including air, land, sea, and cyber domains. Our advanced fighter jets, surveillance systems, submarines, and missile systems are designed to provide comprehensive solutions that strengthen national and international defence. Each system contributes to a broader mission: safeguarding societies and maintaining global stability. From Gripen fighter aircraft and state-of-the-art radar systems, to ground combat and underwater systems, Saab's contributions empower armed forces and peacekeeping missions across the world to face with tomorrow's challenges with confidence.

Key markets and how we support national security

Saab plays a vital role in supporting national security in its key markets, including Sweden, the United States, the United Kingdom, Germany, and Australia. In Sweden, Saab collaborates closely with the government and armed forces to maintain advanced defence capabilities, such as the development of the Gripen aircraft and conventional submarine technologies. In the U.S. and U.K., Saab's solutions enhance air defence, surveillance, and naval operations, contributing to the strategic objectives of NATO and allied forces. Customers benefit from Saab's innovative defence systems, with customised solutions that strengthen local defence industries. Across all these markets, Saab is committed to fostering resilience, security, and technological advancement, ensuring nations are prepared for evolving threats of the future.

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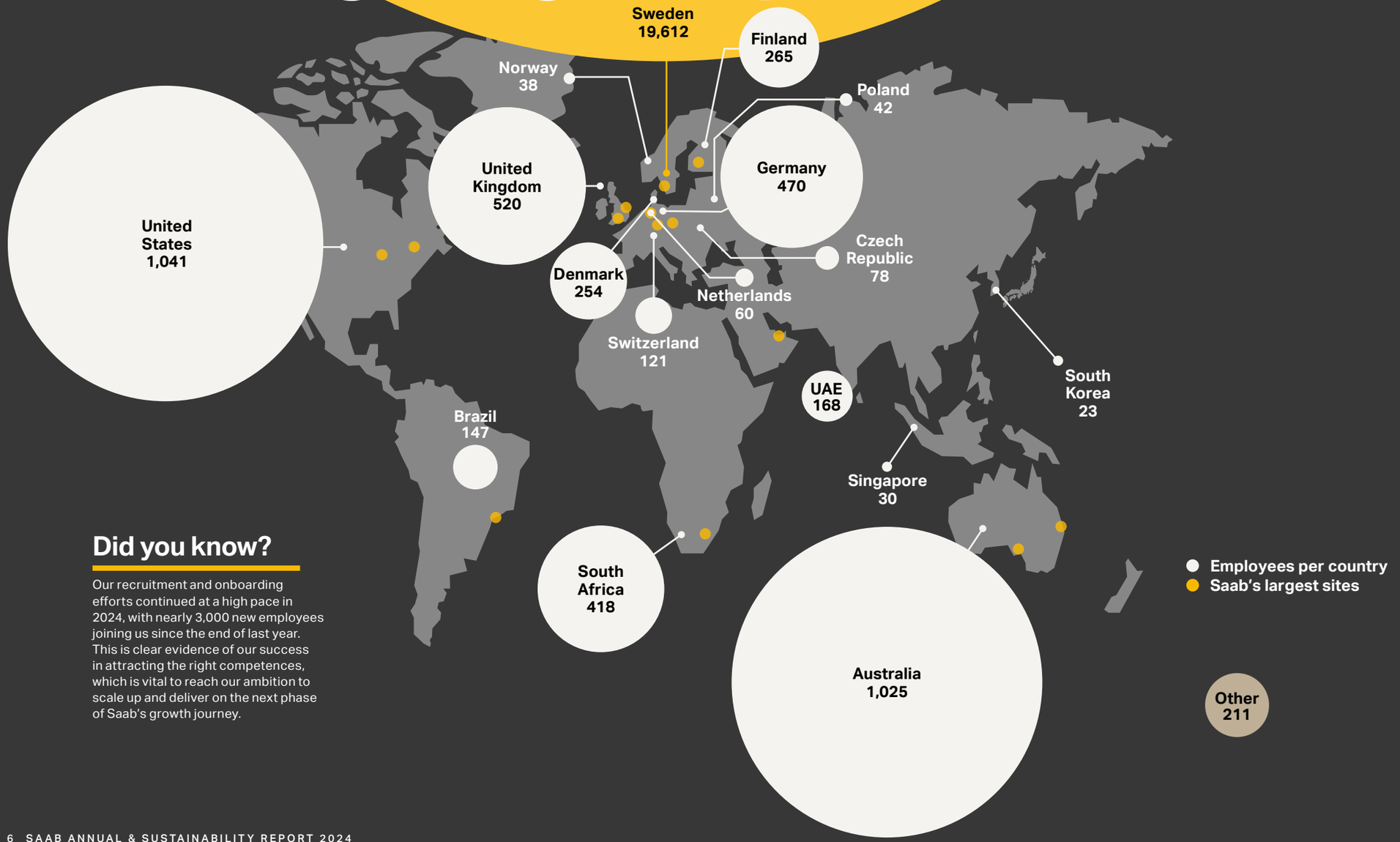
Increasing our global presence



Did you know?

Our recruitment and onboarding efforts continued at a high pace in 2024, with nearly 3,000 new employees joining us since the end of last year. This is clear evidence of our success in attracting the right competences, which is vital to reach our ambition to scale up and deliver on the next phase of Saab's growth journey.

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Organic growth,

23%

EBIT margin,

8.9%

Sales, SEK

63.8 billion

EBIT, SEK

5.7 billion

Operational cash flow, SEK

2.5 billion

In 2024, Saab delivered strong sales growth and improved profitability. We remained fully focused on meeting customers' demand, securing key competences and expanding our workforce and capacity. We closed the year by delivering a positive cash flow for the full year.

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Highlights from the year

2024 marked a year of strong growth, driven by investments in new capacity and a commitment to innovation and R&D.

Record high order intake of SEK 97 billion driven by strong demand resulting in an order backlog of SEK 187 billion.

Strong sales growth of 24% with sales contribution from all business areas and Combitech.

EBIT improvement of 33% and an EBIT margin of 8.9%, supported by the strong sales performance and deliveries.

Positive cash flow for the fourth consecutive year with operational cash flow amounting to SEK 2.5 bn.

Capacity increases to meet higher demand with new production facilities announced in the U.S., India and Finland.

Growing our people and talent with nearly 3,000 new employees recruited in 2024.

Accelerating future capabilities through R&D investments in new technologies, including air and naval autonomy, distributed sensor systems, cyber defence and advanced weapon systems.

Advancing the sustainability strategy to position Saab as a sustainability leader in the defence industry.

Saab's outlook for 2025 is an organic sales growth between 12-16%, operating income growth higher than organic sales growth and positive operational cash flow.

Updated medium-term targets where Saab is targeting an organic sales growth of around 18% (CAGR) for the period 2023–2027, including an EBIT growth higher than the sales growth and a cash conversion of at least 60%.

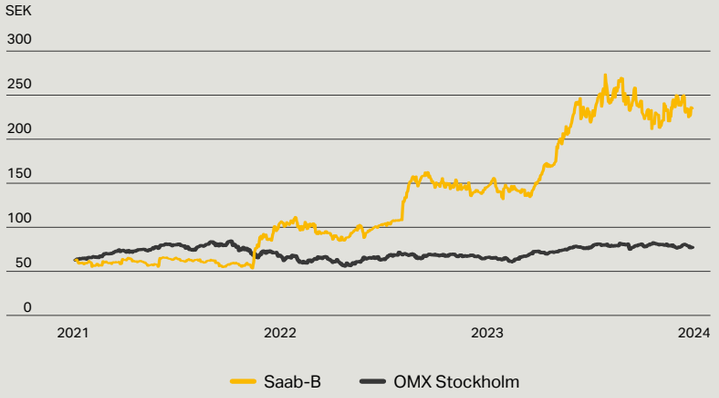
Sales growth of 12% (CAGR) over the last 5 years.

Financial highlights

SEK million	2024	2023	2022
Sales	63,751	51,609	42,006
Sales growth, %	23.5	22.9	7.3
EBITDA	8,402	6,558	5,401
Operating income (EBIT)	5,662	4,272	3,274
Operating margin, %	8.9	8.3	7.8
Net income	4,210	3,443	2,283
Earnings per share, SEK	7.74	6.29	4.10
Operational cash flow	2,497	3,157	2,593
Free cash flow	993	1,556	1,871
Net debt to EBITDA ratio	-0.26	-0.36	-0.45
Dividend per share, SEK	2.00*	1.60	1.33
Return on equity, %	12.4	11.1	8.6
Total shareholder return (TSR), %	57.5	49.2	80.5
No. of shareholders at year-end	188,744	104,951	84,493

*Proposed dividend

Share price development



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Quarterly highlights

Q1

- Saab reports an increased order intake, a sales growth of 23% and improved profitability in the quarter.
- Saab receives an order from Airbus for the Arexis Electronic Warfare sensor suite for 15 of Germany's Eurofighters.
- NATO's procurement agency NSPA orders more Carl-Gustaf systems within the framework agreement with Saab.
- Saab receives order for future fighter concept studies from Sweden.
- Saab delivers the first 340 Airborne Early Warning aircraft to Poland and fourth GlobalEye to UAE.
- 750 new employees recruited in the first quarter.
- Saab hosts a Strategy Execution Update event in February and follows up on its medium-term targets.

Q2

- Saab records the second highest order intake in a quarter of SEK 40 billion.
- Saab receives its largest Carl-Gustaf order of SEK 12.9 billion from Poland.
- Sweden orders a third GlobalEye aircraft from Saab after donating two of its airborne early warning aircrafts to Ukraine.
- Saab receives a large defence equipment order from a western country amounting to SEK 7.7 billion.
- Saab strengthens its partnership with Eurenco to increase and secure the supply of munitions over the next 5 years.
- Saab sets the goal to become a sustainability leader in its industry.
- Saab becomes the first major defence company to receive approval for its 2050 greenhouse gas emission targets by the Science Based Targets initiative.

Q3

- Demand for Saab's product portfolio remains high with continued strong order intake growth of 41% driven by Dynamics.
- A large defence equipment and systems contract is signed with a Western customer of SEK 6.6 billion.
- Saab received a first MSHORAD (Mobile Short-Range Air Defence) order from Lithuania for a value of SEK 1.3 billion.
- Saab receives an order for the Giraffe 1X radar with a command and control system from Sweden.
- Saab is awarded a framework agreement by the U.S. Army, with a potential value of SEK 5 billion, for their Individual Assault Munition programme (IAM).
- Saab announces new ammunition facility in Michigan, U.S. to boost production capacity and meet higher demand.

Q4

- Saab delivers an organic growth of 29.3% with growth in all business areas.
- Saab receives a second order for the mobile short range air-defence system MSHORAD from Lithuania.
- Surveillance received multiple orders for radar systems such as the Giraffe family and Sirius Compact.
- Saab opens new production facility in Tampere, Finland for the serial production of the passive EW sensor Sirius Compact.
- Saab receives an additional order for the Gripen C/D fighter, including the integration of new missile systems.
- Saab presents Autonomous Ocean Core, a ready-to-use autonomous control system to provide autonomy capabilities to surface- and subsurface naval platforms.

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Making steady progress on our profitable growth journey

I am pleased to report that 2024 was a strong year for Saab. We delivered a better than expected sales growth, improved our operational performance and generated positive cash flow. We achieved all this while investing significantly in expansion to meet higher customer demand and strengthening our market position. In the wake of the global geopolitical uncertainty, Saab is committed to be a reliable partner, supporting countries in strengthening their defence capabilities and contributing to increased European defence capacity.

Building on last year's strong order intake, we further strengthened our order backlog, which amounted to SEK 187 billion (153) in 2024. Order bookings increased 24% year-over-year with significant increases in our business areas Dynamics and Surveillance. Demand for our products and systems remains high. In our Aeronautics business, interest for the Gripen E fighter is high with several ongoing campaigns for fighter aircraft acquisitions. In Dynamics, our entire portfolio is experiencing strong demand, with particular interest in Ground Combat, Missile Systems and Training & Simulation.

Customer demand for the Surveillance portfolio is also strong with notable interest in our Airborne Early Warning & Control system GlobalEye. With our underwater systems, submarines and surface ship capabilities in Kockums, we are well positioned for future opportunities.

Sales for the full year amounted to SEK 64 billion with a sales growth of 24%. The strong sales performance was a result of unusually high customer deliveries and fast shipments of new orders. Operating income for the year increased to SEK 5.6 billion (4.3) and the operating margin of 8.9% exceeded last year's margin of 8.3%. This was supported by the higher sales volumes and improved scale and efficiency, while maintaining our priority on R&D investments in software-driven technologies, autonomy and AI-powered capabilities.

During the year, we had several innovative product launches. Among these we showcased the Compact Radar Module for the Giraffe 1X radar as an all-in-one solution. Moreover, we announced the Sirius Compact L20C, a new addition to Saab's tactical Electronic Warfare sensor family. On the naval side, we introduced the Autonomous Ocean Core, a control system to provide autonomy capabilities to surface and naval platforms. All of this is the result of our dedicated people.

"Saab is committed to protecting societies and strengthening the European defence capacity."

Looking ahead, the geopolitical security landscape remains unusually uncertain, making it difficult to predict the future. We are fully focused on delivering on our record order backlog and expect continued high demand for our portfolio and see opportunities to accelerate Saab's development by further bringing forward significant investments to increase capacity. Reflecting this, we raised our medium-term target for organic sales growth to around 18% (CAGR) and reduced our cumulative cash conversion target to at least 60% for the period 2023-2027. Our outlook for the full year 2025 is an organic sales growth between 12-16%, EBIT higher than the organic sales growth and positive cash flow.

During the year, Saab continued to make progress towards its goal of becoming a sustainability leader in the defence industry. We achieved a majority of the targets set out in the sustainability strategy. To further enhance transparency, we are publishing our first Sustainability Report inspired by the European Sustainability Reporting Standards (ESRS) . We will continue our initiatives to drive positive environmental and social impact in 2025, including our commitment to achieving long-term, science-based climate targets.

I would like to thank our employees for their hard work and contributions throughout the year. The addition of nearly 3,000 talented new employees will further strengthen deliveries to our customers and secure continued growth.

Stockholm, February 2025

Micael Johansson
President and CEO

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"Throughout the year, Saab has continued to grow while balancing the delivery of products to customers with investments in R&D to advance future defence capabilities."

Marcus Wallenberg, Chairman

2024 was a year of transformative events that continued to impact the company. Ukraine's efforts to defend itself continued, with significant support from Sweden and several other countries where Saab operates. We continue to see conflicts and instability in the world, with war in the Middle East and increasing tensions in Southeast Asia.

Sweden has become a member of NATO and has continued to invest in building up its total defence capabilities. Similarly, across the EU and the Western world, we see increased investments in defence and resilience. This has generated significant interest in Saab's advanced technologies and what the company can offer in terms of products and innovative solutions.

Throughout the year, Saab has continued to grow while balancing the delivery of products to customers with investments in R&D to advance future defence capabilities. We see, especially in Ukraine, how new technologies create operational advantages on the battlefield. It has been important for the Board that the company can continue to invest in future capabilities to remain a leading defence company in the years to come. This means meeting demand while also being attractive for collaborations and partnerships within the industry.

In 2024, the Board has focused on meeting the increased customer demand, as well as Sweden's NATO membership and the effects of the war in Ukraine. Time has also been devoted to sustainability issues, including the EU's new Corporate Sustainability Reporting Directive (CSRD), and approving the Group's updated sustainability strategy.

We believe that Saab's capabilities contribute to peace and security, which are essential for human rights and freedom. We support sustainable development by empowering our customers to protect their people and society.

Finally, I am pleased to see the increased interest in Saab, with our shareholder base reaching almost 190,000. I want to thank you for the trust you place in Saab.

Stockholm, February 2025

Marcus Wallenberg
Chairman

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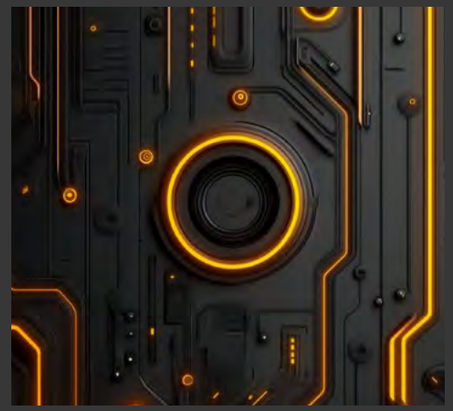
Adapting to the future of defence

The defence industry is undergoing a rapid transformation driven not only by geopolitical trends but also by an ongoing technological shift shaping customers' evolving capability needs.

The technological shift is driven by the need to maintain an edge in modern warfare, where agility, adaptability, and intelligent systems are paramount. Therefore, customers have come to increasingly demand capabilities that enhance situational awareness and operational flexibility. This trend is evident in the growing interest in transparent battlefield technologies that provide real-time intelligence and enhanced communication.

Simultaneously, there's a surge in demand for advanced defence systems, such as radar systems with the capacity to detect hypersonic missiles for rapid target engagement, loitering munitions and unmanned platforms that can operate autonomously in dangerous environments. Artificial intelligence plays a crucial role in enabling these advancements, empowering autonomous decision-making, target identification, and mission execution.

As the defence industry enters a new software-driven era, this shift presents both challenges and exciting opportunities for innovation and technological advancement.



Artificial intelligence

Saab is rapidly integrating AI and machine learning into its offerings, focusing on enhancing data analytics within sensor and command and control systems. To further accelerate innovation, Saab is also utilising generative AI tools to streamline product development. In addition to organic efforts, investments are complemented by bolt on acquisitions, for example the, artificial intelligence and machine learning company CrowdAI, acquired in 2023.

Autonomy and unmanned systems

Saab continues to advance its capabilities in autonomy and unmanned systems, actively collaborating with customers on projects like seabed operations, swarming drones, and manned-unmanned teaming for both naval and air applications. This commitment to innovation involves a combination of organic efforts and strategic acquisitions. The acquisition of BlueBear in 2023, a specialist in AI-powered autonomous swarm systems, highlights Saab's focus to incorporate leading-edge technologies into its portfolio.

Multi-domain distributed sensor systems

Saab's latest generation of radar technology leverages advanced sensor capabilities and powerful processing power, enabling the creation of distributed radar networks across multiple platforms and locations. These radars offer high mobility and can operate completely silent, making them virtually undetectable. By integrating these sensors into secure, multi-domain command and control systems, Saab can provide unparalleled situational awareness capabilities to its customers.

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A new era of defence investments in Europe

Europe's need for self-defence has become increasingly crucial and as the EU sets its new defence industry strategy, a higher priority on defence is here to stay. With the US placing greater emphasis on the situation in the Indo-Pacific, European countries aim to increase the share of defence investments on the European continent. Partnerships will be crucial in establishing a competitive defense industry. Saab, with its capabilities for ensuring secure societies in a complex world, plays a vital role in this endeavor.

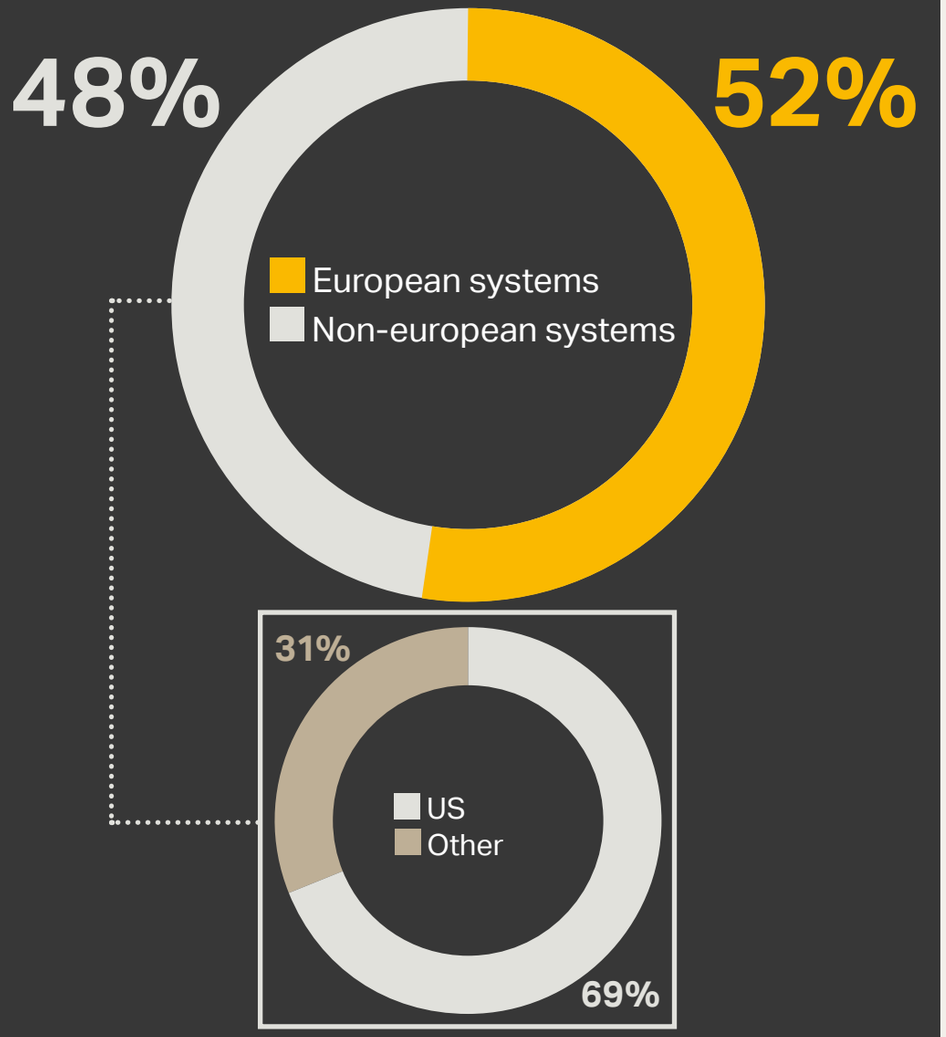
Strengthened European defence
Since Russia's invasion of Ukraine, European NATO members have acquired over USD 94 billion of European systems, corresponding to 52% of total spent on procurement. In an effort to take responsibility and reduce dependence, the EU has initiated several strategic measures to strengthen its defence deterrence and capabilities. The European Defence Industrial Strategy (EDIS) promotes joint military purchases and increased investments and collaboration among member states.

In 2024, the European Commission initiated a USD 1.5 billion proposal to increase defense production from 2025 to 2027, with the potential for further increases from 2028 to 2035. This initiative addresses production challenges and includes incentives for joint procurement as well as enhance Europe's defence capacity. Saab will proactively position itself for these opportunities, aiming to secure a key role through strategic partnerships.

Sweden's defence focus
Sweden's NATO membership brings a renewed defence focus and a national defence industry strategy, with substantial new resources for growth. Near-term priorities include supporting Ukraine, NATO integration, enhancing armed forces' capabilities, and increasing multi- and bilateral cooperation.

During the year, the Swedish government presented a new defence budget bill to the parliament, which includes an additional SEK 170 billion in funding for military defence from 2025 to 2030. As a result, the defence budget is set to increase from 2.2% of GDP today to 2.6% by 2028, according to NATO's definition. Sweden is an important customer to Saab, benefitting from increased funding and further collaborations on advanced defence systems.
In the coming years, investments in defence materiel are expected to continue, with growing interest in Saab's broad product portfolio.

Over 50% of European NATO members' procurement spending directed to European systems since the war in 2022



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As a long-term partner to our customers, Saab sees significant market demand for many years ahead, driven by countries' growing need to strengthen defence capabilities supported by increasing budgets. Saab will work with customers to meet these needs, building on our strong position in core areas.

Sweden

Saab aims to keep its strong position within all core areas and grow further as the defence budget increases. An important focus going forward will be to support Sweden's new role in NATO.

U.S.

The U.S. is the world's largest defence market where Saab has successfully grown in selected product areas. Currently, Saab has a well-established position in surface-based radars, ground combat, the trainer aircraft T-7A with Boeing, and training systems. Our footprint is also growing in unmanned underwater systems.

U.K.

Saab's U.K. presence is strong within sensors, seabed operations and ground combat. In 2024, Saab further strengthened its position with the acquisition of U.K.-based company BlueBear, accelerating innovation in areas such as AI and autonomy.

Germany

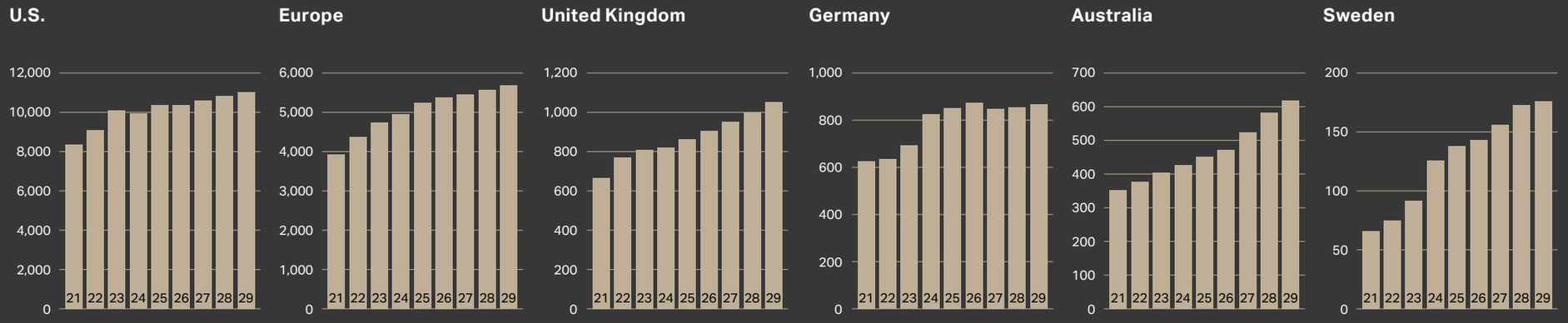
Saab has established operations in Germany and has in recent years gained a significant position in areas such as naval combat management, land training and simulation, and fighter electronic warfare.

Australia

Saab is the Australian Navy's sovereign combat management system provider for surface ships, and also has a strong legacy in the underwater domain with new opportunities emerging. The AUKUS partnership and its implications will play a key role in the region going forward.

AUKUS: a trilateral security and defence partnership between Australia, U.K. and U.S.

Defence budget forecasts, SEK billion (nominal)



Source: Janes and Swedish Defence Budget results and plans 2021-2029

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A focused strategy for profitable growth

Saab's strategy is focused on strategic markets and five core areas of expertise that form the foundation of Saab's value proposition. Sustainability is an integrated part of our business and affects everything we do, ensuring value for society and stakeholders. To remain at the forefront of innovation, Saab invests in targeted future capability areas. Furthermore, Saab is committed to enhance its operational performance through digitalisation and efficiency. With people as its greatest asset, Saab is also dedicated to securing competences and growing its workforce to meet the demand ahead.

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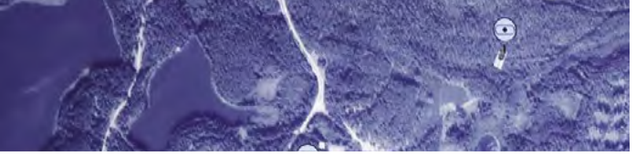
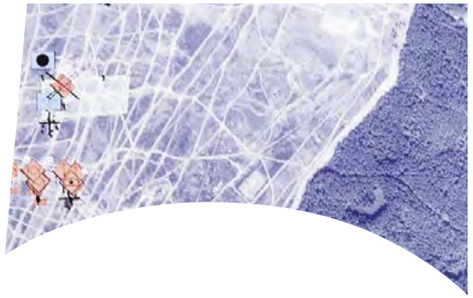


The five pillars of our strategy



Growth in strategic markets

Saab operates in over 100 countries worldwide. In addition to Sweden, Saab is focusing on the U.S., the U.K., Germany and Australia as the main platforms for future growth. In these selected strategic markets, Saab sees opportunities for further growth in niches and technology areas where Saab has a strong position such as sensors, underwater systems and command and control systems. By scaling up domestic operations further and forming new partnerships, Saab aims to grow locally and become an integral part of the defence ecosystem in these countries. Saab's organic growth strategy is combined with pursuing acquisitions in these markets.

Read more about our strategic markets on page 15.

Leveraging on core areas for future capabilities

Saab has defined five core areas where the company has a strong market position and a leading product portfolio. The core areas are Fighter Systems, Advanced Weapon Systems, Sensors, Command and Control Systems, and Underwater Systems. Saab is continuously investing in R&D and product development to strengthen the competitiveness within the core areas. The company also seeks collaborations with customers and partners to drive innovation in future capability areas such as autonomy, distributed sensor systems, cyber defence and space, and advanced weapon systems.

Read more about innovation and future capabilities on page 20.

Efficiency through industrialisation and digitalisation

Front and centre for Saab is to deliver on our customer commitments and meet the increased demand by increasing capacity and efficiency. Saab is investing in automated production lines and increased digitalisation. We are working to increase our efficiency in all parts of the business and to reduce lead times. Many initiatives for continuous improvement are ongoing across the Group, within areas such as efficient digitalised development and supply, project excellence and cross-organisational consolidation.

People and competence

To manage the significant increase in demand, Saab is growing in number of employees. Saab has initiated proactive work to attract and retain the right competences and leadership that will support the Group's growth journey. Saab's people strategy for growth centres around securing robust recruiting, investing in learning and future leaders, building efficiency and simplicity in people processes, and creating the best people experience. Saab strives to develop a continuous learning culture and to build a sustainable work environment with engaged and creative employees.

Read more about Saab's people on page 21.

Sustainable business

Keeping people and societies safe from threats is fundamental for sustainable development. Only safe societies have the power to focus on issues such as climate change, human rights, diversity and financial stability. Saab strives for a sustainable business in all aspects of its operations and impact on society. By developing and providing solutions that enable customers to achieve their sustainability ambitions, Saab can have a competitive advantage in the market while contributing to sustainable development. Saab's sustainability strategy is built on three pillars, with prioritised areas within each: 1) Resilient and safe societies, 2) Green and social transition and 3) Innovation and partnerships.

Read more about Saab's sustainability strategy on pages 22-23.

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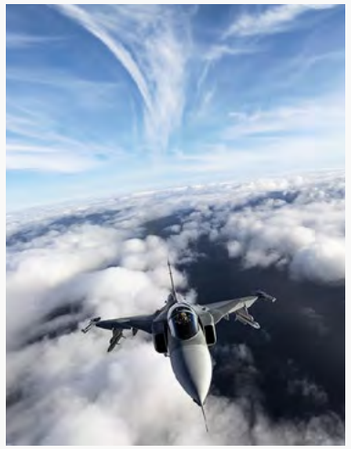
Leveraging on our core areas

Saab's five core areas drive its leading product portfolio and shape its current offerings. Continuous investment in these areas strengthens both the portfolio and Saab's market position.



Fighter Systems

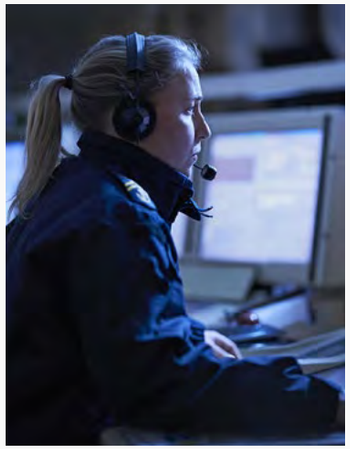
Saab's latest fighter version, the Gripen E, is certified for military use by both the Swedish and Brazilian Air Forces. The E-series has several new features including cutting-edge sensors, enhanced weapon capability and electronic jammer pods. Saab is also investing in and are conducting concept studies to ensure a fighter capability for the future. In collaboration with the Swedish Armed Forces, Saab is exploring the potential of both manned and unmanned air power.

Advanced Weapon Systems

The area holds products ranging from ground combat support weapons to missiles and training systems. Saab's Ground Combat systems hold an undisputed market leading position. The war in Ukraine has further proved that multirole anti-tank weapons are very effective. Saab's anti-tank weapons include the Carl-Gustaf, AT4 and NLAW systems. In the missile area, Saab leverages its competence through partnerships. The portfolio includes the RBS15, IRIS-T, Meteor and Taurus missile systems.

Sensors

Saab is a world-leading supplier of sensors, radar technology and electronic warfare solutions. The sensor portfolio comprises systems such as the Giraffe radar family and the GlobalEye AEW&C system (Airborne Early Warning and Control). The Giraffe radar family has been developed and adapted over the years, to an advanced array-type technology for land-based as well as naval applications. Saab aims to leverage its technology leadership to grow in EU/NATO and new markets.



Command and Control Systems

Saab provides complete command and control solutions for land, air and naval use, with a particularly strong position within the naval domain. The portfolio ranges from fire control systems to fully integrated combat systems. The purpose of a command and control system is to connect and integrate various defence systems from land, air and naval applications to enable seamless and real-time communication and exchange. By utilising its capabilities in this area, Saab aims to further strengthen its market position.

Underwater Systems

Saab is a leading provider of naval systems primarily to the Swedish Navy. The offer ranges from surface vessels with stealth characteristics to advanced conventional sub-marines, autonomous underwater systems and combat boats. The A26 submarines built for the Swedish Navy are state-of-the-art and can carry large payloads and operate in hostile environments without being detected. The increased demand for seabed operations in recent years has increased the interest for Saab's autonomous underwater capabilities.

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Investing in future capabilities

While delivering on today's customer commitments and expanding our capacity, Saab is committed to accelerate future capabilities through investments in R&D and partnered innovation, leveraging software-driven technology, data and AI. This ensures that we deliver next-generation systems and solutions to our customers, both now and in the future.

Total R&D spending as percentage of sales 2024

17%

Saab employees engaged in R&D

11,700

SUSTAINABLE INNOVATION

Track record of innovations

Saab's history of being a nische defence company in the global arena has pushed us to become innovative in system design, lead time reduction, and cost and performance efficiency. Innovation and agility are therefore at the core of Saab's culture, allowing us to leverage and integrate new technology development from both within and outside the defence industry.

Recent innovations:

Giraffe 1X Compact Radar Module
→ the battle-proven, mobile radar system now provides an all-in-one solution for quality air defence target data and drone detection.

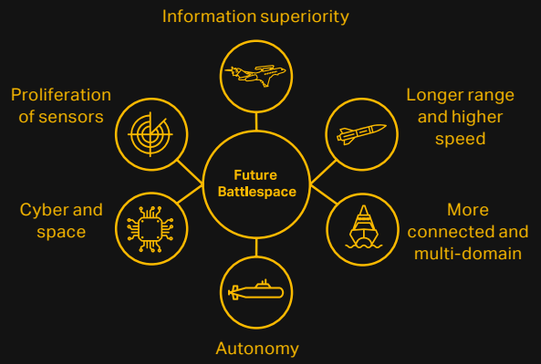
New Sirius Compact sensor (L20C)
→ highly mobile and difficult to detect passive sensor designated for tactical reconnaissance of communication signals.

Autonomous Ocean Core
→ ready-to-use control system that provides autonomy capabilities to surface and subsurface naval vessels and platforms in military and civilian missions.

Future defence capabilities

The battlespace is evolving rapidly, driven by new technologies and a shifting security landscape. The war in Ukraine has underscored the urgent need for new solutions. To maintain our competitive edge, we must accelerate the development of new capabilities that meet our customers' evolving needs.

Characteristics of the future battlespace:



Accelerating the innovation

To accelerate the innovation process and significantly reduce the time from idea to delivered capability, we are creating the means for joint innovation. We utilise models, digital twins and simulations to shorten development cycles. Combining Saab's own expertise with inputs from customers, academia, partners and startups, we can unlock the full potential of the civilian innovation ecosystem for defence and security.

Prioritised future capability areas:

- → Naval autonomy
- → Air autonomy
- → Multi-domain command and control (C2)
- → Distributed sensor systems
- → Cyber defence and space
- → Next generation advanced weapon systems

Innovation is key to Saab's and our customers' sustainability goals. The company is strengthening its efforts within sustainable innovation, integrating it into product design and striving to offer CO_2-neutral options. New energy sources and the replacement of conventional jet fuel with biofuel are a few examples that can help customers reduce their environmental impact.

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Our people is the core of Saab's success

Our people are the key to our future success. As we continue to grow our workforce and expand our geographical footprint, Saab's values become more important than ever.

Our core values

At Saab, we are guided by three core values: **Trust**, **Drive**, and **Expertise**. These values reflect our commitment to reliability, driving change, working efficiently, and continuously learning and collaborating. They are the foundation of our ambition to be a preferred employer, creating a workplace where talent thrives and contributes to the shared success. We foster a culture which empowers our employees to reach their full potential and make a meaningful impact. Recognising that our employees are our greatest asset, we also prioritise their well-being and strive to create a supportive and fulfilling work environment.

Our people strategy

Saab's significant growth brings exciting opportunities but also requires us to adapt to the rapidly changing defence industry. We are actively addressing the challenges of onboarding vast number of new employees, expanding our facilities, and managing a growing talent pool by exploring new and innovative ways of working. These efforts are embedded in Saab's strategic priorities and will be key for a high performing growth culture.

During the year, Saab expanded its people development, upskilling and learning platforms through its CareerHub, promoting continuous learning and internal mobility within the Group. The Saab "gig" is one such programme which connects talents with opportunities to leverage their experiences and skills in a new competence area or division.

Saab is a place where

We encourage our people to try new things, share knowledge and learn by collaborating.

We are innovative and challenged by technology to come up with new solutions.

We contribute with our own unique perspective, while we are trusted and given responsibility.

We contribute to our mission to keep people and society safe.

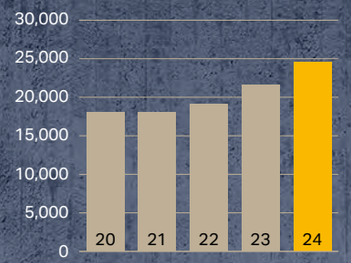
Our people strategy builds on four pillars

Securing future workforce, leaders and competences.

Accelerating continuous learning.

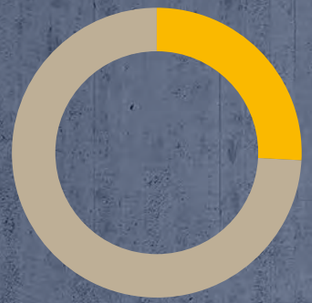
Transforming the way we work, enabling improved performance and efficiency.

Creating the best people experience.



Number of employees

In 2024, Saab grew by recruiting 2,913 new employees, a 13% increase. The number of employees increased in all business areas and 24% of Saab's new employees were located in our markets outside of Sweden.



Gender distribution

Women **26%**
Men **74%**

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From global strategy to local value

Implementation of a successful sustainability strategy requires efforts and progress both at the local and global level. To manage the strategy implementation throughout the company, Saab leverages two internal forums - the Sustainability Board and Sustainability Council. This structure enables Saab to drive progress globally, while ensuring that the local perspective from Business Areas are taken into account in the strategy.

Our view:

Global challenges such as climate change, human rights, health and inequality can only be fully addressed when societies are safe and resilient.

Our agenda:

To contribute to sustainable development through responsible business practices and driving sustainable innovation together with customers and partners.

Our ambition:

To be a sustainability leader within the defence sector and to utilise this position as a competitive advantage.

Read more in the Sustainability Report on pages 66-145.

Saab's sustainability highlights 2024:

- Saab's science-based targets for 2050 approved
- Incorporation of Diversity and Inclusion target in the Performance Share Plan
- A new Group-wide Energy strategy was approved
- Saab establshed a target of 40 learning hours per employee per year

Challenges going forward

- Adaptation to new comprehensive European legislation within sustainability
- Phase out of substances of concern and substances of very high concern
- Challenge to meet the targets in Scope 3 - use of products. Dependency on availability of Sustainable Aviation Fuel

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Our sustainability strategy

During the year, Saab continued to make progress towards its ambition of becoming a sustainability leader within the defence sector. The targets set were tracked quarterly and progress reported to the Sustainability Board.

The strategy is based on an update of the double materiality assessment (DMA) and reflects increased stakeholder expectations from the financial market, our employees, our customers and legislators. The strategy includes targets on short- (1 year), medium- (3 years) and long-term (7 years). It took effect in January 2024 following the Board's approval in December 2023 and targets are revised annually.

During 2024, Saab has made progress in the most of the topics, achieving a majority of target fulfilment. Saab has reached its targets within all the topics within the strategic focus area "Resilient and safe societies". The company also delivered on internal targets for Scope 1 and 2 in climate impact, share of women employees and industrial cooperation. Progress were made within "Substances of concern" and "Sustainable innovation" however we did not accomplish internal targets on climate scope 3, OHS-targets and share of women managers. Saab will further focus on these areas in 2025.

Saab is a dedicated member of UN Global Compact since 2011 and pledge to follow its ten principles on human rights, labour, environment and anti-corruption.

Sustainability strategy and long-term targets to 2030*:

Resilient and safe societies

Business and Human Rights
→ Saab has an industry-leading Human Rights Programme

Anti-Corruption
→ Saab has an industry-leading anti-bribery and corruption programme

Information Security
→ Saab has a defined, well-functioning, proactive and systematic approach to information security

Export Compliance
→ Saab will remain a leader in export control through robust rules, processes and training

Green and social transition

Climate Impact
→ Reduce emissions by 42% (Scope 1 & 2) (compared to 2020)
→ Reduce emissions by 25% (Scope 3) (compared to 2020)
→ Net zero emissions by year 2050

Substances of Concern
→ Tools deployed for efficient handling of product life cycle data
→ Define and set target to minimise the use of "Target substances" (based on Product Compliance Programme outcome)

Circular Economy
→ Operate with circular industrial processes and develop circular products in line with definitions from the EU Circular Economy Action Plan (EU CEAP)

Occupational Health and Safety
→ Reduce number of work-related accidents, measured by decreased TRIFR** by 25% (compared to 2024)
→ Improve employees experienced work life balance and reach benchmark top 25th percentile (8.3)

Innovation and partnerships

Diversity and Inclusion
→ At least 30% women employees
→ At least 35% women managers

Sustainable Innovation
→ Design for sustainability is established in product development throughout Saab.
→ Sustainable innovation contributes to increased competitiveness and operational value

Industrial Cooperation and Partnership
→ A significant part of our industrial cooperation activities are within the definition of sustainability
→ Partnerships with external actors contribute to Saab's sustainability commitments and strategy

* unless otherwise stated
** Total Recordable Injury Frequency Rate

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Conducting Responsible Sales in a complex and rapidly evolving world

Saab recognises the responsibility that comes with developing and selling advanced security and military equipment. Our commitment to respecting human rights involves every stage of our value chain, from sourcing materials and sub-systems, to delivering products and services.

This commitment is rooted in our values and aligns with international frameworks, such as the UN Global Compact and the UN Guiding Principles on Business and Human Rights. Our global operations means that Saab needs to manage a diverse set of risks, for example concerning working conditions throughout our supply chain and the potential misuse of our products by end-users.

To mitigate risks relating to the end-use of Saab's products, Saab has implemented a robust Responsible Sales Policy together with a Group-wide framework that guides our due diligence process and ensures responsible decision-making throughout the sales cycle. This framework complements existing national export controls and bridges gaps between international legislations, allowing us to uphold international sustainability standards and national security interests.

Our Responsible Sales framework incorporates a risk screening process for all new business opportunities. High-risk opportunities, identified through a combination of factors, undergo a comprehensive due diligence process. This process involves identifying potential adverse impacts, evaluating potential mitigation strategies and making informed decisions about whether to proceed with the sale.

Saab's commitment to responsible sales practices is an ongoing journey, where Saab is leading the defence industry in implementing new ways of working. We continuously refine our processes, build internal capacity and engage with stakeholders to ensure that our products contribute to the end-goal of safer and more resilient societies.

Read more about Responsible Sales in the Sustainability Report, page 120.

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Gripen test flights on SAF

SAF, Sustainable Aviation Fuel, is a jet fuel made from renewable and sustainable raw materials. For fighter jets, we use jet fuel according to specifications which today allows a blend ratio of up to 50% biofuel without changing anything in the aircraft or in our fuel distribution. The aircraft we operate today have no problem using this type of fuel and test flights have been performed with positive results. The advantage of SAF is that we reduce the emissions of fossil carbon dioxide. For military use, there is an additional reason for flying with SAF, namely fuel security. This fuel can be produced from domestic raw materials, which can make Saab and customers self-sufficient in a conflict situation.

Gripen E

Saab's Seaeye minimises carbon footprint

Traditional maintenance and repair of critical underwater infrastructure relies on large, crewed vessels deploying hydraulic remotely operated vehicles (ROVs). While effective, this approach creates a substantial carbon footprint. Saab's innovative Seaeye SR20 all-electric ROV offers a more sustainable alternative.

With a 40% more efficient electric drive train than conventional hydraulic systems, the SR20 reduces CO_2 emissions by 40% for comparable tasks. Its advanced design prioritises reliability, low maintenance, and incorporates high levels of automation and autonomy, enabling deployment from smaller, minimally-crewed vessels. This further minimises the carbon footprint associated with vessel size and crew transfers.

Recent water trials successfully demonstrated the SR20's exceptional manoeuvrability and dexterity under both manual and autonomous control. These trials mark a crucial milestone, paving the way for sea trials in spring 2025.

The SR20 exemplifies Saab's commitment to developing innovative solutions that meet industry needs while contributing to a more sustainable future.

Saab's Seaeye SR20 eWROV

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Our four business areas: the foundation for a complete defence capability

Aeronautics

Key products

Gripen fighter system, advanced pilot training aircraft T-7A with Boeing and concepts for manned/unmanned future fighter systems.

26% Share of sales 2024

2024

Order backlog SEK billion	Sales growth	Employees
41.5	21%	6,023

Dynamics

Key products

Ground combat weapons, ground-based air defence, anti-ship missile, camouflage systems, training & simulation.

23% Share of sales 2024

2024

Order backlog SEK billion	Sales growth	Employees
78.9	31%	4,295

Surveillance

Key products

Airborne Early Warning and Control solutions, surface radars, command and control systems, electronic warfare, security and air-traffic solutions.

35% Share of sales 2024

2024

Order backlog SEK billion	Sales growth	Employees
52.7	19%	7,190

Kockums

Key products

Submarines, surface vessels, combat boats and underwater vehicles.

13% Share of sales 2024

2024

Order backlog SEK billion	Sales growth	Employees
14.4	32%	2,410

Combitech

Combitech is a technological consulting company based in the Nordic countries, fully owned by Saab. Combitech's areas of expertise span from total defence, cyber security, digitalisation and systems integration to engineering development, secure communication and autonomy.

2024

Order backlog SEK billion	Sales growth	Employees
1.9	10%	2,378

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Business Area Aeronautics

Core area
Fighter Systems

Business units
Advanced Programs, Aerospace Systems, Aviation Services, Gripen.

Highlights 2024

- Gripen E makes its debut in multinational military exercise and excels at Cruzex.
- Saab and FMV signs contract for conceptual studies on future fighter systems.
- Saab receives contract for four additional Gripen C fighters for Hungary.
- Award from Boeing to produce T-7A aft fuselage systems.

Key figures 2024

41.5
Order backlog, SEK bn

21%
Sales growth

16.7
Sales, SEK bn

5.9%
EBIT margin

6,023
Employees

Sales by market	
Sweden	57%
Rest of world	43%

Sales by domain	
Air	92%
Civil	7%
Land	1%
Naval	<1%

Sales by significant source	
Long-term contracts	88%
Services	5%
Products	7%

Aeronautics

Business Area Aeronautics supplies innovative, world-class aircraft systems. Our expertise encompasses research, development, production, and support for both military and civilian aircraft. We also conduct preparatory studies for future manned and unmanned systems, while continuously advancing existing products.

Gripen is designed to have the capacity to defeat any adversary. It is equipped with the latest systems, sensors and weapons to ensure combat advantage and air superiority in highly contested environments.

The latest version, Gripen E, is the world's first fully digitalised fighter aircraft. It is the only fighter with separated flight- and mission-critical software platforms, enabling continuous capability updates without compromising operational availability.

- Development of future manned and unmanned aircraft systems.
- Development, integration, modification and support of aircraft platforms for airborne surveillance systems such as GlobalEye.
- Saab and Boeing have jointly developed the next generation trainer-jet for the U.S. Air Force, the T-7A.
- Support solutions for fighter jets, aerial firefighting and helicopters.
- Development and production of advanced aerostructures and systems for the commercial aviation industry.

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Business Units in Aeronautics

Unmanned concept for Future Fighter Systems

Advanced Programs

Offering
Development of manned/unmanned Future Fighter System concepts including emerging and disruptive technologies, novel materials and agile methods.

Main sites
Linköping (Sweden)

Key customers
Sweden

T-7A

Aerospace Systems

Offering
Aeronautical subsystems: T-7 in partnership with Boeing, and airframe assemblies such as doors for Airbus and Boeing.

Main sites
Linköping (Sweden), West Lafayette (U.S.)

Key customers
U.S., Germany, France, U.K.

GlobalEye AEW&C

Aviation Services

Offering
Maintenance solutions, support and services for a wide range of aviation capabilities including Gripen and GlobalEye as well as other aircraft and helicopters. Support solutions as turnkey or stand-alone services to defence forces, civil authorities, operators and original equipment manufacturers (OEM).

Main sites
Linköping, Nyköping, Arboga, Ljungbyhed, Östersund (Sweden)

Key customers
Sweden, Brazil, UAE and civil operators in approximately 40 countries

Gripen E-version

Gripen

Offering
Main business unit for complete weapon system Gripen C/D/E/F. This includes design, development, related support and training systems, flight testing and contracting.

Main sites
Linköping, Järfälla and Arboga (Sweden), Brasília, São Paolo, Gavião Peixoto (Brazil)

Key customers
Sweden, Brazil, Hungary, Thailand, South Africa, Czech Republic

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Business Area Dynamics

Core area
Advanced Weapon Systems

Business units
Barracuda, Ground Combat, Missile Systems, Tactical Support Solutions, Training and Simulation.

Highlights 2024

- Record-high order intake of SEK +50 billion, with multiple Ground Combat and Missile orders.
- Strengthening position in the U.S. with new ammunition production facility in Michigan.
- Capacity expansion efforts and growing competence with 580 new employees during the year.
- U.S. Army selects Saab's AT4 solution for its Individual Assault Munitions Programme over the next 5-years.

Key figures 2024

78.9
Order backlog, SEK bn

31%
Sales growth

14.6
Sales, SEK bn

17.6%
EBIT margin

4,295
Employees

Sales by market	
Rest of world	79%
Sweden	21%

Sales by domain	
Land	89%
Naval	8%
Air	3%
Civil	<1%
Other	<1%

Sales by significant source	
Products	51%
Long-term contracts	37%
Services	12%

Dynamics

Business Area Dynamics offers a market-leading product portfolio comprising ground combat systems, missile systems, training systems and advanced camouflage systems for armed forces. With a significant order backlog and high customer interest, Dynamics is well positioned for future growth.

Saab is a world leader in the market segment of infantry support weapons through the Carl-Gustaf and AT4 families. NLAW, which is produced and marketed in cooperation with Thales, is the most advanced single soldier anti-tank weapon on the market. Missile Systems has a worldwide customer base with its operations mainly based in Sweden, Germany and the U.S. Dynamics holds:

- A strong portfolio of ground combat weapons, including Carl-Gustaf® and the anti-tank weapons AT4 and NLAW.
- World-leading ground-based air defence systems, RBS15 anti-ship missile and international missile programmes.
- Strategic partnerships with Boeing, Diehl Defence and MBDA with more than 60 customers worldwide,
- Complete training solutions for the land domain.
- Wide range of advanced camouflage and signature management systems.

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Business Units in Dynamics

Ground Combat

World-leading products used by defence forces around the world.

Offering
- Recoilless Carl-Gustaf M4 weapon with a range of ammunition types
- Anti-tank weapon NLAW
- Single-shot and fully disposable AT4 weapon

Main sites
Sweden, Switzerland, India

Key customers
Sweden, U.S., India, France, Australia

Missile Systems

Systems ranging from ground-based air defence solutions to anti-ship missiles. Partnership programmes such as the Ground-Launched Small Diameter Bomb (GLSDB) with Boeing and IRIS-T, a collaboration across six nations.

Offering
- Ground-based air defence solution RBS 70 NG
- Anti-ship missile RBS15
- Air-to-air missiles IRIS-T and Meteor
- Mobile Short-Range Air Defence (MSHORAD)
- GLSDB

Main sites
Sweden, Germany, U.S.

Key customers
Sweden, Germany, Czech Republic, Latvia, Lithuania

Barracuda

Development and manufacturing of a comprehensive range of camouflage and deception solutions for increased survivability and force protection.

Offering
- Barracuda Mobile Camouflage System (MCS)
- Barracuda Ultra-Lightweight Camouflage Screen (ULCAS)
- Barracuda Soldier System

Main sites
Sweden

Key customers
Several NATO countries

Training and Simulation

By innovative use of technology and a well-proven training philosophy, Training and Simulation offers world-leading training solutions and capabilities that enable interoperability and true realism for land forces.

Offering
- Live training and live fire training
- Virtual training
- Support and service

Main sites
Sweden, Czech Republic, Germany, U.S., U.K., Poland

Key customers
40+ countries globally, including U.S., U.K., Poland, Sweden and Germany

Tactical Support Solutions

Support partner to our customers as well as offering products and solutions in a global market such as healthcare solutions, CBRN systems, and vehicle and military electronics.

Offering
- System integration
- Support and maintenance for the Army domain
- Deployable healthcare solutions
- Ruggedised electronics
- CBRN detection and awareness solutions

Main sites
Sweden, Australia

Key customers
Sweden, Australia, U.K., Baltics, Denmark, France, Netherlands, Norway, Switzerland

CBRN = Chemical Biological Radiological and Nuclear

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Business Area Surveillance

Core area
Sensors, Command and Control Systems

Business units
Airborne Early Warning, Digital Battlespace Solutions, Fighter Core Capabilities, Naval Combat Systems, Safety and Security Solutions, Surface Sensor Solutions.

Highlights 2024

- Saab launches new products such as the electronic warfare sensor Sirius Compact L20C and the Giraffe 1X Compact Radar Module set.
- Saab announces a new production facility for the Sirius Compact radar in Tampere, Finland in 2025.
- Sweden orders a third GlobalEye airborne early warning and control aircraft.
- Saab receives orders for the mobile short-range air defence solution MSHORAD from Sweden and Lithuania.

Key figures 2024

52.7
Order backlog, SEK bn

19%
Sales growth

22.0
Sales, SEK bn

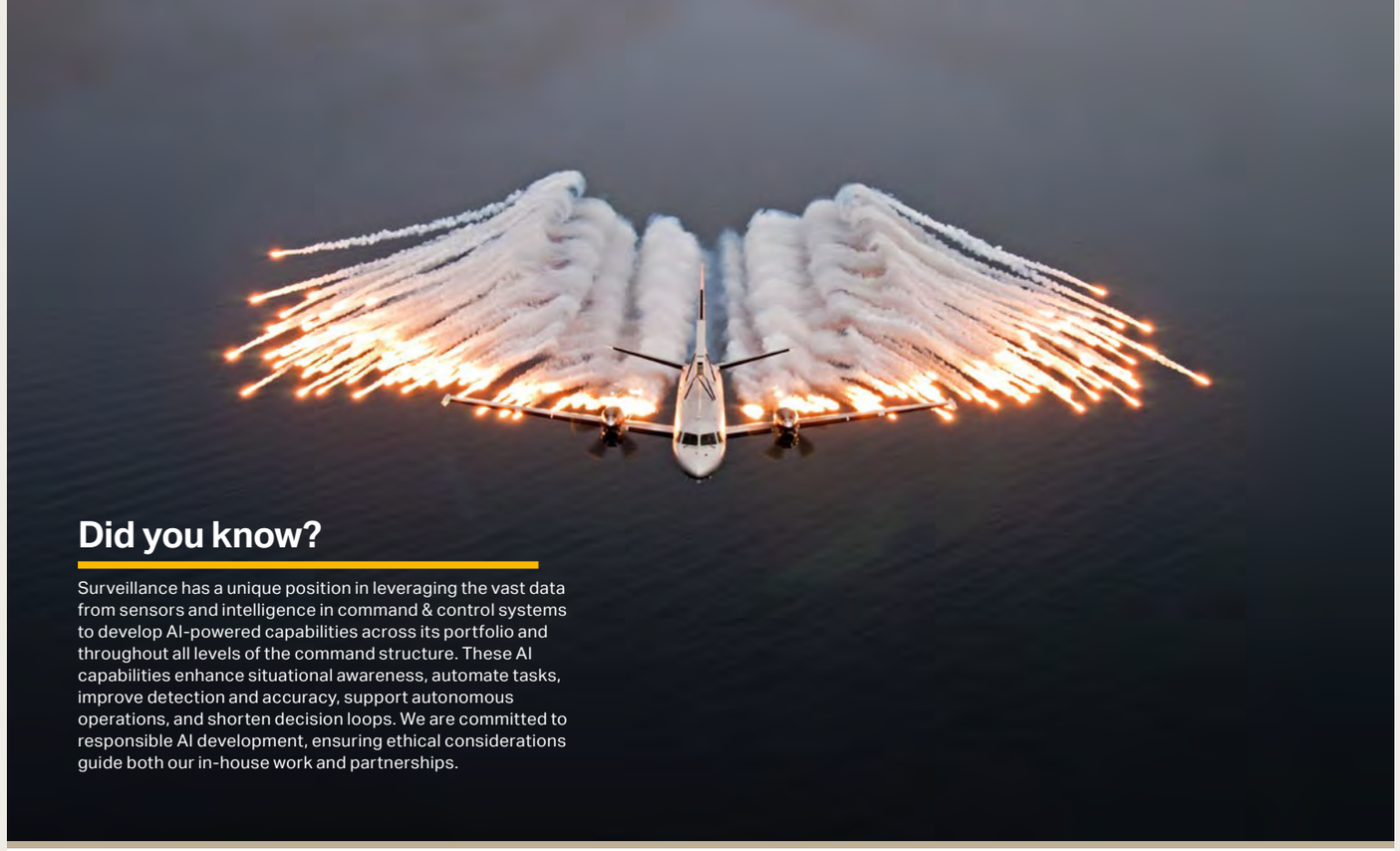
9.0%
EBIT margin

7,190
Employees

Sales by market	
Rest of world	72%
Sweden	28%

Sales by domain	
Air	37%
Naval	35%
Land	19%
Civil	9%
Other	<1%

Sales by significant source	
Long-term contracts	71%
Services	16%
Products	13%



Did you know?

Surveillance has a unique position in leveraging the vast data from sensors and intelligence in command & control systems to develop AI-powered capabilities across its portfolio and throughout all levels of the command structure. These AI capabilities enhance situational awareness, automate tasks, improve detection and accuracy, support autonomous operations, and shorten decision loops. We are committed to responsible AI development, ensuring ethical considerations guide both our in-house work and partnerships.

Surveillance

Surveillance provides world-class solutions for surveillance, command and control systems and self-protection, for defence and security applications.

Surveillance develops world-leading sensor solutions and systems integration for airborne, ground-based and naval platforms. The systems are high performing, compact, robust and easy to operate, with an increasing focus on software and AI. They can effectively be integrated into customers' existing solutions. Surveillance has:

- The world's largest customer base in airborne early warning & control (i.e. through GlobalEye and Erieye).
- A world-leading position in surface-based radar systems for air defence, weapon location and sense & warn.
- A leading international role in electronic warfare self-protection, signals intelligence and combat systems & C4I solutions with artificial intelligence and cyber security.
- Long experience of securing safety to military operations by providing end-users with tactical and operational advantages through unsurpassed C5ISR solutions.
- A broad global footprint within civil security, with solutions for public safety and high security facilities.
- Digital Tower and Air Traffic Management solutions.

C4I: command, control, communications, computers and intelligence.
C5ISR: command, control, computers, communications, cyber, intelligence, surveillance and reconnaissance.

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Business Units in Surveillance

Airborne Early Warning

Multi-domain airborne surveillance for military and security applications with installed base in Sweden, UAE, Thailand, Poland, Brazil, Mexico, Greece and Pakistan.

Offering
- Airborne Early Warning (AEW) solutions
- Sensors, mission systems and upgrades
- AEW support solutions

Main sites
Gothenburg, Linköping and Luleå (Sweden), Abu Dhabi (UAE)

Surface Sensor Solutions

Advanced radars and electronic warfare (EW) systems for land and naval applications. A world-leader in the AESA radar technology. Track record of 3,000+ systems in more than 26 countries worldwide.

Offering
- Radar and EW systems
- Integrated command and control (C2)
- Systems integration
- Air and sea surveillance
- GBAD, C-RAM, C-UAS , WLR, ESM, ELINT, COMINT*

Main sites
Gothenburg, Järfälla, Halmstad and Linköping (Sweden), Fareham and Farnborough (U.K.), Syracuse (U.S.), Helsinki and Tampere (Finland), Halden (Norway)

Naval Combat Systems

Advanced combat systems solutions and systems for command and weapon control in the naval domain. Globally deployed solutions with 100+ systems in use today across 30 customer countries.

Offering
- System integration
- Fire Control Systems
- Combat Management Systems
- Communication solutions
- Support and maintenance
- Upgrades

Main sites
Järfälla and Karlskrona (Sweden), Adelaide (Australia), Sønderborg (Denmark), Tampere and Turku (Finland), Wilhelmshaven (Germany), Gdansk (Poland)

Fighter Core Capabilities

Modular, multifunctional, distributed and connected systems for fighter aircraft and other airborne platforms, with over 20 customer countries.

Offering
- Electronic Warfare (EW) systems
- Radar systems
- Avionics

Main sites
Sweden, South Africa, Germany

Digital Battle-space Solutions

Design and integration of innovative, world-class communication and command and control solutions for modernisation of defence in and across all domains.

Offering
- Enabling multi-domain operations capability
- Autonomy and advanced decision support including communication solutions
- Coordinates Saab's offer within cyber defence and space

Main sites
Järfälla, Arboga, Linköping and Gothenburg (Sweden), Bedford (U.K.)

Safety and Security Solutions

Software-driven solutions that enhance safety, efficiency and security in air and marine traffic management and public safety and security.

Offering
- Air Traffic Management
- Public safety solutions
- Security solutions
- Transponders

Main sites
U.S., Sweden, Netherlands, Australia, U.K.

*GBAD = Ground-Based Air Defence, C-RAM = Counter-Rocket Artillery Mortars, C-UAS = Counter-Unmanned Aerial Systems, WLR = Weapon Location Radar, ESM = Electronic Support Measures, ELINT = Electronic Intelligence, COMINT= Communication Intelligence

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Business Area Kockums

Core area
Underwater Systems

Business units
Docksta, Submarines, Surface Ships and Underwater Systems

Highlights 2024

- Growing interest for Kockums surface ship capabilities and for the Combat Boat 90.
- New technology initiatives for capabilities within Naval Autonomy and Maritime Domain Awareness in the U.S.
- Launch of the Swedish HMS Södermanland submarine after extensive overhaul.
- Entered early design phase of the new future Luleå-class surface ships for Sweden.

Key figures 2024

14.4
Order backlog, SEK bn

32%
Sales growth

8.4
Sales, SEK bn

7.6%
EBIT margin

2,410
Employees

Sales by market	
Sweden	69%
Rest of world	31%

Sales by domain	
Naval	100%

Sales by significant source	
Long-term contracts	60%
Services	20%
Products	20%

Kockums

Business Area Kockums has long and extensive experience in developing highly advanced vessels and platforms for the maritime domain, on the surface and below.

With one of the world's most modern shipyards, Kockums is a leader in the development, construction, mid-life upgrade and in-service support of submarines, surface vessels and naval systems. In 2024, Saab's underwater systems, including next generation autonomous vehicles, and torpedoes business was moved from Dynamics to Kockums.

Through its world-leading technology, Kockums offers conventional submarines with a flexible configuration, meeting the needs of navies around the world.

This flexibility also secures upgrades and modifications, making the submarines future-proof. Equipment installations can be accessed for maintenance and upgrades at any point in the submarine's lifecycle. Kockums' surface vessels are also made for challenging environments with unique speed, shock resistance and stealth capabilities.

Kockums provides services such as basic design and material technology, but also superstructures and integrated masts in composite materials. Kockums delivers advanced platforms with capabilities for reconnaissance, surface combat, anti-submarine warfare, seabed operations, mine counter-measures or patrol missions.

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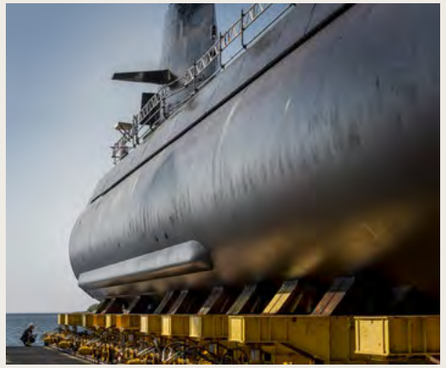
Business Units in Kockums



Submarines

Conventional submarines and submarine-related technologies with a variety of mission capabilities including long-range operations. Building on more than 100 years' experience. Seven submarine classes delivered across three continents.

Offering
- Oceanic submarines
- Expeditionary submarines
- Submarine rescue systems
- Air-independent propulsion (AIP) stirling engines and other underwater technologies
- Maintenance, support and upgrades

Main sites
Karlskrona, Malmö, Helsingborg (Sweden)

Key customers
Sweden, Singapore, Australia

Surface Ships

Solutions and capabilities to navies for surface combat, mine countermeasure and patrol, as well as design and material technology such as superstructures, and through-life support.

Offering
- Design and construction of surface vessels and systems
- Vessels and systems for mine countermeasures
- Saab Lightweight Integrated Mast and composite technology
- Maintenance, support and upgrades

Main sites
Karlskrona, Malmö, Helsingborg, Muskö (Sweden)

Key customers
Sweden, Poland, Singapore, Finland

Docksta

Advanced, highspeed combat and patrol boats for military and non-military applications with 300+ units delivered over three continents.

Offering
- Combat boats
- Patrol boats
- Pilot boats
- Maintenance, support and upgrades

Main sites
Docksta, Muskö (Sweden)

Key customers
Sweden, Germany, Poland, Peru

Underwater Systems

Autonomous underwater vehicles with cutting-edge technology and advanced capabilities to naval forces and commercial partners.

Offering
- Mine countermeasures (MCM)
- Anti-submarine warfare (ASW)
- Protection of critical underwater infrastructures

Main sites
Sweden, Denmark, U.K., U.S., Australia

Key customers
Navies and offshore energy companies around the world

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Combitech – an independent Saab company

Highlights 2024

- A SEK 1.2 billion ten-year agreement signed with the Swedish Defence Materiel Administration, including services and technical assistance for the Swedish Army's digital infrastructure for command support.
- Framework agreement with the Swedish Civil Contingencies Agency (MSB) in the field of exercises.
- All-time high recruiting pace achieved with a net increase of 180 new colleagues in 2024.

Key figures 2024

1.9
Order backlog, SEK bn

10%
Sales growth

4.3
Sales, SEK bn

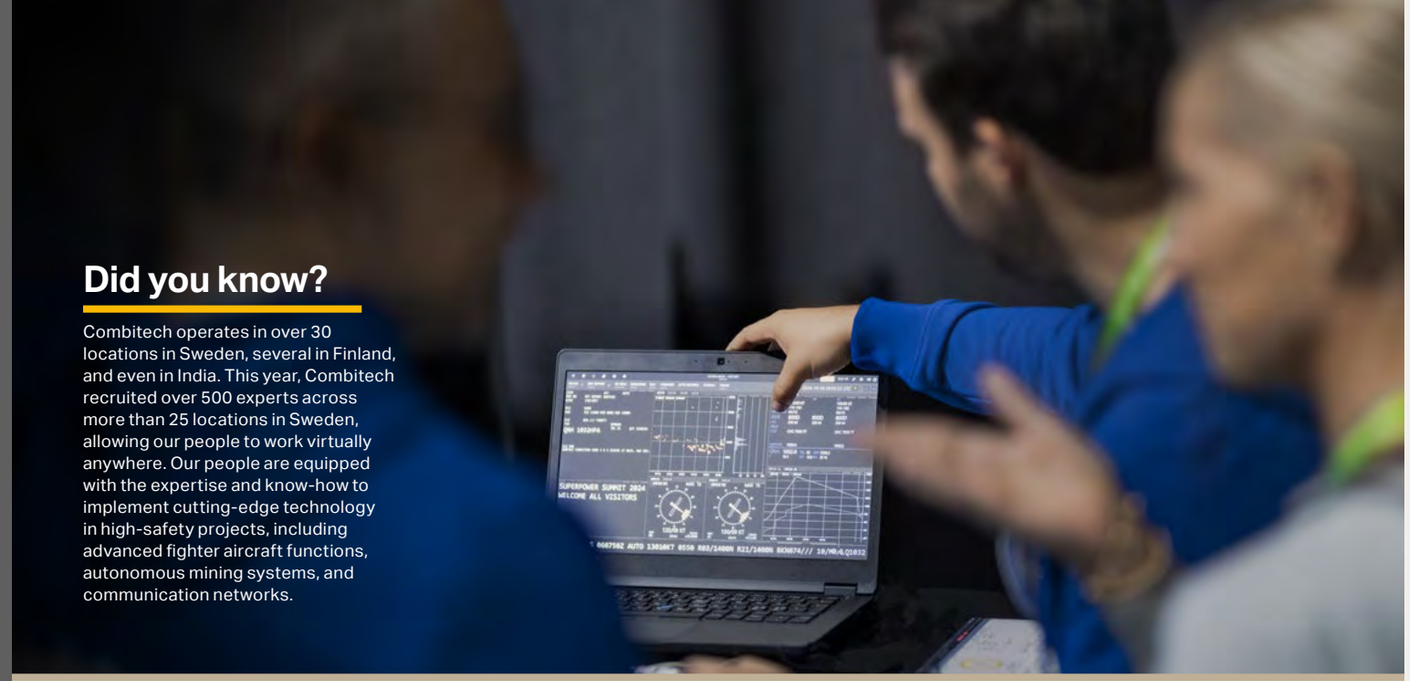
10.3%
EBIT margin

2,378
Employees

Sales by market	
Sweden	95%
Rest of world	5%

Sales by customer	
Military	55%
Civil	45%

Sales by significant source	
Services	90%
Products	10%



Did you know?

Combitech operates in over 30 locations in Sweden, several in Finland, and even in India. This year, Combitech recruited over 500 experts across more than 25 locations in Sweden, allowing our people to work virtually anywhere. Our people are equipped with the expertise and know-how to implement cutting-edge technology in high-safety projects, including advanced fighter aircraft functions, autonomous mining systems, and communication networks.

Combitech

Combitech is a tech consultant and solutions partner with employees in the Nordic countries, fully owned by Saab. Combitech has in core capabilities for shaping a smart and resilient society, spanning areas such as total defence, cyber security, digitalisation, systems engineering and integration, engineering development, secure communication and autonomy.

With more than 40 years of experience in civil and military defence and a strong track record, Combitech utilises its knowledge and competence across sectors to deliver advanced solutions to complex challenges for its customers.

Geopolitical insecurity is driving demand for capabilities in support of total defence and national society preparedness. Combitech has a strong position in these areas and is expanding its core through steady acceleration within military and civil defence, the defence industry, the telecom industry including critical communications, and the mining sector. Combitech is also breaking new grounds within its core by focusing on NATO compatibility, applications, artificial intelligence and site automation. As development within these areas is accelerating, and with technologies becoming more capable and available, agility and adaptability will be crucial to stay competitive.

Going forward, Combitech is well positioned to further deepen the relationships with strategically important customers and at the same time continue to initiate new partnerships and collaborations to strengthen societal resilience. By accelerating the work to build even more team deliveries and integrated solutions, Combitech works to further refine operational excellence.

For Combitech, being an attractive employer is key. Therefore, it is crucial to meet today's expectations of potential and current employees. That includes having a focus on sustainability with environmentally and socially responsible solutions, and offering secure and safe employment as an inclusive employer that fosters growth, mentorship, innovation and well-being.

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Combitech's areas of expertise

Smart and Secure Industry

With the rapid advances in technology, the transformation to a fully secure and digital industry accelerates. By shortening time from data to realised value, time and resources are freed up and equipment is utilised more efficiently. That is what "smart and secure" industry is all about.

Offering
- Technical development
- System integration
- Safety-critical systems
- Autonomy
- Connectivity
- Cyber security
- Artifical intelligence
- Documentation

Key customers
Epiroc, LKAB, Boliden, BAE Systems Bofors, Ericsson, Saab units

Smart and Sustainable Community

By working with technology, development and people in collaboration, Combitech accelerates its contribution to society. We use this cross-sectoral knowledge to secure critical assets and communication flows, but also to develop solutions to strengthen societies and organisations in their daily operations.

Offering
- Digitalisation
- Safety-critical systems
- Cyber security
- Artifical intelligence

Key customers
Banks, municipalities, the Swedish Forest Agency, Göteborgs Energi, LFV (Luftfartsverket) and SvK (Svenska kraftnät)

Smart and Resilient Total Defence

The complex geopolitical situation continues to dominate the agenda, and the need to rebuild a strong total defence is evident. Combitech has a long legacy of working with both civil and military defence, together with authorities, the industry, defence and the private sector. Our employees use their domain knowledge to build resilience by developing robust solutions and processes to strengthen society and businesses.

Offering
- System integration
- Safety-critical systems
- Robust communications
- Cyber security
- Emergency preparedness
- Artificial intelligence

Key customers
Swedish Armed Forces, Finnish Defence Forces, the Swedish Defence Materiel Administration (FMV), the Swedish Civil Contingencies Agency (MSB), municipalities and County Administrative Board of Sweden

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Our strategic priorities

Drivers

- A purpose to keep societies safe
- A new geopolitic and market reality
- Focused growth in strategic markets
- Unique and broad portfolio
- Investments in future technology
- Sustainable business

Strategic priorities

- Delivery on customer commitments
- Industrialisation for scale and efficiency
- Investments in increased capacity
- Digitalisation transformation
- R&D in core future technologies
- Securing and onboarding competencies
- Partnerships and collaboration
- Mergers and acquisitions
- Deliver on sustainability strategy

Long-term value creation

- Multi-year growth
- Earnings growth
- Cash flow generation
- Financial discipline
- Dividend payout
- Sustainability leader in defence

Our market reality has changed and it is here to stay. We put significant efforts to drive sustainable value for our shareholders and society through our strategic priorities and by delivering on our customer commitments.

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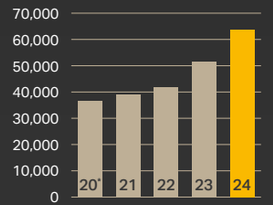
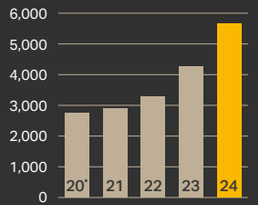
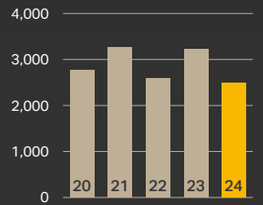
Medium-term targets

With a record order backlog, high demand for its product portfolio and further bringing forward significant investments, Saab has updated its medium-term targets and raised its target for organic sales growth for 2023-2027 to around 18% (CAGR), up from around 15% and reduced the cumulative cash conversion target to at least 60% from at least 70% for the same period.

	Organic sales growth	Operating income	Cash flow
Target (2023–2027) →	Compound annual growth rate (CAGR) 2023–2027* **~18%**	Operating income growth higher than organic sales growth **higher**	Cash flow conversion**, cumulative for the 5-year period **>60%**
Outcome 2024 →	**Sales, MSEK**  **23%** Organic sales growth *2020 adjusted for items affecting comparability	**EBIT, MSEK**  **33%** Operating income growth *2020 adjusted for items affecting comparability	**Operational cash flow, MSEK**  **44%** Cash conversion**
Comment →	With a well-positioned portfolio and a focused growth strategy, Saab aims to capture increased market opportunities and deliver continued growth. Key priorities are delivering on the customer commitments and increase production capacity, whilst continuing to invest in future capabilities. During 2023-2024, Saab's compounded annual sales growth corresponded to a growth of 23%, driven by growth in all business areas.	Saab is committed to improve profitability, and to ensure that the improvement is sustainable over time. This is achieved through scale effects from higher volumes and efficiency. In 2024, Saab improved its profitability with an EBIT growth of 33% and an EBIT margin of 8.9% (8.3). This was supported by higher sales volumes, scale and efficiency efforts, while maintaining the priority on R&D investments.	Saab targets a positive cash flow in the medium-term period driven by continuous earnings growth and customer milestone payment. Active financial steering of working capital and continued investments in capacity and R&D is important for future growth. In 2024, Saab delivered on its positive cash flow outlook with an operational cash flow of SEK 2.5 billion, which corresponded to a cash conversion of 44%. The cash flow was a result of large customer milestone payments.

*CAGR base year 2022
**Cash conversion defined as operational cash flow divided by operating income

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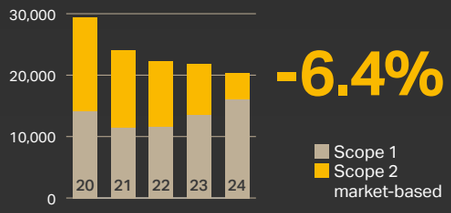
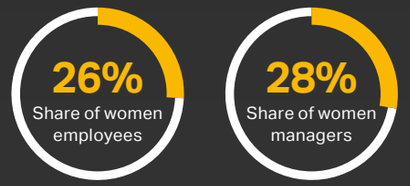
Sustainability targets

Saab strives for a sustainable business in all aspects of its operations and impact on society. Delivering on our sustainability targets is key to ensuring Saab's competitiveness now and in the future. For full disclosure on all Saab's sustainability targets, see the Sustainability Report.

	Business and human rights **Resilient and safe societies**	Climate impact **Green and social transition**	Diversity and inclusion **Innovation and partnerships**
Target →	Business opportunities flagged in Saab's customer relations management system assessed for human rights risks **100%**	2024 target: Reduction in Scope 1 & 2 CO_2e emissions **-4.2%**	2025 target: Share of women employees **>25%** 2025 target: Share of women managers **>30%**
Outcome 2024 →	During 2024, 16 (43) flagged opportunities have been assessed according to Saab's Responsible Sales Policy. **100%**	**Scope 1 & 2 emissions, tonnes CO_2e**  **-6.4%**	**Share of women, %** 
Comment →	Saab's Responsible Sales Policy strengthens our commitment to human rights risk management relating to the sale and marketing of products. A responsible sales screening is required for all new sales opportunities, and any high-risk opportunities are flagged and must undergo an additional due diligence process. An opportunity is flagged when: • A customer has a Saab Responsible Sales Index score below a certain threshold, and • A product is classified as military equipment, and • It is not a follow-on delivery (e.g. spare parts) Read more about Saab's Responsible Sales Policy on page 120.	Driving the green transition is a core pillar of Saab's sustainability strategy. In line with Saab's commitment to Race to Zero and net zero emissions by 2050, we are making significant efforts to reduce our greenhouse gas emissions. In 2024, Saab reduced emissions by 6.4% compared to 2023. The reduction was driven by continued work with energy efficiency measures, a reduced mix of emission-intense energy sources from suppliers, and the purchase of Guarantees of Origin and Renewable Energy Certificates. Read more about Saab's efforts to reduce our climate impact on page 84.	At Saab, we are convinced that a workplace characterised by diversity and inclusion boosts innovation and increases employees' engagement, well-being and performance. Gender equality is an important aspect of diversity and inclusion, and increasing the share of women employees and managers is something that Saab has worked with systematically for many years. In 2024, the share of women employees increased to 26% (25) and the share of women managers to 28% (27). Read more about diversity and inclusion at Saab on page 114.

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The share

The Saab share is listed on Nasdaq Stockholm, where it trades with the ticker SAAB-B. During the year, the Saab share increased 54% compared to the Swedish large cap index OMXS30 which increased 4%. The highest traded price was SEK 275 on July 19, 2024, while the lowest traded price was SEK 152 on January 2, 2024.

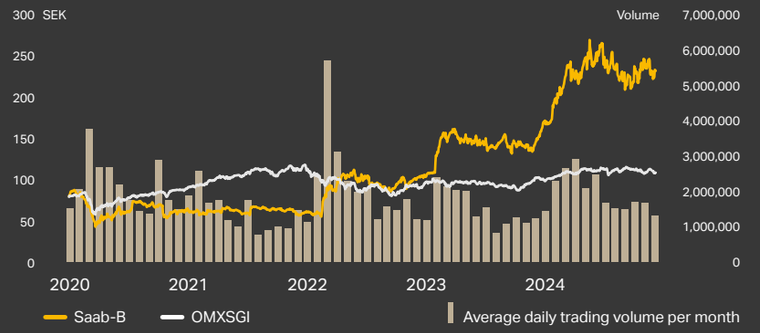
The average daily trading volume in Saab shares was 1.9 million in 2024 compared to 1.5 million in 2023. The number of shareholders in Saab increased by 80% in 2024, from 104,951 at 31 December 2023 to 188,744 at 31 December 2024.

To further enhance liquidity in Saab's shares for its growing shareholder base, Saab implemented a share split in 2024, dividing each share into four shares of the same series.

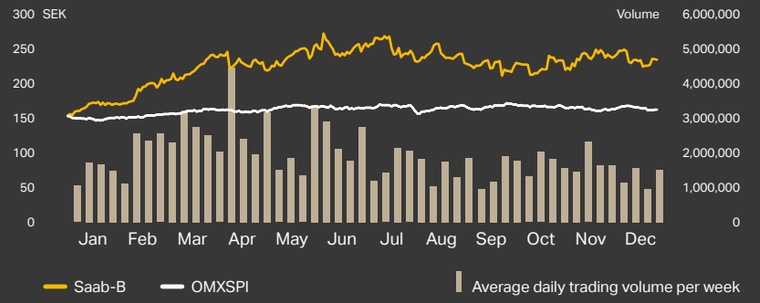
The share split was approved by the Annual General Meeting on April 11th, and the Board of Directors set the record date for the split as May 8, 2024. After the share split the total number of shares in Saab amounted to 543,383,388, whereof 9,535,612 A shares and 533,847,776 B shares. A shares accounted for 15% of the votes, while B shares accounted for 85%.

Saab's market capitalisation, SEK

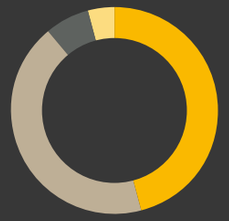
Saab-B total shareholder return in the last 5 years



Saab-B share price performance in 2024

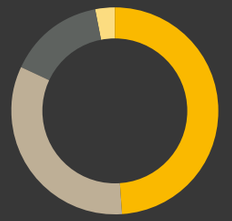


Trading per marketplace



- Nasdaq **46%**
- Cboe Global Markets **43%**
- London Stock Exchange Group **7%**
- Other **4%**

Ownership distribution



- Swedish institutional owners **49%**
- Foreign institutional owners **33%**
- Swedish private individuals **15%**
- Other **3%**

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen).

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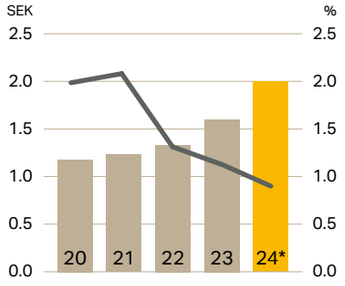
Authorisation for repurchase

The Annual General Meeting in 2024 decided to authorise the Board of Directors to repurchase a maximum of 1,100,000 shares (4,400,000 following the share split) of series B to secure delivery of shares to participants in Saab's long-term incentive programmes. The Annual General Meeting also decided to authorise the Board, before the next Annual General Meeting, to decide on the acquisition of B shares up to a maximum of 10% of the total number of shares in the company.

Dividend and dividend policy

Saab's long-term policy is to pay a dividend corresponding to 20-40% of net income over a business cycle. For the financial year 2024, the Board of Directors is proposing a dividend of SEK 2.00 per share (1.60). The proposed dividend corresponds to 25% (25) of net income and is in line with the long-term dividend policy. The dividend is to be paid out in two equal instalments.

The proposed record dates to be entitled to receive the dividend are 14 April 2025 and 7 October 2025. The dividend is expected to be paid out on 17 April 2025 and 10 October 2025.



Historical numbers have been divided by 4 to reflect the share split implemented in 2024

Saab's largest shareholders, 31 December 2024

Owner	Number of shares	% of capital	% of votes[1)]
Investor AB	154,354,876	30.2	40.1
Wallenberg Investments	47,343,500	8.7	7.6
Swedbank Robur Funds	17,716,433	3.3	2.8
BlackRock	14,550,934	2.7	2.3
Vanguard	12,675,794	2.3	2.0
Avanza Pension	5,102,875	0.9	0.8
AllianceBernstein	4,739,720	0.9	0.8
Avanza Funds	4,648,098	0.9	0.7
First Swedish National Pension Fund	4,604,067	0.8	0.7
Norges Bank Investment Management	4,270,905	0.8	0.7
10 largest shareholders	**270,007,202**	**51.5**	**58.5**
Other shareholders	256,924,956	47.2	41.5
Repurchased shares	6,915,618	1.3	
Total	**533,847,776**	**100.0**	**100.0**

1) % of votes is calculated based on the number of shares excluding treasury shares at 31 December 2024.

Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority (Finansinspektionen).

Rating S&P BBB+

In 2024, Saab received an initial investment-grade credit rating from S&P Global. The credit rating institute assigned Saab a BBB+ rating with a stable outlook, marking an important milestone that strengthens the company's flexibility and potential in credit markets for future financing opportunities.

S&P notes in their report that Saab holds leading positions across its core divisions and long-term relationships with its customers, coupled with significant exposure to the robust defence industry. S&P further states that the BBB+ rating reflects Saab's strong balance sheet, conservative financial policy, and strong cash generation profile, supported by strong liquidity.

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Merton Kaplan
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Significant events 2024

23 February
Saab signed a contract with the Swedish Defence Materiel Administration (FMV) and received an order for four additional Gripen C fighter aircraft for Hungary. With this new contract amendment, Hungary will operate a total of 18 Gripen C/D aircraft to protect and defend the Hungarian and NATO airspace.

4 March
Saab signed a contract with the Polish Ministry of Defence's procurement authority for delivery of the Carl-Gustaf M4 weapon, ammunition and training equipment. The order value is SEK 12.9 billion and the contract period is 2024-2027.

22 March
Saab received an order from the Swedish Defence Materiel Administration (FMV) regarding concept studies for future fighter systems. The contract period is 2024-2025, and includes conceptual studies of manned and unmanned solutions in a system of system perspective, technology development and demonstrations.

26 March
Saab announced it had received an order from Airbus Defence and Space for the Arexis sensor suite for the electronic warfare variant of the German Eurofighters. The contract period is 2024-2026.

4 april
Saab announced that CFO and Deputy CEO Christian Luiga has decided to leave Saab in order to pursue a new opportunity at a global company in a different industry segment.

10 April
Saab announced it has appointed Mikael Adelsberg as Chief Digital Officer and head of the new group function Group Digitalisation. Mikael will become a member of Saab's Group Management and the change will take effect on 1 October at the latest.

11 April
Saab held its Annual General Meeting in Linköping, Sweden. The Annual General Meeting decided on a dividend of SEK 6.40 per share, which is to be paid out in two equal instalments. The AGM also resolved on a share split whereupon each share is divided into four shares. The record date for the share split was 8 May, 2024 and each shareholder's proportional ownership, including right to dividend, remained the same. Read more on www.saab.com/agm.

31 May
Saab received an order from the Government of a Western country for a number of defence systems and equipment. The order value is approximately SEK 7.7 billion with deliveries planned 2027-2028.

4 June
Saab received an initial investment grade credit rating from S&P Global. The credit rating institute assigned Saab a rating of BBB+ with stable outlook.

18 June
Saab announced that Anna Wijkander, deputy CFO and head of Corporate Control at Saab, will become the company's new CFO and a member of Saab's Group Management. Anna Wijkander assumes the position on 9 September 2024.

27 June
Saab signed a contract with the Swedish Defence Materiel Administration (FMV) regarding delivery of a third GlobalEye airborne early warning and control aircraft to Sweden. The order value is approximately SEK 2.6 billion and the delivery period is 2024-2029.

24 July
Saab received an order for defence equipment from the government of a Western country. The order value is approximately SEK 6.6 billion with deliveries planned 2027-2028.

30 August
Saab announced that the U.S. Army has selected Saab's AT4 solution for its Individual Assault Munition programme. The contract allows the U.S. Army to place orders for up to USD 494 million over five years, and order values will be established individually.

10 October
Saab informed that the U.S. Department of Justice (DoJ) has requested information from Saab North America, Inc. regarding Brazil's acquisition of Gripen fighters in 2014. Saab intends to comply with the request to supply information and to cooperate with DoJ in this matter.

23 December
Saab announced a signed contract with the Swedish Defence Materiel Administration (FMV) to modernise Sweden's coastal anti-ship missile capability valued at SEK 800 million with deliveries to begin in 2026.

Events after conclusion of the period

16 January 2025
Due to high demand for the passive EW sensor Sirius Compact, Saab announced the initiation of volume serial production in 2025. A new production facility will be opened in Tampere to support this expansion.

17 January 2025
Saab provided a Q4 update and announced that its sales for full year 2024 is expected to be approximately SEK 63.8 billion (51.6), corresponding to an organic sales growth of 23.4%. Saab has previously communicated the organic sales growth outlook to be at the upper end of the range of 15-20% for the full year 2024.

29 January 2025
Saab announced that Jonas Hjelm, Senior Vice President and Head of Government Affairs, will be leaving his position and the Group Management team.

31 January 2025
Saab announced a number of changes affecting the Group Management team of the company. Read more on page 62.

7 February 2025
Saab presented year-end 2024 report and communicated an outlook for 2025 of an organic sales growth between 12-16%, an EBIT growth higher than the organic sales growth and a positive operational cash flow. Saab also communicated updated medium-term targets 2023-2027: an organic sales growth of around 18% (CAGR), an EBIT growth higher than the organic sales growth and a cumulative cash conversion of minimum 60%.

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Risk management

Risk is inherent in all business activities. That's why proactive and effective risk management is essential for achieving our strategic goals and creating sustainable value for all our stakeholders.

Saab develops, manufactures and supplies technologically advanced systems and products to military and civil customers around the world. Operations largely consist of technology development as well as major projects carried out over long periods of time, usually several years, in close cooperation with customers, suppliers, partners and research institutes. In addition to customer and supplier relations, international operations involve joint ventures and collaborations with other industries as well as the establishment of operations abroad.

Saab is affected by geopolitical, worldwide financial and sustainability factors, as well as industry and business-related events that can give rise to risks and uncertainties. By understanding risks and their impact, the aim is to better support decision-making and balance risk-taking within the established framework.

Saab is today growing rapidly both in Sweden and in other countries including investments in capacity scaling such as production ramp-ups and new factories as well as with a high rate of recruitment, which entails a higher level of risk. This also implies a greater uncertainty in sales growth, income and cash flow.

Enterprise risk management

The purpose of Enterprise Risk Management (ERM) is to provide a Group-wide overview of the consolidated risks Saab is exposed to and to support value creation, ensure risk awareness and balance risk versus return. The ERM risks are weighed against the company's risk tolerance, and decisions are made on the appropriate measures to avoid, reduce, spread or accept risks. Risk owners manage the risks and when needed, action plans are defined and implemented to minimise the probability and impact of identified risks. The ERM process is illustrated to the right.

In addition to the risk process, Saab has a process for monitoring internal control within financial, sustainability and business-related processes. Key controls, designed to handle a specific risk, are performed within business areas and group functions according to each key control's frequency. Semi-annually, a self-assessment on completed key controls is performed. Results from performed key controls and self-assessments are reported to Group Management and once a year to the Audit Committee.

How we manage risk

Each business area, strategic market and group function is responsible within its respective organisation for identifying and managing risks in accordance with the Group's common risk processes and current policies, guidelines and instructions. Combined with overarching risks, a top-down and bottom-up view is consolidated.

There is also a quarterly assessment of the top risks to monitor changes and ensure that mitigation actions are in place and delivering the expected result. The assessment is presented to the Group Management.

Strategy development & execution
ERM is part of the strategic work with focus on overarching risks.

Group Management review
Group Management reviews the consolidated assessment yearly.

Audit Committee and Board of Directors
The consolidated risk assessment is reported to the Audit Committee and the Board of Directors.

Annual Report
A high-level overview is presented externally in the Annual Report.

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The external auditors perform testing of Saab's internal processes and key controls and report to Group Management and the Audit Committee once a year. Saab's Internal Audit function is independently responsible for performing audits on financial, sustainability and business matters. The audits are reported and followed up by Group Management and the Audit Committee.

Insurance and loss prevention

Saab Group's global insurance programme contains all the common types of business insurance, including product liability. However, Saab is not fully insured against the effects from flooding, earthquakes and other natural disasters. The management of insurance policies is centralised and the insurances are procured globally as well as on a country-by-country basis. Insurance policies comply with local laws where applicable.

A Group-wide loss prevention programme sets the requirements for physical protection, preventive work and action plans if incidents occur. To ensure that the requirements are met and to support the business operations in the preventive work, risk inspections are conducted on an annual basis and the results reported to Group Management.

Risks related to armed conflicts

The geopolitical tensions in the world, including the armed conflicts in Ukraine and the Middle East as well as disinformation, have resulted in a more complex and diverse security environment for Saab. Therefore, Saab has increased security measures to protect its sites, personnel and IT, as well as measures against cyber risks, which may lead to increased costs for security.

Saab has no defence-related sales exposure to Belarus and Russia, but is closely monitoring the impact on the business from the war in Ukraine. Saab is operating in a highly regulated market and it is essential for Saab as a responsible defence company to comply with all applicable regulations and commitments regarding export control and sanctions, i.e. sanctions from EU, UN, OSCE or other applicable country-specific sanctions. Saab's crisis management organisation has an ongoing focus on security, embargo and sanction practices.

Furthermore, Saab could be impacted by supply chain risks related to the conflict in the Middle East as the company has a limited number of suppliers in Israel. Saab is monitoring the situation and has mitigating actions in place and is in close dialogue with its suppliers. Saab has no defence-related sales exposure to Israel.

Information request from U.S. Department of Justice

In October 2024, Saab North America, Inc. received a subpoena from the U.S. Department of Justice (DoJ) requesting information about the Brazilian Government's acquisition of 36 Gripen E/F fighter aircraft in 2014. Saab is complying with the request to supply information and is cooperating with the DoJ in this matter. Both Brazilian and Swedish authorities have previously investigated parts of the Brazilian fighter procurement process. These investigations were closed without indicating ant wrongdoings by Saab.

Sustainability risks

Sustainability is integrated in Saab's business and in the risk management framework. It cuts across all our risk areas as there are strategic, operational, financial, market and political, and compliance sustainability risks to consider. To keeping people and societies safe, Saab works within the three sustainability areas "Resilient and safe societies", "Green and social transition" and "Partnerships and innovation". These areas cover risks such as business and human rights, anticorruption, information security, export compliance, climate impact, circular economy, occupational health and safety and diversity and inclusion, among others. Sustainability includes both the impact Saab has, or could have, on the environment and people, as a result of the company's activities or business relationships as well as financial and performance impact on Saab from uncertain environmental, social or governance events or conditions if they occur.

For example, climate change and natural disasters can disrupt operations and/or affect the supply chain and customers, and rules and requirements for industrial processes are continuously strengthened. Saab works to mitigate such risks on the business, for example when planning new facilities. Saab is taking measures to mitigate the occurrence of risks like extreme weather or higher energy costs, and takes into account the environmental considerations regarding building requirements, whilst striving to provide the best conditions for employees in accordance with Saab's policies.

A series of initiatives for a regulatory framework for sustainable finance, based on sustainability criteria has been launched in recent years. The main strategic objective of these initiatives is to mobilise private sector investments to drive sustainable development with, for example, the green and low-carbon transition. In parallel, there is an ongoing debate on the social dimension of sustainability, including attempts to define which activities are socially responsible. There is a risk that financial market operators will continue to develop their own interpretation of the social aspects of sustainability that may affect financing and investors' support of defence activities.

The most critical sustainability risk for Saab is that we do not deliver on all our commitments in Saab's sustainability strategy. This requires a high level of monitoring, KPI:s, risk assessment and actions for material topics together with internal and external communication of progress. For more information, see Saab's Sustainability Report.

Risks related to a pandemic outbreak

Risks related to a new pandemic outbreak cannot be ruled out, which could impact Saab's operations. However, Saab has a crisis management organisation and business continuity management in place to mitigate such risks. Saab continues to monitor the long-term effects following the COVID-19 pandemic.

2024 main risks

The risks highlighted on the following pages are the main ones identified within each risk category during the 2024 ERM process. Saab's approach to managing them is also described. These risks can, separately or in combination, have a material adverse impact on Saab's business, strategy, financial performance, cash flow, shareholder value or reputation.

For information about financial risks such as currency, interest, liquidity, funding and credit risks, as well as the risk management of them, see note 35, for post-employment benefit risks, see note 31, and for legal proceedings, see note 32, subheading Other provisions.

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Risk	Description	Examples of mitigation
Strategic risks	The strategy to grow globally by strengthening its presence in selected markets, developing innovative solutions and acquiring companies in priority areas exposes Saab to various risks that can affect its ability to create value and reach its goals.	Strategic risks are managed through strategies and plans established by the Board of Directors, Group Management and the management teams of the business areas and group functions. The Board is closely following the investments in R&D, innovation and acquisitions.
Development of new high-tech systems and technology shift risks	Saab's success is dependent on its ability to develop and manufacture innovative products and launch them on the market at the right time and at competitive prices. Due to long development cycles, market changes can mean that demand has changed when products are ready to bring to market. The risk is that the products do not generate the previously expected return. A large share of Saab's product renewal has been achieved collaboratively with the Swedish Armed Forces and the Swedish Defence Materiel Administration (FMV) as well as with other nations. There are also risks not embracing the rapid ongoing digitalization, for technology shifts, present competitors or new more agile companies developing new products or disruptive technologies that can make Saab's products appear obsolete.	• Saab is continuously investing in product development to strengthen its competitiveness and drive innovation in future capabilities areas such as autonomy, distributed sensor systems and cyber defence and space. • Accelerating speed in demonstrating minimum viable product in selected areas. • Leveraging digitalization both in products and processes, software development and AI. • Acquisition of and collaboration with agile companies to leverage joint disruptive technologies. • To reduce the development risk inherent in major systems, multinational partnerships are imperative, and for internally developed products it is important to identify a launch customer early. • Saab expects Sweden to account for the largest share of its development expenditures in the fighter aircraft, missile and underwater areas. • Investing in product innovation that leads to reduced climate impact from the use of our products as well as efficiency measures in our processes and facilities.
Workforce	Competition is high in the labour market and to ensure future competitiveness and growth, Saab is dependent on its ability to attract, develop and retain employees and leaders globally with the right skills in e.g. multiple technologies, including software, production, IT security, digitalisation, business development and project management.	• Strategic workforce planning to ensure access to employees with the right skills at the right time. • Purpose, culture, employee engagement, leadership, competence and ways of working are all key elements in this area. • Salaries and other conditions are adapted to the market and linked to business priorities. • Long-term work to position Saab as an attractive employer as well as promote education and an interest in technology in order to broaden the future recruiting base.

Risk	Description	Examples of mitigation
Cyber and information security risks	Cyber and information security risk is an increasingly material risk that continuously evolves. Saab manages information that is vital to its customers and in many cases to their national security. The information security risk for Saab is that information will fall into the wrong hands if handled incorrectly. Non-compliance to requirements from customers and governments to adhere to information security standards such as ISO and NIST, leading to business interruptions and financial impacts. Cyber threats is a risk that has also increased for Saab's products, which contain a large amount of information, as it has become more common for these products to be linked to civil networks.	• Cyber security is regularly discussed, addressed and invested in. Adherence to increasing requirements from customers and governments regarding information security standards. • Strategic initiatives to further ramp-up secure digitalisation. • Continuous and systematic information and IT security work and periodic audits of IT security. • Clearly defined rules, processes, routines and technical solutions for information, IT and communication security. • Standardised processes for implementation of new systems, upgrades and how we conduct daily operations. • All employees receive training in information management and security. • Different levels of physical and digital security classifications to reduce the risk of information leaks. • Work with solutions to increase cyber security in Saab's products.

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Risk	Description	Examples of mitigation
Market and political risks	About 90 per cent of Saab's sales consists of defence materiel, which is regulated by national laws and regulations as well as international conventions, and more than half of total sales is international.	Saab works proactively to manage market and political risks and uncertainties, through strategic impact assessments and alternative strategies. It is impossible, however, to completely avoid losing business opportunities or incurring damage if political or other market risks are realised.
Political, geopolitical and macroeconomic risks	Demand for defence materiel is dependent on the political mandate and willingness of national governments, as well as fiscal flexibility. The defence industry is therefore affected by a number of macroeconomic factors, e.g. global economic growth, trade barriers and changes in exchange rates. It is also exposed to geopolitical risks and the world security situation. A changing market landscape with Sweden in NATO and both the EU and NATO pledging for increased cooperation and integration between the member states in matters relating to defence. The EU takes a more active role in forming the business conditions for the defence industry, moving towards more joint procurement and strives to consolidate the EU defence industry towards strong champions in each segment to avoid dilution of R&D funding.	• Strategic, geopolitical and market analysis of new regions and countries. • Dialogue with authorities and the political establishment. • Branding campaigns to increase knowledge about Saab importance for Swedish defence capability and security of supply. • Proactive measures to assess and manage risks and opportunities. • Major investments are mainly in focus countries and strategic markets. • Building long-term international relationships and partnerships with key stakeholders. • Terms & conditions, export guarantees, insurance solutions and other instruments. • Increase local operations and collaboration in the strategic markets. • Create position in the new landscape (EU & NATO) by emphasising Saab's key capabilities and establishing our role also in other areas. • Saab is part of the European defence industry and has operations and collaborations in several European countries.
Change of export control regulations	A large share of Saab's exports is from Sweden, where the Swedish Inspectorate of Strategic Products (ISP) determines which defence products Saab may manufacture, market, sell and export to which countries. ISP makes an overall assessment that considers several factors. Saab may also be dependent on export control laws in other countries where it has operations or suppliers. Some of Saab's civil products are governed by export controls on dual-use products. The risk for Saab arises from changes to laws, regulations and permits.	• Continuously monitor laws, regulations and standards to adapt the business as needed. • A central function with responsibility for compliance to business requirements and both central and local export control functions. • Terms and conditions in contracts to adhere to regulations.

Risk	Description	Examples of mitigation
Operational risks	Operational risks can affect Saab's ability to deliver on its commitments and are important to day-to-day operations. The risks include risks relating to order bookings, contract management, project execution, suppliers, product liability, the environment, and occupational health and safety.	Operational risks are managed in tactical and operational decisions as well as at an operating level throughout the organisation. Information about Saab's work with environmental and occupational health and safety risks can be found in the Sustainability Report.
Risks related to the execution of long-term customer projects	Saab's operations involve complex, long-term development projects on the leading edge of technology that in some cases also include industrial cooperation in the customer country. When a contract is signed, the product may not be fully developed in some instances. Contracts also often include a fixed-price component, which can entail a risk of incorrect pricing if the costs cannot be adequately estimated. The risk in long-term customer projects is that Saab does not succeed in delivering cost-efficient, high-tech solutions as per the terms of the contract or in implementing the required industrial cooperation. Consequently, the commitment may not be fulfilled and the costs may run significantly higher with a negative impact on financial position. The Group applies the percentage of completion method to recognise revenue from the majority of long-term customer projects. An estimation of total cost, including assessments of technical and commercial risks, is critical to revenue recognition and provisions for project losses as well as inventory valuations. Revised estimates of total project costs have a retroactive impact on results.	• An established quality assurance process – the Win Business process – includes a comprehensive analysis of risks and what is required to manage them. • During project execution – the Execute Business process – various types of reviews with clear tollgates are conducted continuously to identify and assess these risks and the measures taken to mitigate them. • Effective management of both the product delivery and the industrial cooperations. • Measuring and follow-up of productivity and efficiency. • Leverage technologies and products across Saab. • High demands are placed on project planning and control as well as monitoring to ensure, at any given time, that assumptions and assessments provide a satisfactory basis for reporting revenue and results. • Saab's largest projects are regularly monitored by Group Management and reported to the Board of Directors. • Other projects with high impact are regularly monitored by each business area management and reported to Group Management. • Saab's internal audit independently reviews the process adherence of a number of projects each year.

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Risk	Description	Examples of mitigation
Dependence on new contracts and increased competition	A large share of Saab's revenue comes from a limited number of customers and relatively few contracts. Saab is therefore dependent on winning new contracts in a market with limited access, since there are only a certain number of governments and defence contractors to sell to. Competition in the military market as well as the commercial aircraft and security market is high. U.S. and European companies are especially strong players, with competition also increasing from companies in other parts of the world. Many competitors are also strong in their home markets.	• The marketing organisation is organised to focus marketing and sales on key markets with the potential for new business. • Saab has, in addition to Sweden, identified four strategic markets: Australia, Germany, the U.K. and the U.S., where the local presence has been and will be further strengthened. Saab has also increased the local presence in other countries, for example Brazil, Finland and Poland, with its own operations and collaborations. • Product portfolio optimisation, achieved through investments in core areas and future capabilities, as well as divestment of non-core assets. • Focus on quality, innovation, security, development times, delivery precision and price. • Reference customers, partnerships and industrial collaborations.
Supply chain risks	The uncertainty in the global supply chain entails a risk for Saab and its operations. Primarily related to the availability of certain raw materials and defence-specific supply and ramping up production capacity at some suppliers, as well as suppliers' ability to handle the flow-down of increasing regulatory requirements. There is also a risk of shortages and increased costs for transportation. Saab is dependent on deliveries from subcontractors of e.g. sub-systems, components and equipment. For certain sub-systems, Saab is dependent on deliveries from one or a few suppliers. The suppliers must also share the same values as expressed in Saab's Supplier Code of Conduct and have sustainable production to avoid negatively impacting Saab. There is a risk that suppliers avoid doing business with defence companies so as to not be defined as unsustainable. Also, as we increase our own requirements within sustainability, there is a risk that fewer compliant suppliers are available.	• Ensure a robust supply chain by supplier commitments to Saab's growth plan. • Select, evaluate and document suppliers and business partners based on objective criteria such as quality, the environment, delivery, price and reliability. • Active work with supply chain alternatives, such as second sourcing, in- and outsourcing to secure supply. • Close cooperation with suppliers for high quality. • Systematic measures to ensure that suppliers take ethical, social and environmental responsibility and work proactively to prevent damages. • Saab's Supplier Code of Conduct and compliance monitoring. • Risks related to uncertainty in the global supply chain are, for example, managed through contract management, re-planning, placing orders earlier and intensified dialogue and negotiations with suppliers. • Utilizing increased volumes to offset price increases. • Stakeholder dialogue on the impact of Saab throughout the value chain and actively participate in branch organisations work regarding the sustainability and regulatory requirements of the defence industry.

Risk	Description	Examples of mitigation
Compliance risks	In its operations, Saab is obligated to follow laws and regulations, be compliant with agreed customer regulations and make conscious decisions about which global standards Saab will live up to. Saab does business around the world and has relationships with customers and other stakeholders on every continent. Ethical values, transparent relationships and compliance are critical for Saab. The trust of the public and the political system, together with employee pride, is critical to Saab's long-term profitability and future. Saab is aware that conducting business in certain parts of the world constitutes higher risks for potential human rights violations not only in its own organisation, but also through business relationships and in the supply chain. Saab's operations are also affected by approvals, licenses, patents and other intellectual property.	Compliance issues are integrated in the business strategy and affect Saab's strategic priorities. This work is guided by Saab's Code of Conduct, which is adopted by the Board of Directors. • Policy of zero tolerance for bribes and corruption and committed to respect human rights in line with applicable legislation throughout the world and relevant global frameworks. • Strict scrutiny of marketing consultants and business partners. • Saab is ISO 9001,14001 and 45001 certified. • Participation in the UN's Global Compact and committed to the UN's Race to Zero initiative. • Central functions for business ethics, export control, business requirements and data privacy compliance. • Internal Control and Internal Audit.

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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 contact 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 Saab 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.

The 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 2024. Saab's website, www.saab.com, has a dedicated section on corporate governance.

The Corporate Governance Report includes the Board of Directors' report on internal control over financial- and sustainability reporting. This Corporate Governance Report has been reviewed by the company's auditor. Saab did not deviate from the provisions of the Code in 2024.

1. 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 after 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, remuneration report, 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 2024 were carried out in accordance with the Code, and the AGM 2025 will also comply with the provisions of the Code. The Annual General Meeting of Saab was held on 11 April 2024 in Linköping, Sweden. The shareholders could also exercise their voting rights by postal voting in advance.

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1,122 shareholders were represented at the Meeting, corresponding to about 70 per cent of the total number of votes in the company.

This year the Annual General Meeting will be held on 10 April 2025 in Linköping, Sweden, for more information see page 226. During 2024, Saab made a share split whereupon each share, regardless of series, was divided into four shares of the same series. On 31 December 2024, Saab's share capital amounted to SEK 2,173,533,552 and consisted of 9,535,612 series A shares and 533,847,776 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 following the share split is SEK 4. The series B shares are listed on Nasdaq Stockholm's Large Cap list. All A shares are unlisted and owned by Investor AB.

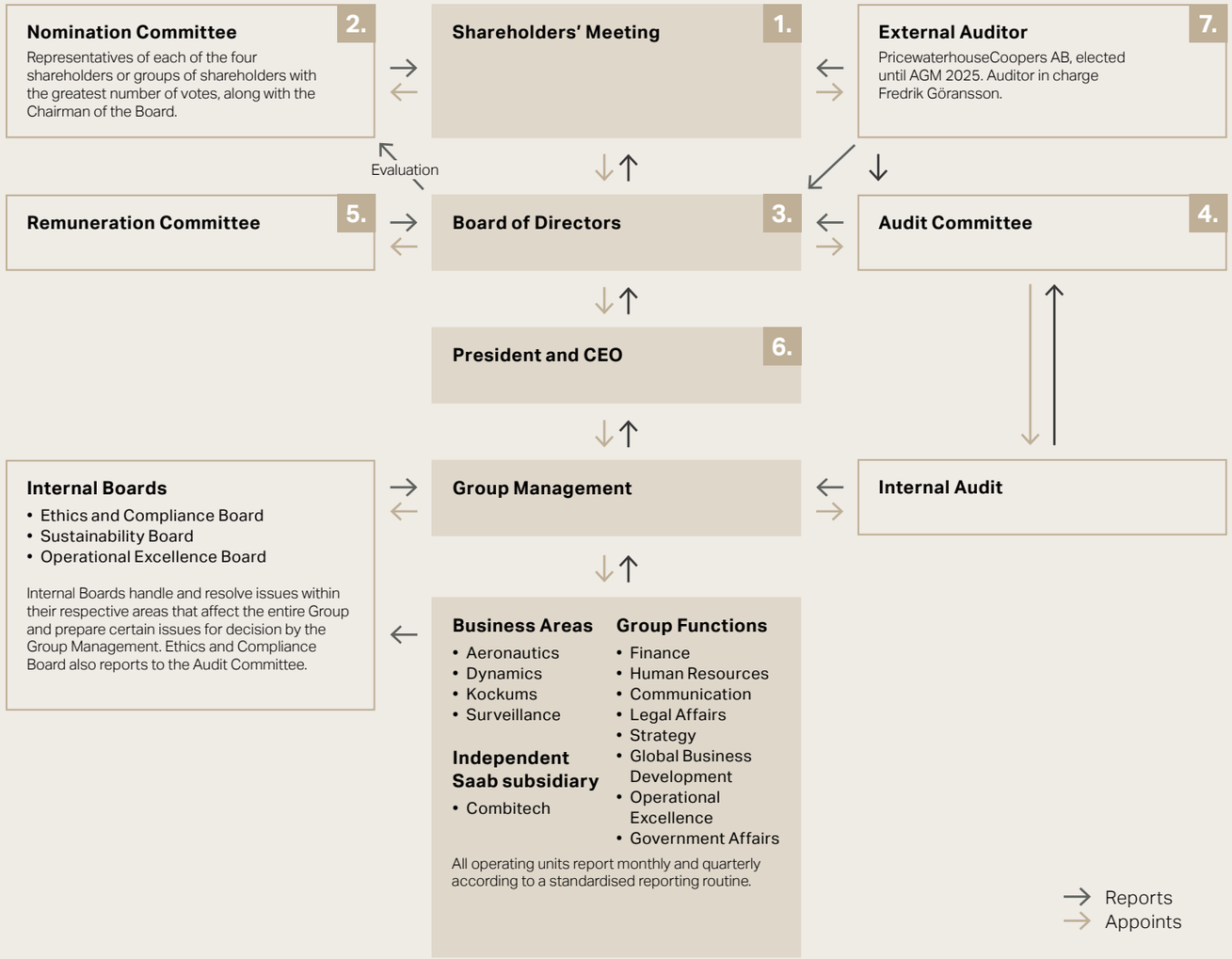
The Board of Directors has an authorisation from the shareholders' meeting to repurchase own shares; see page 65. As of 31 December 2024, Saab held 6,915,618 of its own series B shares, corresponding to 1.3% per cent of the share capital. For more information on the ownership structure, see page 43.

Largest shareholders, 31 December 2024

	% of capital	% of votes[1)]
Investor AB	30.2%	40.1%
Wallenberg Investments	8.7%	7.6%
Swedbank Robur Funds	3.3%	2.8%
BlackRock	2.7%	2.3%
Vanguard	2.3%	2.0%
Avanza Pension	0.9%	0.8%
AllianceBernstein	0.9%	0.8%
Avanza Funds	0.9%	0.7%
First Swedish National Pension Fund	0.8%	0.7%
Norges Bank Investment Management	0.8%	0.7%

[1)] % of votes is calculated based on the number of shares excluding treasury shares at 31 December, 2024.

Source: Monitor by Modular Finance AB.



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2. 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 is announced at least six months prior to the Annual General Meeting based on known votes as per the last business day of August 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:

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

Prior to the Annual General Meeting on 11 April 2024, the Nomination Committee issued a proposal for resolution on the Chairman of the shareholders' meeting, the Board of Directors, Auditors, 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 has 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 10 April 2025, it was announced in a press release on 2 October 2024 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): Daniel Nodhäll (Investor AB), Peter Wallenberg Jr (Wallenberg Investments AB), Marianne Nilsson (Swedbank Robur Fonder) and Anna Magnusson (Första AP-fonden). Daniel Nodhäll is Chairman of the Nomination Committee.

The Nomination Committee members represent approximately 52 per cent of the votes in Saab based on the ownership structure as of 31 August 2024. The proposals of the Nomination Committee for resolution at the Annual General Meeting 2025 will be announced in the notice of the Annual General Meeting 2025. The Nomination Committee's statement regarding proposal for the Board of Directors will be published on www.saab.com/agm.

Members of the Nomination Committee for Annual General Meeting 2025

Member	Representing	% of votes, 31 Aug 2024	% of capital, 31 Aug 2024
Daniel Nodhäll	Investor AB	39.7%	30.2%
Peter Wallenberg Jr	Wallenberg Investments AB	7.5%	8.7%
Marianne Nilsson	Swedbank Robur Fonder	3.9%	4.5%
Anna Magnusson	First Swedish National Pension Fund	1.1%	1.2%
Marcus Wallenberg	Chairman of the Board of Saab AB		

3. 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 11 April 2024, 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 11 April 2024, Lena Erixon, Henrik Henriksson, Micael Johansson, Danica Kragic Jensfelt, Johan Menckel, Bert Nordberg, Erika Söderberg Johnsson, Sebastian Tham, Marcus Wallenberg and Joakim Westh were re-elected. Anders Ynnerman was elected as a new Board member. Sara Mazur had declined re-election. 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 2024 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 aggregate, the Board has 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, 30 per cent are women.

At the statutory Board meeting after the Annual General Meeting, Bert Nordberg 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 2024 is included in note 8.

Members of the Board elected by the shareholders' meeting

Marcus Wallenberg
Bert Nordberg
Micael Johansson
Lena Erixon
Henrik Henriksson
Danica Kragic Jensfelt
Johan Menckel
Erika Söderberg Johnsson
Sebastian Tham
Joakim Westh
Anders Ynnerman

Employee representatives

Regulars	Deputies
Stefan Andersson	Robert Hellgren
Göran Andersson	Tina Mikkelsen
Magnus Gustafsson	Lars Svensson

The Board members' other significant commitments, professional experience, shareholdings etc. can be found in the presentation of the Board of Directors on pages 58–60.

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 2024

Member	Elected	Independent of company/ management	Independent of major shareholders
Marcus Wallenberg	1992	Yes	No[1]
Bert Nordberg	2016	Yes	Yes
Micael Johansson	2020	No[2]	Yes
Lena Erixon	2022	Yes	Yes
Henrik Henriksson	2021	Yes	Yes
Danica Kragic Jensfelt	2017	Yes	Yes
Johan Menckel	2019	Yes	Yes
Erika Söderberg Johnsson	2017	Yes	Yes
Sebastian Tham	2023	Yes	No[3]
Joakim Westh	2010	Yes	Yes
Anders Ynnerman	2024	Yes	Yes

1) Board member of Investor AB
2) President and CEO of Saab AB
3) Employed by Investor AB

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The Board's work in 2024

- In 2024, the Board especially focused on topics relating to Sweden's membership in NATO and the effects of the war in Ukraine.
- The Board has worked with topics related to meeting the customers' increased demand and investments in capacity, building new production plants and recruiting the right competences.
- The Board has worked with specific strategic matters, such as future defence capabilities.
- The Board has decided to invest in a new production facility in Michigan, U.S., that will focus on munitions and precision weapon systems.
- The Board proposed a share split to the Annual General Meeting, that was implemented in May 2024.
- The Board has worked with questions related to software transformation.
- During 2024, the Board has also worked with major projects related to Gripen, A26, GlobalEye, missiles, combat management systems and the T-7A jet trainer as well as other significant export and marketing topics.
- The Board approved the updated sustainability strategy.
- The company also arranged one special information session for the Board members, where they received detailed information on AI and digitalisation.

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 2024, the Board held one statutory meeting, seven ordinary meetings and four extra meetings, a total of twelve meetings. The Board meetings in 2024 were held in Stockholm, Sweden except for one meeting in Linköping, Sweden in April and one meeting in Karlskoga, Sweden when the Board also visited the local operation within Dynamics.

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 Bäremo, 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 of companies. The company's heads of business areas are regularly invited to the Board to present their respective business area. The Board's annual work includes deciding on the company's business plan and strategy, which in 2024 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. In December, the Board also addressed the performance targets in the company's two performance-related share plans.

The work in the committees constitutes 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 addressed at the meeting. The Board then adopts resolutions on any matters prepared by the committees.

4. 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 2024 are Joakim Westh (Chairman of the Committee), Erika Söderberg Johnsson and Sebastian Tham, whereof both Joakim Westh and Erika Söderberg Johnsson 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 Bäremo, was secretary to the Audit Committee in 2024.

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 and sustainability reporting and submit proposals to ensure the integrity of the reporting, monitor the efficiency of the company's internal control, internal audit and risk management in respect of the financial and sustainability reporting, keep itself informed of the audit of the Annual and Sustainability Report and consolidated accounts, inform the Board of the results of the audit and the assurance of the sustainability reporting, 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 efficiency and adequacy of the company's anti-bribery and corruption programme including the Code of Conduct, and keep itself informed of material deviations or non-compliance with the company's anti-bribery and corruption programme, 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 2024, the Audit Committee focused especially on current issues relating to the company's financial position, the financial reporting, execution of major projects, procurement, budget, risk management, internal control, investment grade credit rating, sustainability reporting, the company's business ethical rules as well as assisted the Nomination Committee with 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 2024, the Committee held six meetings.

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5. 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 2024 are Johan Menckel, Marcus Wallenberg and Bert Nordberg. Johan Menckel is the Chairman of the Committee. All are independent of the company and its management. The General Counsel, Annika Bäremo, was secretary to the Remuneration Committee in 2024.

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, on behalf of the Board, prepare a report regarding remuneration in accordance with the guidelines. The Remuneration Committee has no decision-making power of its own. In 2024, 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, the Key Employee Plan with synthetic shares for 1,500 key employees (excluding the Board, CEO and Group Management), talent management, the preparation of a remuneration report, and proposal for adjusted remunerations guidelines.

The Remuneration Committee keeps minutes of its meetings, which are distributed upon request to the other members of the Board. In 2024, the Committee held three 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.

Attendance and board remuneration in 2024

Name	Audit Committee	Remuneration Committee	Board meetings attended[1]	Committee meetings attended[2]	Board remuneration KSEK[3]	Audit Committee remuneration KSEK	Remuneration Committee remuneration KSEK	Total remuneration KSEK
Marcus Wallenberg		x	12	3	2,250		115	2,365
Bert Nordberg		x	12	3	850		115	965
Micael Johansson			12					
Lena Erixon			12		740			740
Henrik Henriksson			12		740			740
Danica Kragic Jensfelt			9		740			740
Sara Mazur[4]			3					
Johan Menckel		x	12	3	740		195	935
Erika Söderberg Johnsson	x		10	6	740	230		970
Sebastian Tham	x		12	6	740	230		970
Joakim Westh	x		12	6	740	360		1,100
Anders Ynnerman[5]			7		740			740

1) Of a total of 12 meetings in 2024.
2) Of a total of 6 meetings of the Audit Committee in 2024 and 3 meetings of the Remuneration Committee in 2024.
3) Refers to the remuneration resolved by the AGM 2024 for the period until the AGM 2025. CEO Micael Johansson does not receive remuneration.
4) Left the Board at the Annual General Meeting 2024. Received fee for the period January - March 2024 of KSEK 175 and participated in 3 Board meetings prior the Annual General Meeting 2024.
5) Elected by the AGM in April 2024, thereafter participated in 7 of a total of 8 Board meetings.

6. 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 58. 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 63–65.

7. 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 and Sustainability Report, and administration and management of the company by the Board of Directors and the CEO, and carries out the statutory review of the Corporate Governance Report. A limited assurance on Saab AB's Sustainability Report has been conducted. The company's Q3 interim report has also been reviewed by the auditor. The auditor presents an auditors' report to the Annual General Meeting. On behalf of the Board, the company's

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auditor has also reviewed whether the performance targets for the Special Projects Incentive 2024 were met.

The shareholders' meeting elects the auditor. PricewaterhouseCoopers AB was re-elected as auditor for the period 2024–2025 by the Annual General Meeting 2024.

PricewaterhouseCoopers (PwC)
Fredrik Göransson, Authorised Public Accountant, is auditor in charge since April 2024.

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, which includes 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 2023–2024
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 2024 in addition to its audit assignments by consulting on accounting and tax issues.

Auditor's fees for the Group 2023–2024

MSEK	2024	2023
Audit assignments:		
PwC	25	23
Other	4	4
Other assignments:		
PwC	4	2

The Board's report on internal control over financial- and sustainability reporting
The Board of Directors is responsible for internal control over financial- and sustainability 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 and sustainability reporting through the Audit Committee and the CEO. The entire Board reviews the interim reports before they are published. The Audit Committee follows up the internal control over financial- and sustainability reporting on a regular basis. 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, poststatement events, changes in estimates and judgements, and other circumstances that may affect the quality of the financial statements.

After each Audit Committee meeting, a report is submitted to the Board. The auditor, elected by the Annual General Meeting, participated in six of six meetings of the Audit Committee in 2024.

The Board of Directors has met with the auditor to discuss their review of the company for the financial year 2024. The Board has also met the auditor while not in the presence of the CEO or other members of Group Management.

Internal control over financial- and sustainability reporting
The internal control system applies the principles of the Committee of Sponsoring Organizations' (COSO) framework and assists the business in achieving its financial- and sustainability goals by monitoring risk exposure in a structured way. Moreover, internal control aims to provide reasonable assurance of the reliability of the financial- and sustainability 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 authorities. Saab has a process for monitoring internal control where roles and responsibilities are defined, control matrixes with key controls are included, and results on performed key controls are 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. To a great extent, the business consists of large projects that stretch over long periods of time, 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 reporting, internal processes are also assessed on the basis of the risk of exposure to improprieties. Within sustainability Saab identifies and assesses risks with an impact on the sustainability reporting such as materiality assessment, taxonomy reporting, greenhouse gas emission and occupational health and safety. Group Finance and Group Sustainability continuously coordinates an overall risk assessment of the financial- and sustainability 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 and in 2024 the second step implementing sustainability key controls were taken adding key controls regarding environment, social information and governance. Key controls are performed according to a predefined schedule and documented in a web-based tool that clearly shows the results of performed controls. Input for improvements is obtained from performed key controls. The control activities are both manual and automated and include e.g. authorisation routines, account reconciliations, process compliance, access to IT systems and reporting of greenhouse gas emissions.

Information and communication
Policies, group directives and instructions are continuously updated, clearly communicated and available through Saab's enterprise management system. The results of performed controls are an integral part of Saab's financial closing process and are reported quarterly to the Group Management and yearly to the Audit Committee.

Monitoring and evaluation
- The Audit Committee monitors the principles for accounting and the financial- and sustainability reporting.
- 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 company's auditor annually reviews the status of Saab's internal control over financial- and sustainability reporting.

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Board of Directors

Marcus Wallenberg

Chair of the Board
Member of Saab's Remuneration Committee
Elected to the Board: 1992, deputy Chair of the Board 1993–2006, Chair of the Board since 2006.
Education: B.Sc. of Foreign Service at Georgetown University.
Current board commitments: Chair of SEB, FAM, Wallenberg Investments, Patricia Industries and the Royal Swedish Academy of Engineering Sciences (IVA). Vice Chair of Investor, EQT and Knut and Alice Wallenberg Foundation. Board member of AstraZeneca.
Professional experience: Chair of Electrolux, LKAB and International Chamber of Commerce (ICC). President and CEO of Investor. Board member of, i.a., Stora Enso, EQT Holdings and Temasek Holdings.
Born: 1956
Own and related parties' shareholding: 500,000

Micael Johansson

Member of the Board
Elected to the Board: 2020
Current position: President and CEO of Saab.
Education: B.Sc.+ in Mathematics and Computer Science at Uppsala University.
Current board commitments: Vice Chair of the Board at the Aerospace and Defence Industries Association of Europe (ASD). Board member of the European Business Leaders' Convention.
Professional experience: Deputy CEO of Saab. Senior Vice President and Head of Business Area Surveillance, Saab. President of Saab Avitronics and various other senior positions within Saab.
Born: 1960
Own and related parties' shareholding: 296,854

Henrik Henriksson

Member of the Board
Elected to the Board: 2021
Current position: CEO of Stegra.
Education: B.Sc. in Business Administration at Lund University.
Current board commitments: -
Professional experience: Board member of Electrolux and Creades. Various senior positions within Scania, including President and CEO.
Born: 1970
Own and related parties' shareholding: 4,200

Bert Nordberg

Deputy Chair of the Board
Member of Saab's Remuneration Committee
Elected to the Board: 2016, deputy Chair of the Board since 2021.
Education: Degree in Electronic Engineering.
Current board commitments: Chair of Sigma Connectivity and Axis. Board member of Essity and Greenlron.
Professional experience: Board member of Electrolux, SCA, Sigma Connectivity, Axis and SkiStar. Chair of TDC Group, Imagination Technologies, Sony Mobile Communications and Vestas Wind Systems. President and CEO of Sony Ericsson Mobile Communications. Various senior positions within Ericsson, Data General Corporation and Digital Equipment Corporation.
Born: 1956
Own and related parties' shareholding: 42,500

Lena Erixon

Member of the Board
Elected to the Board: 2022
Education: Degree in Public Administration at Stockholm University.
Current board commitments: Chair of the National Government Employee Pensions Board (SPV), Akademiska Hus and Swedish Payments Agency. Board member of Hector Rail.
Professional experience: Director General of the Swedish Transport Administration (TrV), the Swedish Defence Materiel Administration (FMV) and the Swedish Road Administration (VV). Chair of Swedish Public Employment Service and European Defence Agency. Various senior positions within TrV and VV.
Born: 1960
Own and related parties' shareholding: 2,560

Danica Kragic Jensfelt

Member of the Board
Elected to the Board: 2017
Current position: Professor at School of Electrical Engineering and Computer Science, Royal Institute of Technology (KTH).
Education: Ph.D. Computer Science at KTH and M.Sc. Mechanical Engineering at Technical University of Rijeka, Croatia.
Current board commitments: Board member of FAM, H&M and CROSEIR. Member of the Royal Swedish Academy of Engineering Sciences (IVA) and Royal Swedish Academy of Sciences (KVA).
Professional experience: Board member of Institute for Future Studies and founding member of the Young Academy of Sweden. Deputy Director at School of Computer Science and Communications, KTH.
Born: 1971
Own and related parties' shareholding: 8,000

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Board of Directors

Erika Söderberg Johnsson

Member of the Board
Member of Saab's Audit Committee
Elected to the Board: 2017
Current position: Chief Financial Officer, Novo Nordisk Foundation.
Education: M.Sc. in Economics and Business at Stockholm School of Economics.
Current board commitments: Deputy Chair of Marley Spoon. Board member of Camurus and Novo Nordisk Foundation Cellerator. Chair of Camurus' Audit Committee and in Marley Spoon's Audit and Risk Committee.
Professional experience: Senior Advisor of Kinnevik, Chief Financial Officer of Kinnevik, Biotage, Karo Bio, Affibody and Global Genomics. Investment Banking Advisor at SEB Enskilda. Board member and Chair of Audit Committee of Sectra, Qliro Group, Lunar Group, MedCap and Mabtech.
Born: 1970
Own and related parties' shareholding: 7,200

Joakim Westh

Member of the Board
Chair of Saab's Audit Committee
Elected to the Board: 2010
Education: M.Sc. in Aeronautics at Royal Institute of Technology (KTH) and M.Sc. in Aerospace Engineering at Massachusetts Institute of Technology (MIT).
Current board commitments: Chair of Amexci. Board member of Absolent Air Care Group and Swedish Space Corporation.
Professional experience: Chair of EMA Technology and Absolent Air Care Group. Board member of Swedish Match, Arcam, Intrum, Rörvik Timber, Telelogic, VKR Holding and CGI Group. Deputy board member of Sony Ericsson Mobile Communications. Senior Vice President of Group Function Strategy and Operational Excellence and member of Group Management at LM Ericsson. Group Vice President and member of the Executive Management Group at Assa Abloy. Partner at McKinsey & Co.
Born: 1961
Own and related parties' shareholding: 40,000

Anders Ynnerman

Member of the Board
Elected to the Board: 2024
Current position: Professor of Scientific Visualization at Linköping University. Director for the Visualization Center C. Chair of the Wallenberg AI, Autonomous Systems and Software Program (WASP). Director of strategic research at Knut and Alice Wallenberg Foundation.
Education: B.SC., Lund University, M.Phil. and Ph.D., University of Gothenburg.
Current board commitments: Board member of Norrköping Visualisering AB.
Professional experience: Director of the Swedish National Infrastructure for Computing (SNIC) and the National Supercomputer Centre (NSC). Ph.D. in atomic physics from University of Gothenburg and thereafter postdoc at University of Oxford and Vanderbilt University.
Born: 1963
Own and related parties' shareholding: 0

Johan Menckel

Member of the Board
Chair of Saab's Remuneration Committee
Elected to the Board: 2019
Current position: Executive Vice President and Chief Investment Officer, Latour.
Education: M.Sc. in Engineering at Royal Institute of Technology (KTH).
Current board commitments: Chair of Nord-Lock Group, Bemsiq, Swegon, Nederman Holding and CTEC. Board member of Securitas and World Materials Forum France.
Professional experience: President and CEO of Gränges. CEO of Sapa Heat Transfer. Various senior positions within the Sapa Group. Management consultant at Accenture and founder of addnature.com.
Born: 1971
Own and related parties' shareholding: 32,000

Sebastian Tham

Member of the Board
Member of Saab's Audit Committee
Elected to the Board: 2023
Current position: Managing Director, Listed Companies at Investor.
Education: M.Sc. in Finance at Stockholm School of Economics and B.Sc. in Political Science at Stockholm University.
Current board commitments: -
Professional experience: Analyst and Investment Manager at Investor.
Born: 1984
Own and related parties' shareholding: 6,760

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Board of Directors

Employee representatives

Stefan Andersson

Member of the Board
Elected to the Board: 2008
Current position: President of the Local Salaried Employees' union Unionen at Saab Dynamics AB, Linköping.
Education: B.Sc. Mechanical Engineering at Dalarna University.
Born: 1974
Own and related parties' shareholding: 10,208

Göran Andersson

Member of the Board
Elected to the Board: 2020
Current position: Treasurer of the local trade union IF Metall at Saab AB, Linköping.
Education: -
Born: 1972
Own and related parties' shareholding: 708

Magnus Gustafsson

Member of the Board
Elected to the Board: 2021, deputy Member of the Board 2016–2021.
Current position: President of the Local Swedish Association of Graduate Engineers at Saab AB, Linköping.
Education: M.Sc. in Applied Physics and Electrical Engineering at Linköping Institute of Technology.
Born: 1965
Own and related parties' shareholding: 3,231

Deputies

Robert Hellgren

Deputy Member of the Board
Deputy of the Board since: 2023
Current position: President of the local trade union IF Metall at Saab Surveillance, Järfälla.
Education: High school education, electric and energy programme with a focus on automation.
Born: 1983
Own and related parties' shareholding: 194

Tina Mikkelsen

Deputy Member of the Board
Deputy of the Board since: 2016
Current position: President of the Local Salaried Employees' union Unionen Saab Stockholm at Saab AB, Järfälla.
Education: Electrical Engineering, Stockholms Tekniska Institut (STI).
Born: 1973
Own and related parties' shareholding: 9,640

Lars Svensson

Deputy Member of the Board
Deputy of the Board since: 2021
Current position: Chair of the Local Swedish Association of Graduate Engineers at Saab AB, Gothenburg.
Education: M.Sc. in Electrical Engineering at Chalmers University of Technology.
Born: 1972
Own and related parties' shareholding: 662

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Group Management

Micael Johansson

President and CEO
Current position since: 2019
Group Management since: 2010
Saab employee since: 1985
Education: B.Sc.+ in Mathematics and Computer Science at Uppsala University.
Professional experience, in selection: Deputy CEO of Saab. Senior Vice President and Head of Business Area Surveillance. Other senior positions within Saab including President of Saab Avitronics.
Born: 1960
Own and related parties' shareholding: 296,854

Anders Carp

Deputy CEO
Current position since: 2020
Group Management since: 2017
Saab employee since: 2001
Education: Military officer education and executive programme studies.
Professional experience, in selection: Senior Vice President and Head of Business Area Surveillance. Various other senior positions within Saab. Positions within the Swedish Armed Forces and Framfab.
Born: 1971
Own and related parties' shareholding: 86,702

Annika Bäremo

Senior Vice President and Head of Group Legal Affairs, General Counsel, Secretary of the Board of Directors
Current position since: 2012
Group Management since: 2012
Saab employee since: 2012
Education: Master of Laws (LL.M.) at Uppsala University.
Professional experience, in selection: Chair of the Board, engcon AB. Chair of the Legal Committee of Teknikföretagen. Board member of Saab Dynamics AB. Previous Senior Legal Advisor at Sandvik Materials Technology.
Born: 1964
Own and related parties' shareholding: 43,392

Anna Wijkander

Chief Financial Officer
Current position since: 2024
Group Management since: 2024
Saab employee since: 2015
Education: B.Sc. in Business Administration
Professional experience, in selection: Deputy CFO and Head of Corporate Control at Saab. Various managerial finance positions at Ericsson.
Born: 1970
Own and related parties' shareholding: 5,063

Charlotta Björklund

Senior Vice President and Head of Operational Excellence
Current position since: 2021
Group Management since: 2021
Saab employee since: 2018
Education: M.SC. in Engineering at Royal Institute of Technology (KTH).
Professional experience, in selection: Head of Sourcing and Production at Saab Järfälla. Various senior positions within Ericsson including Vice President of Product Development and Head of Product Lines.
Born: 1965
Own and related parties' shareholding: 13,483

Lena Eliasson

Senior Vice President and Head of Group Human Resources
Current position since: 2012
Group Management since: 2012
Saab employee since: 2012
Education: M.Sc. in Engineering at Chalmers University of Technology.
Professional experience, in selection: Various senior positions within ABB including Senior Vice President Human Resources North Europe and Senior Vice President Human Resources Sweden.
Born: 1967
Own and related parties' shareholding: 69,241

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Group Management

Christian Hedelin

Senior Vice President and Chief Strategy Officer
Current position since: 2018
Group Management since: 2018
Saab employee since: 2018
Education: M.Sc. in Electronic Engineering at Chalmers University of Technology.
Professional experience, in selection: Various senior positions within Ericsson, including Head of Strategy for the Network division.
Born: 1969
Own and related parties' shareholding: 34,415

Viktor Wallström

Senior Vice President and Head of Group Communication and Sustainability
Current position since: 2022
Group Management since: 2022
Saab employee since: 2022
Education: M.Sc. in Political Science at Uppsala University.
Professional experience, in selection: EVP Communications & Sustainability at Tele2, Press Secretary at the Swedish National Grid and Senior Communications Consultant at Diplomat Communications.
Born: 1985
Own and related parties' shareholding: 12,526

Lars Tossman

Senior Vice President and Head of Business Area Aeronautics
Current position since: 2023
Group Management since: 2020
Saab employee since: 1986
Professional experience, in selection: Various senior positions within Saab including Head of Business Area Kockums, Head of Business Unit Radar Solutions, Deputy CMO Saab, Managing Director Saab Underwater Systems.
Born: 1962
Own and related parties' shareholding: 103,018

Jonas Hjelm

Senior Vice President and Head of Government Affairs
Current position since: 2024
Group Management since: 2007–2012, 2015–currently
Saab employee since: 2006
Education: Senior management course at the Swedish Defence University, and executive programme studies at Stockholm School of Economics.
Professional experience, in selection: Various senior positions within Saab including Senior Vice President and Head of Business Area Aeronautics. State Secretary at the Swedish Ministry of Defence and political advisor at the Swedish Prime Minister's Office.
Born: 1971
Own and related parties' shareholding: 59,000

Carl-Johan Bergholm

Senior Vice President and Head of Business Area Surveillance
Current position since: 2021
Group Management since: 2021
Saab employee since: 1992
Education: M.Sc. in Applied Physics at Uppsala University.
Professional experience, in selection: Chief Operating Officer and deputy Head of Business Area Surveillance. Various other senior positions within Saab including Head of Business Unit Electronic Warfare Systems and Head of Marketing and Sales at Business Area Electronic Defence Systems.
Born: 1967
Own and related parties' shareholding: 17,410

Mats Wicksell

Senior Vice President and Head of Business Area Kockums
Current position since: 2023
Group Management since: 2023
Saab employee since: 1998
Professional experience, in selection: Head of Business Unit Combat Systems. Other senior positions within Saab including Head of GlobalEye product and programmes.
Born: 1973
Own and related parties' shareholding: 12,183

Görgen Johansson

Senior Vice President and Head of Business Area Dynamics
Current position since: 2013
Group Management since: 2013
Saab employee since: 2004
Education: MBA degree
Professional experience, in selection: Various senior positions within Saab.
Born: 1964
Own and related parties' shareholding: 62,338

Mikael Adelsberg

Chief Digital Officer
Current position since: 2024
Group Management since: 2024
Saab employee since: 2024
Education: M.Sc. in Engineering and MBA
Professional experience, in selection: Head of Group R&D EE/SW/Autonomous at Traton Group. Senior VP, Connected, Autonomous and Embedded Systems at Scania. Various roles in the Scania group.
Born: 1979
Own and related parties' shareholding: 345

Changes in Group Management

On 18 June 2024, Saab announced that Anna Wijkander will become the company's new CFO and a new member of Saab's Group Management. She replaces Saab's previous CFO Christian Luiga. On 29 January 2025, Saab announced that Jonas Hjelm, Senior Vice President and Head of Government Affairs, will leave his position and the Group Management team. On 31 January 2025, Saab announced a number of changes affecting the Group Management team of the company. Eva Karlsson has been appointed Senior Vice President, Chief Operating Officer (COO) and will be a member of Saab's Group Management team. As a consequence, Saab's Charlotta Björklund, currently Senior Vice President, Operational Excellence, will leave the Group Management team as of 1 March 2025. Moreover, the scope of the Group Strategy function is reduced and will become more focused on the common strategic areas of Saab. Therefore, Christian Hedelin, Senior Vice President and Chief Strategy Officer, will leave the Group Management team.

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Remuneration and long-term incentive programmes

Guidelines on remuneration and other terms of employment for senior executives 2024

Pursuant to the Swedish Companies Act, the Board of Directors shall, at least every fourth year, present a proposal for remuneration guidelines for the company's senior executives to be adopted by the Annual General Meeting. The Annual General Meeting 2021 adopted the Board's proposed guidelines for senior executives which is described below.

Guidelines

The senior executives comprise the President and other members of the Group Management. The members of this group are presented on the company's website. In certain specific cases, these guidelines may also comprise Board members of Saab AB, as described below. No board fees are to be paid to members of the Group Management for participation on the boards of the business areas or Saab subsidiaries. These guidelines do not apply to any remuneration resolved by the shareholders' meeting. These guidelines apply from the Annual General Meeting 2021 until the Annual General Meeting 2025 and are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting.

The guidelines' promotion of Saab's strategy, long-term interests and sustainability

A prerequisite for the successful implementation of Saab's business strategy and safeguarding of the company's long-term interests, including its sustainability, is that the company is able to recruit and retain senior executives. To this end, it is necessary that Saab offers a competitive total remuneration on market terms, adapted to the company's development and situation, which these guidelines enable. To the greatest extent possible, remuneration structures shall be characterised by predictability with respect to both the cost for the company and the benefit for the employee. They shall be based on factors such as position, competence, experience and performance. Benchmarking shall be made regularly relative to comparable industries and markets.

Fixed remuneration

Fixed remuneration shall consist of cash salary. The fixed salary shall be reviewed annually as per 1 January for all members of Group Management. The fixed salary shall be at market terms and based on factors such as position, competence, experience and performance.

Variable remuneration

Saab's operations are mainly characterised by the development of technically advanced products and systems. The products are marketed, further developed, produced and maintained during long periods of time, in some cases three to four decades, which generally entails substantial investments and long-term customer relations all over the world. Consequently, it is important that senior executives have a long-term view and a long-term commitment to the company's operations and profits. Therefore, a long-term incentive is especially well suited for Saab and its shareholders. Hence, Saab does not normally offer any short-term variable cash remuneration to the President or other members of the Group Management. Instead, the variable remuneration consists of long-term share-based incentive programmes which are adopted by the shareholders' meeting and therefore not subject to these guidelines. The President and other members of the Group Management are entitled to participate in these programmes. The Board of Directors proposes that the Annual General Meeting 2025 resolves on a long-term incentive programme (LTI 2026). The Board's intention is to propose such long-term incentive programmes also to future Annual General Meetings. The terms and estimated costs for the company's long-term incentive programmes are presented in the Board's complete proposal to each Annual General Meeting.

In extraordinary circumstances, agreements of a one-off nature for variable cash remuneration may be made, provided that such agreements are made solely on an individual basis for recruitment or retention purposes only, or as compensation for extraordinary efforts beyond the individual's ordinary assignment, and that such remuneration shall never exceed the amount of the fixed annual salary and shall not be paid more than once a year per individual. Such remuneration shall not qualify for pension benefits unless otherwise provided by mandatory collective agreement provisions. Resolutions on such remuneration shall be made by the Board based on a proposal from the Remuneration Committee. Variable cash remuneration shall not be paid in other cases.

Other benefits

All members of the Group Management may be entitled to other benefits in accordance with local practice. The benefits shall contribute to facilitating the executive's discharge of his or her duties. Other benefits may, for example, be a company car, travel, housing and medical insurance. The total value of the benefits shall be equivalent to what is considered reasonable in relation to market practice. The value of benefits such as company car and medical insurance shall amount to not more than 5 per cent of the fixed annual salary. In addition to this, senior executives may, on an individual basis, be entitled to housing and travel amounting to not more than 25 per cent of the fixed annual salary. Senior executives who are stationed in a country other than their home country may receive additional remuneration and other benefits to the extent reasonable in light of the special circumstances associated with the arrangement, taking into account, to the extent possible, the overall purpose of these guidelines. Such benefits shall in total not exceed 30 per cent of the fixed annual salary.

Pension

The pension age shall be 65 years. Senior executives shall be entitled to pension benefits under the ITP plan and may also be covered by the New Saab plan. Pension benefits under the New Saab plan shall be premium-based and pension contributions shall be made monthly. According to the New Saab plan, contributions are made for old age pension benefits from the age of 65 on salary levels exceeding 30 income base amounts per year. The New Saab plan entails contributions of 30 per cent on the part of the annual salary that is not insured by the ITP plan. Annual provisions for pension benefits for an individual senior executive shall in total not amount to more than 40 per cent of the fixed annual salary. According to the New Saab plan, all senior executives, including the President, may also be entitled to enhanced invalidity pension and survivors' pension benefits. Enhanced invalidity pension is offered in addition to national health insurance as well as the health insurance included in the ITP plan and is calculated as a percentage of the pensionable salary; 10–65 per cent in various salary levels. The additional invalidity pension may be received up to 65 years of age at a maximum. Saab maintains

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contributions for old age pension benefits in case of invalidity pension. Survivors' pension for senior executives, including the President, is based on the highest of either 12 months' salaries or the accumulated funds in the insurance.

Adjustments to local regulations

For employment governed by rules other than Swedish, remuneration may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Miscellaneous terms

All executives in the Group Management, including the President, may terminate their employment with a maximum of six months' notice. If the employment is terminated by Saab, severance pay equal to not more than 18 months may be paid, in addition to a notice period of normally six months. Fixed salary during the period of notice and severance pay may not together exceed an amount equivalent to 24 months' fixed salary. Remuneration may be paid for possible non-compete undertakings. Such remuneration shall compensate for possible loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the monthly fixed cash salary at the time of notice of termination of employment and relate to the time the non-compete undertaking applies, however not for more than 18 months following termination of employment. A reduction of severance pay shall normally be made against income from other employment during the corresponding time.

Consultancy fees to Board members

Saab AB's Board members, elected by the shareholders' meeting, may in special cases receive a fee for services performed within their respective areas of expertise, separately from their Board duties and for a limited period of time. Compensation for these services (including services performed through a Board member's wholly-owned company) shall be paid at market terms, provided that such services contribute to the implementation of Saab's business strategy and safeguarding of Saab's long-term interest, including its sustainability.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account. This was made by including information on the employees' total income, the components of the remuneration and remuneration development over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The remuneration principles for establishing salary, long-term incentive programmes, pension and other benefits are applied in a similar way to both senior executives and other employees within the Saab Group.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing a proposal for guidelines for executive remuneration on behalf of the Board, which after a decision by the Board of Directors is submitted to the Annual General Meeting. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting for adoption. The guidelines shall be in force until new guidelines are adopted by the shareholders' meeting. The Remuneration Committee shall also prepare the Board's decisions in regard to remuneration principles, remuneration and other terms of employment for senior executives, monitor and evaluate programmes for variable remuneration for the Group Management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The President and other members of the Group Management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters. The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This also includes any resolutions to derogate from the guidelines.

The board's proposal for guidelines for remuneration and other terms of employment for senior executives to apply from the annual general meeting 2025

The Remuneration Committee has evaluated the application of the guidelines for remuneration to senior executives of Saab AB that were resolved at the Annual General Meeting 2021 and the current remuneration structures and remuneration levels in the Company. The Remuneration Committee has recommended the Board of Directors to propose to the Annual General Meeting 2025 to adopt guidelines for remuneration with in principle the same content as the guidelines that were resolved at the Annual General Meeting in 2021. However, the Remuneration Committee proposes to remove the specific mandatory pensionable age and some other minor editorial changes. In light of the above, the Board of Directors proposes that the Annual General Meeting resolves on the guidelines for remuneration and other terms of employment for senior executives with the same content as the guidelines that were resolved at the Annual General Meeting 2021 (see above), except the guidelines for pension which are proposed as below.

Pension

Senior executives may be entitled to pension benefits under the ITP plan and may also be covered by the New Saab plan. Pension benefits under the New Saab plan shall be premium based and pension contributions shall be made monthly. According to the New Saab plan, contributions are made for old age pension benefits on salary levels exceeding 30 income base amounts per year, unless it is already made under ITP1. The New Saab plan entails contributions of 30 per cent on the part of the annual salary that exceeds the cap on pensionable earnings of the ITP agreement (30 income base amounts per year). Annual provisions for pension benefits for an individual senior executive shall in total not amount to more than 40 per cent of the fixed annual salary.

According to the New Saab plan, all senior executives, including the CEO, may also be entitled to enhanced invalidity pension and survivors' pension benefits. Enhanced invalidity pension is offered in addition to national health insurance as well as the health insurance included in the ITP plan and is calculated as a percentage of the pensionable salary; 10–65 percent in various salary levels. Saab maintains contributions for old age pension benefits in case of invalidity pension. Survivors' pension for senior executives, including the CEO, is based on the highest of either 12 months' salaries or the accumulated funds in the insurance.

Information in the Annual Report note 8

Note 8 of the Annual Report includes a description of current remuneration for senior executives, including fixed and variable compensation, long-term incentive programmes and other benefits.

Incentive programme proposed to the Annual General Meeting 2024

The Board of Directors proposed that the Annual General Meeting 2024 resolves to adopt long-term incentive programme 2025 (LTI 2025), consisting of Share Matching Plan 2025, Performance Share Plan 2025 and Special Projects Incentive 2025, with an increased number of participants and the introduction of a performance target related to number of female employees in the Performance Share Plan 2025 as well as an increased number of participants and increased number of performance targets up to max fifteen in the Special Project Incentive 2025. The Annual General Meeting resolved in accordance with the Board's proposal.

Saab's long-term incentive programmes and authorisation to repurchase shares

The Annual General Meeting of Saab has for a number of years resolved to offer a long-term incentive programme consisting of three parts: a Share Matching Plan, a Performance Share Plan and a Special Projects Incentive. The Board considers it important that Saab's employees share a long-term interest in the appreciation of the company's shares.

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Share Matching Plan

Since 2007, Saab offers permanent employees the opportunity to participate in the Share Matching Plan. Employees can withhold up to 5 per cent of their gross base salary to purchase series B shares on Nasdaq Stockholm during a twelve-month period. Provided that a participant retains the purchased shares for three years after the investment date and is still employed by the Saab Group, the participant will be allotted a corresponding number of series B shares free of charge. Currently, Share Matching Plans 2021–2025 are ongoing. According to the resolution of the Annual General Meeting 2024, the Share Matching Plan comprises a maximum of 640,000 shares (corresponding to 2,560,000 shares after the 1:4 share split).

Performance Share Plan

Since 2008, Saab has a Performance Share Plan for senior executives and key employees. The Performance Share Plan is directed at a limited number of key employees, including the President. Participants can save up to 7.5 per cent of their base salary to purchase series B shares during a twelve-month period, provided that they also participate in the Share Matching Plan with a maximum of 5 per cent of base salary. Until 2023, depending on which category they belong to, participants are entitled to 2–7 performance shares for each purchased share. From 2024, depending on which category they belong to, participants are entitled to 4–7 performance shares for each purchased share. Participants are entitled to matching of performance shares, free of consideration, provided that the performance targets are achieved and the participants have retained the purchased shares for three years after the investment date and remain employed by the Saab Group.

The number of performance shares is linked to the performance targets established by the Board of Directors. The terms for the performance matching are until 2022 based on three independent targets for a one-year performance period: organic sales growth, EBIT margin and free cash flow. The relative apportionment between the targets is until 2022 as follows: 30 per cent of the allotment is attributable to organic sales growth, 30 per cent to EBIT margin and 40 per cent to free cash flow. The terms for the performance matching are for 2023 based on four independent targets for a one-year performance period: organic sales growth, EBIT margin, free cash flow and CO_2 reduction. The relative apportionment between the targets is for 2023 as follows: 30 per cent of the allotment is attributable to organic sales growth, 30 per cent to EBIT margin, 30 per cent to free cash flow and 10 per cent CO_2 reduction. The terms for the performance matching 2024 is based on four independent targets for a one-year performance period: organic sales growth, EBIT margin, free cash flow and CO_2 reduction. The relative apportionment between the financial performance targets is for 2024 as follows: 20 per cent of the allotment is attributable to organic sales growth, 30 per cent to EBIT margin, 40 per cent to free cash flow and 10 per cent CO_2 reduction. The terms for the performance matching are from 2025 based on five independent targets for a one-year respectively three-year performance period: organic sales growth, EBIT margin, free cash flow, CO_2 reduction and number of female employees. Prior to the start of the performance period, the Board of Directors will decide on the exact relative apportionment between the financial performance targets within the range of up to 20 to 40 per cent, 5 per cent to the CO_2 reduction and 5 per cent to the number of female employees. The financial performance targets are established by the Board of Directors with a minimum and maximum level for each target. The Board of Directors decides on the performance matching after the end of the one-year performance period for the financial targets and after the end of the three-year performance period for the sustainability targets.

Targets and weights for performance matching	2025	2024	2023	2020–2022
Organic sales growth	20–40%[1]	20%	30%	30%
EBIT margin	20–40%[1]	30%	30%	30%
Free cash flow	20–40%[1][2]	40%	30%	40%
CO_2 reduction	5%	10%	10%	-
Number of female employees	5%	-	-	-

1) to be decided by the Board of Directors prior to the start of performance period
2) the target for 2025 is based on operational cash flow

If the performance outcome falls short of the maximum level but exceeds the minimum level, a linear proportionate performance matching will occur. No performance matching will occur if the performance outcome is equal to or below the minimum level. Before the performance matching is ultimately determined, the Board of Directors will assess whether it is reasonable in relation to the company's financial results and position, conditions in the stock market and other circumstances. If it determines that this is not the case, the Board of Directors will reduce the number of performance shares that will be matched to the lower number of shares it considers appropriate. Performance shares are allotted three years after the investment. Currently, Performance Share Plans 2021–2025 are ongoing. According to the resolution of the Annual General Meeting 2024, the Performance Share Plan comprises a maximum of 290,000 shares (corresponding to 1,160,000 shares after the 1:4 share split).

Special Projects Incentive

Since 2017, Saab also has a Special Projects Incentive programme (SPI), as a complement to the Performance Share Plan. The Special Projects Incentive is directed at a limited number of key employees, including the President. Participation in SPI presupposes participation in the Performance Share Plan or the Share Matching Plan. The programme entitles the employee to an allotment of performance shares corresponding to 15–52.5 per cent of the cash base salary for the current financial year depending on group affiliation, provided that the employment remains for three years and that performance targets are reached. For the President and other members of Group Management, the total allotment of shares in SPI and the Performance Share Plan together amounts to a maximum of 75 per cent of the cash base salary for the President and 60 per cent of the cash base salary for the other members of Group Management. Performance shares are allotted after three years based on the achievement during the current financial year of ten equally weighted performance targets in SPI 2021–2024. As of SPI 2025, the programme is based on ten to fifteen equally weighted performance targets. According to the resolution of the Annual General Meeting 2024, the Special Projects Incentive comprises a maximum of 170,000 shares (corresponding to 680,000 shares after the 1:4 share split).

Share repurchases and equity swap agreement

The Annual General Meeting 2024 decided to authorise the Board of Directors to repurchase a maximum of 1,100,000 series B shares (4,400,000 following the share split) to secure delivery of shares to participants in Saab's long-term incentive programmes. The Annual General Meeting 2024 decided to authorise the Board, before the next Annual General Meeting, to decide on the acquisition of series B shares up to a maximum of 10 per cent of the total number of shares in the company. The purpose of the authorisation is to be able to adjust the company's capital structure and thereby contribute to increased shareholder value as well as to enable continued use of repurchased shares in connection with potential acquisitions of companies and for the company's previous share-related incentive programmes. The Board of Directors did not decide to exercise the repurchase mandate during 2024. The repurchase mandate applies until the Annual General Meeting 2025.

Incentive programme proposed to the Annual General Meeting 2025

The Board of Directors proposes that the Annual General Meeting resolves to adopt long-term incentive programme 2026 (LTI 2026), which consists of three parts: Share Matching Plan 2026, Performance Share Plan 2026 and Special Projects Incentive 2026. The terms and conditions and costs of the above-mentioned programmes will be presented in the Board's complete proposal to the Annual General Meeting.

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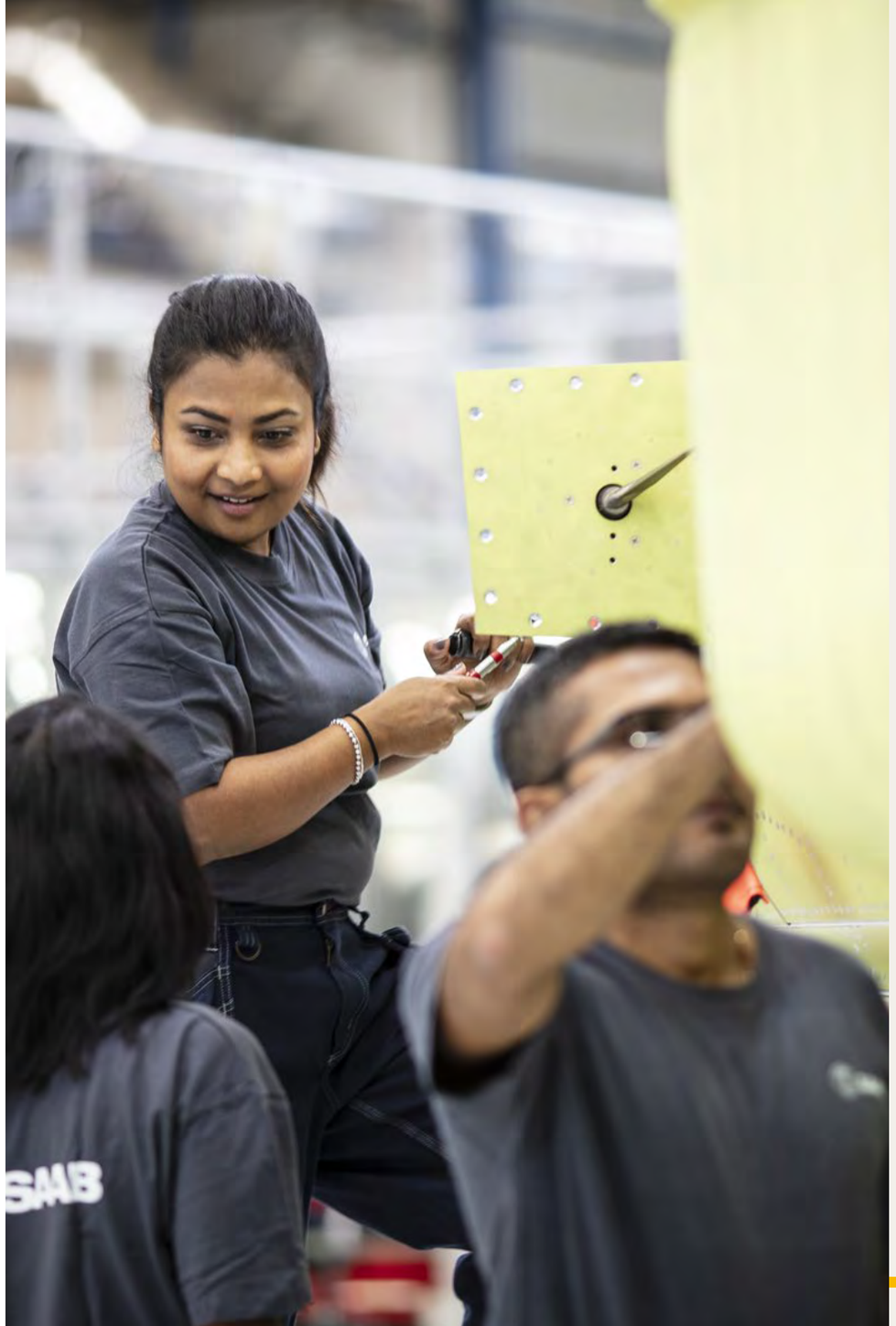

Introduction

2024 has been a year of both progress and remaining challenges for Saab's sustainability strategy. We can look back on a year with a majority of achieved goals towards our short-, medium and long-term sustainability targets. However, there are still further development and opportunities to capture and to manage sustainability as one of the five pillars within our business strategy.

Saab has continued the implementation of quarterly sustainability reports, as part of the interim quarterly reports and internal calendar of targets achievements, encompassing both corporate functions and business areas. By providing regular updates and transparent reporting, we strive to demonstrate our commitment to accountability and continuous improvement.

In the context of the evolving regulatory landscape of sustainability reporting, Saab has begun its journey towards compliance with the Corporate Sustainability Reporting Directive (CSRD). This year's, report has therefore been inspired by the European Sustainability Reporting Standards (ESRS), incorporating its core structure with the ambition to be fully compliant in 2025.

Saab's 2024 sustainability strategy demonstrate the company's commitment and ambition to be a sustainability leader within the defense industry. By prioritizing environmental, social, and governance (ESG) considerations, Saab is aiming to set a high bar for responsible business practices and inspiring others to follow suit.

This year has been a year of progress for Saab's sustainability journey. As the company continues to build upon these achievements, we are well-positioned to navigate the complexities of a changing world while upholding its commitment to creating a more sustainable future.

"2024 marked a year of both progress and remaining challenges for Saab's sustainability strategy."

Eva Axelsson
Chief Sustainability Officer and
Head of Group Sustainability

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Basis for preparation

[BP-1] General basis for preparation of Sustainability Statements
[BP-2] Disclosures in relation to specific circumstances

The sustainability progress at Saab is reported every year in our Annual and Sustainability Report. This year's report covers financial year 2024, and is prepared on a consolidated basis with the same scope as the financial statements, unless otherwise stated. The Sustainability Report is prepared in accordance with the Swedish Annual Accounts Act and is inspired by the European Sustainability Reporting Standards (ESRS). Saab also reports in accordance with the EU Taxonomy regulation. Due to the Taxonomy's focus on sectors outside of security and defence, Saab's core business activities are not yet covered by the Taxonomy, which results in low taxonomy eligibility and alignment percentages.

The structure of Saab's Sustainability Report is outlined based on the guidelines and reporting principles of the ESRS. As this is Saab's first report inspired by the ESRS, there are scope changes, compared to the previous year, based on the performed double materiality assessment (DMA). For further information about the DMA, see [IRO-1] Description of process to identify and assess material impacts, risks and opportunities, page 81. The Sustainability Report 2025, will be in accordance with ESRS.

The sustainability information submitted by Saab in this report fulfils the requirements detailed in the Swedish Annual Accounts Act. The statutory Sustainability Report, including the Sustainability Report is presented on pages 66-145. The ESRS content index is included at the end of the Sustainability Report.

PricewaterhouseCoopers (PwC) has conducted a limited assurance on specific quantitative data, and a reasonable assurance on Scope 1 and 2 Greenhouse Gas-emissions. The data subject to assurance by PwC is marked with a magnifying glass symbol in the report as well as in the ESRS content index. For further information regarding the Auditor's Combined Assurance Report on the Sustainability Report, see page 223.

The report details Saab's material impacts, risks and opportunities (IROs), across our operations and value chain. In this report, we analyse these IROs and outline our policies, actions and targets for managing them. Given the complexity of our global supply chain, which involves multiple tiers and the procurement of advanced sub-systems and components, gathering comprehensive primary data on material content can be challenging.

Saab is active in the military defence market as well as the commercial aircraft and civil security market. In 2024, sales of defence materiel accounted for 92% of Saab's sales. The aerospace and defence industry have in many cases exemptions in legislation, and one example of this regards substances of concern to ensure operational safety in harsh environments.

Unless otherwise is stated, Saab uses the following definitions of time horizons:

- Short-time horizon: 1 year
- Medium-time horizon: 2-5 years
- Long-term horizon: More than 5 years

Information about calculation methodologies is provided alongside the respective figures. Any uncertainty in the calculations is also indicated in conjunction with the reported figures. Saab has opted not to disclose monetary amounts with a high degree of uncertainty in this year's report.

Comparable figures for the previous year, and base year where applicable, are presented in connection with this year's figures. For carbon dioxide emissions in Scope 3, the reporting is expanded to include additional categories. For the newly added categories, the comparison figures for 2023 have not been subject to assurance in previous years. The remaining figures presented in the report were included in the assurance of the 2023 sustainability report. Decisions on restatements of previously reported figures are based on Saab's internal processes regarding backtracking, on the materiality of the error and whether recalculation is practicable. Any restatements to information previously published in annual reports are presented in conjunction with this year's figures. This also applies to metrics where the shift to the new framework has resulted in a change in calculation methodology.

Phase-in requirements are generally omitted until they enter into force.

Read more about information that is "Incorporated by reference" in the ESRS content index, pages 138-139.

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Sustainability governance

Administrative, management and supervisory bodies

[GOV-1] Role of the administrative, management and supervisory bodies

Governance of sustainability matters follows Saab's overall governance structure. Read more about the description of this structure, as well as the composition, roles and responsibilities of the Board of Directors and its committees, available in the Corporate Governance Report, on pages 52-62.

The members of the Board of Directors are elected annually by the Annual General Meeting where the Nomination Committee (representing major shareholders) presents a proposal for the election of Board members. To assess the demands imposed on the Board arising from the company's business, strategy and future direction, the Nomination Committee has considered the size and composition of the Board as well as factors such as competence, experience, sustainability expertise, and diversity.

In view of Saab's operations, the Nomination Committee considers that the Board should be in possession of competence within business and society matters, technology, research and development (R&D), sustainability, and innovation, as well as a strategic ability to handle global adaptation to a changing world. The Nomination Committee considers the Board of Directors composition to be appropriate and demonstrates a satisfactory level of diversity and breadth in terms of competence, age, experience, and background. Read more about the Board of Directors in the Corporate Governance Report on page 54, 58-60.

Saab's Senior Vice President & Head of Communication and Sustainability, and Saab's Chief Sustainability Officer present an update and progress on Saab's sustainability impacts, risks and opportunities, implementation of due diligence and performance against related targets to the Audit Committee and Board of Directors on a yearly basis. The material impacts, risks and opportunities were presented to the Board in 2024. For further information, see table Material Impacts, Risks and Opportunities on page 80.

In connection with being informed on material sustainability impacts, risks and opportunities, the Board decided on the company's business plan and strategy, including an updated sustainability strategy and related targets.

Saab's Sustainability Board handles and resolves sustainability issues that affect the company and prepare certain issues for decision by the Group Management. The Group-wide Sustainability Council consists of representatives from the business areas and selected group functions. Thereby the Sustainability Council has expertise within all of Saab's identified material sustainability topics to support the Sustainability Board, Group Management and the Board of Directors in sustainability-related decisions. For further information, see section [GOV-2] Information and sustainability matters, page 73.

Sustainability Governance

Business Conduct

[Business Conduct GOV-1] Role of the administrative, management and supervisory bodies

The Board of Directors adopts the Code of Conduct which sets out the guiding principle for business conduct at Saab. The Audit Committee monitors the development of the Code of Conduct and evaluates the design of Saab's Anti-Bribery and Corruption (ABC) programme including the company's ABC Policy.

Group Ethics and Compliance manages and develops the ABC programme, conducts business partner due diligence investigations and operates the business intermediary onboarding process. The work is performed under the supervision of the Ethics and Compliance Board, which is chaired by the General Counsel and convenes at least eight times per year. Local Ethics and Compliance Officers work with the implementation of the ABC programme in business areas and strategic markets, and provide first-line guidance and advice. Group Ethics and Compliance holds regular Ethics & Compliance Council meetings to coordinate programme development and share knowledge and experiences within the organisation. See the illustration of the Organisation, reporting and governance structure on the next page.

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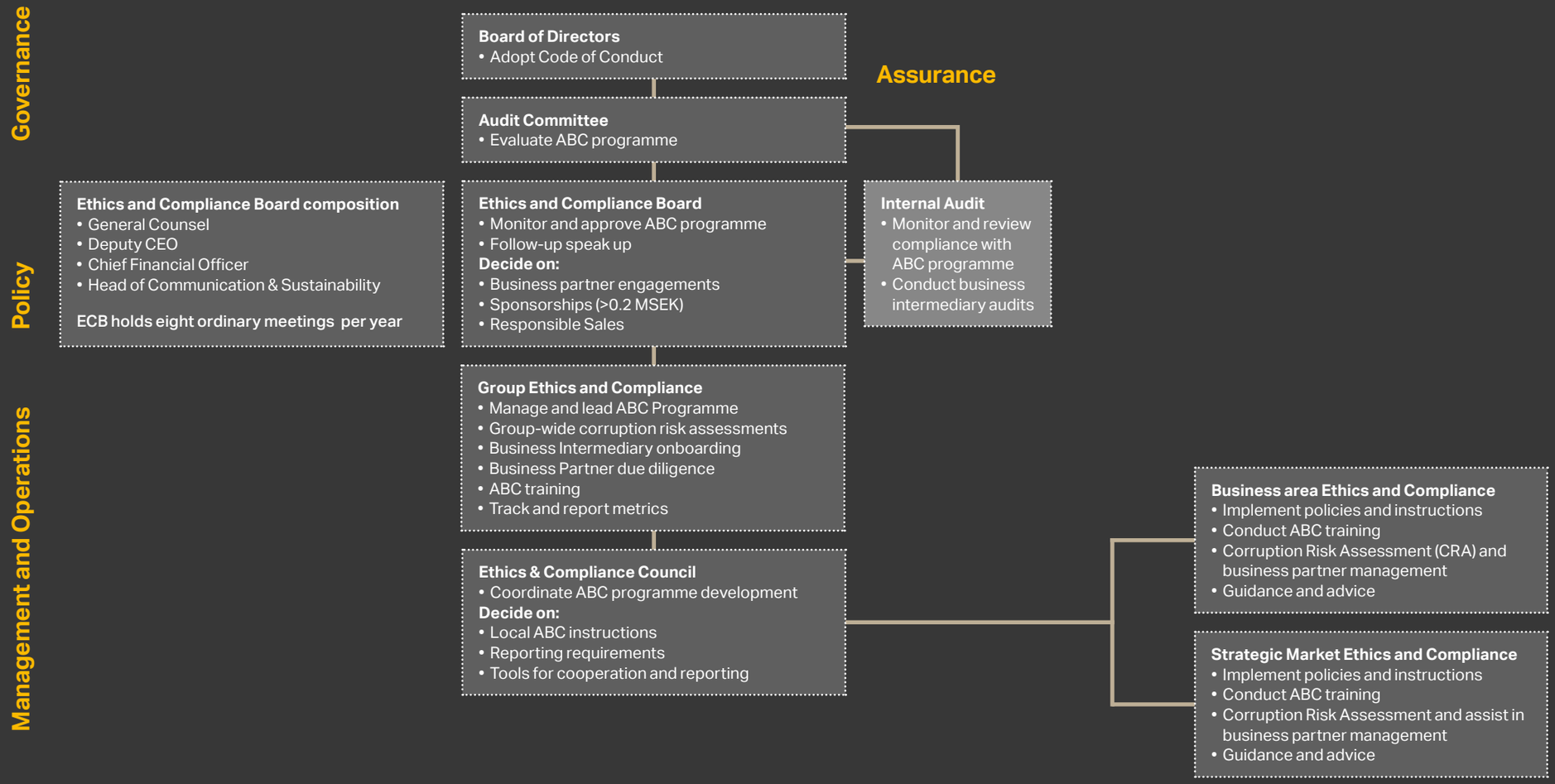
Organisation, reporting and governance structure

Ethics and Compliance



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Information and sustainability matters

[GOV-2] Information provided to and sustainability matters addressed by administrative, management and supervisory bodies

According to the Board's Rules of Procedures, the day-to-day management shall be handled by the Managing Director in accordance with the guidelines and instructions of the Board. The Managing Director shall, through a satisfactory control system, ascertain that the company is complying with laws and regulations, including the corporate governance code, that applies to the company's operations. The Board's Rules of Procedures contains a list of matters that the Managing Director shall submit to the Board for decision-making such as the overall strategy, mergers and acquisitions transactions, R&D and other major investments.

Material sustainability impacts, risks and opportunities constitutes the basis for Saab's sustainability strategy, which is part of the general business plan and strategy. Material impacts, risks and opportunities are further managed through related policies and processes. The Board of Directors, the Managing Director and Group Management consider strategies, policies and processes in their decision on e.g., mergers and acquisitions, R&D and other investments, business opportunities and business partner engagements.

The Audit Committee monitors the company's financial and sustainability reporting and submit proposals to ensure the integrity of the reporting. The Audit Committee further monitors the efficiency of the company's internal control, internal audit and risk management in respect of the financial and sustainability reporting. The Audit Committee keeps itself informed of the audit of the Annual Report and consolidated accounts and about the assurance of the Sustainability Report. The Committee further informs the Board of the results of the audit and the assurance of the Sustainability Report and how the audit and the assurance contributed to the integrity of the financial reporting and the sustainability reporting, and of the role of the Committee in that process.

Saab's Sustainability Board handles and resolves sustainability issues that affect the company and prepare certain issues for decision by the Group Management. In 2024, the Sustainability Board's main focus was on new/updated sustainability targets, in preparations for upcoming regulations such as CSRD and CSDDD, and follow up targets and actions within climate and responsible sales. The Sustainability Board comprises representatives from Saab's Group Management and is chaired by Saab's Chief Sustainability Officer.

The Chairman of the Sustainability Board reports on sustainability matters, such as impacts, risks and opportunities and performance against targets, at least quarterly to the Group Management team. Major updates to the sustainability strategy, including targets, are prepared by the Group Management team before decision by the Board of Directors. Senior Vice President & Head of Group Communication and Sustainability is part of the Group Management Team.

The Group-wide Sustainability Council meets quarterly and consists of representatives from the business areas and selected group functions. Thereby the Sustainability Council has expertise within all of Saab's identified material sustainability topics to support the Sustainability Board, Group Management and the Board of Directors in sustainability-related decisions. Members of the Sustainability Council engages with Saab's stakeholder groups and the Sustainability Council serves as an important sustainability-related information sharing platform in the company. The Sustainability Council develops and proposes targets and KPIs in coordination with other Group Councils and supports the Sustainability Board with analyses and recommendations for decisions.

Each of Saab's material sustainability topics is managed by a "Material topic directive". These directives include:

- Information on impacts, risks and opportunities
- Actions and targets for short-, medium- and long-term management of the impacts, risks and opportunities
- Governance of the topic for oversight and operational management of actions and targets.

Integration in incentive schemes

[GOV-3] Integration of sustainability-related performance in incentive schemes

The Annual General Meeting in 2023 resolved on a long-term Performance Share Plan 2024 for 200 key employees. The long-term Performance Share Plan 2024 contains a sustainability target of 10% of the total allotment. The performance target for CO_2 reduction refers to greenhouse gas reductions within the following areas: (i) Scope 1 and (ii) Scope 2, in accordance with the Greenhouse Gas (GHG) Protocol. The threshold for generating performance matching in relation to the CO_2 reduction target, will be a reduction level of at least 4.2% annually, in line with the Science Based Targets initiative (SBTi) that Saab has committed to.

In 2024, the Annual General Meeting resolved on a long-term Performance Share Plan 2025 for 300 key employees. The long-term Performance Share Plan 2025 contains two sustainability targets of 10% of the total allotment. 5% is attributable to the annual average CO_2 reduction during the financial years 2025-2027. The target refers to the reduction of emissions within the following areas: district heating and cooling, steam, electricity, stationary combustion, company cars, accidental emissions, corporate flight services and special flight operations (excluding test flights with Gripen and GlobalEye). The remaining 5% is attributable to the increase of the percentage of female employees in the Saab Group by the end of the financial year 2027.

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The maximum level for the sustainability target for annual average CO_2 reduction shall correspond to an annual average CO_2 reduction of 4.2%, and the minimum level shall correspond to an annual average CO_2 reduction of 0% during the financial years 2025-2027. The annual average CO_2 reduction during the financial years 2025-2027 will, after the financial year 2027, be established by dividing the sum of the annual CO_2 reduction in percentage for each of the financial years 2025-2027 by three.

The minimum level for the sustainability target for increase of the percentage of women employees in the Saab Group shall correspond to 25% women employees in the Saab Group by the end of the financial year 2027, and the maximum level shall correspond to 28% women employees in the Saab Group by the end of the financial year 2027. Read more about Remuneration and long-term incentive programmes in the Corporate Governance report on pages 63-65.

Statement on due diligence

[GOV-4] Statement on due diligence

The following table provides a mapping of how Saab applies the core elements of due diligence and where they are presented in this Sustainability Report.

Core elements of due diligence	Paragraphs in the sustainability statement	Page
Embedding due diligence in governance, strategy and business model	[SBM-1] Strategy, business model and value chain	75
Engaging with affected stakeholders in all key steps of the due diligence	S2 Workers in the value chain S3 Affected communities	117 120
Identifying and assessing adverse impacts	S2 Workers in the value chain S3 Affected communities	117 120
Taking actions to address those adverse impacts	S2 Workers in the value chain S3 Affected communities	117 120
Tracking the effectiveness of these efforts and communicating	S2 Workers in the value chain S3 Affected communities	117 120

Risk management and internal controls

[GOV-5] Risk management and internal controls over sustainability reporting

All business activities involve risks. Proactive and effective risk management is therefore necessary in order to deliver on Saab's strategic sustainability targets. Each business area, strategic market and group function is responsible within its respective organisation for identifying and managing risks in accordance with the Group's common risk process and current policies, guidelines and instructions. Read more about the description of Saab's Enterprise Risk Management on pages 46-47.

Internal controls over sustainability reporting process are integrated with Saab's internal control structure meaning generic control processes and common reporting system. The framework supports the business in achieving its sustainability targets by monitoring risk exposure in a structured way. Saab is considering risks such as the completeness and integrity of the sustainability data, the accuracy of estimations, the availability of upstream and/or downstream value chain data, and the timing of the availability of the information. Read more about the internal control process in Corporate Governance Report on page 57, section Internal control over financial- and sustainability reporting.

Key controls have been designed and implemented during 2024 within:

- General reporting requirements and double materiality assessment
- Environment
- Social
- Governance

The results of performed key controls are reported quarterly to the Group Management and annually to the Audit Committee.

The internal control process within Saab includes a semi-annual self-assessment on completed key controls. The self-assessment also includes assessing whether the material risks in each area are managed with existing key controls. Read more about the internal control process in Saab's Corporate Governance Report on page 57, section Control activities.

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Business model and strategy

Strategy, business model and value chain

[SBM-1] Strategy, business model and value chain

Saab is an aerospace and defence company, founded as a result of the security situation in 1937 and a way for Sweden to safeguard its freedom. Since then, the purpose has been to contribute to secure societies and keeping people and societies safe, deemed fundamental requirements for sustainable development.

Saab serves the global market with world-leading products, services and solutions, from military defence in all domains to civil security. Saab's market offering is broad and consists of complex systems involving extensive research and development as well as services with a high degree of repetition. With operations on every continent, Saab continuously develops, adapts and improves new technology to meet customers' changing needs.

Saab purchases sub-systems, components and equipment, as well as raw material to a lesser extent, as inputs to its manufacturing and integration of products and systems. For certain sub-systems, Saab is dependent on deliveries from one or a few suppliers. Saab expects its suppliers to have business continuity plans in place to manage disruptions efficiently.

For more critical suppliers the continuity plans are reviewed and discussed in supplier audits and meetings. Read more about Saab's approach to securing inputs in Risk and Uncertainties on pages 46-50. For further information about supply chain management, see [S2] Workers in the value chain, pages 117-119.

Saab's strategy is built on five pillars where sustainable business is one of the pillars. Keeping people and societies safe from threats is viewed as a fundamental requirement for sustainable development. Only safe societies have the power to focus on issues such as climate change, human rights, diversity and financial stability. Saab strives for a sustainable business in all aspects of its operations and impact on society by developing and providing solutions that enable customers to achieve their sustainability ambitions.

The Sustainability strategy is based on an update of the double materiality assessment and reflects increased stakeholder expectations from the financial market, employees, customers and legislators. Saab's sustainability strategy is built on three pillars: 1) Resilient and safe societies, 2) Green and social transition and 3) Innovation and partnerships, with eleven material topics. The Sustainability strategy includes targets on short-, medium- and long term for each material topic. The Sustainability strategy is part of the Saab business strategy. The Saab business strategy takes effect following approval by the Board of Directors, on an annual basis in December.

In the Saab Group, sales arise primarily from three types of categories; 1. Long-term customer contracts (63% of total sales), 2. Products (21% of total sales) and 3. Service assignments (16% of total sales). Saab's operations are distinguished by complex, multi-year development assignments and involve considerable customisation. Production in long series is rare. Revenue and costs are recognised in the income statement in relation to the contract's stage of completion. In some long-term customer contract Saab receives advance payments or build-up material contract assets. As a result, emissions and the amount of resource inflows during a calendar year do not relate linearly to resource outflows and sales. Read more about Saab's total sales in Financials note 4, section Sales, page 165.

All exports of defence equipment from countries where Saab has operations are subject to applicable export control legislation. The national export control authority decides on export authorisation case-by-case, based on the type of product and an overall assessment of the situation in the intended recipient country, including democracy, respect for human rights and international humanitarian law. 81% of Saab's total sales 2024 originated from Sweden, other European countries, North America and Australia. No other country or region represented more than 8% of Saab's total sales. Read more about Saab's total sales in Financials note 3, section Segment reporting, page 163.

In 2024, Saab had a head count of 25,456 employees. For further information about geographical distribution, see [S1-6] Characteristics of the undertaking's employees, page 110.

Saab follows all applicable national legislation regarding the development and sale of military equipment. Saab does not produce any military equipment that is prohibited according to international law, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons (i.e., controversial weapons). Saab does not derive any revenue from fossil fuels,(i.e.exploration, mining, extraction, production, processing, storage, refining, or distribution, including transportation, storage, and trade.)

Saab's strategic priority on sustainable business informs decisions and necessitates clear visibility of environmental and human rights risks in Saab's operations and value chain. This is achieved through continuous due diligence. Saab follows a risk-based approach to due diligence, meaning that due diligence is conducted as part of key processes to identify and manage risks of adverse environmental and human rights impacts as needed.

The due diligence process builds on the guidance provided by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Key processes in which due diligence is integrated include procurement, occupational health and safety, environmental management and sales. Each process is subject to clear divisions of responsibilities and due diligence requirements.

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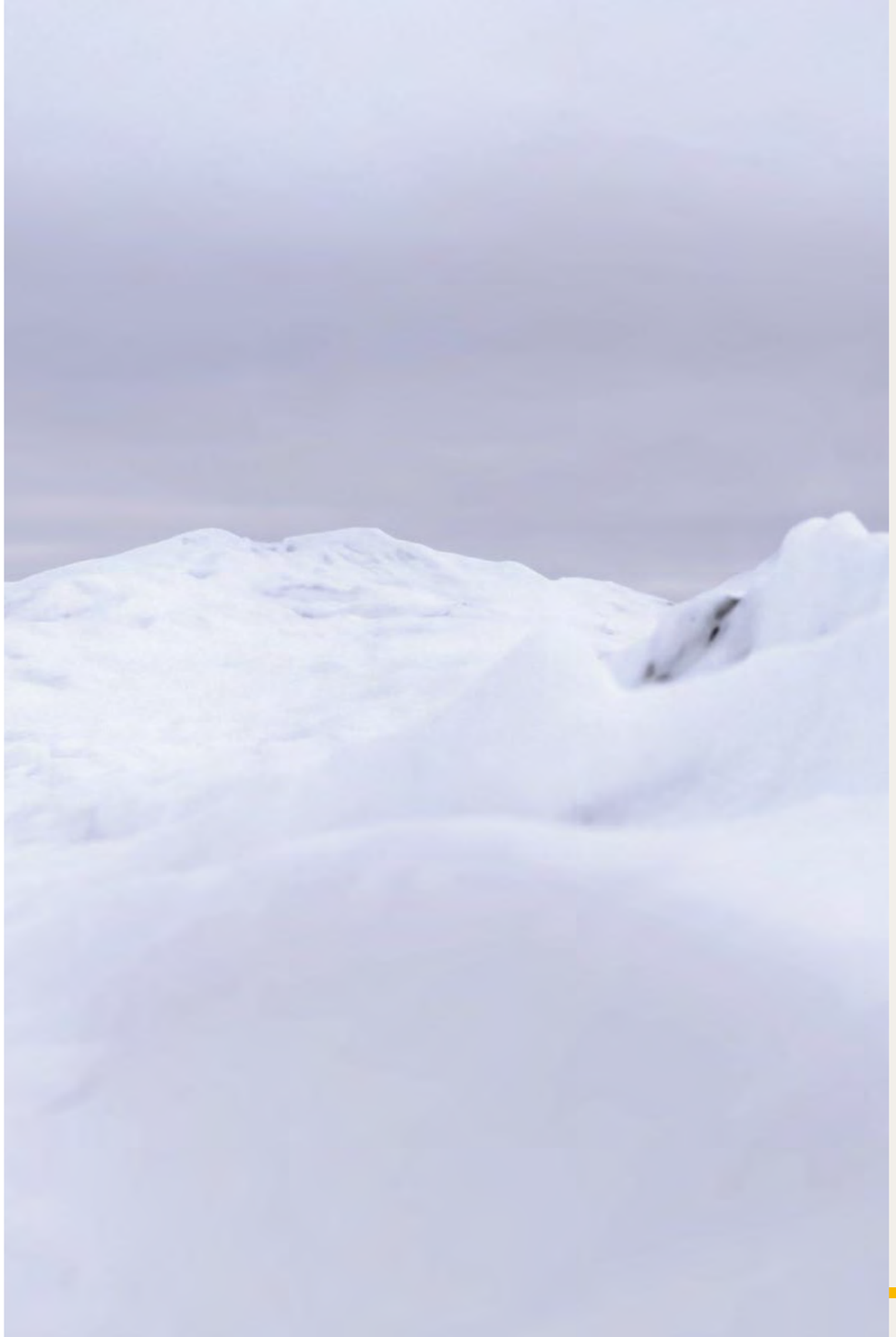
As an example, Saab has its own Responsible Sales Policy and processes in place to mitigate human rights risks beyond existing export control regulations. Sales opportunities below a certain threshold (Saab's Responsible Sales Index) and products classified as military equipment are flagged in the Saab's Customer Relationships Management (CRM) system and subsequently assessed for human rights risks. For further information about Saab's Responsible Sales Process/Policy, see [S3] Affected communities - Responsible Sales on pages 120-123.

As Saab primarily serves government entities and operates globally in collaboration with other companies, there is an inherent risk of corruption and bribery. Saab systematically identifies, assesses, and manages these risks and strives to maintain an industry-leading anti-bribery and corruption programme.

Some of Saab's major products are dependent on fossil fuel. Products in use stands for approximately 39% of Saab's total greenhouse gas emissions. Saab's science-based targets covers products that contribute significantly to Saab's Scope 3 emissions. Sustainable innovation will be key in enabling zero emission from the use phase of Saab's products, in line with Saab's Net Zero target by year 2050.

Saab has or may have an impact on people, economy and environment in various phases of the value chain, either directly or indirectly. See the illustration on the next page which gives a basic overview of Saab's value chain with its related impacts. Saab manages impacts, risks and opportunities through its sustainability strategy and the associated policies, actions, targets and processes, including risk management.

Because aerospace and defence equipment must endure extreme conditions and meet stringent flight safety standards, the industry often receives exemptions from legislation regarding substances of concern, at least temporarily. To mitigate sourcing risks and anticipate evolving regulations, Saab has established targets and actions to responsibly phase out substances of concern. For further information about substances of concern, see [E2] Pollution, Substances of concern and very high concern on pages 94-95.



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Value chain perspective

	Upstream		Own operations		Downstream		
Value-chain	Indirect Suppliers	Direct Suppliers	Saab		Sales, Marketing & Industrial Cooperation	End-use	Service, support and end-of-life
Prioritised sustainability areas	Responsible Sourcing Climate Impact Sustainable innovation Substances of Concern Export Compliance Industrial Cooperation and Partnerships		Climate Impact Substances of Concern Circular Economy Occupational Health and Safety Diversity & Inclusion	Sustainable Innovation Export Compliance Information Security	Anti-Corruption Responsible Sales Sustainable Innovation Industrial Cooperation and Partnerships Export Compliance	Climate Impact Substances of Concern	Occupational Health and Safety Export Compliance Industrial Cooperation and Partnerships
Industry context	Supply chain centred around the European defence technological and industrial base	Primarily procurement of advanced sub-systems components and equipment	Development and production of products, services and solutions of military equipment in all domains and civil security offerings		Large contracts with governments. Highly regulated market with long leadtimes	Use of products by government authorities	Long-term service commitments on contracts. Refurbishment, upgrades and life-time extensions of existing products.
Geographical impact	Global footprint, however supply-chain is centred around Europe and North America	Large majority of tier 1 suppliers in Sweden	Large share of operations in Sweden. Saab also has four other strategic markets: Australia, Germany, U.K. and U.S.		Offices in approximately 30 countries	Approximately 80 countries with operation. Majority of sales to Sweden, U.S. and Europe	

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Stakeholders

[SBM-2] Interests and views of stakeholders - general

Stakeholder expectations and information needs are vital to Saab's ongoing materiality assessment process. This input helps prioritise the key sustainability aspects of Saab's sustainability strategy and sets the content of this report. We gather stakeholder feedback through various channels, as illustrated in the table below. Stakeholders emphasise the importance of Saab's zero-tolerance approach to corruption and responsible sales practices, including upholding human rights. Many stakeholders are as well requesting further information about our sustainable innovations and carbon reduction efforts. Each stakeholder group has unique expectations based on their specific interests.

Primary stakeholder groups	Primary forms of dialogue	Material topics raised	Examples of outcomes from the dialogues
Owners and investors	• Direct investor dialogues and Capital Market Days • Annual General Meeting • Sustainability questionnaires from investors and analysts • Continuous dialogue with investors and analysts	• Responsible Sales • Anti-Corruption • Climate Impact	• Enhanced cooperation in the sphere of owning companies • Responses to investor queries
Own workforce	• Continuous dialogue • Personal performance reviews • Employee engagement surveys • Training and awareness activities	• Business & Human Rights • Anti-Corruption • Climate Impact • Occupational Health and Safety • Substances of Concern • Diversity and Inclusion • Information Security • Product Safety	• Communications with management • Policy updates • Improvements and action plans
Students and potential employees	• Labour market days and similar events • University collaborations • External surveys on students' expectations from future employers	• Climate Impact • Sustainable Innovation • Diversity & Inclusion	• Policy updates • Continuous improvements and action plans
Customers	• One-on-one meetings, trade shows and conferences • Customer sustainability assessments and feedback • Customer requirements • Industry sustainability forums	• Sustainable Innovation • Industrial Cooperation & Partnerships • Substances of Concern • Information Security • Export Compliance • Product Safety	• Sustainable innovation cooperation • Product and service improvements
Affected communities, decision-makers and stakeholder organisations	• Participation in defence forums and debates (Almedalen, Folk and Försvar in Sälen) • Collaborations with public organisations and authorities (ASD, European Union, SOFF and United Nations COP 16) • Volunteer work and collaborations with non-profits	• Business & Human Rights • Anti-Corruption • Climate Impact • Substances of Concern • Industrial Cooperation & Partnerships	• Alignment on sustainability topics in the ASD-forum • Support of local projects
Suppliers, workers in the value chain and partners	• SBTi engagement activities • Saab's supplier days • Continuous contact with suppliers and partners	• Business & Human Rights • Sustainable Innovation • Substances of Concern • Circular Economy • Occupational Health and Safety • Anti-Corruption	• Optimisation of supplier sustainability performance in EcoVadis • Improvement plans for strategic suppliers

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Material sustainability topics

Material impacts, risks and opportunities

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

Saab's Sustainability Report is based on the double materiality assessment. The table on the next page lists the material topics identified and assessed as material based on their impact, risks, and/or opportunities, as defined by the European Sustainability Reporting Standards (ESRS). Each material topic is elaborated in the report, stating the specific impacts, risks, and opportunities related to Saab's operation and value chain. For 2024 negative and positive impacts are reported jointly. Full reporting in accordance with ESRS, including detailed information about negative/positive impacts for each Impact, Risk and Opportunity (IRO) will be reported 2025.

Detailed information on how the effects of these IROs are addressed is provided in the respective sections covering Environment, Social, and Governance topics.

In the double materiality assessment 2024, two new material topics were added; Political engagement and Secure employment. The new material topics will be integrated into the sustainability strategy and fully reported 2025.

The material topics are highlighted in the description of Saab's value chain with prioritised impacts, risks, and opportunities mapped to the most relevant part of the value chain. See illustration of Saab's identified and prioritised impacts in the value chain on page 77. The information on geographical impact and industry context on that page provides a broader understanding of Saab's sustainability performance.

For information about applicable ESRS Disclosure Requirements, based on Saab's material impacts, risks and opportunities, see Appendix - ESRS Content Index, pages 138-139.

Saab Sustainability Strategy

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Material Impacts, Risks and Opportunities

The table shows Saab's ESRS material topics identified in the double materiality assessment 2024, sorted according to Saab's sustainability strategy. Further information is described under each topical disclosure in the sections; Environment, Social and Governance.

Topic in Sustainability strategy	ESRS Disclosure Requirement	ESRS Material topic	Impact	Risks	Opportunities
Resilient and safe societies					
Business & Human Rights - Responsible Sourcing	S2	Value chain workers – Responsible Sourcing	●	●	
Business & Human Rights - Responsible Sales	S3	Affected communities - Responsible Sales	●	●	
Anti-Corruption	G1	Corruption and bribery	●	●	
	G1	Protection of whistleblowers	●		
Information Security	S - Own topic	Information security	●	●	
Export Compliance	G - Own topic	Export compliance	●	●	
Green and social transition					
Climate Impact	E1	Climate change adaption		●	●
	E1	Climate change mitigation	●	●	●
	E1	Energy	●	●	●
Substances of Concern	E2	Substances of concern	●	●	
	E2	Substances of very high concern	●	●	
Circular Economy	E5	Resource inflows, resource use	●	●	
	E5	Resource outflows, related to products and services	●		●
	E5	Waste	●		
Occupational Health and Safety	S1	Occupational Health and safety	●	●	
Partnerships and innovation					
Diversity & Inclusion	S1	Diversity	●		●
Sustainable Innovation	S - Own topic	Sustainable Innovation	●		●
Industrial Cooperation and Partnerships	S - Own topic	Industrial Cooperation and Partnership	●		●
To be integrated in Saab's Sustainability strategy[1)]					
Working conditions	S1	Secure employment	●		
Equal treatment and opportunities for all	S1	Gender equality and equal pay for work of equal value	●		
Equal treatment and opportunities for all	S1	Training and skills development	●		
Political engagement	G1	Political engagement			●

1) The material topics in this section will be fully reported 2025 in accordance with ESRS.

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Double materiality assessment

[IRO-1] Description of process to identify and assess material impacts, risks and opportunities

The starting point for the first ESRS double materiality assessment (DMA) in 2023 was the list of material topics from the sustainability reporting in accordance with GRI (The Global Reporting Initiative). The previous sustainability reporting and sustainability strategy was based on an extensive materiality analysis undertaken in 2021. Saab, as a business group within the aerospace and defence industry, have additional sector specific material topics which have been included, such as Export control, Sustainable innovation, Industrial cooperation and partnerships, and Information security.

With the incorporation of ESRS, Saab included the list of sustainability matters in ESRS 1 AR 16. All topics, sub-topics and sub-sub topics in ESRS 1 AR 16 were included in the scope, but some of the sub-sub topics and sub-topics were aggregated for assessment on a higher level.

The list of sustainability topics, sub-topics and sub-sub topics in ESRS, together with entity-specific sustainability topics, identified in stakeholder dialogues, was used to structure the DMA and to ensure that all topics in ESRS were covered. A dedicated sustainability reporting project led the work in terms of planning and performing the DMA. The DMA involved multiple stakeholders in the organisation. The actual assessment was performed in a number of workshops including subject matter experts within environment, ethics and compliance, human resources, human rights, finance, procurement, enterprise risk management and strategy.

During the workshops, the participants identified and assessed sustainability-related impacts, risks and opportunities based on Saab's value chain, business relationships, products and services provided. The geographic location of own operations, suppliers and customers was also taken into account. Short-, medium- and long-term perspectives were considered in the assessment.

Saab evaluated the actual impact of its operation on each topic using predetermined scales to measure the parameters "Scale", "Scope", and the potential for mitigation.

- "Scale" was evaluated from 1 to 7 and represents how grave or beneficial the impact is or may be for people, society and/or the environment. (1 = "Insignificant impact" and 7 = "Catastrophic impact/ Extremely beneficial")
- "Scope" was evaluated from 1 to 7 and represents the extent or how widespread the impact is or may be. (1 = "No spread of impact outside company premises and/or very few people affected" and 7 = "Global environmental/societal impact and/or a very large number of people affected.")
- In addition for negative impacts, Saab evaluated the possibility to restore the impact to its prior state. "Irremidiate character" was evaluated from 1 to 7. (1 = "Very easy to restore" and 7 = "Impossible to restore")

For potential impacts, "Likelihood" was also considered on a scale from 1 to 7 (1 = "Unlikely" and 7 = "Very high likelihood").

To determine the sustainability material topics:
- The average of the scores for "Scale" and "Scope" was calculated for each actual positive and negative impact.
- For actual negative impacts "Irremediate character" was also taken into account
- For potential impacts the "Likelihood" was included in the calculation of the average

The threshold was set at 5,0 and topics with an impact above the threshold was considered material.

Financial risks and opportunities were assessed based on Saab's Enterprise Risk Management (ERM) process with the parameters of "Magnitude" and "Likelihood". The output from previous TCFD analysis was used as an input when assessing climate financial risks and opportunities. For the financial risks and opportunities the predefined thresholds in the ERM process were used and all risks and opportunities with values of orange and red were considered material.

All topics above the thresholds constitute Saab's material sustainability topics. Saab's stakeholder dialogue with our key stakeholders such as shareholders, financial institutions, employees, customers, suppliers, industry and civil society actors additionally influenced the assessment.

Saab's Board of Directors was informed of the result of the assessment in December 2023 as part of the Board's approval of Saab's updated sustainability strategy, including actions, targets and metrics.

An update to the DMA, with the same methodology, was performed during autumn 2024 with the same stakeholder groups. Saab's Board of Directors was informed of the result of the updated DMA in December 2024 as part of the Board's approval of the sustainability strategy. Saab provided sustainability information to employee representatives and discussed the information with the representatives. The management was informed of the employee representatives' opinion.

The plan going forward is to undertake a more comprehensive double materiality assessment every three year, with an annual review during autumn. For 2025, the DMA will be revisited and verified during the spring to prepare for the first full sustainability reporting in accordance with ESRS.

Business conduct

The identification of material impacts, risks and opportunities, in relation to business conduct matters, followed the general process for the DMA described earlier in this section.

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Climate-related assessment

[E-1 IRO-1] Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Description of process
Climate-related risks and opportunities are identified and assessed in accordance with Saab's risk process. In this way, the relative significance of climate-related risks is visible. The method for assessing opportunities is a NABC model (Need, Approach, Benefit and Competition) and Innovation matrix. The matrix provides an understanding of whether the innovation is progressive or radical and if it will benefit our own operations or if it will provide a positive impact to our customers. Over the long term, this response is expected to increase output of carbon reducing innovations that can be used to decrease corporate impact and risk, or provide new low-carbon opportunities.

We manage the impact of financial physical climate risks through Saab's comprehensive global insurance program, designed to mitigate property damage and business disruptions. At the asset level, we utilise the Saab Blue Risk Management Programme, developed in partnership with WTW, to identify and assess physical risks. This programme involves "Blue surveys" conducted by risk engineers who inspect Saab plants and evaluate various physical risks and recommend mitigation actions.

Based on these assessments, we implement mitigation activities such as business continuity planning that includes ensuring robust infrastructure and potentially partnering with power suppliers to enhance energy production. We structure agreements to minimise liability for delivery delays caused by factors beyond our control and when establishing new facilities, we prioritise locations with lower exposure to extreme weather events and outages.

Identification of climate related hazards
Risks and opportunities associated with climate change have also been analysed in accordance with the global framework Taskforce on Climate-related Financial Disclosures (TCFD). Saab has initiated a number of actions and activities to ensure that the company controls these climate risks and realised opportunities. We utilise our existing Enterprise Risk Management (ERM) platform, which allows a holistic analysis of both financial and strategic impacts from climate related risks.

Screening
As part of Saab's science-based targets and commitment to UN's Race to Zero, we have established a dedicated project, that works across our entire value chain in order to achieve our targets. The project has also influenced our overall strategy. The products and services in our operations have been impacted through our identification of opportunities to offer sustainable products with minimised environmental and climate impact.

Climate change presents a significant opportunity for Saab to develop innovative, low-emission products and services. This has driven increased investment in R&D, including several research projects and pilots focused on reducing CO_2 emissions. We are committed to providing cutting-edge solutions that support the aviation sector's decarbonisation efforts. This represents a major strategic shift within our research and development priorities, directly influenced by climate risks and opportunities.

A Climate Fund has been established, with a dedicated process for identifying, funding, and developing early-stage innovations with the potential for positive climate impact, both within our operations and in the products and services we offer.

Exposure of assets and business activities
There are both risks related to the use of energy and opportunities in generating our own. Every other year, the Swedish Energy Agency publishes a long-term forecast of future energy prices and energy consumption. The forecast has predicted electricity prices to rise in the short term (1-5 years), although from a historically low level in 2020, which is the time horizon which Saab consider within our current strategy for climate related risks. The increase in price from Saab's electricity suppliers will affect cost of energy.

An even larger risk is that, when looking at a time horizon of 10-20 years, Saab may not be able to purchase all energy needed for our operations, which could lead to negative impact on Saab's productivity. This is one of the reasons why Saab has taken a strategic decision to work together with external energy experts, both in Sweden and abroad.

Saab has prioritised our largest sites where energy efficiency programmes have been implemented to reduce the use of energy and to find alternative sources of energy abroad. As a result, a strategic decision taken has been the installation of solar panels at Saab's site in South Africa. Similar opportunities have been identified at our other sites.

Disclosure Requirements covered

[IRO-2] Disclosure Requirements in ESRS covered by sustainability statements

For the full list of Disclosure Requirements (DR) covered in the Sustainability Report, refer to the Appendix ESRS content index and the SFDR Datapoints from other EU legislations, pages 138–144. The appendix indicates where the Disclosure Requirements can be found in the Sustainability Report. Included in the ESRS content index is a list of topics deemed not material.

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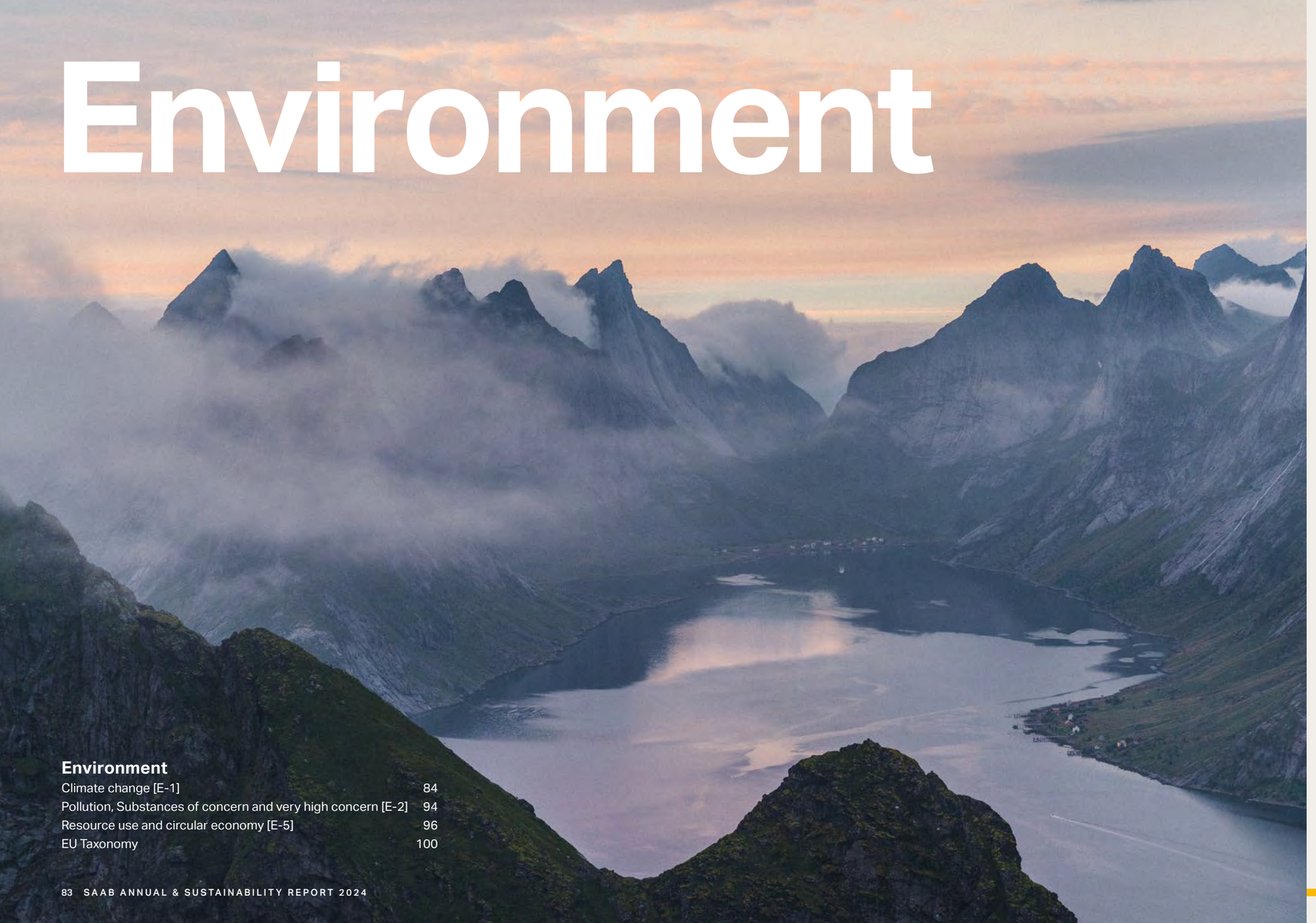

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Climate change

[E1] Climate change

Our Climate Transition Plan

[E1-1] Transition plan for climate change

The work related to the finalising of the Climate Transition Plan (CTP) is ongoing and will be published during 2025. It will be presented to the Board for approval. The CTP is a further expansion of the current published Climate Reduction Plan.

The CTP sets out the strategy and pathway to deliver on Saab's Net Zero target. It describes the past, current, and future mitigation efforts to ensure that Saab's strategy and business model are compatible with the transition to a sustainable economy, and with the limiting of global warming to 1.5°C in line with the Paris Agreement and with the objective of achieving climate neutrality by 2050. The CTP lays out the foundation, ambition and execution to reach Saab's targets.

In detail, the CTP describes the key actions, and important Key Performance Indicators to measure the climate transition, gives insights on governance and accountability mechanisms to support the delivery, the financing required for the transition, collaborations needed to realise the transitions, locked-in Greenhouse Gas (GHG) emissions, and addresses material risks and opportunities.

For further information about revenues, capital expenditures and operating expenses for activities supporting our climate transition plan in the current financial year, see [EU Taxonomy], pages 100-106.

For further information about GHG-reduction and science-based targets at Saab, see [E1-4] Targets related to climate change mitigation and adaptation, pages 88-89.

Our alignment with limiting global warming

Saab's ambition is to be a sustainability leader within the defence sector, demonstrated by being the first major defence company to have the emission reduction targets approved by the Science Based Targets initiative(SBTi) approved. These targets, published in 2021 and approved in 2022 (near term) and 2023 (long term Net Zero), align with the latest climate science and support the goal of limiting global warming to 1.5°C.

Main decarbonisation levers

Saab's CTP is founded on a GHG emission baseline. Dedicated Task Forces are tackling emissions across the entire value chain, including operations, supply chain, customer impact, and product development. Key actions identified by the Task Forces, linked to specific milestones, will drive progress towards the 2050 Net Zero target. Progress is continuously monitored and reported.

For further information regarding the main decarbonisation levers at Saab, see [E1-3] Actions and resources in relation to climate change policies, page 87 section Decarbonisation levers and connected key actions.

Our Climate Transition Plan and the overall Business Plan

Saab prioritises stakeholder engagement, actively seeking feedback on its climate strategy through dialogues and meetings. These inputs shape the strategy and ensures alignment with stakeholder needs and expectations.

Although climate change has not significantly impacted Saab's operations to date, the company recognises potential risks and opportunities. These include challenges posed by the transition to a low-carbon economy and the physical impacts of climate change, as well as emerging business opportunities.

Rising energy prices, particularly in Sweden, present a notable risk. Saab is mitigating this risk through various energy saving measures for its facilities and operations, aligning with the company's Strategic Business Plan that emphasises efficiency and minimising environmental impact.

A key decision driven by climate-related risks is setting ambitious climate targets for 2030. This long-term vision guides actions like the installation of solar panels in South Africa, Australia, and Sweden, and the implementation of energy efficiency measures at major sites. These initiatives reduce reliance on grid energy and lower emissions.

Climate-related risks are influencing investment decisions, making long-term energy efficiency investments more viable. Proposals are evaluated based on kWh savings, cost savings, and CO_2 reduction, prioritising solutions with the greatest energy savings and shortest payback times. These investments reduce operating costs and support the climate transition plan.

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Material impacts, risks and opportunities

[E1 - SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

Resilience analysis
Saab has analysed how climate change may impact its operations and the value chain. We have analysed physical and transitional risks and opportunities with the help of public IPCC and IEA scenarios and other relevant sources. We have used both well-below 2.0°C and 4.0°C pathways. The well-below 2.0°C scenario assumes meeting the goals set in the Paris Agreement with climate change mitigation through policy changes, whereas the 4.0°C scenario is considered a business-as-usual scenario without ambitious climate policy changes. The scenarios and other relevant sources were also used in order to test Saab's strategy resilience and better understand future strategic and financial impacts in both favourable and non-favourable scenarios.

The resilience analysis (last updated 15.12.2021) is planned to be reviewed and updated during 2025. For the resilience analysis short-term (0-1 years), medium-term (1-5 years) and long-term (5-30) time-horizons are assessed. As climate-related issues often manifest themselves over a longer period, the long-term time-horizon is expanded over 30+ years in our physical climate risk assessment. The analysed risks and opportunities in the resilience analysis have low- to medium impact on Saab in the short-, medium- or long-term. Low impact means some effect on performance, or strategy being temporarily disrupted or delayed. Medium impact translates to moderate effect on performance and strategy affected.

The scope for the performed resilience analysis in 2021 covered Saab Group's entire operations.

Material impacts, risks and opportunities
In a well-below 2°C scenario, our primary climate risks are transitional, encompassing reputation, policy/legal, and market factors. To mitigate these risks, we are committed to achieve Scope 1 and 2 emission reduction targets. This scenario also presents opportunities for developing climate-smart products and services, leveraging our workforce and strategic focus on low-carbon solutions.

Saab recognises the reputational risk associated with insufficient transparency on value chain emissions, unmet climate commitments, or lagging behind stakeholder expectations. This could diminish our political influence and increase financing costs. By collaborating with suppliers and partners, Saab aims to better calculate and reduce supply chain emissions.

We actively engage with stakeholders like investors, policymakers, and NGOs through dedicated Sustainability and Environmental Communications plans, ensuring transparency both internally and externally. Our commitment to emission reductions, CDP disclosures, and TCFD-aligned reporting helps safeguard Saab's reputation.

To attract funding, we invest in low-carbon products and processes with minimal climate impact. This positions us to leverage innovation funds, private equity, debt financing, and government subsidies dedicated to low-carbon technologies. Demonstrating a proactive low-carbon transition is key to securing these funding opportunities.

Saab recognise the potential threat of disruption from new, more agile actors if traditional defence companies are slow to adapt to low-carbon demands. While entry into the defence market is challenging for newcomers, such disruption would impact our strategy, margins, and market position.

Saab is well-positioned for increasing sustainability requirements. Saab's products, like Gripen, already boast low fuel consumption compared to competitors. We have anticipated growing customer demand for energy-efficient and low-carbon solutions for years. Initiatives like Destination 2050 present opportunities to deliver sustainable solutions for aviation.

Increasing climate-related requirements are already limiting supplier access. Difficulty finding compliant suppliers could bottleneck production or necessitate product changes. To mitigate this risk, Saab is implementing improved supplier follow-up processes, education, and contract support to understand emissions across our entire value chain and avoid regulatory penalties. This is a key element of our plan to achieve our ambitious SBTi targets for Scope 3 emissions.

Achieving the well-below 2°C target requires scaling up emission reductions through technologies like electrification, hydrogen, bio-based feedstocks, product substitution, and carbon capture. We anticipate early innovation and infrastructure development in aviation and shipping. Saab expects significant environmental transitions within the next five years, presenting opportunities to offer more sustainable solutions.

The shift away from fossil fuels is driving the introduction of bio- and synthetic alternatives. Policies like blending mandates and excise duties on petroleum products are accelerating this transition by increasing supply. Saab recognises the potential of alternative fuels anticipating progress within the next five years.

Furthermore Saab, however, sees opportunities in enhancing energy efficiency at our operations and buildings, particularly at less efficient sites, leading to cost reductions. New technologies will enable more digital, efficient, and low-carbon operations.

We are implementing communication, education, and process updates to drive energy efficiency engagement across the organisation. Cross-functional networks focused on circularity and climate action will further support these efforts.

While Saab's financial impact from physical climate risks is currently low across the medium-term timeframe, it is expected to increase in the long-term under a high-emission scenario. Rising temperatures will intensify extreme weather events, with events previously occurring every 50 years potentially happening every 3-4 years at 2°C warming. The IPCC also predicts more concurrent compound events.

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Saab has experienced impacts from weather-related electricity disruptions in Brazil, Australia, South Africa, India, and the U.S., and these are expected to worsen. Such impacts caused by storms, floods, wildfires, and heatwaves can damage power plants and infrastructure, leading to downtime and equipment damage.

Although our current exposure is limited to lower-production sites, the risk of electricity disruptions in Sweden is increasing, potentially impacting long-term supply. Such interruptions could harm Saab's reputation, lead to contract violations, and incur fees. We mitigate this risk by ensuring robust infrastructure, secure surroundings, and potentially collaborating with power suppliers to increase energy production. Contracts are structured to avoid liability for disruptions beyond our control.

Policies

[E1-2] Policies related to climate change mitigation and adaptation

Environmental Policy

The Saab Environmental Policy states that Saab shall work to minimise its environmental impacts from plants, products and services. The same policy highlights the following levers as material in fulfilling this policy;

- Identification and minimisation of the products and operations' environmental risks
- Minimising the use and emission of hazardous substances and materials
- Minimising the emissions of greenhouse gases
- Making more efficient use of energy and natural resources
- Fulfilling applicable compliance obligations
- An attitude of openness in communicating our environmental work

All Saab's major sites are certified according to ISO 14001:2015, which means that the management systems fulfill the requirements in the standard. Through Saab's Supplier Code of Conduct, we expect our suppliers to also operate an environmental management system that adheres to ISO14001.

The Supplier Code of Conduct, which was updated during 2024, states that suppliers shall adhere to all applicable laws and regulations, and encourages them to set their own, or align to Saab's sustainability targets. Furthermore, through the Code of Conduct, our suppliers are obligated to actively work towards reducing their environmental- and climate impact. They are expected to develop a plan to achieve Net Zero greenhouse gas emissions in their operations and supply chain by 2050 at the latest, or set science-based targets.

Travel Directive

The Travel Directive provides clear guidance to all Saab Group employees, including consultants, on business travel policies. The policy guides employees towards selecting the most sustainable transportation options available and, when possible, to prioritise virtual meetings.

We recognise that business travel can sometimes impact employees' personal lives, and the directive takes these considerations into account. It also adheres to relevant regulations, such as Swedish law regarding rest periods during business travel.

Aligned with Saab's commitment to the SBTi and the UN's Race to Zero, our Travel Directive supports our decarbonisation efforts, specifically in the areas of fuel switching and renewable energy use. This directive contributes to our Scope 3 Category 6 Business Travel greenhouse gas emission reduction target.

Energy strategy

The Energy Strategy provides clear guidance on how key areas within the Saab Group can achieve emission reductions from energy use, aligning with our approved science-based targets commitments while ensuring a resilient energy system capable of adapting to a changing world.

The strategy outlines a clear hierarchy for action, prioritising mitigation actions and investments. It also recognises that sites in different regions face varying prerequisites for energy production and tailors' recommendations accordingly. Aligned with Saab's commitment to the SBTi and the UN's Race to Zero, our Energy Strategy directly supports our decarbonisation efforts, specifically focusing on energy efficiency and renewable energy use. This strategy directly contributes to our Scope 1 & 2 greenhouse gas emission reduction targets for purchased and manufactured energy.

Moreover, the Energy Strategy is integrated with our impact, risk, and opportunity analysis, reflecting our commitment to capitalising on energy efficiency improvements for cost reductions, particularly at less energy-efficient sites.

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Actions

[E1-3] Actions and resources in relation to climate change policies

Our progress in implementing our Climate Transition Plan

As part of Saab's commitment to the SBTi and the UN's Race to Zero, we have implemented a dedicated project spanning our entire value chain. This project has significantly influenced our overall strategy, leading to the development of our Property Energy Plan.

We have integrated climate impact considerations into our corporate investment process, ensuring that all operations-related investments and business development initiatives factor in climate-related risks and opportunities. This updated process prioritises investments with the potential to mitigate climate risks and capitalise on emerging opportunities. The progress of the CTP-project is closely monitored and reported to Group Management on a regular basis, using predefined milestones.

In 2024, Saab achieved a 6.4% reduction in Scope 1 and Scope 2 emissions compared to the previous year, surpassing the SBTi requirement of 4.2% for the reporting year. The reduction corresponds to 1382 tCO_2e.

Key actions during the year:

- Energy efficiency measures implemented across Saab sites such as isolating to reduce the use of heating and investments in solar panels
- Saab's Climate Fund supported four innovative projects selected through this year's Innovation Call: Climate. These projects directly address key decarbonisation levers: energy efficiency, fuel switching, and renewable energy use. For further information, see [Social] - Entity-specific topic Sustainable Innovation, page 125
- Since mid-2023, Saab only allows zero emission/electric options for new orders of company cars in Sweden. Considering average lease and delivery lead times, we expect that all of Saab vehicles in this category will be zero-emission by 2026. The increased share of zero emission vehicles resulted in a 1% reduction during 2024
- To explore the potential of sustainable aviation fuel (SAF), Saab has undertaken thorough evaluations for its flight operations, encompassing aerial firefighting and test flights

Our way forward in implementing our Climate Transition Plan

Saab has analysed the entire value chain to identify key actions crucial for reaching our 2050 targets. The actions are connected to decarbonisation levers such as energy efficiency, transitioning to electric power, fuel switching, use of renewable energy, product updates, and supply chain decarbonisation. This ongoing process also helps to identify potential technology gaps where innovation and collaboration with partners and customers will be crucial.

Decarbonisation levers and connected key actions

Fuel switching & Product updates (Scope 1)

- Reduce emissions from flight operations
- Purchase of SAF for own flight operations
- Collaborate with customers to ensure SAF in our supply chains

Energy efficiency & Use of renewable energy (Scope 1 & 2)

- Increase share of renewable energy and improve energy resilience.
- Improvements in energy efficiency of buildings

Supply chain decarbonisation (Scope 3 - Purchased goods and services)

- Engage our suppliers in committing to science-based targets

Fuel switching & Product updates (Scope 3 - Use of sold products)

- Enable reduced emissions from the use phase of our products
- Ensure that design criteria are aligned with our commitment

Energy efficiency & Fuel switching & Use of renewable energy (Scope 3 - Business travel / upstream transportation)

- Reduce emissions from our business travel, through changed travel habits, mindset and applying new technology
- Work with suppliers of goods transportation to ensure transition to low-carbon transport methods

Finance and Resources

Our Climate Transition Plan will be integrated with our financial plan, as required by the EU Taxonomy Regulation. This integration takes several forms, including establishment of a Climate Fund and a Carbon budget. Saab has dedicated approximately 100 full-time and part-time resources to our Climate Taskforces, who are focused on driving emissions reductions. To effectively monitor progress emissions reductions are connected to financial costs. A key element of this is developing an internal carbon pricing mechanism. This will allow us to compare the costs of different reduction efforts, understand the annual cost of achieving our targets and make informed decisions regarding climate related investments. Once we have finalised the detailed roadmap for our transition to 2050, our internal carbon pricing will help us identify any remaining financing needs and ensure we can close the gaps in our decarbonisation journey.

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Targets

[E1-4] Targets related to climate change mitigation and adaptation

Saab's commitment to climate action has been a multi-year journey. It began with a Task Force on Climate-related Financial Disclosures (TCFD) project, identifying climate-related risks and opportunities. This was followed by the calculation of Saab's greenhouse gas emissions in 2020, establishing the base year. In 2021, we reached a significant milestone by setting science-based targets and joining the UN's Race to Zero campaign, committing to achieving Net Zero emissions by 2050.

Saab now has approved emissions reductions targets validated and approved by the Science Based Targets initiative (SBTi) for near-term, long-term, and net zero targets, ensuring Saab's contribution to limiting global warming to 1.5°C.

Overall Net Zero target:
Saab has committed to reach Net Zero greenhouse gas emissions across the value chain by 2050.

Near-term targets:
- Saab has committed to reduce absolute Scope 1 and Scope 2 GHG emissions by 42% by 2030 from base year 2020*
- Saab has committed that 50% of Saab's suppliers (purchased goods, services and capital goods) will adhere to approved science-based targets by 2027
- Saab has committed to reduce absolute Scope 3 GHG emissions covering upstream transportation and distribution, business travel and use of sold products by 25% by 2030 (base year 2020)

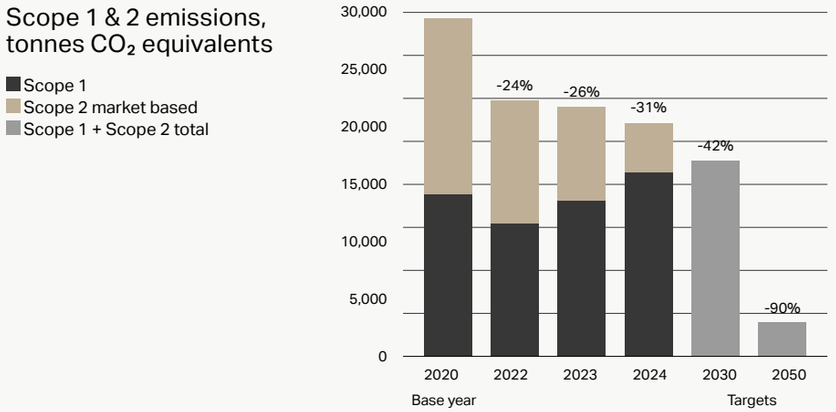
Long-term targets:
- Saab has committed to reduce absolute Scope 1 and 2 GHG emissions 90% by 2050 (base year 2020)
- Saab has committed to reduce absolute Scope 3 GHG emissions 90% within the same timeframe

Saab has integrated its environmental strategy and climate targets throughout the organisation through a comprehensive programme. This programme includes overall climate targets, sub-targets at both the Group and Business unit levels, and detailed action plans to achieve these targets. Progress is tracked and reviewed four times per year.

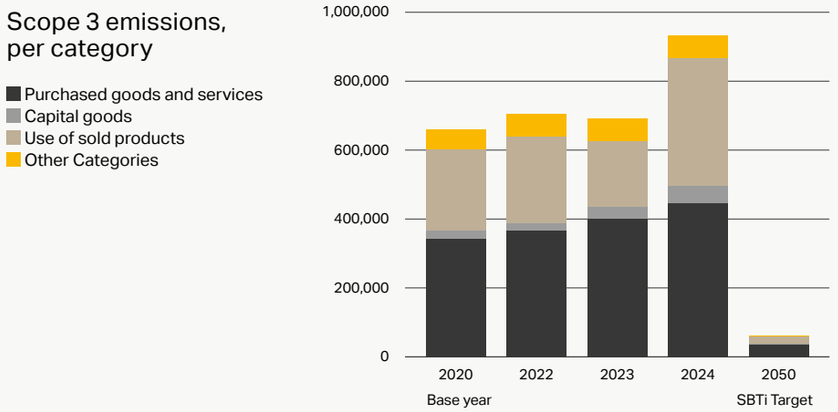
* The target boundary includes land related emissions and removals from bioenergy feedstock.

GHG Emissions

Scope 1 & 2 emissions, tonnes CO_2 equivalents



Scope 3 emissions, per category



Saab has undergone a reasonable assurance audit of emissions of Scope 1 and 2 greenhouse gases. For further information, see Auditors Combined Assurance Report, page 223. For more information about emissions in Scope 1-3 [E1-6], see pages 87-89

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GHG Emissions change

For climate change Saab uses the following time horizons; Near-term target for year 2030 and long-time target for year 2050. Target to reduce Scope 3 GHG emissions covers upstream transportation and distribution, business travel and use of sold products.

The table below, outlines our greenhouse gas emissions by scope and year, aligned with our SBTi commitments. The Changes in emissions have been calculated from base year 2020.

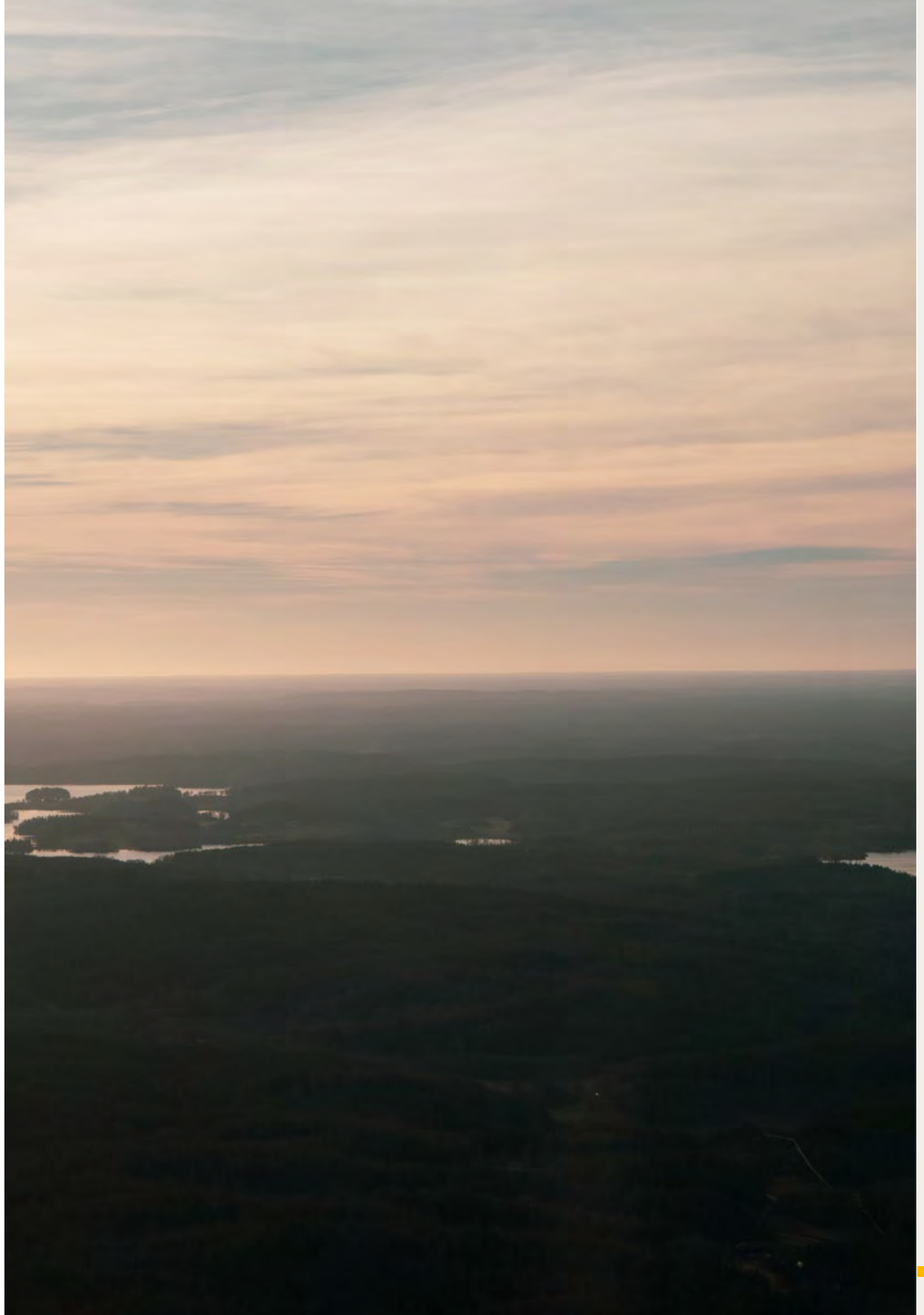
GHG Emission change (%)	Base Year 2020 (tCO_2e)	2023	2024	Target 2030	Target 2050
Total Greenhouse gas emissions	**674,692**	**2%**	**38%**		
Scope 1 & 2	29,397	-26%	-31%	-42%	-90%
Scope 3	645,295	4%	41%	-25%[1)]	-90%

1) Target to reduce Scope 3 GHG emissions upstream transportation and distribution, business travel and use of sold products 25% by 2030 from a 2020 base year.

Accounting Principles:
For climate change Saab uses the following time horizons; Near-term target year 2030 and Long-time target year 2050
The consistency of these targets is ensured through regular re-examinations of the organisations GHG-inventory boundary. The chosen consolidation approach is the operational control method, with considerations as specified within the GHG protocol, and through the ESRS as the optimal consolidation approach to utilise. When reporting these emissions, the chosen method for Scope 2 is the market-based method. This is due to the large variations in accessible renewable energy within the countries where Saab operates. Using the market-based method contributes to increased comparability in the GHG emissions calculations.
In this table figures for 2020-2024 represent total Scope 3 GHG emissions, while Scope 3 targets for 2030 cover categories:
4 upstream transportation and distribution,
6 business travel
11 use of sold products

Target for 2050 covers all GHG emissions.

Covered: [E1-4] 34a,b



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Energy consumption and mix

[E1-5] Energy consumption and mix

Despite Saab's strong growth and expansion, energy consumption has not increased to the same extent due to prioritised activities. These include improvements to buildings both as reconstruction of premises and at maintenance, ventilation recovery of heat and time optimisation of heat use. Saab has initiated important activities to improve recycling of steam used for heating.

Energy consumption and production

Energy Consumption and mix (MWh)	2024	2023
Fuel consumption from coal and coal products	-	-
Fuel consumption from crude oil and petroleum products	52,559	45,658
Fuel consumption from natural gas	6,153	3,598
Fuel consumption from other fossil sources	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	85,368	138,114
Total energy consumption from fossil sources	144,080	187,370
Share of fossil sources in total energy consumption	38%	51%
Total energy consumption from nuclear sources	5	759
Share of energy consumption from nuclear sources in total energy consumption	0%	0%
Fuel consumption from renewable sources	3,190	3,305
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	236,135	173,343
Consumption of self-generated non-fuel renewable energy	446	649
Total renewable energy consumption (MWh)	239,771	177,297
Share of renewable sources in total energy consumption	62%	49%
Total energy consumption related to own operations	383,856	365,427
Non-renewable energy production	9,487	6,602
Renewable energy production	2,754	2,958
Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue) MWh/MSEK	6.02	7.08

Accounting Principles:

The energy mix is calculated using energy consumption data and statistic information about energy mix in locations where energy is consumed. A conservative approach is applied when incorporating estimated values into calculations.

For electricity and heat/steam/cooling calculations, only quantities covered by RECs are considered to be from renewable sources. The remaining share of energy will be considered fossil fuel based, regardless of the local electricity mix of renewable energy.

Fuel type allocation is determined by emission factors, with energy distribution calculated accordingly. All non-renewable fuel consumption in Scope 1 category "stationary combustion" is included (meaning biomass is excluded, as this is counted as renewable).

All renewable energy production is included, which includes self-generation of energy using biomass burning (from Scope 1 stationary combustion) and solar panels (Scope 2).

The total energy consumption, 365,427MWh, for the comparative year 2023 have been updated from previously stated in last year's Annual Report (365,237MWh), as part of Saab's back-tracking and data quality assurance process. This leads to a 190MWh increase in total consumption.

Since all activities are considered to be in high climate impact sectors, financial data is consistent with reported Sales in Financial Statements, page 149.

Limited assurance: [E1-5] 37;37 a, c, ci, cii, ciii; 38a,b,c,d,e; 39; 40

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Gross Scopes 1, 2, 3 and Total GHG emissions

[E1-6] Gross Scopes 1, 2, 3 and Total GHG emissions

GHG Emission (tCO_2eq)	Base Year 2020	2023	2024	Change (2024)	Change % (2024)	2030	2050	Annual target/ Base Year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO_2eq)	14,064	13,504	15,988	2,484	18%	8,157	1,406	-4,2%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	-	-	-	-	-	-
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO_2eq)	17,278[1)]	16,609	14,419	-2,190	-13%	10,021	1,728	-
Gross market-based Scope 2 GHG emissions (tCO_2eq)	15,333[1)]	8,220	4,354	-3,866	-47%	8,893	1,533	-4,2%
Scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	645,295	669,610	910,583	240,973	36%	-	-	-
1 Purchased goods and services	343,451	401,363	446,753	45,390	11%	-	34,345	-
2 Capital goods	21,538	32,635	49,141	16,506	51%	-	2,154	-
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)	7,732	8,115	8,832	717	9%	-	-	-
4 Upstream transportation and distribution	5,262[2)]	3,708[3)]	4,295	587	16%	3,947	526	-
5 Waste generated in operations	-	-	-	-	-	-	-	-
6 Business travelling	15,971[2)]	23,260[3)]	21,077	-2,183	-9%	11,978	1,597	-
7 Employee commuting	-	-	-	-	-	-	-	-
8 Upstream leased assets	-	-	-	-	-	-	-	-
9 Downstream transportation	-	-	-	-	-	-	-	-
10 Processing of sold products	-	-	-	-	-	-	-	-
11 Use of sold products	237,600	191,600[4)]	370,200	178,600	93%	178,200	23,760	-
12 End-of-life treatment of sold products	-	-	-	-	-	-	-	-
13 Downstream leased assets	-	-	-	-	-	-	-	-
14 Franchises	-	-	-	-	-	-	-	-
15 Investments	13,741	8,929	10,285	1,356	15%	-	-	-
Total GHG emissions location based	676,637	699,723	940,990	241,267	34%	-	-	-
Total GHG emissions market based	674,692	691,334	930,925	239,591	35%	-	-	-

1) For Scope 2 Emissions, base year 2020 has been recalculated with a change to a more local emission factor for district heating for one site. Previously reported base year figures was 15,379 market-based , and 17,324 location-based.
2) Base year figures have been updated, as WTT emissions have been added. Consequently, emissions increased by 7,101 tCO_2e for category 4 and 6 combined. Previously reported figure was 14,132 for the categories.
3) 2023 figures are changed compared to last year's report, due to the backtracking process and adding of WTT emissions. Net change for 2023 is 6,562 tCO_2e
4) 2023 figures updated from last year, rounding error. Previously reported figure 191,500
Covered: [E1-6] 44; 48a,b; 49a,b; 51;52
Limited assurance: [E1-6] 44; 48a,b; 49a,b; 51

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Key elements of change during reporting period
Saab has continued expanding, with increased production and sales. This led to an increase in emissions compared to previous years. As some of the more emitting products have irregular deliveries, the emissions fluctuate from year to year, causing the year-on-year increase in emissions from use of sold products.

Saab has purchased Guarantees of Origin (in some countries known as Renewable Energy Certificates, REC) for electricity and district heating. The purchases were connected to our sites in Sweden, Australia, U.S., United Arab Emirates, Czech Republic, Brazil, Germany, United Kingdom and South Africa.

Scope 3 emissions represents Saab's majority of emissions, in particular categories; Purchased goods and services (category 1) and Use of sold products (category 11). Emissions from Purchased goods and services and Capital goods increased during the year following the increase in spend. For the category Use of sold products, Saab is working on enabling reduction of emissions during customers use phase of the products. One key component is enabling the use of sustainable fuel. However, the availability of sustainable fuels, particularly sustainable aviation fuel (SAF), remains inconsistent. Furthermore, the infrastructure required for the reliable delivery of SAF is not yet fully developed. This also applies to Saab's own operations for Scope 1 emissions.

Well-to-tank (WTT) emissions have been added to the report this year, to better reflect upstream emissions. Figures for previous years have been updated accordingly, see table on page 91.

Disclosure of methodologies, significant assumptions and emissions factors used to calculate or measure GHG emissions
Saab calculates emissions data according to the Greenhouse Gas Protocol and considers the following greenhouse gases, all converted to CO_2 equivalents: CO_2, CH4 (methane), N2O (nitrous oxide), SF6, HFCs, and NF2. Most emission factors come from these annually updated sources IEA (www.IEA.org), DEFRA (www.gov.uk) and Lokala miljövärden (www.energiföretagen.se). Saab applies the operational control approach for reporting GHG emissions. As Saab does not have operational control over its associated companies, there are no Scope 1 and 2 emissions to report for these. Saab is currently not able to report on biogenic emissions in Scope 2 and Scope 3, hence the ESRS application requirements for GHG emissions report are not fulfilled.

To maintain data accuracy, Saab employs a back tracking process for reported emissions. This involves identifying and correcting any omissions or errors from previous years. Reporters submit the necessary adjustments through a dedicated form, which is reviewed by the group function to ensure quality control and consistency. All corrections are documented to support accurate reporting, auditing, and internal decision-making. While this process aims for the highest data fidelity, it does not automatically revise the base year. For changes that would impact the base year, a 5% recalculation threshold, as recommended by the Science Based Targets initiative (SBTi), is applied.

Back-tracking adjustments, resulted in a net reduction of ca 250 tCO_2e compared to the 2020 baseline. These adjustments encompasses both reductions and increases. Scope 1 and 2 emissions, as well as Scope 3 emissions related to business travel, are the primary areas affected by these back-tracking actions over the period from 2020 to 2024, the implemented changes are projected to result in a 340 tCO_2e decrease in Scope 2 emissions. Conversely, Scope 3 emissions associated with business travel are anticipated to increase by 90 tCO_2e during this period.

Scope 1 includes all use of fuels for stationary combustion or transportation, in owned and, depending on the consolidation approach selected, leased, or rented assets. It also includes any process emissions, from e.g., chemical processes, industrial gases, direct methane emissions etc., as well as leakage of refrigerants.

Scope 2 includes indirect emissions related to purchased energy, including electricity and heating/cooling in assets owned/controlled by the organisation.

The location-based method: The location-based method is based on statistical emissions information and electricity output aggregated and averaged within a defined geographic boundary and during a defined time period. Within this boundary, the different energy producers utilise a mix of energy resources, where the use of fossil fuels (coal, oil, and gas) result in direct GHG-emissions. These emissions are reflected in the location-based emission factor. Most location-based electricity emission factors used in CEMAsys are based on national gross electricity production mixes and are published by the International Energy Agency's statistics (IEA Stat). Emission factors per fuel type are in these calculations based on assumptions in the IEA methodological framework. Emission factors for district heating/cooling are either based on actual (local) production mixes, or average national statistics.

The market-based method: The choice of emission factors when using this method is determined by whether the organisation acquires GoOs/RECs or not. When selling GoOs for renewable electricity or RECs, the supplier guarantees that the same amount of electricity has been produced exclusively from renewable sources, which is assumed to have an emission factor of 0 grams CO_2e per kWh. However, for electricity without GoOs or RECs, the emission factor should instead be based on the remaining electricity supply after all GoOs for renewable electricity and/or RECs have been sold and cancelled.

The Scope 3 GHG emission categories that include inputs from specific activities within Saab's upstream and downstream value chain include: upstream transportation and distribution by road, sea and air as a part of the upstream operations, waste, business travel, and use of sold products. Category 5, Waste, is relevant, but not reported due to lack of verified emission factor data . Category 7, Employee Commuting, is not reported due to lack of reliable data. Saab estimates that 43% of Scope 3 emissions are calculated using primary data, an increase from 33% in 2023.To calculate this figure, estimates are based on a majority of data in each scope 3 category. For further information about included Scope 3 categories (calculation methods, references), refer to page 145.

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GHG emissions intensity

[E1-6] GHG intensity based on net revenue

GHG intensity based on net revenue	2024	2023	Change from 2023
Total GHG emissions intensity (location based)	14.76	13.56	9%
Total GHG emissions intensity (market based)	14.60	13.40	9%

Accounting principles:
GHG emissions intensity is calculated using Saab's total GHG emission (tCO_2eq, location- and market-based)) divided by Saab's Net Revenues (reporting currency MSEK). For this calculation Saab uses total sales, refer to page 149 to calculate energy efficiency, as a manufacturing company.

Covered [E1-6] 53; 55
Limited assurance: [E1-6] 53

Biogenic emission of CO_2

[E1-6] Biogenic emissions of CO2 from the combustion or bio-degradation of biomass

Biogenic emissions of CO_2 from combustion or bio-degradation of biomass not included in Scope 1 GHG emissions is 1028,3 tCO_2e. Saab is currently not able to report on Biogenic emissions not included in Scope 2 and Scope 3.

Accounting principles:
Calculated emissions of biogenic CO_2 from own combustion of fuels are based on emission factors from DEFRA (2024).

Limited assurance: [E1-6] 48

Use of contractual instruments

[E1-6] Use of contractual instruments

The contractual instruments used for Scope 2 GHG emissions are energy attribute certificates (RECs and GoOs)) and direct contracts for renewable energy. Saab has purchased energy certificates for the equivalent of 73% of the emissions in Scope 2.

Accounting principles:
Saab assumes that all contractual agreements purchased in 2024 are equivalent to those examined and listed in CDP 2023. No RECs or GoOs have changed, when purchasing new instruments Saab follows the same strategy as before . Thus, the contractual instruments are considered to be unbundled.

Limited assurance [E1-6] 49

Internal carbon pricing

[E1-8] Internal carbon pricing

An internal carbon pricing system, currently applied to air travel (Scope 3 category 6) for all Swedish employees, assists in tracking progress by correlating emission reductions with costs. This encompasses approximately 3% of total Scope 3 emissions, with differentiated pricing structures for continental and intercontinental flights (SEK 351 per metric tonne of CO_2). Internal carbon pricing is not disclosed in corporate financial statements.

Going forward, as part of the Climate Transition Plan, Saab is developing an internal carbon pricing mechanism to facilitate the comparison of costs associated with reduction efforts, ascertain the annual cost of attaining its targets, and inform decision-making processes. The internal carbon pricing will serve as a guide for addressing any remaining gaps by indicating the necessary financial provisions.

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Pollution, Substances of concern and very high concern

[E2] Pollution

Material impacts, risks and opportunities

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

Saab has identified, assessed, and evaluated the impacts, risks, and opportunities related to pollution throughout the entire value chain, own operations, and upstream and downstream. Our key focus areas within pollution are substances of concern (SoC) and substances of very high concern (SVHC). Emissions to air, land, and water from our sites and facilities are generally low and limited, and are often subject to regulatory permits.

Saab's diverse product portfolio and manufacturing processes, which involve assembling products and articles, often require the use of SoC and in some cases SVHC. These substances can have serious and often irreversible impacts on human health and the environment. While some SoC are only used during manufacturing, others are incorporated into the final products.

Transitioning away from substances targeted for phase-out due to their environmental and health effects presents both a challenge and an opportunity for Saab. Our goal is to minimise occupational health and environmental risks without compromising product performance and safety. Although removing these substances can be complex, it will ultimately help us reduce our reliance on substances, processes, and articles that may face future restrictions, disruption in supply chain or cost increases.

The evolving regulatory landscape for chemicals and substances in materials and articles could lead to short- and long-term bans and restrictions. This presents a potential risk of business disruption across Saab's value chain if suitable alternatives are unavailable. Some substances currently lack viable substitutes due to long qualification lead times for new products and processes, as well as the absence of technical alternatives that meet our customers' performance and durability expectations and requirements.

Phasing out and avoiding substances of concern is a strategic priority for Saab. By proactively managing these substances in our products and manufacturing processes, we aim to minimise regulatory risks, protect our employees, customers, and the environment, and enhance the recyclability of our products.

Saab is committed to continually improving our management of substances of concern, both in our internal operations and in our products, in alignment with customer and legal requirements. Recognising that these challenges are shared across the industry, we engage in close dialogue with suppliers and actively participate in industry forums to collaborate with other businesses facing similar issues.

Pollution possesses a significant challenge for Saab and the primary negative impacts and risks are:
- Pollution harms the environment, affecting air and water quality and biodiversity
- Pollution can cause serious health problems, ranging from respiratory issues to long-term illnesses. We are committed to minimising the health risks associated with our operations and products

Addressing pollution often sparks innovation, leading to the development of new technologies and processes. This not only benefits the environment but also strengthens our competitiveness and opens up new growth opportunities

Governments worldwide are enacting stricter environmental regulations. Compliance is essential for Saab to maintain license to operate and thereby avoid being exposed to financial risk.

Policies

[E2-1] Policies related to pollution

The Saab Environmental Policy states that Saab shall work to minimise its environmental impacts from plants, products and services.

An extract from the policy:
- Identification and minimisation of the products and operations' environmental risks
- Minimising the use and emissions of substances of concern and materials
- Fulfilling applicable compliance obligations

For further information about Environmental policy, see [E1-2] Policies related to climate change mitigation and adaptation, page 86.

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Environmental laws and regulations are integrated into Saab's Global Management System (GMS) and are applied at every stage of a product's lifecycle, from development to disposal. Our technical processes within GMS ensure that the products Saab delivers to customers meet all relevant legal and regulatory requirements.

To ensure compliance with current and future environmental laws, customer needs, and our Environmental Policy, Saab maintains a list of Hazardous Chemical Substances. This list sets requirements for the design, purchasing, and manufacturing of Saab's products. Saab also requires suppliers to provide material declarations, including compliance reporting against the list of Hazardous Chemical Substances, for all products delivered to Saab.

Under the EU Waste Framework Directive, companies are required to register products containing substances of very high concern (SVHC) into the database for information on "substances of concern in articles, as such, or in complex objects" (SCIP) database, managed by the European Chemicals Agency (ECHA). Saab has established reporting processes and controls to ensure compliance with this directive. We submit notifications to the SCIP database unless a national military exemption applies.

Saab utilises digital solutions to effectively manage data related to substances of concern(SoC). These solutions encompass safety data sheets, material standards, and declarations for materials, articles, and chemical products, both generated internally and received from suppliers. Our digital tools also support risk assessments when using chemical products.

Actions

[E2-2] Actions and resources related to pollution

Saab is committed to phase out SoC according to established roadmaps. Each business area has developed its own roadmap and targets to prioritise the elimination of substances facing upcoming restrictions or posing unacceptable risks. This proactive approach ensures we can meet future requirements while maintaining technical performance and on-time delivery for our customers. Because each business area has unique products and services, their roadmaps vary accordingly. For example, Saab has successfully reduced cadmium and hexavalent chromate use by implementing new surface treatment lines and qualified alternatives in our product portfolio.

Saab actively avoid SVHC during the approval process for new chemical products, both in our own designs and when performing maintenance for customers. Several applications for new chemical products have been rejected in favour of less hazardous alternatives. Our product data management systems, which track substances in items and products, are continuously improved and updated to ensure efficient traceability.

Saab actively participates in the International Aerospace Environmental Group's (IAEG) Replacement Technologies work group to exchange knowledge about research and development projects focused on finding alternatives to substances of concern, particularly in plating's and primers.

Additional key actions taken during the year:

- Performed a prestudy and analysis to understand gaps in relation to ESPR requirements (ESPR - Ecodesign for Sustainable Product Regulation). The prestudy of ESPR will have an effect on how our IT systems should be updated in the future to handle environmental data in a more comprehensive way.
- Performed review and assessment to define SoC for Saab and also a framework on how to integrate these into our ways of working going forward. The effect of this key action will be more transparent governance, follow up of roadmaps and identification of substances of concern in products within Saab. In addition, new and updated substance requirements for the supply chain will be in place in the coming years.
- Saab works frequently with internal environmental training. A new course has been deployed related to product responsibility in order to educate, for example, product owners, product managers.

Targets

[E2-3] Targets related to pollution

With the regulatory landscape for SoC shifting all the time, there is a growing risk that some products and systems may need to be withdrawn from production, no longer maintained or extensively redesigned. Saab actively plans ahead to contain these risks by rolling out substitution plans based on alternatives that meet our performance and environmental robustness standards, phasing out target substances from our products where possible. In order to reduce the use and mitigate the risk of disruption in our operations and supply chain, our business areas have the requirement to set up phasing out roadmaps including substitution plans in a short-term and long-term perspective. These roadmaps are the first step in order to set a more detailed action plan and target for the coming years.

Metrics

Substances of concern and very high concern

[E2-5] Substances of concern and substances of very high concern

Saab is currently not able to report on metrics for substances of concern and substances of very high concern, but aims to share quantitative data on this topic in the future.

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Resource use and circular economy

[E5] Resource use and circular economy

Material impacts, risks and opportunities

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

Saab recognises that resource efficiency and circularity are fundamental to address global challenges such as climate change, resource scarcity, and waste management. These principles are not only crucial for environmental sustainability but also vital for long-term profitability and business resilience. The geopolitical landscape has highlighted the risks associated with material dependencies in supply chains, further emphasising the need for a circular approach. Extending product lifecycles, using recycled materials, and maximising resource utilisation are key to minimising our environmental footprint. Saab's long history of providing products with extended lifecycles, coupled with the defence industry's established practice of upgrading and extending the life of existing equipment, naturally aligns with circular economy principles. This approach ensures efficient resource use and minimises waste generation.

Positive impacts Saab can deliver to its customers and the value chain;
- Aiding customers in lowering their long-term costs associated with procurement, maintenance and disposal by mindful use of resources
- Mitigate supply chain disruptions by reducing reliance on scarce resources and fostering more resilient sourcing practices, ensuring greater product availability for customers

Negative impacts that could impact Saab's customers and the value chain;
- Implementing circular economy practices may present some initial negative impacts. For example, new practices may require upfront investments in new technologies, processes, or infrastructure, which could possibly result in an initial impact on product pricing
- Tracking products throughout their lifecycle for circularity purposes may involve collecting and managing sensitive data about product usage and disposal. Saab must ensure robust data security practices to protect customer information

Opportunities identified;
- Saab's customers are increasingly demanding sustainable solutions. By integrating circularity into our products and services, we can align with their values and regulatory requirements, strengthening customer relationships and opening new market opportunities
- Circularity can build operational efficiency by reducing waste, optimising resource utilisation, and creating a more resilient supply chain. This translates into long-term cost savings, innovation opportunities, and a competitive advantage
- Customers and stakeholders are increasingly evaluating companies based on their environmental performance. By demonstrating our commitment to resource efficiency and circularity, we can build trust, enhance our brand reputation, and attract top talent
- Embracing circularity minimises our environmental impact, conserves resources, and contributes to a healthier planet

Risks identified;
- Failing to integrate circularity into offerings risks losing customers to competitors who are meeting the growing demand for sustainable solutions
- If circularity efforts are perceived as superficial or marketing-driven, it could damage brand reputation and erode customer trust
- The effectiveness of any circular approach relies on the availability and efficiency of logistic solutions and recycling infrastructure in the regions where our products are used, as well as emerging technology that provides alternatives to current linear services and goods. Disruptions in these systems could impact Saab's ability to achieve set goals on circularity in time

Policies

[E5-1] Policies related to resource use and circular economy

The Saab Environmental Policy states that Saab shall work to minimise its environmental impacts from plants, products and services.

An extract from the policy:
- Identification and minimisation of the products and operations' environmental risks
- Minimising the use and emissions of hazardous substances and materials
- Making more efficient use of energy and natural resources
- Fulfilling applicable compliance obligations

For further information refer to Environmental policy in [E1-2] Policies related to climate change mitigation and adaptation, page 86.

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Actions

[E5-2] Actions and resources related to resource use and circular economy

Saab has an active Life Cycle Assessment (LCA) working group, which is working to define, develop and implement a company-specific methodology for LCA. During 2024, the group assessed the market for LCA tools and performed a prestudy to find the most suitable tool for Saab's needs. Members from the working group also participated in the International Aerospace Environmental Groups' (IAEG) working group on LCA. By contributing to the IAEG voluntary industry standard for LCA, Saab ensures that its own LCA methodologies and results are aligned with those of other companies in the aerospace industry.

Saab is actively working to reduce the environmental footprint of its products. During the year, a working group developed an internal method based on industry best practice and standards. This method, called Environmentally Conscious Design, will aid in incorporating environmental parameters into the default product development process. It will enable development projects to identify and minimise a product's environmental impact. The method also considers the trade-offs between important product aspects like durability, cost, and safety. It aims to reduce environmental risks during product development while identifying opportunities to enhance product performance across multiple dimensions. A first iteration of the methodology will be implemented throughout the company during 2025.

Saab is working with comprehensive waste management strategies. Recognising the importance of reducing landfill waste and maximising recycling, several initiatives across facilities were implemented during the year. These include expanding sorting options for various waste types, empowering employees through waste management training, and conducting thorough waste stream mapping to identify areas for improvement.

Saab is conducting a detailed analysis to inform targeted actions to reduce the water withdrawal and to achieve the 2030 goal.

Examples of taking concrete steps to minimise water consumption during 2024 included:
- Installing low-flow taps
- Investigating water use in specific operations like Flight test
- Replacing inefficient water nozzles with more sustainable alternatives

Composites materials have a significant impact on the aviation industry in current and future generations of aircraft. The fuel burn reduction due to lower structural weight compared to an all-metallic structure, is an essential part of the many different solutions that will take the industry to net zero emissions by 2050. Saab is working, for example, to implement composites in an efficient and high-rate fashion. In addition, Saab is utilising the support from an eco-system of University and PhD students, research institutes, startup companies and small to medium size enterprises (SME) to find sustainable and circular solution to composites. During the year, several initiatives were initiated regarding sustainable composites. These initiatives investigated bio-based fibres from high value recycling of composites production waste. A product demonstration is planned for 2025 to test how to utilise smart digital tools to build sustainability visibility in the supply chain and the product lifecycle.

A key driver towards resource efficiency is the advancement of Additive Manufacturing (AM), or 3D printing. This technology allows Saab to use less material, generate less waste, and produce parts that are 30-75% lighter than traditionally manufactured parts, resulting in reduced fuel consumption and a smaller environmental footprint for Saab's customers.

This commitment is exemplified by a 2024 partnership with BAE Systems Hägglunds. Together, Saab and BAE are developing a generic AM capability to optimise spare parts production. The collaboration leverages AM's advantages to minimise waste and maximise resource utilisation. This on-demand production eliminates the need for large inventories, saving storage costs and reducing the risk of obsolete parts. AM's versatility also allows for the use of a wide range of materials, including recycled and sustainable options. By deploying the capability closer to where spare parts are needed, transportation distances and emissions are reduced. Through this partnership and continued investment in AM, Saab is advancing a more sustainable and circular approach to manufacturing within the defence industry.

Targets

[E5-3] Targets related to resource use and circular economy

Saab has focused on achieving more circular flows where resources have a longer life and are used several times through improved and optimised waste management. This has meant a focus on gathering target proposals from all parts of the organisation that have been gathered and summarised to company-wide targets and will be translated into roadmaps and strategic plans in the upcoming year. Our primary target is therefore to collect more historical data and knowledge within Saab for better understanding and by that be able to set ambitious targets in the coming years.

The company's overall ambition is to significantly increase the percentage of waste prepared for recycling by 2030, moving towards circular flows. Water withdrawal is of importance to several of Saab's stakeholders and investors, and Saab actively tracks and reports water withdrawal across all major sites. Committed to reducing its water footprint, Saab has set a target to decrease water withdrawal by 20% by 2030, compared to 2022.

A fundamental materiality analysis and mapping company resource flows have been conducted. These assessments serve as the basis for goals set for the future, which includes the goal of operating with circular industrial processes and developing circular products in line with definitions from the EU Circular Economy Action Plan (EU CEAP) by 2030. In order to do so, a risk and opportunity assessment within resource use and circularity will be concluded during 2025, and a Group-wide circularity strategy will be created and established.

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Metrics

Resource inflows

[E5-4 Resource inflows]

Saab is currently not able to report on any metrics for resource inflows but aims to share quantitative data on this topic in the future.

Resource outflows

[E5-5] Resource outflows

Saab is currently not able to report on all metrics regarding resource outflows. Efforts are underway to enable future reporting.

Total waste generated

Waste, *tonnes*	2024	2023
Waste diverted from disposal		
Hazardous waste	762	1,989
-Preparation for reuse	-	-
-Recycling	70	1,788
-Other recovery operations	692	201
Non-hazardous Waste	5,320	5,087
-Preparation for reuse	-	-
-Recycling	2,227	3,071
-Other recovery operations	3,093	2,016
Total weight diverted from disposal	**6,082**	**7,076**
Waste directed to disposal		
Hazardous waste	1,408	126
-Incineration without energy recovery	435	23
-Landfilling	77	103
-Other disposal	896	-
Non-hazardous Waste	478	255
-Incineration without energy recovery	196	22
-Landfilling	281	233
-Other disposal operations*	1	-
Total weight directed to disposal	**1,886**	**381**
Share directed to disposal of total weight generated (%)	*24%*	*5%*
Total amount of hazardous waste	2,170	2,115
Total amount of radioactive waste	0	0
Total Waste generated	**7,968**	**7,457**

Limited assurance E5-5 37a,b,c,d; 39

Accounting Principles:
Operational waste from Saab is only generated at Saab locations. It consists of multiple waste fractions and is handled according to the waste hierarchy.
The total reported waste generated from our own production sites and offices includes the following fractions:

-Packaging material from procured components and subsystems (paper, plastic, wood etc.)
-Surface treatment washing fluids, degreasing waste, process chemical waste etc.
-Metals and carbon fibre waste from cutting/trimming processes
-Aviation fuel residues from flight testing, trouble-shooting and aircraft maintenance
-Electronic equipment, metal scrap and waste chemicals generated through customer maintenance activities
-Electronic equipment, paper etc. from office-related activities
-Waste sand/steel blasting material generated during vessel maintenance activities etc.

The waste is collected by approved waste management companies, which in turn report the actual waste data. Saab collects waste data centrally in relevant categories per reporting operational unit. Enhanced system logic, which has replaced individual assessments in the categorisation of waste codes, as well as modified mapping of waste codes in the transition from GRI to ESRS reporting, complicates comparison at the category level between 2024 and the comparison year.

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Water withdrawal

[E5-Own disclosure] Water withdrawal

Water withdrawal is not a material topic, based on the double materiality analysis, however Saab discloses this additional information on stakeholder request.

	2030 Target	2024	2023	2022 (Base Year)
Water withdrawal (megalitres)		353	356	359
Water withdrawal change from base year	-20%	-2%	-1%	-

Accounting principles:
Water withdrawal data is reported quarterly for Saab facilities with production, service, or operational activities (excluding offices) that have over 50 employees. Sites with access to water usage data, through meters or invoices, are also included. Water usage at smaller office facilities is tracked, but it is not reported as it is considered minimal compared to the larger operational sites. Estimates for water usage are based on the previous year's reported data. Almost all water used by Saab facilities is sourced from municipal suppliers. In exceptional cases, water may be taken from groundwater or watercourses.
In 2023, a measurement error was made by a supplier, and the total withdrawal figures were adjusted accordingly through Saab's data verification process. The previously reported figure for 2023 was 433 Ml. The figure for 2022 has also been updated according to the same process. The previously reported figure was 357Ml.

Limited assurance: [E5] Own disclosure - Water withdrawal

Operations subject to licensing or notification requirements pursuant to the Swedish Environment Code

Licensed operations in the parent company

Production of aircraft and aircraft components by the parent company, Saab AB, in Tannefors industrial zone in the municipality of Linköping is subject to licensing pursuant to the Swedish Environment Code due to aeronautics operations, surface treatment processes, manufacturing of composite materials, handling of chemical substances, the firing of large caliber weapons and the size of the manufacturing facilities. In Järfälla, Saab AB has operations involving the manufacture of advanced command and control systems and electronic warfare systems, among other things, which are also subject to licensing under the Swedish Environment Code.

Licensed operations in subsidiaries

Saab Airport AB's operations are subject to licensing under the Swedish Environment Code and are covered by the permit issued by the Land and Environmental Court that gained legal force early 2019 for Saab's collective operations in Tannefors industrial zone in the municipality of Linköping. This permit also covers the operations of Saab Dynamics AB in the area, despite the fact that they are not subject to licensing and notification requirements under the Swedish Environment Code. Saab Dynamics AB and Saab Bofors Test Center AB run operations in Karlskoga that are subject to licensing under the Swedish Environment Code and Saab Barracuda AB runs licensed operations in Gamleby. In 2024, Saab Dynamics AB in Karlskoga was granted a new environmental permit by the county administrative board in Örebro. The new permit gained legal force in 2024. Permit processes are in progress regarding the update of environmental permits for the operations within Saab Bofors Test Center AB in Karlskoga. Saab Bofors Test Center AB also runs operation subject to licensing in the municipality of Härjedalen. Saab Dynamics AB runs operations subject to licensing in the municipality of Linköping (Malmslätt). In addition, Saab Kockums AB runs operations subject to licensing in Karlskrona and on Muskö island, south of Stockholm.

Operations subject to notification requirements

Saab AB has operations in Arboga, Frösön, Huskvarna, Ljungbyhed, Linköping (Malmslätt) and Nyköping which are subject to notification requirements pursuant to the Swedish Environment Code. The Group also has operations subject to notification requirements in the subsidiary Saab Dynamics AB in Motala municipality, where the permit is still in effect. Two other subsidiaries have operations subject to notification requirements: N. Sundin Dockstavarvet AB in Kramfors municipality and Muskövarvet AB on the island of Muskö in Haninge municipality.

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EU Taxonomy

The EU Taxonomy (EU 2020/852) lists environmentally sustainable economic activities within six environmental objectives. During the reporting period Saab has conducted a Group-wide screening to identify taxonomy eligible economic activities within the Group. The screening process was conducted for all six environmental objectives in the EU Taxonomy regulation.

Assessment of Eligibility

As expressed by the EU Commission, economic activities not included in the EU Taxonomy are not necessarily unsustainable, nor are all activities that can make a substantial contribution to the environmental objectives yet part of the EU Taxonomy, as activities will be added over time. Saab is committed to contribute to sustainable development however Saab's core business within the defence sector is not fully covered by the EU Taxonomy, which affects the percentages of eligibility and alignment.

Turnover:

Eligible financial activities related to Turnover within the objective "Climate Change Mitigation":

- 3.6 "Manufacture of other low-carbon technologies": (i) Maritime communication system AIS/VDES - R6 Supreme/R 60 base station – supporting efficient, optimised route planning at sea or in harbour, reducing CO_2 emissions. (ii)The autonomous electrical underwater vehicle Sabertooth, with capability to perform various operations to depth up to 3,000 metres without any CO_2 emissions. (iii) Saab Seaeye, electric autonomous robotics, supporting various tasks in complex underwater environments without CO_2 emissions. (iv) Saab's AUV62-family are autonomous, electrical underwater vehicles which can be configured for many types of missions, including anti-submarine warfare training, supporting low CO_2 emissions and eco-friendly technology requirements. (v) C-Leanship offers hull and propeller cleaning, enabling reduction in fuel consumption for vessels.
- 3.21 "Manufacturing of Aircraft": Block structure components and spare parts for supplying civil aircraft manufacturing industry, and spare parts for Saab 2000 and Saab 340 airplanes.

Eligible financial activities related to Turnover within objective "Climate Change Adaptation":

- 14.1 "Emergency Services": Airborne firefighting and fire prevention services for Swedish Civil Contingencies Agency.

Eligible financial activities related to Turnover within objective "Transition to a Circular Economy":

- 2.6 "Depollution and dismantling of end-of-life products": Activity relates to metal recycling of Saab products, aluminium and iron.

Capital Expenditures "CapEx"

Eligible financial activities related to Capital Expenditures "CapEx" within objective "Climate Change Mitigation":

- 3.6 "Manufacture of other low-carbon technologies": Investments in maritime communication system AIS/VDES - R6 Supreme/R 60 base station – supporting efficient, optimised routing and planning at sea or in harbour and C-Leanship provides hull- and propeller cleanings for large vessels reducing CO_2 emissions.
- 3.21 "Manufacturing of Aircraft": Investments attributable to production of block structure components and spare parts for supplying civil aircraft manufacturing industry.
- 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles": Investments in company vehicles. Saab policy stipulates only electric vehicles for all new purchases.
- 7.1 "Construction of new buildings": Ongoing construction projects primarily focus on energy efficient constructions and designs.
- 7.2 "Renovation of existing buildings": Improved insulation of roof, walls, windows and doors in facilities.
- 7.3 "Installation, maintenance and repair of energy efficiency equipment": Investments in installation and replacement of energy efficient light sources and installation of new and more energy efficient heating/cooling systems.

Eligible financial activities related to Capital Expenditures "CapEx" within objective "Transition to a Circular Economy":

- 3.1 "Construction of new buildings": Two investments in site Kallebäck supporting circularity by reuse of material, waste handling and design/construction. Activity 3.1 (Circular Economy) have been reported included in activity 7.1 (Climate Change Mitigation).
- 3.2 "Renovation of existing buildings": Improvements in facilities supporting circularity by reuse of material, waste handling and design/construction. Activity 3.2 (Circular Economy) have been reported included in activity 7.2 (Climate Change Mitigation).
- 3.3 "Demolition and wrecking of buildings and other structures": Property improvements in Arboga
- 3.4 "Maintenance of roads and motorways": Investments related to maintenance in aerodrome runways within Saab.

Operating Expenses "OpEx"

Eligible financial activities related to Operating Expenses "OpEx" within objective "Climate Change Mitigation":

- 3.6 "Manufacture of other low-carbon technologies": Expenses related to Maritime communication system AIS/VDES - R6 Supreme/R 60 base station – supporting efficient, optimised routing and planning at sea or in harbour reducing CO_2 emissions.
- 3.21 "Manufacturing of Aircraft": Expenses attributable to production of block structure components and spare parts for supplying civil aircraft manufacturing industry.
- 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles": Expenses related to company vehicles.
- 8.2 "Data-driven solutions for GHG emissions reductions": Expenses related to Aerobahn CDM Suite (efficient traffic flows at airports).
- 9.1 "Close to market research, development and innovation": R&D projects where Technology Readiness Level "TRL" has reached level 6. These expenses are related to development of technology for autonomous underwater vehicles.

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Eligible financial activities related to Operating Expenses "OpEx" within objective "Transition to a Circular Economy":
- 3.4 "Maintenance of roads and motorways": Expenses related to maintenance in aerodrome runways within Saab.

Assessment of Alignment
The financial eligible activities were assessed against the technical screening criteria in the Commission Delegated Regulation (EU) 2021/2139.

Five of the activities were considered taxonomy aligned:
- 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles" related to low- and zero-emission light-duty vehicles (CapEx and OpEx).
- 7.4 "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)" which enables lower GHG emissions (CapEx).
- 7.5 "Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings" (CapEx).
- 7.6 "Installation, maintenance and repair of renewable energy technologies", installation of solar panels in Australia and South Africa (CapEx).
- 8.2 "Data-driven solutions for GHG emissions reductions" related to Aerobahn CDM Suite enabling lower fuel consumption and thereby lower GHG emissions (Turnover and OpEx).

For the remaining financial activities, Saab does not have enough information to ensure alignment or is not able to fulfil Substantial Contribution and DNSH criteria. The process of ensuring alignment will continue in 2025.

Saab's lease of company cars has been assessed against the technical screening criteria in activity 6.5. 660 of 700 new company car leases in 2024 fulfil the criteria of CO_2 emissions lower than 50 g/km. Each company car has been assessed against alignment criteria. Regarding DNSH criteria, Saab has assumed that tires are not replaced to any other dimension than approved dimension to comply with noise requirements.

Saab's investments in installation of charging stations for electric vehicles at Saab facilities fulfil the criteria for environmental objective "Climate change mitigation" in activity 7.4, Installation, maintenance or repair of charging stations for electric vehicles. The only DNHS criteria in activity 7.4 "Climate Change adaptation" regarding physical climate risks and vulnerability assessments (Appendix A) has been evaluated and fulfilled.

Investments in installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings fulfil the objective "Climate Change Mitigation" through the conducting of activity 7.5. That activity also fulfils the only DNSH criteria in 7.5, "Climate Change Adaptation". The conclusion regarding compliance with the Climate Change Adaptation criteria is based on Saab's Group-wide climate change scenario analysis, where activities' risks relate to own facilities.

In South Africa and Australia, photovoltaic cells have been installed on Saab's buildings, which is covered by activity 7.6 "Installation, maintenance and repair of renewable energy technologies". In South Africa, the facility has previously relied on diesel generators to provide emergency power during power outages. The investment will result in both a reduced climate impact of production and a secured electricity supply, which reduces the risk of significant impact on operations. In Australia, about 100 solar panels are installed in connection with new construction, which is estimated to generate about 100 kW. The only DNSH criterion applicable to "adaptation to climate change" relates to physical climate risks and vulnerability assessments (Annex A). It has been evaluated and assessed to be met.

Aerobahn CDM Suite has been assessed against the technical screening criteria in activity 8.2 in Commission Delegated Regulation (EU) 2021/2139 and found the activity to contribute to environmental objectives (1) "climate change mitigation". Aerobahn is a traffic flow management tool used by airport operators, air navigation service providers, and airlines in order to reduce departure taxi times and maximise runway throughput. The taxi time reductions enabled by the Aerobahn directly correlate with a reduction in fuel burn and therefore carbon emissions. The activity fulfills the Substantial contribution requirements to climate change mitigation criteria in activity 8.2, being an Information and Communication Technology "ICT" solution that enables substantial greenhouse gas emission reductions through the provision of data and analytics. Activity 8.2 contains criteria for Do Not Significantly Harm (DNSH) for the environmental targets Climate change adaptation and Circular economy. Aerobahn does not significantly harm climate change adaptation, based on Saab's TCFD analysis. Since the core of Aerobahn CDM Suite is a software tool it does not significantly harm transition to a circular economy. In cases where hardware is part of the delivery of Aerobahn CDM Suite, it could be decommissioned and recycled as electronic waste.

Minimum Safeguards
The Assessment of compliance with minimum safeguards criteria laid down in Article 18 of regulation (EU)2020/852, is based on the "Final Report on Minimum Safeguards" published by Platform on Sustainable Finance in October 2022. Four topics are covered in the assessment, Human Rights, Corruption, Taxation and Fair Competition. Saab has policies and processes in place, following the OECD guidelines for multinational enterprises regarding Human Rights. There is an ongoing complaint at the Australian OECD National Contact Point for Responsible Business Conduct (NCP), which is likely to be resolved during 2025. Saab has cooperated fully with the NCP regarding the complaint, and did not receive any response requests from the Business and Human Rights Resource Centre during the year. Saab has not been convicted in court during 2024.

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Key elements of change during reporting period

Turnover:
Total sales for the year amounted to MSEK 63,751 (51,609) corresponding to a sales growth of 23,5%, of which organic growth was 23.4%. 92% (90%) of sales were related to the defence business. Taxonomy-eligible and aligned Turnover represents 3.2% (3.9%) of total sales. The decrease is due to the divestment of the Maritime Traffic Management operations in March 2023 and the growth in share of the defence business, not covered by the Taxonomy.

Capital Expenditures (CapEx):
Total capital expenditures increased by MSEK 1,853 primarily driven by investments for increased production and delivering capacity, including construction projects. The higher proportion of CapEx allocated to aligned activities are entirely linked to the fulfilment of all DNSH criteria for new activity (7.6) in the reporting period.

Operating Expenses (OpEx):
Total operating expenses increased by MSEK 802 related to increased costs for research and development. The total amount of aligned OpEx is in line with previous year, the lower percentage is due to the increase of Taxonomy non-eligible OpEx.

Accounting Principles EU Taxonomy

KPIs
Saab reports eligible and, where applicable, aligned activities using three key performance indicators (KPIs); Turnover, Capital Expenditure and Operating Expenditure, as defined by the taxonomy regulation.

Key Performance Indicator "Turnover":
For the Turnover KPI for taxonomy alignment, Saab reports as numerator the share of net sales derived from long-term customer contracts, products or services associated with Taxonomy-aligned economic activities. For eligible but not aligned activities, Saab reports as numerator the share of net sales derived from long-term customer contracts, products or services, associated with Taxonomy-eligible but not aligned economic activities. The denominator for both alignment and eligibility/not aligned includes Saab's net total sales during the reporting year (line item "Sales" in the consolidated income statement).

Key Performance Indicator "Capital Expenditure":
For the Capital Expenditure KPI for Taxonomy alignment, Saab reports as numerator the share of Saab's total capitalised expenditure related to the economic activities that Saab has defined to be Taxonomy-aligned. When disclosing the Capital Expenditure KPI for Taxonomy-eligible but not taxonomy-aligned activities, Saab reports as numerator the share of Saab's capitalised expenditure that is related to the economic activities that Saab has defined to be Taxonomy-eligible but not aligned. The denominator for both alignment and eligibility/not aligned includes investments in intangible fixed assets, tangible fixed assets, biological assets and right-of-use assets. For reference regarding investments included in the denominator; see line item "Internally Developed Assets" in table "Capitalised Development Costs" and line item "Investments" in table "Other Intangible Assets" in note 15; line item "Investments" in tables for "Operating Properties/Buildings and Land", "Plant and Machinery", "Equipment, Tools and Installations" and "Construction in progress" in note 16; and line item "New leases" in note 17.

6.18 Leasing of Aircraft: Comparable figures have been excluded due to an updated assessment of eligibility, accordingly, no CapEx is reported for 2023 or 2024.

Key Performance Indicator "Operating Expenditure":
For the Operating Expenditure KPI for Taxonomy alignment, Saab reports as numerator the share of Saab's operational expenses related to the economic activities that Saab has defined to be Taxonomy-aligned. When disclosing the Operating Expenditure KPI for Taxonomy eligibility but not aligned, Saab reports as numerator the share of Saab's operational expenses related to the economic activities which Saab has defined to be Taxonomy-eligible but not aligned.
The denominator for both alignment and eligibility/not aligned includes research and development costs, renovation of premises, short-term leases, maintenance, and repairs of tangible fixed assets. Day-to day service related to physical assets are included in both the numerator and the denominator.

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Turnover

Financial year 2024		Year 2024		Substantial contribution criteria						DNSH criteria ("Does No Significantly Harm")									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of turnover. year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover. year 2023(18)	Category enabling activity (19)	Category (transitional activity) (20)
		MSEK	%	Y; Y; N; N/EL						Y/N						Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (Taxonomy-aligned)																			
Data-driven solutions for GHG emissions reductions	8.2	267.2	0.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	Y	-	Y	0.4%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**267.2**	**0.4%**	0.4%													**0.4%**		
Of which enabling		267.2	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	-	Y	-	-	Y	-	Y	0.4%	E	
Of which transitional		-	0.0%	0.0%						-	-	-	-	-	-	Y	0.0%		T
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL															
Depollution and dismantling of end-of-life products	2.6	1.8	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0,0%		
Manufacture of other low-carbon technologies	3.6	794.5	1.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.5%		
Manufacturing of Aircraft	3.21	896.5	1.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.7%		
Data-driven solutions for GHG emissions reductions	8.2	-	-	-	-	-	-	-	-								0.1%		
Emergency Services	14.1	79.3	0.1%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,772.1**	**2.8%**														**3.5%**		
A. Turnover of Taxonomy-eligible activities (A1.+A.2)		**2,093.3**	**3.2%**														**3.9%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**61,711.6**	**96.8%**																
TOTAL (A+B)		**63,750.9**	**100.0%**																

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CAPEX

Financial year 2024		Year 2024		Substantial contribution criteria						DNSH criteria ("Does No Significantly Harm")									
Economic activities (1)	Code (2)	Capex (3)	Proportion of Capex, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Capex, year 2023(18)	Category enabling activity (19	Category (transi-tional activity) (20)
		MSEK	%	Y; Y; N; N/EL						Y/N						Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	105.0	1.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	2.9%		T
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	2.7	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	0.2%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	6.9	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	0.0%	E	
Installation, maintenance and repair of renewable energy technologies	7.6	16,7	0.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y		E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**131.3**	**2.3%**	**2.3%**													**3.0%**		
Of which enabling		26.3	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	-	Y	-	-	-	-	Y	0.2%	E	
Of which transitional		105.0	1.9%	1.9%						-	Y	-	Y	Y	-	Y	2.8%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL															
Demolition and wrecking of buildings and other structures	3.3	0.9	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Maintenance of roads and motorways	3.4	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
Manufacture of other low-carbon technologies	3.6	24.3	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,4%		
Manufacturing of aircraft	3.21	2.4	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	0.9	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Leasing of aircraft	6.18	-	-	-	-	-	-	-	-								-		
Construction of new buildings	7.1,3.1	507.0	9.0%	EL	N/EL	N/EL	N/EL	EL	N/EL								1.8%		
Renovation of existing buildings	7.2,3.2	373.2	6.6%	EL	N/EL	N/EL	N/EL	EL	N/EL								3.9%		
Installation, maintenance and repair of energy efficiency equipment	7.3	19.1	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Data-driven solutions for GHG emissions reductions	8.2	-	-	-	-	-	-	-	-								0.3%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**927.7**	**16.4%**														**6.6%**		
A. CapEx of Taxonomy-eligible activities (A1.+A.2)		**1,059.0**	**18.7%**														**9.6%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**4,597.0**	**81.3%**																
TOTAL (A+B)		**5,656.0**	**100.0%**																

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OPEX

Financial year 2024		Year 2024		Substantial contribution criteria						DNSH criteria ("Does No Significantly Harm")									
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2023(18)	Category enabling activity (19)	Category (transitional activity) (20)
		MSEK	%	Y; Y; N; N/EL						Y/N						Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	39.3	1.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	1.9%		T
Data-driven solutions for GHG emissions reductions	8.2	10.8	0.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	Y	-	Y	0.7%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**50.1**	**1.8%**	**1.8%**													**2.6%**		
Of which enabling		10.8	0.4%		0.0%	0.0%	0.0%	0.0%	0.0%	-	Y	-	-	Y	-	Y	0.7%	E	
Of which transitional		39.3	1.4%							-	Y	-	Y	Y	-	Y	1.9%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL															
Manufacturing of Aircraft	3.21	0.1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Maintenance of roads and motorways	3.4	4.5	0.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0,0%		
Manufacture of other low-carbon technologies	3.6	13.9	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	12.6	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.0%		
Close to market research, development and innovation	9.1	20.5	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**51,6**	**1,9%**														**1,9%**		
A. OpEx of Taxonomy-eligible activities (A1.+A.2)		**101.7**	**3.7%**														**4.5%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OPEX of Taxonomy-non-eligible activities		**2,639.5**	**96.3%**																
TOTAL (A+B)		**2,741.2**	**100.0%**																

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Taxonomy additional information

In the Taxonomy summary tables below, data clarifies turnover and capital expenditures within economic activities that may contribute to several environmental objectives. Data in this table could therefore, when applicable to more than one environmental objective, be double counted.

Activities within Nuclear and Gas-related activities are not applicable to Saab during financial year 2024. Table for aligned capex compares capex between years split on economic activity and type of spend. Breakdown of acquisitions or Taxonomy CapEx plans are not applicable in the reporting period for the tables "CapEx summary" or "Taxonomy aligned CapEx between periods".

Turnover summary

	Proportion of Turnover / Total Turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.4%	3.1 %
CCA		0.1%
WTR		
CE		0,0%
PPC		
BIO		

Disclosure Nuclear and fossil gas related activities

Row	Nuclear and fossil gas-related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas-related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

CapEx summary

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	2.3%	18.7%
CCA		
WTR		
CE		15.6%
PPC		
BIO		

Taxonomy aligned CapEx between periods

		Tangible Fixed Assets		Intangible Fixed Assets		Right-of-Use Assets	
Code	Description of activity	2024	2023	2024	2023	2024	2023
6.5	Transport by motorbikes, passenger cars and light commercial vehicles	-	-	-	-	105.0	109.4
7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	2.7	6.0	-	-	-	-
7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	6.9	0.1	-	-	-	-
7.6	Installation, maintenance and repair of renewable energy technologies	16.7	-	-	-	-	-
8.2	Data-driven solutions for GHG emissions reductions	-	-	-	0.2	-	-
	Taxonomy-Aligned Capex (MSEK):	**26.3**	**6.1**	**-**	**0.2**	**105.0**	**109.4**

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Own workforce

[S1] Own workforce

Own workforce
(Including Secure employment)

Material impacts, risks and opportunities

[S1-SBM3] Material impacts, risks and opportunities and their interaction with strategy and business model

Saab's significant growth brings opportunities, but also requires us to adapt to the rapidly changing defence industry. Saab's approximately 25 000 employees are key to our success and Saab strives to be the employer of choice, attracting and retaining top talent both now and in the future. In today's competitive labour market, our ability to attract, develop, and retain skilled individuals is essential for our continued growth and success.

To attract and retain employees, Saab is committed to providing a safe and healthy work environment. Saab complies to national labour laws and agreed collective agreements, providing job security for our employees. Saab is committed to developing its leaders by equipping them with the skills and knowledge to inspire their teams, drive innovation, and promote a workplace built on diversity and inclusion.

Policies

[S1-1] Policies related to own workforce

At Saab, ethical conduct and responsible business practices are paramount. Saab Code of Conduct, (Our Code), serves as the foundation for all our actions, outlining the standards and principles that guide every employee in making responsible decisions. Our Code applies to everyone working at Saab.

We are committed to providing a safe and healthy work environment for our employees. Dedicated policies address Occupational Health and Safety and Diversity and Inclusion, ensuring a workplace where everyone feels valued and respected. For more detailed information on these topics, see the respective sections on page 111 and page 114.

Accessibility and transparency are key to our approach. Saab's policies are available to employees through various channels, including onboarding programs and recurring mandatory training sessions. The CEO authorises and signs all policies, while the Board of Directors adopts the Code of Conduct, demonstrating high level of commitment from our leadership.

Saab is dedicated to upholding international standards of human rights. Saab adheres to the United Nations Guiding Principles for Business and Human Rights and the OECD's six steps for human rights due diligence, ensuring fair and equal working conditions throughout our entire value chain.

Engaging with own workers

[S1-2] Processes for engaging with own workers and workers' representatives about impacts

Recognising that our employees are crucial to achieving our goals, we prioritise keeping them informed and engaged. We promote a culture of engagement where every employee understands their contribution to our success. We achieve this by setting clear expectations, providing regular feedback, and offering ample opportunities for growth and development. Through employee engagement surveys and dialogue we create a culture of open communication. We utilise various communication channels, such as regular meetings, decision forums, and our internal communication platform, to ensure collaboration and transparency. Top managers are part of the on-going discussions with employee representatives to ensure our employees are heard and concerns are addressed.

Processes for own workforce to raise concern

[S1-3] Processes to remediate negative impacts and channels for own workforce to raise concerns

Saab encourages a culture of transparency and accountability. Employees who become aware of or suspect a violation of the Code of Conduct are expected to report it. Reporting can be done through normal line reporting channels or Saab's Whistleblowing hotline. The Whistleblowing hotline is hosted by an external party and allows for anonymous reporting on all issues relating to any aspect of the Code of Conduct, including Diversity and Inclusion, Working Conditions and Human Rights. Reporters can file their concerns and complaints online or by phone.

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The principles and procedures for whistleblowing hotline management are publicly available on the online reporting portal. The instruction clarifies, inter alia, that the reporter shall be kept informed on the progress and expected time frames of the investigation, that the reporter shall be protected from any form of retaliation, and specifies how the investigation should be carried out. Recommended remedial actions will be directed to the relevant internal organisation and reported to the Ethics and Compliance Board. Reports and investigations are treated confidentially.

For further information about governance of the Whistleblower Hotline, see [G1] Corporate culture and business conduct policies, section Speak up and protection of whistleblowers, page 131.

Actions

[S1-4] Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Saab is actively addressing the challenges in the current situation with onboarding vast number of new employees, expanding our facilities, and managing a growing talent pool. Focus is within the areas of creating a safe and inclusive workplace, responsible workforce management and improving employee engagement.

Actions during the year include, but is not limited to, diversity and inclusion training, invest in employee development, training, and career progression, investment in leadership development programs as well as holding regular employee surveys to track the effectiveness of the actions.

For more information regarding actions within the topics Occupational Health and Safety, Diversity and Inclusion, and Training and skills development, see the respective topic on page 112 and page 114.

Targets

[S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To manage our impacts. risks and opportunities Saab is working with targets in areas such as diversity, training and skills development, and occupational health and safety.

- Within diversity and gender equality there are targets on percentage of women employees (25%) and percentage of women managers (30%) by 2025.
- Within training and skills development, the target of 40 hours of training per employee per year was introduced during 2024.

Saab is committed to improving employee well-being and during 2025 we aim to enhance employees' perceived work-life balance. This will be measured through our employee surveys and the work-life balance will be measured twice during 2025 allowing us to track progress and implement timely measures.

For more information regarding targets within the topics Occupational Health and Safety, Diversity and Inclusion, and Training and skills development, see the respective topic on page 112 and page 115.

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Characteristics of employees (Head Count)

[S1-6] Employees by contract type, broken down by gender (Headcount and Fulltime Equivalent)

Number of permanent employees has increased by 3,002 (+14%) in comparison with the end of 2023. Number of permanent employees in Sweden has increased with 13%. Share of permanent employees who are women has increased from 25% at the end of 2023 to 26% at the end of 2024.

Head count	Permanent Employees		Temporary Employees		Non-Guaranteed Hours Employees		Total Employees		
Country	Women	Men	Women	Men	Women	Men	Women	Men	Total
Sweden	5,335	14,291	242	587	0	0	5,577	14,878	20,455
United States	251	781	1	3	6	20	258	804	1,062
Australia	238	771	18	18	0	0	256	789	1,045
United Kingdom	100	420	2	2	0	0	102	422	524
Germany	70	415	1	2	0	0	71	417	488
South Africa	117	275	9	18	0	0	126	293	419
Finland	34	221	6	15	0	0	40	236	276
Denmark	39	209	4	7	0	0	43	216	259
United Arab Emirates	36	132	0	0	0	0	36	132	168
Brazil	37	110	0	0	0	0	37	110	147
Switzerland	32	94	1	0	0	0	33	94	127
India	23	80	0	0	0	0	23	80	103
Czech Republic	19	60	0	0	0	0	19	60	79
Netherlands	7	48	0	6	0	0	7	54	61
Other	43	193	2	5	0	0	45	198	243
Total	**6,381**	**18,100**	**286**	**663**	**6**	**20**	**6,673**	**18,783**	**25,456**

Limited assurance: [S1-6] 50a+b

Accounting Principles:
The number of employees represents headcount of all employees in own workforce at the end of the reporting period. Figures shown in table represent 100% global data coverage. All numbers are reported in head count.

Number of employees for 2023 was presented as head count of all permanent employees in own workforce in last year's report - 2023 figures remain according to this definition, as they are deemed not practical to update according to 2024 definition. Consequently, Saab will report on average number of employees in 2025. The total number of permanent employees by head count was 21,479 at the end of 2023. At the end of 2024 the total number of permanent employees was 24,481 (6,381+ 18,100).

Saab's systems currently only recognise female and male genders, and therefore do not include data for other gender identities.

Characteristics of non-employees (Full Time Equivalent)

[S1-7] Characteristics of non-employees in the undertaking's own workforce

Number of non-employees, has net increased by 825 in comparison to the end of 2023, a 24% net increase.

Fulltime Equivalent (FTE)	2024	2023
Number of non-employees in own workforce	4,307	3,482

Limited assurance: [S1-7] 55a

Accounting Principles:
The number of non-employees represents full time equivalents of all non-employees in own workforce at the end of the reporting period. Figures shown in table represent 100% global data coverage.

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Occupational Health and Safety

Material impacts, risks and opportunities

[S1-SBM3] Material impacts, risks and opportunities and their interaction with strategy and business model

A healthy and safe work environment is essential for high performance and a sustainable work life from a physical as well as a psycho-social perspective. It is important for Saab to care for its employees. Saab has a responsibility to ensure that contractors, visitors, and others are not exposed to hazards. We achieve this by providing a physically and psychologically safe workplace, proactively identifying and mitigating potential hazards and risks and promoting good health and addressing any signs of ill health early on. This systematic and goal-oriented approach ensures a positive and productive environment for everyone.

Saab has identified its primary occupational health and safety (OHS) risks, or potential negative impacts. The main risks are that a safe and healthy work environment may not be achieved and that employees may not be provided with conditions for a good balance between work and personal life, which in turn risks leading to sick leave that can eventually result in reduced efficiency.

The work environment is often associated with physical work environment. For example, design of premises, air quality, distracting noises, ergonomics, lighting and machinery. The work environment also consists of psycho-social factors such as interactions between people, leadership, workload and work requirements. Psycho-social risks affect all employees, regardless of their role or position within Saab. People thrive and perform better when being accepted, heard, seen and needed.

Prioritising a healthy and safe work environment brings numerous benefits to Saab. It attracts competences, ensures regulatory compliance, and creates trust. This proactive approach to safety translates into competitive advantages, positioning Saab as a responsible actor in the defence sector.

Policies

[S1-1] Policies related to own workforce

Saab's commitment to health and safety is embedded in our policies and practices:

- The Occupational Health and Safety Policy, Place of Work Policy, and the People Strategy provide a comprehensive framework for goals and activities related to workplace health
- Saab hold a global ISO 45001 certification for Occupational Health and Safety Management Systems. Details regarding the scope of certification are available on Saab.com
- Line managers are directly responsible for the health and safety of their teams and dedicated Occupational Health and Safety Coordinators, or specialists, provide support at the local level
- The Group function Human Resources provide processes, guidelines, and ensures compliance with our policies and relevant regulations

This structured approach ensures a consistent, effective approach to health and safety across Saab. The policies, authorised and signed by the CEO, aim at ensuring a safe and secure work environment for all Saab's operations.

The Occupational Health and Safety Policy ensures a safe and secure work environment. This is accomplished by:

- Work environment management with a focus on promoting good health, identifying and managing work environment
- Prevention of accidents, ill health and work-related injuries in the short and long term
- Engaging and involving employees in work relating to work environment
- Encouraging employees to maintain a good balance in life and to look after their own health and the health of others
- No toleration of any form of harassment, reprisals, bullying or other physical or verbal acts of an abusive nature

The key content of the Place of Work Policy states that wherever Saab conducts operations, it must ensure a safe and secure work environment. The majority of Saab employees has their workplace/workspace at Saab. When work situation permits it is possible to work remotely/from home. How and where our employees conduct work - at site or occasionally at home/remote - is dependent on line of work, and needs to be balanced against the ability for the individual, the team and the organization to be compliant and reach delivery targets.

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Saab's commitment to occupational health and safety is integrated into our Global Management System (GMS). Our process encompasses:

- Saab identifies and evaluates applicable legal requirements related to workplace safety
- Saab conducts risk/opportunity assessments to anticipate and address potential hazards
- Saab has procedures for reporting, investigating, and learning from any occupational health and safety incidents or near misses
- Saab conducts routine safety inspections to identify and address potential risks

These processes extend to all individuals working on Saab premises, including Saab's own employees and external parties under Saab's control.

Saab's Occupational Health and Safety targets and KPIs are followed up quarterly by the management for Human Resources. Evaluation of performance also takes place annually in the Management Review.

Actions

[S1-4] Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Saab has experienced an increasing number of reported workplace incidents in recent years. One way to identify health and safety risks at an early stage and prevent incidents is to report hazard identification and near misses, and proactively address them.

One activity during the reporting period was the training of employees in Sweden emphasising the importance of reporting and addressing risks at an early stage including proactive measures. This led to an overall increased in awareness and the reporting rate. During the next reporting period, one action is to train the organisation in a methodology for root cause analyses and to continue to develop the Tool InControl in Sweden.

The ongoing work to create awareness regarding the importance of reporting safety incidents will continue. A simplified process for reporting of near misses and hazard identifications will be implemented and performance will be followed up at local level in the organisation to provide support and implement measures where needed.

To provide a safer and healthier workplace and thereby reduce the number of accidents, a digital support system was implemented in Sweden during 2023. The system supports managers with proactive OHS activities. During 2024, improvements in the functionality were added which supports the improved ability to follow up performance of OHS activities and take actions where needed. The system was implemented globally in 2024, which enabled Saab to work in a more consistent way.

Saab invests in training to empower our employees to prioritise safety and well-being. The mandatory trainings are conducted during onboarding of new employees and continuously for all employees at Saab. The purpose of the trainings is to enhance employees' knowledge on how to prevent accidents and promote well-being and a culture of safety.

To increase knowledge about the psycho-social work environment and its risks during 2024, Saab introduced a training session "Inclusion and collaboration - for a sustainable work environment". Managers were given tools for supporting the dialogue about collaboration and inclusion within their teams. In 2025, a communication package is planned to be provided to managers on how to report psycho-social work environmental incidents.

Targets

[S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To effectively manage risks and track progress, Saab implements performance targets and Key Performance Indicators (KPIs) related to occupational health and safety. These are monitored and analysed on a quarterly basis to identify trends and areas for improvement.

The target for 2024 was to break the upward trend of reported work-related accidents, meaning that the number of accidents (TRIs) by the end of 2024 should not exceed the number of accidents (TRIs) for the previous year. 2025 we will continue to measure Total Recordable Injury Frequency Rate (TRIFR) where the target should not exceed the value for 2024 (4,76). The long-term target (2030) is that the value should decrease with 25%, compared to base year 2024.

Recognising the importance of well-being, Saab has set a target for 2025 to improve employees' perceived work-life balance. This will be measured through our employee surveys, with perceived work-life balance to be measured twice a year starting in 2025 to allow for trend analysis and timely interventions.

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Health and safety

[S1-14] Health and safety metrics

One way of identify risks at an early state is to report near misses and hazard identifications. Saab's target for 2024 was to reach 5 reported close calls/hazard identification per work-related injury. Saab has reported 4.1 close calls/hazard identifications per work-related injury during 2024, which is a decrease in the report rate compared with last year.

There are several reasons behind this:

- There has been an extra focus on reporting incidents for "non-employees", due to new reporting requirements, which has made the reporting increase for this worker type
- In some areas of the organisation, there has been a greater emphasis on reporting minor injuries, rather than hazard identification and near misses, as part of building a stronger safety reporting culture. This has led to an increase in the number of minor injury reports
- Some parts of the organisation are facing increased workloads due to external factors. This can elevate the risk of human error and lead to a more selective approach to reporting hazard identifications and near misses. The reporting system interface is sometimes perceived as time-consuming, which may involve foregoing reporting during periods of high workload

		Employees		Non-employees		Total	
	Targets	2024	2023	2024	2023	2024	2023
Percentage of own workers who are covered by health and safety management systems		100%	100%	100%	100%	100%	100%
Number of fatalities in own workforce as result of work-related injuries		0	0	0	0	0	0
Number of fatalities in own workforce as result of work-related ill health		-	-	-	-	-	-
Number of fatalities as result of work-related injuries and work-related ill health of other workers on own sites		0	0	0	0	0	0
Number of recordable work-related accidents for own workforce (TRI)		186	-	15	-	201	135[1)]
Frequency rate of recordable work-related accidents for own workforce (TRIFR)		4.76	-	2.19	-	4.38	3.57[1)]
Number of cases of recordable work-related ill health of own workforce		67	71	-	-	-	-
Number of lost time injuries for own workforce		50	-	7	-	57	46
Rate of lost time injuries for own workforce		1.28	-	1.02	-	1.24	1.33
Reported close calls/hazard identification per work-related injury	5.0	4.4	-	1.9	-	4.1	5.0

Limited assurance: [S1-14] 88a-d, [S1 Entity Specific]: Rate and Number of Lost Time Injuries, and number of reported incidents per workplace injury.

Accounting Principles:
As the OHS management system is a part of Saabs minimum level of Saab procedures all employees and non-employees that work under Saab's management is covered. No breakdown between employees and non-employees is available for 2023, hence the comparative figures are reported as total. Information on work-related illness is only available for own employees for the comparative year 2023.

During 2024, changes were made in the extracting of Total Recordable Injuries (TRI) data. Improvements in Saab's incident reporting and case handling system that means system logic has been developed and that incidents now are automatically categorised into TRIs. This led to an increase in the number of incidents being categorised into TRIs as there no longer is a human interpretation behind the assessment. Rate of recordable work-related injuries and rate of lost time injuries; the figures for total workforce are based on 45,941,863 hours worked. Total number of worked hours for employees are 39,089,565, and for non-employees 6,852,298. The ratio of number of LTI or TRI divided by number of hours worked is then multiplied by 1.000.000 to represent cases per million hours worked.

1) There has been an update in the 2023 TRI data due to incidents developing into TRIs after the yearly report was due. The number of TRIs that occurred in 2023 have increased to 135 from 110.
Pending what is stated above there is an uncertainty connected to the TRI numbers as the incident's categorisation depends on how the injury and rehabilitation have developed, e.g., an incident can develop into a TRI over time. A verification of the previous year's TRI data therefore takes place in the last and first quarter on a yearly basis to ensure incidents that are categorised as TRIs after "end of year" is identified. Consequently, as the number of TRI:s from last year's report have increased, the TRIFR also increased. Previously reported figure was 3,17

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Diversity and Inclusion

(including Training and skills development, and Gender equality and equal pay for work of equal value)

Material impacts, risks and opportunities

[S1-SBM3] Material impacts, risks and opportunities and their interaction with strategy and business model

Saab believes that a workplace characterised by diversity among our employees increases creativity and boosts innovation and that an inclusive culture results in higher engagement, well-being and increased performance. Saab is convinced that diversity and inclusion make us reach our targets and become an even more successful business.

Promoting diversity and inclusiveness has a potential positive impact on health for the individual and might lead reduced employee turnover, broader perspectives, more innovations and in the end, achieving our business targets.

Continuous learning and development are one key to building a diverse and inclusive culture. We offer learning opportunities and equipping our employees with the skills they need to succeed. This approach strengthens our ability for talent attraction, retention, and engagement, while also driving our business objectives.

Policies

[S1-1] Policies related to own workforce

Diversity and inclusion
Saab's Diversity and Inclusion Policy, authorised and signed by the CEO, applies to employees. It provides a framework that governs and guides the diversity and inclusion work.

The policy emphasises the importance of employees seeing the value of diversity, that everyone treats each other with respect and consideration, and that all forms of discrimination should be prevented. It also states that Saab strives for all employees to have the same perceived opportunities throughout the company regardless of who they are.

Saab's work with diversity and inclusion is an incorporated part of the engagement work within Saab, both on a corporate level and in business areas.

Actions

[S1-4] Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Diversity and inclusion
In 2024, Saab continued to prioritise diversity and inclusion through:

Raising awareness and knowledge:
- Saab conducted training programmes, launched information campaigns, and organised dedicated diversity and inclusion initiatives and workshops to educate employees and managers
- Saab promoted women leadership by showcasing role models, and encouraging participation in leadership development programmes

Promoting an inclusive workplace:
- Saab's annual Occupational Health and Safety training for employees focused on inclusion and collaboration, emphasising the importance of creating a respectful environment for all

Inspiring future generations:
- Saab engaged in initiatives to spark women's interest in technology and engineering, participating in events, collaborating with women networks, hosting students, and conducting school visit (STEM outreach)
- Saab integrated diversity principles into recruitment practices, job advertisements, and interview processes. This included training for managers and recruiters on inclusive hiring practices

Training and skills development
At Saab, diversity and inclusion are strengthened through a dedicated emphasis on continuous learning and professional growth. Through a range of learning opportunities, such as seminars, programmes, learning libraries, workshops, and interactive sessions, our employees gain the skills needed to promote an inclusive and respectful workplace. These initiatives enhance awareness and equip both leaders and employees to actively contribute to a diverse, innovative, and collaborative environment. Saab's way of working ensures that all employees, regardless of background, contributes to the company's goals.

The performance process drives, facilitates, supports and monitors individual performance. It is an ongoing process aiming to creating favourable conditions for employees to perform and develop in their jobs, and to create an environment for self-driven learning in the flow of work, to support performance now and in the future. At Saab, we do so by advocating for a continuous dialogue between managers and employees throughout the year with recurrent check-ins and performance reviews. Steps were taken in 2024 to improve the ongoing performance process by updating support materials in how managers can support employee performance throughout the year, as well as ensuring that employees can drive their own development by clarifying development opportunities.

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Targets

[S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Diversity and Inclusion

Saab is committed to gender equality as a key element of our diversity and inclusion efforts and are systematically working toward this, setting a target of 30% women managers and 25% women employees by 2025. Having successfully achieved the 25% women employee target, Saab is now focusing on reaching 30% women employees by 2030.

In 2024, Saab's Annual General Meeting decided that a portion of the performance share plan for Group Management and Senior managers will be linked to an increased representation of women employees within the company by the end of 2027.

Training and skills development

Continuous learning and development are essential for building a workplace characterised by diversity and inclusion. Saab is strongly committed to providing learning opportunities. To measure the result of learning, Saab monitors and reports the metric "Average Learning Hours per Employee", followed on a quarterly basis. The target is an average of 40 learning hours per employee annually. The data is based on learning activities that employees have completed in our Human Resources system Workday Learning. This systematic approach ensures transparency and accountability in measuring progress.

Once a year the individual performance is consolidated and evaluated in the Annual Performance Review. Saab continuously monitor a number of metrics related to the performance management process on Group level, such as percentage of employees with finalised performance reviews in our Human Resources system Workday.

Metrics

Diversity

[S1-9] Diversity metrics

See Corporate Governance Report, pages 61-62 for the composition of the Group Management.

Gender distribution at top management level (Head count)	2024 Women	2024 Men	2023 Women	2023 Men
Gender distribution in number of employees at top management level	4	10	3	10
Gender distribution in percentage of employees at top management level	29%	71%	23%	77%

Accounting principles: Top management defined as Group Management.
Limited assurance: [S1-9] 66a

At the end of 2024, the share of women managers increased to 28% from 27% from the year-end 2023 while the share of women employees increased to 26% (25%)

Gender distribution managers (Head count)	2024 Women	2024 Men
Gender distribution in number of managers	767	1,989
Gender distribution in percentage of managers	28%	72%

Accounting principles: The term manager is defined as a specific role in the HR system Workday with extended permissions. For entities not using Workday, the assessment is done manually.
Covered [S1 Entity specific] Number of women managers

All employees	2024 Women	2024 Men	2024 Total	2023 Women	2023 Men	2023 Total
Under 30 years	1,290	3,052	4,342	904	2,318	3,222
30-50 years	3,352	8,319	11,671	2,747	7,227	9,974
Over 50 years	2,031	7,412	9,443	1,777	6,506	8,283
Total	**6,673**	**18,783**	**25,456**	**5,428**	**16,051**	**21,479**

All employees %	2024 Women	2024 Men	2024 Total	2023 Women	2023 Men	2023 Total
Under 30 years	5%	12%	17%	4%	11%	15%
30-50 years	13%	33%	46%	13%	34%	46%
Over 50 years	8%	29%	37%	8%	30%	39%
Total	**26%**	**74%**	**100%**	**25%**	**75%**	**100%**

Accounting Principles: Number of employees represent head count of all employees by gender and by age group at the end of the reporting period, 2024-12-31. Age group is calculated based on information on age from our HR system Workday (93% of global data coverage), and has been applied to the total number of employees. Number of employees previously represented head count of all permanent employees in own workforce.
Limited assurance: [S1-9] 66b

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Remuneration

[S1-16] Remuneration metrics

	2024	2023	2022
Gender pay gap	0.91	0.91	0.91
Annual total remuneration ratio	26.59	23.93	23.75

Accounting Principles:
Data is extracted from Saabs HR system. Data for employees in 11 countries are included in the calculations, covering 96% of the workforce. For the comparative figures 2023, 9 countries were included, covering 93%. For the comparative figures from 2022, 9 countries were included covering 86% of the workforce.

Annual total remuneration ratio, illustrates the disparity between the highest-paid individual and the median compensation of the other employees.The median of monthly base salary has been taken into consideration. The salary has been calculated as full time equivalent.

Limited assurance: [S1-16] 97 a-b

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Workers in the value chain – Responsible Sourcing

[S2] Workers in the value chain

Material impacts, risks and opportunities

[S2-SBM3] Material impacts, risks and opportunities and their interaction with strategy and business model

As a manufacturer of advanced equipment to a global customer base, Saab has an extensive value chain. Over 80% of Saab's direct suppliers and a majority of Saab's sub-suppliers are located in Europe or North America where respect for human rights is generally well enforced. A small share of Saab's spend has an origin in geographies with a higher risk profile. This spend is mainly related to standard products; however, some raw materials have an origin from higher risk countries due to the market availability. Potential adverse human rights impacts in Saab's supply chain are therefore more likely to occur beyond tier 1.

Managing human rights risks for workers in the supply chain is a fundamental aspect of Saab's sustainability strategy and key to ensuring business continuity. Serving customers with world-leading products means that Saab depends on access to technological expertise and critical materials as well as stable relations at all levels of the supply chain. Disruptions caused by, for example, poor working conditions in the supply chain can have a direct impact on Saab's ability to achieve profitable growth. The rapidly evolving legal landscape in this space creates further legal and financial risks for Saab.

Due to the growing demand for Saab's products, the pressure on both Saab and our suppliers has increased and will continue to increase over the next five years. This might in turn cause a rise in, for example, overtime and worker fatigue. Saab is committed to addressing these challenges in cooperation with suppliers.

A risk that might both signal human rights risks and have a direct negative impact on security of supply is sanctions directed at ownership interests in the supply chain. Sanctions may have different motivations but are often associated with a deemed conflict between supplier ownership interests and the respect of human rights in the supplier's operations. By avoiding doing business with suppliers subjected to sanctions, Saab also mitigates the risk of being associated with adverse human rights impacts in the supply chain.

Policies

[S2-1] Policies related to value chain workers

Saab's human rights commitments are outlined in several key policy documents, such as the Saab Code of Conduct, Supplier Code of Conduct, Modern Slavery Policy, Conflict Minerals Policy and Responsible Sales Policy. All policies, including the Code of Conduct, are authorised and signed by the CEO.

In 2024, Saab developed a new Supplier Code of Conduct, which will replace the existing Supplier Code of Conduct. The new document will be launched and implemented in 2025. The purpose of the new document is to align expectations on business partners with Saab's sustainability strategy and ensure that Saab promotes responsible business conduct throughout the supply chain. It outlines an expectation on suppliers to respect human rights in line with international standards and frameworks including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Core Conventions. It covers a wide range of topics including forced and child labour, human trafficking, the right to join or not to join trade unions, fair compensation and discrimination. The new code also requires suppliers to conduct sustainability due diligence across their value-chain and develop appropriate management systems to ensure compliance with Saab's expectations, including by establishing appropriate whistleblowing hotline mechanisms.

Saab manages impacts, risks and opportunities in the supply chain through Saab's common procurement processes defined in the Saab Global Management System (GMS). Saab has a decentralised model for procurement by which all Saab entities in Sweden follow the common process in GMS and applicable national legislation, whilst entities outside Sweden have to oblige with a minimum level of compliance. Procurement practices are developed through the Group Procurement Council, and reported to Group Management through Saab's Operational Excellence Board and Sustainability Board.

Saab's Group Procurement leads a Responsible Sourcing team, comprising representatives from each business area. This team provides expertise on sustainability throughout the procurement process, ensuring that sustainability risks are effectively managed in alignment with Saab's established processes.

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Engaging with value chain workers

[S2-2] Processes for engaging with value chain workers about impact

A major part of Saab's tier-1 suppliers are based in Sweden, where there are established processes for ensuring that the interests of employee representatives are taken into account in decision-making. In that way, the voices of supplier employees are indirectly accounted for in Saab's ongoing dialogues with Swedish suppliers as part of existing purchasing and supplier management processes. Saab's updated Supplier Code of Conduct, which will be launched in 2025, sets a clear requirement on suppliers to respect the right of employees to join, or not to join trade unions and to establish appropriate whistleblowing hotline mechanisms. The Code also encourages supplier employees to use Saab's Whistleblowing Hotline to report concerns. Suppliers are expected to cascade these requirements to their own suppliers and to, upon request by Saab, provide Saab with information on how the requirements are adhered to among their suppliers.

Processes for value chain workers to raise concern

[S2-3] Processes to remediate negative impacts and channels for value chain workers to raise concerns

External parties, including workers in the value chain, who become aware of or suspect a violation of the Code of Conduct are expected to report it. Reporting can be done through Saab's confidential whistleblowing hotline. The Whistleblowing Hotline is hosted by an external party and allows for anonymous reporting on all issues relating to any aspect of the Code of Conduct, including Working Conditions and Human Rights. Grievances can be filed online or by phone.

The principles and procedures for grievance management are publicly available on the online reporting portal. The instruction clarifies, inter alia, that the reporter shall be kept informed on the progress and expected time frames of the investigation, that the reporter shall be protected from any form of retaliation, and specifies how the investigation should be carried out. Recommended remedial actions will be directed to the relevant internal organisation and reported to the relevant local management team as well as the Ethics and Compliance Board. Reports and investigations are treated confidentially. Saab has not been involved in any remediation processes relating to human rights issues in 2024. For further information about governance of the Whistleblower Hotline, see [G1] Corporate culture and business conduct policies, section Speak up and protection of whistleblowers, page 131.

Actions

[S2-4] Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Saab integrates sustainability considerations into its supplier qualification process. A questionnaire, which includes an assessment of sustainability performance, is used to evaluate potential new suppliers. This process, combined with sustainability assessments conducted by our partner EcoVadis, helps Saab manage impacts, risks, and opportunities within the supply chain. Saab expects all suppliers to adhere to the Saab Supplier Code of Conduct and to extend sustainability requirements to their own supply chains. Suppliers not meeting Saab's sustainability expectations will be encouraged to improve their performance. To advance supplier sustainability performance further, a team dedicated to supporting Saab's purchasing organisations in managing and evaluating supplier risk profiles in relation to sanctions control and sustainability was operationalised in 2024.

Saab cooperates with EcoVadis, a leading global provider of sustainability ratings, to ensure the consistent evaluation of strategic suppliers across all entities. EcoVadis assesses suppliers on a range of sustainability performance criteria, including environmental management, human rights, business ethics, and sustainable procurement practices, using both screening and in-depth auditing tools. These assessments contribute to the overall supplier evaluation process and influence how the supplier is selected. Saab encourages selected suppliers to continuously improve their sustainability performance based on EcoVadis ratings. Additionally, EcoVadis is used to monitor news and developments related to suppliers, enabling Saab to proactively manage potential sustainability risks.

Saab is committed to mitigating the risks associated with sanctioned ownership within its supply chain. We proactively utilise external analysis tools to comprehensively map supplier ownership structures, enabling early identification of potential sanctions exposure. Furthermore, Saab requires tier 1 suppliers to confirm they have robust controls in place to prevent sanctioned ownership interests both within their own organisations and throughout their supply chains.

To proactively address the evolving legal landscape surrounding supply chain risk management, Saab is developing a digital onboarding platform for suppliers. This centralised hub will streamline communication and management of requirements with our supply chain partners. Its flexible design allows for future adaptation and facilitates structured feedback on risks, enabling more efficient and effective risk management throughout the supply chain.

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Targets

[S2-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Saab has a target of having at least 70% of strategic suppliers assessed through EcoVadis, either through desktop audits or committed to future assessments. Maintaining this goal for 2024, Saab's focus has shifted from achieving high assessment coverage to actively engaging with suppliers exhibiting weaker sustainability performance. Suppliers falling below a predetermined threshold are contacted by Saab to initiate a dialogue and encourage improvements in their sustainability performance.

Saab has a target to engage large suppliers not yet affiliated with the Science Based Targets initiative (SBTi) in dialogues regarding science-based targets. In 2024, 23% of Saab's total spend originated from suppliers committed to the SBTi. Saab will continue collaborating with its suppliers to ensure at least 50% (based on spend) aligns with the SBTi or adheres to similar targets by the end of 2027.

To achieve the commitment of having 50% of Saab's purchase volume sourced from suppliers with climate targets (in line with the Paris Agreement), Saab prioritises engagement with the largest suppliers, who collectively represent 60% of total purchasing volume. This approach maximises Saab's influence on climate action throughout the supply chain, contributing both to Saab's engagement targets as well as the global challenge with climate change.

Saab proactively monitors legislative developments and is preparing for upcoming sustainability due diligence regulations. We are continuously developing and refining our processes to enhance sustainability risk management throughout the value chain, including the integration of due diligence practices.

Metrics

[S2 Entity-specific] Business and Human Rights - Responsible Sourcing

During 2024, 68% (78%) of suppliers were assessed through EcoVadis, focusing on strategic suppliers constituting the majority of Saab's procurement volume.

	Target	2024	2023
SBTi engagement for supply chain[1)]	50%	23%	17%
Strategic suppliers assessed through EcoVadis[2)]	70%	68%	78%

Covered: [S2 Entity-specific] Business and Human Rights - Responsible Sourcing- SBTi engagement for supply chain and Strategic suppliers assessed through EcoVadis
Limited assurance: [S2 Entity-specific] Business and Human Rights - Responsible Sourcing- SBTi engagement for supply chain

Comment:
1) Saab's commitment target is based on companies and groups listed on the Science Based Targets initiative website as having committed to the organisation's requirements. This information is cross-referenced with Saab's supplier databases and, when a match is found, the corresponding purchasing volume is incorporated into the data used to assess the engagement goal. Target is measured using total spend, all purchases are included in the calculation. Due to potential discrepancies in data comparison, providing precise figures is challenging. The reported figures may fluctuate slightly, however the overarching trend over an extended period is of primary importance. Currently, our commitment target includes purchasing volume from suppliers with formally binding commitments to the SBTi. Although a substantial purchasing volume originates from suppliers aligned with SBT principles through alternative solutions, however these approaches are not yet incorporated into the 2023 and 2024 target. A robust verification process is under development to ensure that SBTi standards are met.
2) Saab classifies suppliers in descending order of importance. Suppliers are classified as 1, 2, 3 or 4, where 1 represents Saab's most important suppliers. The focus of EcoVadis sustainability assessment has been to get all suppliers classified within 1 or 2 with a corresponding large purchasing volume (strategic suppliers) to accept to undergo Ecovadis' sustainability assessment, receive feedback and share results with Saab. From the start of the assessment to the results, the lead time is 4-5 months. Saab has chosen to consider suppliers who have accepted to undergo an assessment process, are in an ongoing assessment process or have completed an assessment process and shared results with Saab as calculable for targets. Responsibility for monitoring the supplier's status regarding the assessment by EcoVadis lies with the relevant supplier manager.

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Affected communities – Responsible Sales

[S3] Affected communities

Material impacts, risks and opportunities

[S3-SBM3] Material impacts, risks and opportunities and their interaction with strategy and business model

The development, production and sale of civil security and military equipment comes with great responsibility for managing human rights risks. In addition, the rapidly developing legal landscape relating to business and human rights sets higher expectations on how businesses manage human rights risks across the value chain, including in relation to product end-use. Failure to meet these expectations would impair the realisation of Saab's strategy for sustainable growth in various ways, including by putting the company at risk of financial and reputational damage, which in turn would directly impact Saab's investment capabilities and ability to recruit new employees. It could also damage Saab's relations with investors and the financial markets.

Consequently, managing human rights impacts across the value chain underpins and enables Saab's strategy for profitable growth. Saab is committed to respecting human rights throughout the value chain, in line with the UN Global Compact, the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises.

In 2024, Saab reviewed and updated the company's human rights risk assessment (HRIA) to identify the most salient risks in the value chain. The assessment follows a methodology based on the UN Guiding Principles on Business and Human Rights by which the severity of potential impacts is judged by their scale, scope and irremediable character as well as the likelihood of materialising. The assessment concluded that Saab's most salient human rights risks relate to potential impacts on workers and communities in Saab's supply chain beyond first tier and the potential misuse of Saab's products and technology by end-users.

In relation to potential misuse of Saab's products, Saab's business model is to develop and provide defensive capabilities to help customers ensure the safety and security of their societies. The primary objective of Saab's products is to protect people and society from threats. If used in accordance with International Humanitarian Law and other international norms, the use of military equipment should protect and uphold the rights of stakeholders. Nevertheless, Saab is aware that military equipment can be used in unintended ways resulting in adverse impacts on members of affected communities.

Such potential impacts can include violation of privacy rights, harmful testing of products and violations of International Humanitarian Law during international conflicts. This potential adverse impact occurs downstream from Saab, after the sale and transfer of the product to the end-user. Examples of rightsholder groups that can be affected by the impact includes minority groups, political opposition and other groups affected by international conflicts.

For further information on business and human rights related impacts, risks and opportunities, see [S1] Own workforce on pages 108-116, [S2] Workers in the value chain on pages 117-119 and [G1] Business conduct on pages 129-135.

Policies

[S3-1] Policies related to affected communities

Saab's commitment to manage human rights risks across our operations and value chain is outlined in several key policy documents, including the Code of Conduct, Supplier Code of Conduct, Modern Slavery Policy, Conflict Minerals Policy, and Responsible Sales Policy. Human rights topics are managed within several processes, with the downstream human rights risks being managed primarily through Saab's Responsible Sales Policy, Export Control Policy and Code of Conduct. All policies including the Code of Conduct are authorised and signed by the CEO.

To address risks associated with the potential misuse of products, Saab has adopted a Responsible Sales Policy. The global policy clarifies Saab's responsibility regarding due diligence and management of risks. The policy complements existing national export control and serves to bridge the gap between different international legislations applicable to Saab. The Responsible Sales framework includes a process for screening, risk identification, risk mitigation and informed decision-making, and is based on the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

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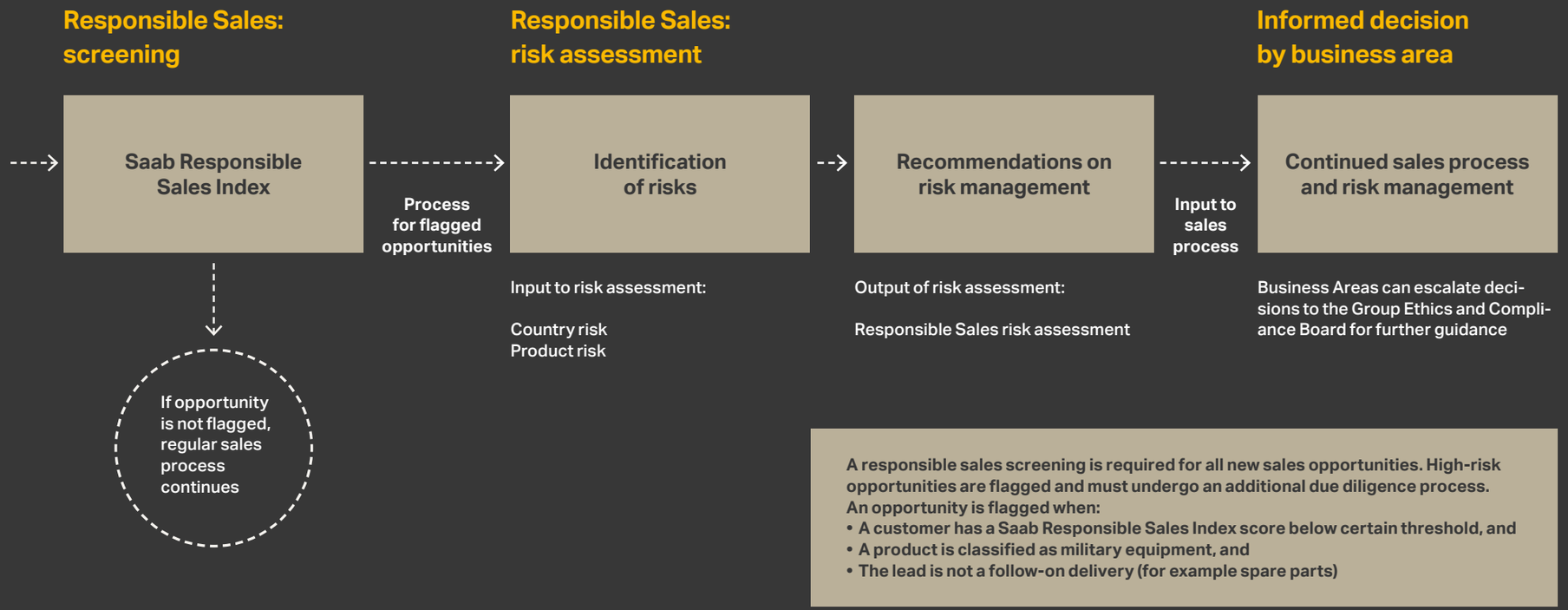
Saab's Responsible Sales Policy

The development, production and sale of security and military equipment comes with great responsibility. To address risks associated with the potential misuse of products, Saab follows the Responsible Sales Policy, a policy based on the UN Guiding Principles for Business and Human Rights.

Saab's Responsible Sales risk assessment process



A responsible sales screening is required for all new sales opportunities. High-risk opportunities are flagged and must undergo an additional due diligence process.
An opportunity is flagged when:
- A customer has a Saab Responsible Sales Index score below certain threshold, and
- A product is classified as military equipment, and
- The lead is not a follow-on delivery (for example spare parts)

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Engaging with affected communities

[S3-2] Processes for engaging with affected communities about impacts

The Responsible Sales framework includes a process for risk screening, identification, mitigation and informed decision-making. A Business and Human Rights-function at Group Sustainability is responsible for the implementation of the Responsible Sales Policy and for supporting the business areas and sales process with expertise. This includes producing Responsible Sales Risk Assessments for flagged sales leads and training employees in human rights risk management. The responsibility includes making sure that stakeholder interests are considered throughout the Responsible Sales process.

Stakeholder interests are considered through different means. Firstly, Saab's Responsible Sales Index is based on five internationally recognised democracy and human rights indices. This composite index is used to screen business opportunities for human rights risks. Secondly, when producing Responsible Sales Risk Assessment, internationally recognised human rights reports are used to conduct due diligence. This includes both reports produced by government actors and non-governmental organisations. Thirdly, Saab regularly engages with stakeholder groups, which provides Saab with input on risks that are material to consider in the due diligence processes. It should also be noted that export control authorities also consider stakeholder interests when they conduct assessments regarding export control authorisation. For further information on export control, see [Governance] Export Compliance, page 136.

Processes for affected communities to raise concern

[S3-3] Processes to remediate negative impacts and channels for affected communities to raise concerns

Saab encourages a culture of transparency and accountability. Reporting can be done through normal line reporting channels or Saab's confidential Whistleblowing Hotline, hosted by an external party. This hotline allows for anonymous reporting online or by phone, providing a safe and secure way to report for both employees and external parties. For further information about governance of the Whistleblower Hotline, see [G1] Corporate culture and business conduct policies, section Speak up and protection of whistleblowers, page 131.

Actions

[S3-4] Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

In 2022, Saab became the first global defence company to implement a downstream due diligence process in accordance with the UN Guiding Principles for Business and Human Rights. Since then, Saab has continuously worked with developing and improving the process to ensure effectiveness and strengthened risk management. During 2024, a focus has been to build awareness and competence on responsible sales across the company. A particular highlight is that Business Area Surveillance now has the capacity to manage responsible sales topics fully internally, which enables a more proactive and dynamic process for Responsible Sales.

Saab ensures compliance with the Responsible Sales Policy in the sales process through the Saab Customer Relationship Management (CRM)-system. A responsible sales screening is carried out for all new sales leads in an early stage of the sales process. The screening is based on the end-use country. Sales leads are flagged and must undergo in-depth due diligence if the end-use country scores below a certain threshold in Saab's Responsible Sales Index, the product is classified as military equipment, the sales lead is not a follow-on delivery (for example spare parts to already delivered equipment) .

Flagged sales leads undergo an in-depth assessment of potential human rights risks associated with product end-use. It is also assessed whether the risks can be mitigated or avoided (see illustration on previous page). Based on the due diligence process, an informed decision is taken by the Business Area. It is possible to escalate decisions to the Ethics and Compliance Board for further guidance. Due diligence activities are reported to the Board of Directors. For further information on Saab's export control, see [Governance] Export Compliance, page 136.

Targets

[S3-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Saab's target is that in-depth due diligence shall be undertaken for 100% of sales leads that are flagged as high risk in Saab's CRM-system.

Saab has an ongoing complaint (filed 2021) at the Australian OECD National Contact Point for Responsible Business Conduct (NCP), which is likely to be resolved during 2025. Saab has cooperated fully with the NCP regarding the complaint. Saab did not receive any response requests from the Business and Human Rights Resource Centre during the year.

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[S3 Entity-specific] Business and Human rights - Responsible Sales

Saab's reporting target is that in-depth due diligence shall be undertaken for 100% of sales leads that are flagged as high risk in Saab's CRM-system.

Saab also reports the number of flagged leads that have been subject to deepened due diligence during the year to enable stakeholders to evaluate the extent of Saab's work with human rights risk management. In 2024, the number of risk assessments was lower than the previous year. The primary reason for the higher number of cases in 2023 is related to this first year of implementation, meaning that 2023 figures included a number of backlog cases, i.e., business opportunities that were registered before 2023.

	2024	2023	Target
Responsible Sales due diligence conducted on 100% of business opportunities flagged as high risk in Saab's CRM System	100%	100%	100%
Number of risk assessments produced	16	43	

Limited assurance: [S3 Entity-specific] Business and Human Rights - Responsible Sales

Accounting Principles:
All Saab's global sales leads are screened for Responsible Sales-risks Sales leads that are considered high risk according to Saab's screening model are flagged and must undergo an extended risk assessment process. An opportunity is flagged when: (1) The customer has a Saab Responsible Sales Index score below certain threshold, and (2) The product is classified as military equipment, and (3) The lead is not a follow-on delivery (for example spare parts).

Saab's target is that 100% of flagged leads should be assessed for Responsible Sales risks. Saab also reports on the number of Human Rights Risks Assessments conducted annually. In case new and significant information is presented that may impact assessments that have already been conducted, the assessment may be re-opened for further investigation. Moreover, Responsible Sales assessments may not be older than 12 months when a sales lead is closed. In cases where 12 months or more have passed since the assessment was concluded, the assessment must be revised before sales closure.

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Social – Entity-specific topics

[S] Entity-specific topics

Information Security

[Own disclosure] Information Security

Material impacts, risks and opportunities

In today's complex and evolving security landscape, continuous and systematic security management is paramount. The threat level facing Saab has increased with a growing complexity of security threats to Saab, Saab's customers, and Saab's suppliers. As a security and defence company, Saab handles information vital to the security of our customers, Sweden, and other nations. Mishandling this information can have severe consequences, impacting national, regional, and global security.

Proper information handling is crucial to ensure confidentiality, integrity, availability of critical data, preventing data leaks, misuse, or data loss. Saab also manages the personal data of employees and business partners, and protecting this data is essential to safeguarding individual privacy and preventing harm. A strong security posture and systematic way of working with security will ultimately ensure safety, security and the trustworthiness of Saab.

Policies

Saab's global security organisation works in accordance with Saab Security Policy, authorised and signed by the CEO. The policy states that Saab will comply with all applicable security requirements, including those imposed on us by our customers and other stakeholders. This will be achieved through:

- promoting a culture and awareness of security
- taking security into account in all phases of operations
- staying ahead of evolving threats by continuously managing risks and vulnerabilities, as well as ensuring compliance with legal, regulatory and contractual obligations and requirements
- abiding by regulations scaled to protect the confidentiality, integrity, availability and traceability of assets, both physical and digital
- being prepared through incident and crisis management
- continuous monitoring, auditing and testing of security compliance throughout the company
- continuous improvement of processes, methods and tools related to security

The organisation is working in accordance with the Saab management system for security, in line with ISO/IEC 27001, that ensures governance and continuous improvement of security within the company. Information security is an important part of Saab's security strategy, which is reviewed annually. Saab maintains robust processes for risk and incident management, security audits, and vulnerability management. These processes are continually reviewed and updated to address evolving threats.

During the year, the Acceptable Use of IT Equipment Policy was released globally. The policy governs how our assets must be used and ensures that everyone is aware of the rules and contributes to Saab's security.

Saab's Data Privacy Policy, authorised and signed by the CEO, establishes and communicates the importance of data privacy for the entire Saab Group. The policy states, for example, the importance of continuous training, promotion of a strong privacy culture, implementation of channels for reporting data breaches and identification and monitoring of relevant legislation and best practice.

Saab's Data Privacy Programme covers and supports all business areas and group functions. The programme provides training to employees and to business partners who handle personal data. Saab proactively assesses IT systems to identify and mitigate privacy risks, and collaborates closely across the organisation to manage any potential personal data breaches.

Actions

Saab continuously manages security concerns and risks across the global organisation as a part of the Security Management System, with continuous monitoring and management reviews. The security organisation identifies and implements strategic risk mitigation activities, as well as improvement and target-oriented initiatives. The effectiveness of these activities is regularly assessed to ensure they achieve the desired outcomes.

In 2024, Saab strengthened its Information Security department by allocating additional resources. Actions were also performed to implement more effective processes for secure usage and implementation of cloud services.

To reinforce a security-conscious culture, all employees globally have to read and sign the Acceptable Use of IT Equipment Policy. This policy was also integrated into the onboarding process for new employees. As of 31st of December 2024, 83% of all employees globally have signed the policy.

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One regular security activity at Saab is the large annual security exercise, DEFENDO. During this exercise, Saab's security systems and routines are tested, including continuity matters related to power outage and redundancy management. Awareness activities and targeted trainings are also part of the agenda.

During 2024, a security maturity measurement was developed and will be piloted during 2025. Thereafter, the result from the measurement will be analysed and a security maturity measurement programme will be established and launched throughout Saab globally.

Targets

The overall long-term target for security is to continue to develop and define a well-functioning, proactive and systematic approach to security. Short-term targets are to define and establish a global maturity measurement program for security, and establish and launch an updated information security awareness program.

Metrics

[Own disclosure] Information Security - Data privacy

During 2024, Saab continued working on the documenting of the process areas, with the objective of data privacy integrated in all central data processes. At the end of the year, data privacy was integrated in 86% of all central processes, an improvement compared to last year's level of 67%.

	Target	2024	2023
Data privacy integrated in all central processes	100%	86%	67%

Limited assurance: [Own disclosure] Information Security - Data privacy

Accounting Principles:
Data privacy integration into Saab's processes is assessed using the process areas outlined in the Global Management System (GMS). Currently, there are 21 process areas which are considered to be central key processes. Each key process (included its sub-processes) is documented by gathering information via a data privacy questionnaire sent out to process owners. The collected information includes whether personal data is used/recorded within process/sub-process and if data privacy is integrated. Saab adhere to Records of Processing Activities (RoPA) when determining if a process is in compliance with General Data Protection Regulation (GDPR). By the end of the reporting period 18 key (of 21) processes have been evaluated and assessed for Data Privacy Integration.

Sustainable Innovation

[Own disclosure] Sustainable Innovation

Material impacts, risks and opportunities

Driven by innovation, Saab recognises the crucial role technology plays in tackling global challenges such as climate change, human rights risks in supply chains, resource scarcity, and inequality. Our solutions enhance our customers' defence capability and prioritise sustainability. By developing innovative technologies, we accelerate our efforts to provide sustainable solutions that empower our customers to operate effectively while minimising negative environmental and social footprint.

We proactively anticipate future market trends, understanding, for example, the increasing significance of resource security and climate resilience within the defence sector. Strategic foresight through PESTLE analysis (Political, Economic, Social, Technological, Legal and Environmental factors) is part of the strategic business planning process. It captures future market needs and conditions.

Examples of identified global trends that will affect Saab are:
- Resource scarcity and the fight for critical resources, including critical raw materials, in military applications will be a central issue in the future military battlespace
- Climate change is reshaping the military battlespace towards sustainability, resilience, and adaptability. Saab's customers need to balance operational effectiveness with environmental stewardship to meet the consequences of a warmer planet

This foresight allows us to develop, together with our customers and partners, innovative solutions that not only meet the evolving needs of our customers, but also actively contribute to a more sustainable future.

Policies

The interests, views and rights of our customers are handled systematically through a systems engineering approach based on ISO 15288, covering the complete system lifecycle and value chain. This is defined in the Integrated Product Creation process (IPC) and in the Product Life-Cycle Management process (PLCM) in Saab Global Management System (GMS). Sustainability aspects of Business Development and strategic partnerships (Industrial Cooperation) are integrated in Saab's Win Business process. Policies such as: Data Privacy Policy; Modern Slavery Policy; Environmental Policy and Autonomous Functions and Systems Policy, including ethical use of AI, forms a basis for Saab's sustainable innovation work.

Saab is integrating sustainable innovation into all aspects of our development. Our Innovation and Technology Council (I&TC), as well as the Sustainability Board, drives this effort by ensuring access to the cutting-edge technology and expertise needed for both current and future products.

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The I&TC aligns technology investments with Saab's Strategic Business Plan, including our sustainability strategy. This involves fostering collaboration between internal R&D and external innovation ecosystems, accelerating the development and deployment of advanced capabilities.

The I&TC's Innovation Management Team evaluates and funds proposals through initiatives like the 'Climate call' and ethical use of AI, championing innovations that contribute to a more sustainable future. The Saab Sustainable Innovation Core Team develops and drives sustainable innovation topics, in alignment with the sustainability strategy, across Saab.

Saab's long-term partnerships with universities give insights into the latest in research while we contribute with our industry knowledge. Saab's collaboration with suppliers and start-ups is another way of gaining access to the most up-to-date knowledge and skills when developing new products and technologies and to meet the needs of our company and customers. Saab promotes an innovation-friendly culture and encourages new ideas. Employees with innovative ideas can apply for innovation funding through I&TC.

Saab has a Saab Climate Fund which supports climate innovations within the company. The Climate Fund is used as an internal "Climate call" to gather ideas that contributes to a reduction of greenhouse gas emissions.

Actions

In 2024, Saab had a 'Climate Call', focusing on innovation that contributes to reducing greenhouse gas (GHG) emissions throughout our value chain. We have also identified the need for shared support across business areas, business units, and product areas to achieve our sustainability goals within sustainable innovation. This includes integration in developing educational resources, tools, guidelines, and leveraging appropriate technologies.

Sustainability innovation proposals initiated 2024:

Climate call: Evaluation of Innovative Emission Reduction for Saab transport solutions
This proposal outlines a prestudy to identify and evaluate sustainable alternatives to diesel fuel, aiming to determine the most feasible and sustainable solution for transportation. The study will also assess the viability of a new logistics centre, considering local energy requirements and potential partnerships. This climate focused innovation initiative has a focus on reducing Scope 3 greenhouse gas (GHG) emissions.

Climate call: Installation of a biogas plant
Currently, Saab Barracuda relies on liquefied petroleum gas (LPG) for production, creating a dependence on fossil fuels and a vulnerability to global market fluctuations. With the funding from the Climate Fund, Barracuda is transitioning away from gas oil for hot oil heating in its Gamleby ovens. This climate focused innovation addresses the decarbonisation levers of "Fuel Switching" and "Use of Renewable Energy," directly reducing Scope 2 GHG emissions associated with purchased electricity, steam, heating, and cooling.

Targets

Saab is actively integrating sustainability into its product development processes. We will define sustainability criteria for each product and incorporating them into our portfolio plans. Specific targets will be established when our sustainability criteria are finalised.

Metrics

Key Performance Indicators (KPIs) for Sustainable Innovation will be defined and adopted on a Group-wide basis during 2025.

Industrial Cooperation and partnership

[Own disclosure] Industrial Cooperation and partnership

Material impacts, risks and opportunities

Industrial cooperation represents the close cooperation and economic impact that occurs when governments make large procurements through public funds. Saab views these collaborations as opportunities to expand industrial partner networks, promote innovation and access new markets as integral components of our technology and innovation strategy.

When a government is making a major domestic investment, such as acquiring infrastructure or defence equipment, the seller is often requested to create jobs, transfer technology or strengthen the local market's domestic skill base. Such requirements are especially common in the defence industry, due to the large size of government investments. Industrial cooperation stimulates local economies by creating jobs and developing skills through the engagement of local businesses and workforces. In some national legislations, there are also explicit regulations regarding offset obligations placed on suppliers in large defence contracts. These partnerships contain different forms of industrial cooperation between the business sector, academia and government actors, with the purpose that all parties should benefit from the cooperation.

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The sustainability impact relating to industrial cooperation typically consists of long-term engagement of local suppliers to large contracts, engagement of universities and the research sector, and the establishment of local Saab operations and technology-sharing. Industrial cooperation stimulates local economies, creating jobs and advancing skills through the engagement of local economies. It facilitates technology transfer, promoting regional self-reliance and innovation. Additionally, tailored defence solutions enhance regional security, ensuring societal development. This strategic approach deepens customer trust and ensures they receive the best value and satisfaction. Sustainability risks relating to industrial cooperation mainly relate to other material sustainability topics, such as business ethics and responsible sourcing. Refer to sections [G1] Business conduct, page 129 and [S2] Workers in the value chain, page 117 for further information relating to these topics.

In some markets, industrial cooperation and offset obligations are legal requirements placed on producers of military equipment. Consequently, if Saab does not live up to legal expectations relating to local industrial cooperation, it can have consequences for Saab's market access and competitiveness. It can also affect stakeholder relations. On the other hand, industrial cooperation represents a major financial opportunity for Saab, as it gives access to innovation resources and supply chains. Cooperation with universities can especially be considered a win-win situation, as both Saab and universities can utilise each other's resources and competences to further develop research and innovation.

Policies

Several steering documents giving guidance to Industrial Cooperation and partnership activities, such as Saab's Business Plan, Code of Conduct and Code of Conduct for Suppliers. Relevant company policy is our Anti bribery and Corruption Policy, authorised and signed by our CEO. For further information, see [G1-1] Corporate culture and business conduct policies, pages 129-134.

Saab has dedicated teams working with industrial cooperation, in order to tailor solutions based on customer requirements and needs. A dedicated Industrial Cooperation-function at Group Global Business Development supports campaigns globally with expertise relating to the establishment of industrial cooperation programmes. Dedicated personnel within each business area are specialised in the topic. Group Global Business Development is represented in the Saab Group Sustainability Council.

Sustainability aspects of Industrial Cooperation are integrated in Saab's Win Business process in the Saab Global Management System (GMS). The integration of Industrial Cooperation aims to enhance Saab's ability to steer initiatives effectively. By streamlining processes and introducing new tools, Saab is working towards more targeted industrial cooperation activities with a clear connection to Saab's sustainability strategy. The ongoing commitment is to continually develop ways of working, ensuring that activities align with Saab sustainability goals.

Actions

Industrial Cooperation and partnerships enable Saab to drive innovation, diversify risk and allow us to tailor solutions precisely to our clients' needs. By customising Industrial Cooperation, Saab delivers security solutions that address specific regional challenges while ensuring product quality and a positive economic impact on society. Through customised solutions, Saab, in partnership with others, has contributed to numerous successful projects that have stimulated industrial development and economic growth.

In 2024, Saab developed tools and processes to integrate sustainability into Industrial Cooperation practices. This initiative aims to align Industrial Cooperation activities with Saab's broader sustainability strategy. The primary focus has been on enhancing Saab's Customer Rela tionship Management (CRM) system, to further integrate Industrial Cooperation management. A major update introduced at the end of the year allows for effective tracking and management of Industrial Cooperation activities, both qualitatively and quantitatively. This will enable improved management and reporting in the future.

Targets

Saab's long-term goal is to embed sustainability aspects within all sales campaigns, actively promoting partnerships in the sustainability area. By 2027, Saab aims for at least 20% of Industrial Cooperation activities to align with sustainability definitions.

Metrics

Saab will begin to report on the key performance indicator, Percentage of Industrial Cooperation Activities, to align with sustainability definitions in 2025.

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Business conduct

[G1] Business conduct

Material impacts, risks and opportunities

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

Saab does not tolerate corruption in any form. It violates Saab's Code of Conduct, our values, and the principles and standards we - as a company - hold ourselves accountable for. Saab works systematically to identify, assess and manage corruption risks. Everyone who enters into business with Saab should trust that the relationship is built on solid ground.

The harmful effects of corruption on society are extensive. It erodes democratic institutions, distorts justice and stifles economic development. It negatively impacts the safeguarding of all human rights. Corruption also has serious consequences for business. It hampers competition and exposes companies and their employees to serious legal consequences, e.g., imprisonment, fines and debarment, and reputational damage.

Saab faces a significant risk of corruption due to primarily three factors;

- Firstly, as a defence contractor, the business is largely oriented towards states and their agencies, i.e., the public sector
- Secondly, Saab is a global company which means that business is also conducted in countries where corruption risks are significantly higher than in Saab's strategic markets
- Thirdly, business is typically conducted in collaboration with other companies, which may result in Saab also being liable for their business conduct

Business conduct policies and corporate culture

[G1-1] Corporate culture and business conduct policies

Saab's Code of Conduct sets out the standards and principles to which all employees at Saab are accountable. It is the guide to make sure that we always conduct ourselves responsibly and ethically when carrying out our mission.

Communication of policies and procedures

The Code of Conduct, the Anti-Bribery and Corruption (ABC) Policy and the Whistleblowing Policy, with associated processes and instructions are communicated to employees through digital and face-to-face trainings according to the ABC training strategy. These policies and guidelines are also accessible on dedicated information portals on Saab's intranet and within Saab's Global Management System (GMS).

Scrutiny of business partners

Business partners may pose a legal and reputational risk as part of the corruption risk if not managed correctly. This is particularly true for business partners that are engaged in promoting or assisting Saab's marketing and sales efforts, business development or strategic planning (so called "business intermediaries"). Therefore, Saab has dedicated resources and processes in place to manage and mitigate business partner risk in general, and business intermediary risk specifically.

Business intermediary engagements are governed by a centralised process serving to (i) assess the business intermediary's credentials and suitability for the assignment through due diligence and background controls, (ii) train and bind the business intermediary to Saab's anti-bribery and compliance expectations through appropriate contractual commitments, and (iii) follow-up and control the business intermediary's performance and conduct. The Ethics and Compliance Board approves individual engagements with higher risk levels and reviews statistics. Each engagement has a dedicated agreement monitor responsible for the follow-up performance of services, activity reporting and payment process. See illustration of the process on the next page.

Saab's internal auditors conduct reviews each year of a number of selected business intermediaries to verify compliance and ensure that the intermediary is acting in line with Saab's values and contractual terms. The results of these audits are presented to the Ethics and Compliance Board. Audit remarks result in recommendations for corrective actions that are communicated and followed-up with the intermediary. Major remarks that cannot be mitigated will result in Saab off-boarding the intermediary.

Number of business intermediaries (Distribution based on Transparency International's Corruption Perception Index)

		Transparency International's Corruption Perception Index (CPI)				
Type of business intermediary	**Total**	**0-30**	**31-40**	**41-60**	**61-80**	**81-100**
Market consultants	73	-	18	15	34	6
Resellers	27	-	5	11	11	-

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Business intermediary engagement

Justification	Due diligence	Assessment	Contracting	Monitoring
Global Business Development (GBD) Business Areas (BA) Strategic Countries (OPC)	**Group Ethics & Compliance**			**GBD/BA/OPC/ Internal Audit**
• Business justification • Red flag check	• Due diligence questionnaire • Database screening • External investigation	• On-site visit • Face-to-face interview • Anti-Bribery and Corruption training (ABC) • Case assessment & approval	• Fixed-term contract • ABC clauses • Reporting requirements • Audit rights • Remuneration model • Specific signing rules • Referrals to Ethics and Compliance Board	• Agreement monitor • Reporting requirements • Payment approval process • Audit programme • Ongoing screening

Similar corruption risk management processes are applied for other high-risk business partners.

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Gifts and hospitality

Saab's rules on gifts and hospitality provide clear guidance and set requirements of approval depending on the value of the benefit. A tool is in place to document and identify red flags. Sponsorships and donations are also subject to a structured decision-making process and requirements regarding documentation and recording in accordance with our Sponsorship and Donation Policy.

Speak up and protection of whistleblowers

Employees who become aware of, or suspect, a violation of Saab's Code of Conduct are expected to speak up and report it, either through the normal line reporting or through Saab's Whistleblowing Hotline. The encouragement to report is communicated in the Code of Conduct, in its associated e-learning and in other trainings. The Whistleblowing Hotline, accessed via Saab's external and internal websites, is hosted by an external party and allows employees and external parties to report anonymously online or by phone. The hotline can also be used for asking questions and to receive feedback on anonymously submitted reports. Reporting can also be made by phone, in writing or in a physical meeting to a line manager, Human Resources, an Ethics and Compliance Officer or to the Legal department.

Saab has a Whistleblowing Policy and investigation instruction. Whistleblowing reports are handled by a designated investigation team to safeguard objectivity, confidentiality and integrity. Within Group Ethics and Compliance there is a dedicated function to develop and coordinate investigation routines and assess the effectiveness of the Whistleblowing channels. Whistleblowing statistics and investigation outcomes are reported to the Ethics and Compliance Board and Audit Committee.

Saab does not tolerate any form of retaliation. It is expressed and communicated in our Code of Conduct, Whistleblowing Policy and in trainings where Speak Up is part of the content. Any suspicion of retaliation will lead to an investigation.

Number of reports to the Whistleblowing Hotline

Issue types	2024
Bribery and corruption	3
Competition law and anti-trust	-
Conflict of interest	11
Diversity, inclusion and respect	18
Environment	-
Export controls and trade sanctions	1
Finance and accounting	-
Health and safety	2
Product quality and safety	1
Security - IT, personal and physical	2
Sensitive information and personal data	2
Stock market and inside information	-
Use of company assets	6
Working conditions and human rights	3
Other suspected misconduct or breach of law	4
Inquiry	6
Total:	**59**

Number of individuals subject to disciplinary action 2024: 5

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Prevention and detection of corruption or bribery

[G1-3] Prevention and detection of corruption or bribery

In 2024, all business areas and strategic countries, under the supervision of Group Ethics and Compliance, conducted a corruption risk assessment and ABC programme status review. The corruption risk assessment covered 18 predefined risk areas, with risks rated and prioritised based on probability and impact.

Corruption risk areas

Business intermediaries	**High risk Business Partners**	**Joint ventures**	**M&A**
Procurement	**Offset**	**Regulatory licenses**	**Customs and duties**
Gifts and hospitality	**Customer visits**	**Sponsorships and donations**	**Books and records**
Conflict of interest	**Lobbying**	**Revolving doors**	**Business intelligence**
Industry media	**Special projects**		

The ABC programme status review spanned all eight building blocks. The output from the review provides input to activity plans and road maps for coming years at both local as well as at Group level. It is also reported to business area and strategic countries managements, and the Ethics and Compliance Board and Audit Committee, respectively.

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Training

In 2024, Saab released an ABC training instruction defining three levels of training of employees, depending on function and exposure to risks. This instruction includes training regarding our Code and specific Anti-Bribery and Corruption (ABC) training. The Ethics and Compliance Board, consisting of three members from the Group Management team, signed and authorised the instruction.

Code of Conduct

Digital Code of Conduct training is mandatory for all employees. Saab's Code of Conduct consists of an introductory part and 21 subject areas. The new mandatory e-learning launched in 2024, focuses on the introductory part; our values, decision support and speak up. Where required, there are additional mandatory trainings for specific subject areas.

Anti-Bribery and Corruption (ABC)

In the ABC training strategy, three levels of training are defined depending on function and exposure. All employees receive a mandatory e-learning in basic ABC, with a new training course being produced in 2024. For functions-at-risk, such as Marketing & Sales, Procurement, Management, Commercial and Finance, an additional mandatory e-learning is required on an annual basis. For employees in targeted groups facing high corruption risks, customised biannual classroom anti-corruption training is provided.

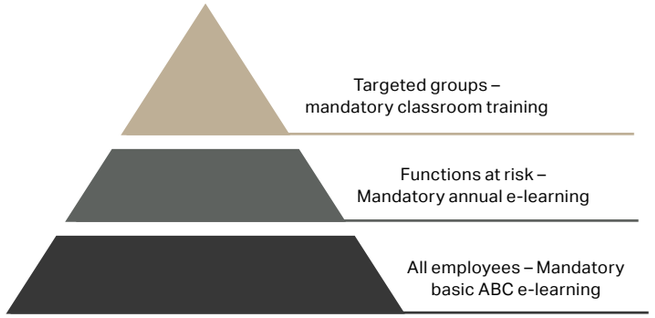
Employees on the basic level have received the digital Code of Conduct e-learning during the year and functions-at-risk has additionally received an ABC e-learning. The work to define the targeted groups for classroom training is ongoing.

The Board of Directors within Saab and the Group Management receive more extensive anti-corruption training every three years with the latest training taking place in 2023.

ABC Training Strategy

Risk exposure level	Training groups	Categories	Type of training	Scope	Length	Frequency
Training groups						
High	Targeted groups	Identified groups or individuals, frequently in contact with customers or with a decisive business mandate	Classroom training (face-to-face or webinar)	In-depth ABC training supported by scenarios as needed	1-2 h	Every 2 years (BoD every three years)
Medium	Functions at risk	Market & Sales, Procurement, Management, Commercial, Finance	e-learning	General ABC training	~10-15 min	Annually
Low	All employees	All employees (entire Saab Group)	e-learning	Code of Conduct e-learning and introduction to the ABC programme	~10 min	Every 3 years

Covered: [G1-3] 21a



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Training provided and performed

Training	Functions-at-risk ABC training	Functions-at-risk ABC training – Managers	Code of Conduct training
Number of employees that have received training	2,680	660	8,114
% of employees that have received training	86.1%	86.2%	88.2%

Covered: [G1-3] 20, 21b

Actions

[G1-MDR-A] Actions and resources related to business conduct

During the year, Saab continued to develop the ABC programme with the view to ensuring that it is well designed and relevant to manage the company's risks. An important part of this has been to clarify the division of responsibilities between group functions, business areas and strategic countries.

To strengthen coordination and improve knowledge sharing in 2024, an Ethics & Compliance Council was established with representatives from all organisations. The Ethics & Compliance Council will meet six times per year. During this first year, much of the focus was on the self-assessment of each organisation's corruption risks and ABC programme status. This exercise will form the foundation for future activity plans, road maps and reporting. As an improvement to the business intermediary on-boarding process, Group Ethics & Compliance has updated its due diligence risk categorisation model to free up resources from lower risk to higher risk engagements. As a result, more due diligence resources and efforts will now be directed into the onboarding of the business intermediaries presenting the highest risks.

Saab recorded a significant increase in speak-up reports during the year. The total number of reports increased from 30 to 59. The increase is likely due to the release of the new Code of Conduct during the reporting period and more attention to speak-up channels. The development is positive and reflects a sound and healthy culture. In parallel, Group Ethics and Compliance is working with other group functions to identify relevant systems and tools for increased digitalisation.

Development of the ABC programme will continue in 2025. Identified activities include:
- Development of project specific corruption risk assessment tool
- Structured reporting to management for business areas and strategic countries
- Prestudy of digital risk management tool
- Arranging Global Legal & Compliance Seminar

These activities will serve to increase risk awareness, streamline risk management, and promote a sound business culture.

Incidents of corruption or bribery

[G1-4] Incidents of corruption or bribery

Saab has had no significant instances or has not paid any significant monetary value of fines for instances of noncompliance with laws and regulations during the reporting period. The disclosure is based on information from the areas of Anti-Corruption, Environment, Occupational Health and Safety, Data Integrity, Export Control, Tax and Human Rights.

Limited assurance: [G1-4] 24a

Political influence and lobbying activities

[G1-5] Political influence and lobbying activities

Group Government Affairs is a business-driven organisation that engages with key stakeholders, including government officials, regulators, industry associations, the EU, NATO and other strategic partners, to proactively promote and advocate Saab's positions and business conditions. The Senior Vice President & Head of Group Government Affairs leads and oversees the organisation.

All activities are conducted in accordance with Saab's Code of Conduct. Group Government Affairs primarily operates in Sweden and within the EU and NATO organisations through its Brussels office, with additional presence in Saab's strategic markets. Saab's advocacy work always complies with applicable laws and regulations in every country where it operates.

Saab's Code of Conduct is globally applicable and supported by policies, instructions, and processes that may incorporate country-specific variations to ensure alignment with local legislation. The Code also encompasses cooperation with governments. Interacting with decision-makers on matters related to national security and defence is an integral part of Saab's mission and must always be conducted responsibly.

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During the 2024 financial year, Saab collaborated with governments and agencies to coordinate activities that support business opportunities for exports of Gripen aircraft, submarines and GlobalEye systems. Saab has received support from the Swedish state when it serves Swedish defence interests. To further support export opportunities, Saab has also worked with governments in other countries including the United States, the United Kingdom, and Germany.

Saab has analysed and communicated the important role of the defence industry in national security. This analysis has emphasised the need for a Swedish defence industry strategy that ensures long-term material supply, with a particular focus on underwater defence and fighter aircraft. These areas are of strategic importance to Saab's operations in Sweden, where the company's position is that long-term planning creates conditions for sustainable growth and development.

Saab has participated in governmental councils on current topics, including the Defence Innovation Council. Through this dialogue, Saab has underscored the importance of a triple-helix approach to innovation and advocated for increased investments in future capabilities. Saab has also collaborated closely with the Swedish Security & Defence Industry Association (SOFF), an important platform for coordinating with other Swedish defence companies.

Saab has continued its active involvement in the European Defence Fund (EDF), collaborating on research and technology initiatives with other key players in the European defence industry. Saab believes that such research, development and technological partnerships will drive innovation, enhance competitiveness, and create new opportunities for significant partnerships within the European defence market. Through the Alliance for Securing Democracy (ASD) and independent efforts, Saab has informed the EU process leading to the adoption of the Regulation for a Defence Industrial Strategy (EDIS). Saab is also actively engaging in the process surrounding the European Commission's proposed EU Defence Industry Programme (EDIP). To further strengthen its influence, Saab has expanded its EU affairs team and remains committed to solidifying its position as a leading stakeholder.

Sweden's NATO membership has created new opportunities for cooperation and engagement. Saab has developed networks with NATO structures and agencies, as well as allies' national representations and industry partners, in order to promote Saab's position within the Alliance and contribution to NATO's mission. Saab has taken an active role in the NATO Industrial Advisory Group (NIAG), participated in working groups focused on enhancing industrial capacity, and engaged in NIAG studies.

Saab is registered in the EU transparency register with registration number: 86477889163-49.

Saab does not use company funds to sponsor political parties or candidates, in accordance with its Code of Conduct. However, in the United States, employees may make personal political donations, exact amount is not available. in compliance with local regulations.

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Export Compliance

[Own disclosure] Export Compliance

Material impacts, risks and opportunities

The UN Charter affirms the inherent right of every nation to self-defence against armed aggression, with military defence serving as the ultimate safeguard. While a domestic defence industry is important for national security, its long-term development often necessitates international sales and technological collaboration. Diversion of military and dual-use equipment however negative impacts on international relations, national and international security and for the safety of people and society and any indications of diversion is something Saab would take seriously.

Saab's exports are subject to strict domestic and international export control laws and regulations. As a significant portion of our products falls under Swedish legislation, export permissions are granted based on alignment with Sweden's security and foreign policy interests, international commitments, and a thorough assessment of the recipient country and the exported goods.

Export compliance encompasses, among other things, the aim to ensure that Saab's business is governed and operated in compliance with various countries' applicable trade legislations with the specific objective to maintain national security and achieve international stability.

While defence equipment can contribute to upholding human rights, its misuse can lead to violations of human rights and international humanitarian law. This dual nature of export of defence equipment entails a high degree of responsibility, subject to strict regulations. The UN Arms Trade Treaty (ATT) underscore the importance of combating illicit arms flows. A commitment regarding export compliance ensures that defence products are responsibly transferred, reducing the risk of misuse or diversion and strengthening stakeholder trust. Business risks for the company to not complying with regulations and undertakings include not being authorised to receive products, not being permitted to export products, or even losing its license to operate.

Policies

Saab has a global Export Control Policy, authorised and signed by the CEO, a commitment to always comply with applicable export control laws and regulations as well as applicable sanctions. The Head of Export Compliance oversees the company's overarching policy, directives, and governing documents, providing guidance to business units on operational matters and monitoring compliance throughout the organisation. Saab has established robust processes, policies, and tools to ensure compliance with all applicable export control regulations governing its products, technologies and operations.

Saab's dedicated export compliance organisation tracks developments affecting export controls, including geopolitical changes, international sanctions, and the implications of Sweden's NATO membership. Each Business Area and strategic country has its own export control team to ensure operational compliance. To promote collaboration and prioritise needs, Saab has established an Export Control Council with representatives from group functions and business areas.

Saab's Export Control Policy is augmented by the Responsible Sales Policy. For further information about Responsible Sales Policy, see [S3] Affected communities - Responsible Sales, pages 120-123.

Saab maintains an ongoing dialogue with relevant authorities to ensure compliance and to build shared knowledge with stakeholders. The Swedish government annually publishes a report to the Swedish parliament on the export control of military equipment and dual-use products.

Actions

Saab conducts regular internal audits across its global operations to assess and enhance export compliance. These audits, encompassing legal entities beyond Sweden, help us pinpoint areas for improvement and maintain a strong culture of compliance throughout the Saab Group. The outcome of the audits in 2024 have been positive.

During the reporting period, Saab actively collaborated with industry forums and trade associations in Sweden, the EU, and the United States to exchange best practices and insights on export control. We engage with these forums to monitor developments in export control and sanctions, providing input to regulatory bodies. To strengthen our sanctions compliance programme and minimise non-compliance risks, Saab has initiated several key activities.

Saab is dedicated to continually enhancing its export control practices. We provide ongoing training to employees involved in handling of controlled products and technologies. To deepen expertise, Saab hosts biennial conferences for export control officers and key personnel, covering updates on export control regulations and related legal matters. Our Swedish export control managers hold certifications from the Swedish Export Control Association.

Targets

The overall long-term target within Export compliance is to maintain its excellence in export control through comprehensive rules, robust processes and ongoing training initiatives.
Key short-term targets include:

- All Saab's Swedish export control managers are certified, or enrolled to become certified, according to the Swedish Export Control Association
- Actively monitor legislative developments, including, but not limited to, the inquiry regarding new legislation in relation Sweden's NATO-membership as well as the international sanctions development
- Perform internal Export Control audits according to annual plan

Metrics

Key Performance Indicators (KPIs) for Export Compliance will be defined.

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Continuation of General, Environment, Social and Governance

Appendix - continuation of General, Environment, Social and Governance

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ESRS content index

The Sustainability Report is prepared in accordance with the Swedish Annual Accounts Act and is inspired by ESRS. The index below details all applicable ESRS disclosure requirements for Saab. Information covered elsewhere in the Annual and Sustainability Report is referenced in the "Incorporated by Reference" column. PwC has conducted a limited assurance on specific quantitative data, and a reasonable assurance on Scope 1 and 2 GHG-emissions. Accounting principles are presented in detail alongside the metrics. Sub-sections with assured data are marked with a magnifying glass symbol in the column Assurance.

Disclosure Requirement	Full name of the disclosure requirement	Page	Incorporated by reference	Assurance
General				
BP-1	General basis for preparation of sustainability statements	70	ACAR/SR	
BP-2	Disclosures in relation to specific circumstances	70	ACAR/SR	
GOV-1	The role of the administrative, management and supervisory bodies	71	CGR/SR	
GOV-2	Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	73		
GOV-3	Integration of sustainability-related performance in incentive schemes	73	RIP	
GOV-4	Statement on due diligence	74	SR	
GOV-5	Risk management and internal controls over sustainability reporting	74	RM/CGR	
SBM-1	Strategy, business model and value chain	75	RM/SR/FS	
SBM-2	Interests and views of stakeholders	78		
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	79	SR	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	81	SR	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	82	SR	
Environmental				
E1 Climate change				
E1-1	Climate change mitigation plan	84	SR	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	85		
E1-2	Policies related to climate change mitigation and adaptation	86		
E1-3	Actions and resources in relation to climate change policies	87	SR	
E1-4	GHG Emissions reductions	88	ACAR	
E1-5	Energy consumption and production	90	FS	🔍
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	91	FS/SR	🔍
E1-7	GHG removals and GHG mitigation projects financed through carbon credits (Phase-in)	-		
E1-8	Internal carbon pricing	93		
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities (Phase-in)	-		
E2 Pollution, Substances of concern and very high concern				
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	94		
E2-1	Policies related to pollution	94	SR	
E2-2	Actions and resources related to pollution	95		
E2-3	Targets related to pollution	95		
E2-5	Substances of concern and substances of very high concern	95		
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities (Phase-in)	-		
E5 Resource use and circular economy				
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	96		
E5-1	Policies related to resource use and circular economy	96	SR	
E5-2	Actions and resources in relation to resource use and circular economy	97		
E5-3	Targets related to resource use and circular economy	97		
E5-4	Resource inflows	98		
E5-5	Resource outflows	98		🔍
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities (Phase-in)	-		
EU Taxonomy disclosures		100	FS	🔍
Social				
S1 Own workforce (Including Secure employment)				
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	108		
S1-1	Policies related to own workforce	108	SR	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	108		
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	108	SR	

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Disclosure Requirement	Full name of the disclosure requirement	Page	Incorporated by reference	Assurance
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	109		
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	109	SR	
S1-6	Characteristics of the undertaking's employees	110		🔍
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	110		🔍
S1 Occupational Health and Safety				
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	111		
S1-1	Policies related to own workforce	111	SR	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	112		
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	112	SR	
S1-14	Health and safety metrics	113		🔍
S1 Diversity and Inclusion (including Training and skills development, and Gender equality and equal pay for work of equal value				
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	114		
S1-1	Policies related to own workforce	114	SR	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	114		
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	115	SR	
S1-9	Diversity metrics	115		🔍
S1-16	Remuneration metrics	116		🔍
S2 Workers in the value chain - Responsible Sourcing				
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	117		
S2-1	Policies related to value chain workers	117		
S2-2	Processes for engaging with value chain workers about impacts	118		
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	118	SR	
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers	118		
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	119		
Own disclosure	Business and Human Rights - Responsible Sourcing	119	SR	
	- SBTi engagement for supply chain	119		🔍
	- Strategic suppliers assessed through EcoVadis	119		
S3 Affected communities - Responsible Sales				
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	120		
S3-1	Policies related to affected communities	120		
S3-2	Processes for engaging with affected communities about impacts	122	SR	
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	122	SR	
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	122	SR	
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	122		
Own disclosure	Business and Human Rights - Responsible Sales	123		🔍
Social Entity-specific topics				
Own disclosure	Information Security	124		
Own disclosure	Sustainable Innovation	125		
Own disclosure	Industrial Cooperation and Partnership	126	SR	
Governance				
Business conduct				
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	129		
G1-1	Corporate culture and Business conduct policies and corporate culture	129	SR	
G1-3	Prevention and detection of corruption and bribery	132		
G1-4	Confirmed incidents of corruption or bribery	134		🔍
G1-5	Political influence and lobbying activities	134		
Governance Entity-specific topic				
Own disclosure	Export Compliance	136	SR	

Abbreviations:

ACAR Auditors Combined Assurance Report
CGR Corporate Governance Report
FS Financial Statement
RIP Remuneration and long-term incentive programmes (part of CGR)
RM Risk Management (part of Risks and areas of uncertainty)
SR Sustainability Report

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Datapoints that derive from other EU legislation

The table below includes all the datapoints that derive from other EU legislation as listed in ESRS 2 appendix B, indicating where the datapoints can be found in the Saab Annual and Sustainability Report 2024 and which data points are assessed as 'Not material'. Material data points not included for 2024 are marked as "not Included"

Disclosure Requirement	Related datapoint	Sustainability disclosure	SFDR (Sustainable Finance Disclosures Regulation) reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page number
ESRS 2 GOV-1	Paragraph 21 (d)	Board's gender diversity	Indicator number 13 of Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		General	71
ESRS 2 GOV-1	Paragraph 21 (e)	Percentage of Board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		General	71
ESRS 2 GOV-4	Paragraph 30	"Statement on due diligence"	Indicator number 10 Table #3 of Annex I				Not material	
ESRS 2 SBM-1	Paragraph 40 (d) i	Involvement in activities related to fossil fuel activities	Indicators number 4 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1	Paragraph 40 (d) ii	Involvement in activities related to chemical production	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1	Paragraph 40 (d) iii	Involvement in activities related to controversial weapons	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		General	75
ESRS 2 SBM-1	Paragraph 40 (d) iv	Involvement in activities related to cultivation and production of tobacco			"Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II"		Not material	
ESRS E1-1	Paragraph 14	Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	Environment	84
ESRS E1-1	Paragraph 16 (g)	Undertakings excluded from Paris-aligned benchmarks		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Environment	84
ESRS E1-4	Paragraph 34	GHG emission reduction targets	Indicator number 4 Table #2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Environment	88
ESRS E1-5	Paragraph 38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex I				Environment	90

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Disclosure Requirement	Related datapoint	Sustainability disclosure	SFDR (Sustainable Finance Disclosures Regulation) reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page number
ESRS E1-5	Paragraph 37	Energy consumption and mix	Indicator number 5 Table #1 of Annex I				Environment	90
ESRS E1-5	Paragraphs 40–43	Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table #1 of Annex I				Environment	90
ESRS E1-6	Paragraph 44	Gross Scope 1, 2, 3 and Total GHG emissions	Indicators number 1 and 2 Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Environment	91
ESRS E1-6	Paragraphs 53–55	Gross GHG emissions intensity	Indicators number 3 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Environment	91
ESRS E1-7	Paragraph 56	GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	Not Included	
ESRS E1-9	Paragraph 66	Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not included	
ESRS E1-9	Paragraph 66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Not included	
ESRS E1-9	Paragraph 66 (c)	Location of significant assets at material physical risk					Not included	
ESRS E1-9	Paragraph 67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Not included	
ESRS E1-9	Paragraph 69	Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		Not included	
ESRS E2-4	Paragraph 28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Indicator number 8 Table #1 of Annex I Indicator number 2 Table #2 of Annex I Indicator number 1 Table #2 of Annex I Indicator number 3 Table #2 of Annex I				Not included	

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Disclosure Requirement	Related datapoint	Sustainability disclosure	SFDR (Sustainable Finance Disclosures Regulation) reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page number
ESRS E3-1	Paragraph 9	Water and marine resources	Indicator number 7 Table #2 of Annex I				Not material	
ESRS E3-1	Paragraph 13	Dedicated policy	Indicator number 8 Table 2 of Annex I				Not material	
ESRS E3-1	Paragraph 14	Sustainable oceans and seas	Indicator number 12 Table #2 of Annex I				Not material	
ESRS E3-4	Paragraph 28 (c)	Total water recycled and reused	Indicator number 6.2 Table #2 of Annex I				Not material	
ESRS E3-4	Paragraph 29	Total water consumption in m3 per net revenue on own operations	Indicator number 6.1 Table #2 of Annex I				Not material	
ESRS 2 – IRO-1 – E4	Paragraph 16 (a) i		Indicator number 7 Table #1 of Annex I				Not material	
ESRS 2 – IRO-1 – E4	Paragraph 16 (b)		Indicator number 10 Table #2 of Annex I				Not material	
ESRS 2 – IRO-1 – E4	Paragraph 16 (c)		Indicator number 14 Table #2 of Annex I				Not material	
ESRS E4-2	Paragraph 24 (b)	Sustainable land / agriculture practices or policies	Indicator number 11 Table #2 of Annex I				Not material	
ESRS E4-2	Paragraph 24 (c)	Sustainable oceans / seas practices or policies	Indicator number 12 Table #2 of Annex I				Not material	
ESRS E4-2	Paragraph 24 (d)	Policies to address deforestation	Indicator number 15 Table #2 of Annex I				Not material	
ESRS E5-5	Paragraph 37 (d)	Non-recycled waste	Indicator number 13 Table #2 of Annex I				Environment	98
ESRS E5-5	Paragraph 39	Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex I				Environment	98
ESRS 2 – SBM-3 – S1	Paragraph 14 (f)	Risk of incidents of forced labour	Indicator number 13 Table #3 of Annex I				Not material	
ESRS 2 – SBM-3 – S1	Paragraph 14 (g)	Risk of incidents of child labour	Indicator number 12 Table #3 of Annex I				Not material	
ESRS S1-1	Paragraph 20	Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Social	108
ESRS S1-1	Paragraph 21	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Social	108
ESRS S1-1	Paragraph 22	Processes and measures for preventing trafficking in human beings	Indicator number 11 Table #3 of Annex I				Not material	
ESRS S1-1	Paragraph 23	Workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex I				Social	108

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Disclosure Requirement	Related datapoint	Sustainability disclosure	SFDR (Sustainable Finance Disclosures Regulation) reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page number
ESRS S1-3	Paragraph 32 (c)	Grievance/complaints handling mechanisms	Indicator number 5 Table #3 of Annex I				Social	108
ESRS S1-14	Paragraph 88 (b) and (c)	Number of fatalities and number and rate of work-related	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Social	113
ESRS S1-14	Paragraph 88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table #3 of Annex I				Not Included	
ESRS S1-16	Paragraph 97 (a)	Unadjusted gender pay gap	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Social	116
ESRS S1-16	Paragraph 97 (b)	Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex I				Social	116
ESRS S1-17	Paragraph 103 (a)	Incidents of discrimination	Indicator number 7 Table #3 of Annex I				General	75
ESRS S1-17	Paragraph 104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		"Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)"		General	75
ESRS 2 – SBM-3 – S2	Paragraph 11 (b)	Significant risk of child labour or forced labour in the value chain	Indicators number 12 and n. 13 Table #3 of Annex I				Not material	
ESRS S2-1	Paragraph 17	Human rights policy commitments	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I				Social	117
ESRS S2-1	Paragraph 18	Policies related to value chain workers	Indicator number 11 and n. 4 Table #3 of Annex I				Social	117
ESRS S2-1	Paragraph 19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Indicator number 10 Table #1 of Annex I		"Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)"		Social	117
ESRS S2-1	Paragraph 19	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Social	117
ESRS S2-4	Paragraph 36	Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table #3 of Annex I				Social	118
ESRS S3-1	Paragraph 16	Human rights policy commitments	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex I				Social	120
ESRS S3-1	Paragraph 17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	Indicator number 10 Table #1 Annex I		"Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)"		Social	120
ESRS S3-4	Paragraph 36	Human rights issues and incidents	Indicator number 14 Table #3 of Annex I				Social	122

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Disclosure Requirement	Related datapoint	Sustainability disclosure	SFDR (Sustainable Finance Disclosures Regulation) reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page number
ESRS S4-1	Paragraph 16	Policies related to consumers and end-users	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Not material	
ESRS S4-1	Paragraph 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 of Annex I		"Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU)2020/1818, Art 12 (1)"		Not material	
ESRS S4-4	Paragraph 35	Human rights issues and incidents	Indicator number 14 Table #3 of Annex I				Not material	
ESRS G1-1	Paragraph 10 (b)	United Nations Convention against corruption	Indicator number 15 Table #3 of Annex I				Governance	129
ESRS G1-1	Paragraph 10 (d)	Protection of Whistleblowers	Indicator number 6 Table #3 of Annex I				Governance	129
ESRS G1-4	Paragraph 24 (a)	Fines for violation of anti-corruption and anti-bribery laws	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Governance	134
ESRS G1-4	Paragraph 24 (b)	Standards of anti-corruption and anti-bribery	Indicator number 16 Table #3 of Annex I				Governance	134

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Scope 3 GHG emissions categories

List of Scope 3 GHG emissions categories, included in, and excluded from the inventory, with a justification for excluded Scope 3 categories.

Category	Name	Reported	Calculation methods	Reference	Comment
3.1	Purchased Goods and Services	Yes	Spend-based	IAEG	
3.2	Capital Goods	Yes	Spend-based	IAEG	
3.3	Fuel-and-energy-related-activities	Yes	Calculation based on consumption	DEFRA 2021	
3.4	Upstream transportation and distribution	Yes	Registered emissions from upstream transportation and distribution by road, sea and air according to Well-To-Wheels calculation (WTW). Supplier specific data and averages where data are not available	DEFRA 2021	
3.5	Waste generated in operations	No			Relevant, but not reported for 2024 due to lack of verified emission factor data
3.6	Business travel	Yes	Travel data from suppliers and other sources based on Well-To-Wheels calculation (WTW). Data is collected by Saabs own developed tool (Saab Travel Carbon Tool) using average emission factors	DEFRA	
3.7	Employee commuting	No			Relevant, but not reported for 2024 due to lack of reliable data.
3.8	Upstream leased assets	No			Not relevant under Scope 3 since Saabs reports relevant emissions within Scope 2
3.9	Downstream transportation and distribution	No			Not relevant for Saab's business model
3.10	Processing of sold products	No			Not applicable for Saab since products and services are not processed further upon sale
3.11	Use of sold products	Yes	Estimated using number of products sold, estimated time in use and estimated life span. Calculation is conducted on product specific data and are originating from Saab's aeronautical, naval and ground based segments	IAEG	
3.12	End of life treatment of sold products	No			Long-life products will, at end of life, be dismantled and recycled where emissions are considered to be low and thereby do not fall into science-based targets settings
3.13	Downstream leased assets	No			Energy consumption is included in Scope 1 and Scope 2 where Saab leases out office and/or production facilities to others in premises where Saab has its own operations
3.14	Franchisees	No			Not applicable, as Saab does not operate a franchise business
3.15	Investments	Yes	The emissions from investments are estimated based on the revenue from companies where Saab owns a minority stake. Companies with a majority stake are reported in Scope 1 and Scope 2	Note 19, page 188	

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Financial review 2024

Order development
In 2024, Saab reported order bookings of SEK 96,798 million (77,811) to its order backlog, an increase of 24% for the full year. The order backlog at the end of 2024 amounted to SEK 187,223 million (153,409), corresponded to an increase of 22% compared to the beginning of the year. In total, 72% (64) of the backlog was attributable to markets outside Sweden.

Sales and organic growth
Sales for the full year amounted to SEK 63,751 million (51,609) and corresponded to a sales growth of 23.5%, of which organic growth was 23.4%. All business areas and Combitech reported sales growth for the full year. Sales from international markets increased 25% and amounted to SEK 37,611 million (29,995), corresponding to 59% (58) of total sales with sales growth in all regions except for Australia which reported sales in line with last year.

Gross income
Gross income increased 21% to SEK 13,663 million (11,260), driven by the increased sales volumes while the gross margin declined somewhat to 21.4% (21.8).

Operating income
Operating income (EBIT) increased 33% and amounted to SEK 5,662 million (4,272), with a margin of 8.9% (8.3). The improvement was supported by higher sales volumes and improved scale and efficiency. Items affecting comparability during the year had a net favourable impact of SEK 58 million and included a capital gain from the divestment of Combitech Norway of SEK 18 million, revaluation of a contingent consideration payable of SEK 112 million and write-downs of related to acquisitions of SEK -72 million.

Financial net
Financial net amounted to SEK -373 million (146) of which SEK 121 million (110) related to net interest items, SEK -266 million (156) related to currency gains/losses and SEK -159 million (-139) related to lease liability interest. Financial net related to pensions amounted to SEK -46 million (-35) and other financial items amounted to SEK -23 million (54) and consist of realised and unrealised results from short-term investments and derivatives as well as other currency effects.

Tax
The effective tax rate for 2024 was 20% (22) with current and deferred taxes amounting to SEK -1,079 million (-975). The decrease in the tax rate was mainly a result of utilisation of previously non-capitalised loss carry forwards and higher non-taxable income in 2024.

Net income
Net income for the year increased 22% to SEK 4,210 million (3,443), corresponding to SEK 7.74 (6.29) in earnings per share after dilution.

Financial position
At the end of December 2024, Saab had a net liquidity of SEK 2,211 million compared to SEK 2,343 million at year-end 2023. Net debt/EBITDA was -0.26 (-0.36) at the end of the period. The equity/assets ratio was 35.9% (39.1).

Cash flow
Operational cash flow in 2024 amounted to SEK 2,497 million (3,157) following large customer milestones and advance payments, partly offset by increased investments and increased inventory levels.

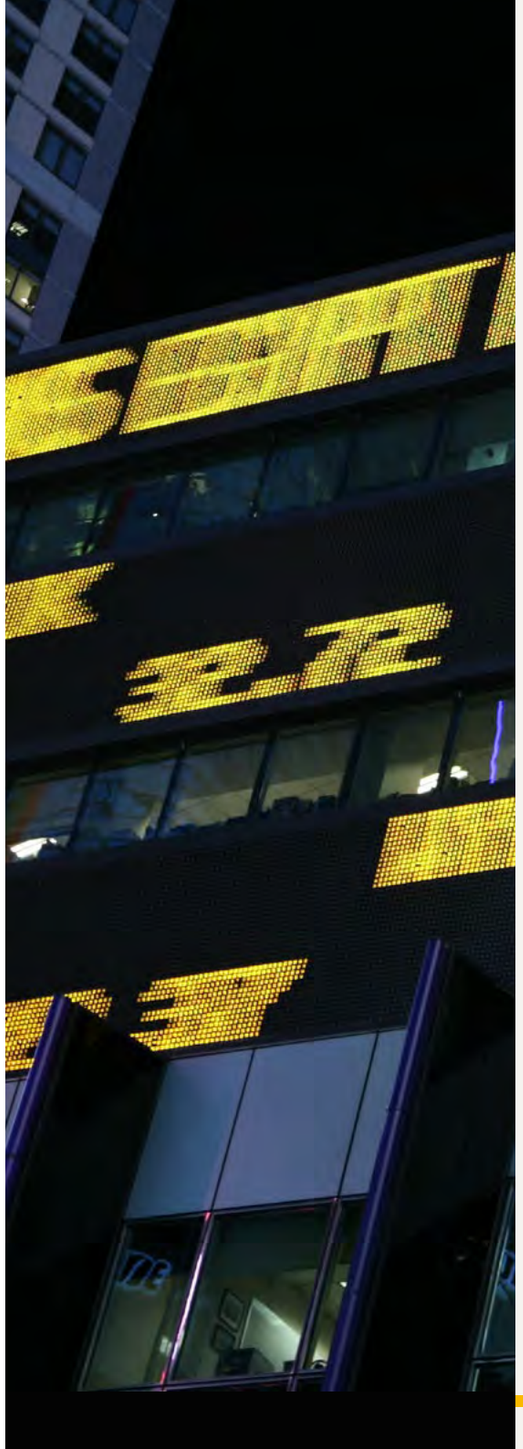
Outlook 2025
Saab's outlook for the full year consists of a guidance for organic sales growth, growth in operating income (EBIT) and operational cash flow which are provided in connection with the year-end report. Outlook for 2025:

- An organic sales growth between 12-16%.
- Operating income growth to be higher than the organic sales growth.
- Operational cash flow to be positive.

Medium-term targets
Saab's medium-term targets comprise a compounded annual organic sales growth target (CAGR), an operating income growth target and a cash conversion target for 2023-2027:

- Organic sales growth of around 18% (CAGR)*.
- Operating income growth to be higher than the organic sales growth.
- Cash flow conversion** of minimum 60%, cumulative for the 5-year period.

*CAGR base year 2022
**Defined as operational cash flow divided by operating income



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Consolidated income statement

MSEK	Note	2024	2023
Sales	4	63,751	51,609
Cost of goods sold	5	-50,088	-40,349
Gross income		**13,663**	**11,260**
Other operating income	6,43	301	591
Marketing expenses	5,43	-3,099	-2,738
Administrative expenses	5	-2,416	-1,980
Research and development costs	5	-2,809	-2,117
Other operating expenses	6	-50	-59
Share of income in associated companies and joint ventures	19,43	72	-685
Operating income		**5,662**	**4,272**
Financial income		563	782
Financial expenses		-936	-636
Net financial items	11	**-373**	**146**
Income before taxes		**5,289**	**4,418**
Taxes	13	-1,079	-975
Net income for the year		**4,210**	**3,443**
Attributable to:			
Parent Company's shareholders		4,171	3,381
Non-controlling interest		39	62
Earnings per share before dilution (SEK)	14	7.81	6.36
Earnings per share after dilution (SEK)	14	7.74	6.29

Orders

Order bookings for the full year amounted to SEK 96,798 million (77,811), corresponding to an increase of 24 per cent. This was driven by significant growth in large orders, which amounted to 49,027 million (30,873). Small orders increased 17 per cent and amounted to SEK 19,117 million (16,385) and medium-sized orders decreased 6 per cent and amounted to SEK 28,654 million (30,553). Orders increased in business area Dynamics and Surveillance and Combitech.

The order backlog amounted to SEK 187,223 million, an increase of 22 per cent compared to SEK 153,409 million at the beginning of the year. In total, 72 per cent of the backlog is attributable to international markets, compared to 64 per cent at the end of last year.

Order backlog duration:
2025: SEK 57.8 billion
2026: SEK 53.2 billion
2027: SEK 43.6 billion
2028: SEK 22.2 billion
After 2028: SEK 10.4 billion

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Sales per region

MSEK	2024	2023
Sweden	26,140	21,614
Rest of Europe	15,829	11,913
North America	6,148	5,607
Latin America	4,556	3,690
Asia	5,329	4,759
Africa	165	109
Australia, etc.	3,375	3,425
Undisclosed country	2,209	492
Total	**63,751**	**51,609**

Sales per market segment

MSEK	2024	2023
Air	23,737	20,014
Land	18,476	14,035
Naval	16,854	12,894
Civil Security	2,395	2,516
Commercial Aeronautics	1,125	1,103
Other	1,164	1,047
Total	**63,751**	**51,609**

Sales growth

MSEK	2024	2023
Organic sales growth	23.4	22.6
Acquisitions and divestments	0.2	-0.5
Currency effects regarding revaluation of foreign subsidiaries	-0.1	0.8
Total sales growth	**23.5**	**22.9**

Sales

Sales for the full year amounted to SEK 63,751 million (51,609) corresponding to a sales growth of 23.5 per cent, of which organic growth was 23.4 per cent. All business areas recorded double-digit sales growth in the period.

Sales from international markets increased 25 per cent and amounted to SEK 37,611 million (29,995), corresponding to 59 per cent (58) of total sales. All regions except Australia showed growth in the period. 92 per cent (90) of sales were related to the defence business.

Income, margin and profitability

Gross income increased 21 per cent and amounted to SEK 13,663 million (11,260), driven by the strong sales volumes. The gross margin declined somewhat to 21.4 per cent (21.8).

Total depreciation, amortisation and write-downs amounted to SEK 2,740 million (2,286). Depreciation of tangible fixed assets and right-of-use assets amounted to SEK 1,782 million (1,507). Total R&D expenditures amounted to SEK 10,528 million (8,899), corresponding to 17 per cent (17) of sales. Expenditures for internally funded investments in R&D amounted to SEK 2,705 million (2,049), of which SEK 530 million (547) has been capitalised. Capitalised expenditures are mainly attributable to the development of Gripen E/F. Amortisation and write-downs of intangible fixed assets amounted to SEK 958 million (779), of which amortisation and write-downs of capitalised development expenditures amounted to SEK 634 million (615). R&D amortisation is mainly related to GlobalEye, amounting to SEK 374 million (374) during 2024.

The share of income in associated companies and joint ventures amounted to SEK 72 million (-685). The comparison period included write-downs in the minority portfolio of SEK -494 million classified as items affecting comparability, see note 43.

EBITDA increased 28 per cent and amounted to SEK 8,402 million (6,558), with an EBITDA margin of 13.2 per cent (12.7). Operating income (EBIT) increased 33 per cent and amounted to SEK 5,662 million (4,272), with a margin of 8.9 per cent (8.3). The margin improvement was supported by scale effects from the higher sales volumes. Items affecting comparability had an impact of net SEK 58 million including capital gain from the divestment of Combitech Norway of SEK 18 million, revaluation of a contingent consideration payable of SEK 112 and write-downs of intangible assets related to acquisitions of SEK -72 million. In 2023, items affecting comparability had an impact of net SEK -22 million. See note 43 for further information.

Current and deferred taxes amounted to SEK -1,079 million (-975) during 2024, corresponding to an effective tax rate of 20 (22) per cent. The decrease in the effective tax rate was mainly a result of utilisation of previously non-capitalised loss carry forwards and higher non-taxable income in 2024.

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Consolidated statement of comprehensive income

MSEK	2024	2023
Net income for the year	**4,210**	**3,443**
Other comprehensive income/loss:		
Items that will not be reversed in the income statement:		
Revaluation of net pension obligations	348	-682
Tax attributable to revaluation of net pension obligations	-72	140
Equity instruments classified as measured at fair value through other comprehensive income	1,371	-39
Tax attributable to equity instruments classified as measured at fair value through other comprehensive income	-8	8
Total	**1,639**	**-573**
Items that may be reversed in the income statement:		
Translation differences	486	-422
Net gain/loss on cash flow hedges:		
Change in value	-1,737	841
Reversed through profit or loss	-623	-34
Tax attributable to net gain/loss on cash flow hedges	492	-170
Interest-bearing investments classified as measured at fair value through other comprehensive income	2	-
Tax attributable to interest-bearing investments classified as measured at fair value through other comprehensive income	-1	-
Total	**-1,381**	**215**
Other comprehensive income/loss for the year	**258**	**-358**
Net comprehensive income/loss for the year	**4,468**	**3,085**
of which Parent Company's shareholders' interest	4,408	3,038
of which non-controlling interest	60	47

Financial net

MSEK	2024	2023
Financial net related to pensions	-46	-35
Net interest items	121	110
Currency gains/losses	-266	156
Lease liability interest	-159	-139
Other net financial items	-23	54
Total	**-373**	**146**

Other comprehensive income/loss

Revaluation of net pension obligations had a pre-tax effect of MSEK 348 (-682) on net comprehensive income for the year, see note 31 for more information. Pre-tax gain/loss on cash flow hedges amounted to MSEK -2,360 (807), see note 35 for more information. The pre-tax effect of 1,371 (-39) on equity instruments was mainly related to revaluation of shares in Helsing GmbH.

Financial net

The financial net amounted to SEK -373 million (146) in 2024. The change compared to last year was mainly due to SEK depreciation which had an unfavourable impact on currency hedges in the tender portfolio and lower results from other financial items relating to short-term investments.

The financial net related to pensions is the financial cost for net pension obligations recognised in the balance sheet. See note 31 for more information regarding defined-benefit pension plans. Net interest items refer to interest on liquid assets, long- and short-term investments and interest expenses on short- and long-term interest-bearing liabilities and interest on interest-rate swaps.

Currency gains/losses recognised in the financial net are mainly related to currency hedges of the tender portfolio, which are measured at fair value through profit and loss. Lease liability interest consists of the interest portion related to lease liabilities recognised in the balance sheet. Other financial items consist of realised and unrealised results from short-term investments and derivatives as well as other currency effects, e.g. changes in exchange rates for liquid assets in currencies other than SEK.

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Consolidated statement of financial position

MSEK	Note	2024	2023
ASSETS			
Fixed assets:			
Intangible fixed assets	15	12,998	12,941
Tangible fixed assets	16	12,484	9,501
Biological assets	18	414	414
Right-of-use assets	17	2,881	2,554
Shares in associated companies and joint ventures	19	315	253
Financial investments	35	2,763	1,102
Long-term interest-bearing investments	35	1,610	-
Long-term receivables	23	435	515
Deferred tax assets	13	521	482
Total fixed assets		**34,421**	**27,762**
Current assets:			
Inventories	24	21,825	16,786
Derivatives	35	930	1,656
Tax receivables		250	51
Accounts receivable	25	11,334	7,244
Contract assets	4,25	14,323	12,316
Other receivables	23	3,259	2,192
Prepaid expenses and accrued income	26	1,740	1,283
Short-term investments	35	8,898	11,340
Liquid assets	27	2,843	2,129
Total current assets		**65,402**	**54,997**
TOTAL ASSETS		**99,823**	**82,759**

MSEK	Note	2024	2023
EQUITY AND LIABILITIES			
Equity	28		
Capital stock		2,174	2,174
Other capital contributions		6,099	6,099
Other reserves		195	1,598
Retained earnings		27,035	22,164
Equity attributable to Parent Company's shareholders		**35,503**	**32,035**
Non-controlling interest		**309**	**327**
Total equity		**35,812**	**32,362**
Liabilities			
Long-term liabilities:			
Long-term lease liabilities	17	2,337	2,078
Other long-term interest-bearing liabilities	29	7,128	6,915
Other liabilities	33	136	210
Provisions for pensions	31	1,387	1,872
Other provisions	32	2,238	2,888
Deferred tax liabilities	13	1,070	1,432
Total long-term liabilities		**14,296**	**15,395**
Current liabilities:			
Short-term lease liabilities	17	695	597
Other short-term interest-bearing liabilities	29	224	453
Contract liabilities	4	25,675	16,553
Accounts payable		8,215	6,080
Derivatives	35	2,444	1,111
Tax liabilities		536	235
Other liabilities	33	1,190	1,083
Accrued expenses and deferred income	34	9,700	8,015
Provisions	32	1,036	875
Total current liabilities		**49,715**	**35,002**
Total liabilities		**64,011**	**50,397**
TOTAL EQUITY AND LIABILITIES		**99,823**	**82,759**

For information on the Group's assets pledged and contingent liabilities, see note 36.

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Consolidated statement of financial position, cont.

MSEK	Note	31-12-2024	31-12-2023
NET LIQUIDITY/DEBT			
Assets			
Liquid assets	27	2,843	2,129
Short-term investments	35	8,898	11,340
Total liquid investments		**11,741**	**13,469**
Short-term interest-bearing receivables	23	73	73
Long-term interest-bearing receivables	23	241	333
Long-term receivables attributable to pensions	23	79	59
Long-term interest-bearing financial investments	35	1,610	-
Total interest-bearing assets		**13,744**	**13,934**
Liabilities			
Lease liabilities	17	3,032	2,675
Bonds and other debt instruments	30	7,193	7,270
Liabilities to associated companies and joint ventures	29	55	49
Other interest-bearing liabilities	29	104	48
Provisions for pensions[1)]	31	1,149	1,549
Total interest-bearing liabilities and provisions for pensions		**11,533**	**11,591**
Net liquidity (+) / debt (–)		**2,211**	**2,343**

1) Excluding provisions for pensions attributable to special employers' contribution.

The average net liquidity/debt during 2024 amounted to MSEK 54 (3,151). Net liquidity/debt excluding interest-bearing receivables, net pension obligations and lease liabilities amounted to MSEK 5,999 (6,102) on 31 December 2024.

Statement of financial position

At the end of December 2024, Saab had a net liquidity of SEK 2,211 million, a decrease of SEK 132 million compared to a net liquidity of SEK 2,343 million at year-end 2023. Net debt/EBITDA was -0.26 (-0.36) at the end of the year.

Cash flow from operating activities amounted to SEK 6,732 million (6,462).

Contract assets increased by SEK 2,007 million and contract liabilities increased by SEK 9,122 million compared to year-end 2023. Inventories increased by SEK 5,039 million during the year with increases mainly in Dynamics and Surveillance.

Net provisions for pensions, excluding special employer's contribution, amounted to SEK 1,070 million as of 31 December 2024, compared to SEK 1,490 million at year-end 2023. The effect on net debt of SEK 420 million was mainly a result of positive return on pension plan assets. For further information on Saab's benefit pension plans, see note 31.

Tangible fixed assets amounted to SEK 12,484 million compared to 9,501 at the end of 2023. Right-of-use assets recognised in the balance sheet amounted to SEK 2,881 million compared to 2,554 million at the end of 2023.

Financial investments increased with SEK 1,661 million in the year and amounted to SEK 2,763 million (1,102). The increase was mainly related to an additional investment in and revaluation of shares in Helsing GmbH. Revaluation of the investment in Helsing GmbH is recognised in other comprehensive income.

Net investments in the year amounted to SEK 4,769 million (3,534). Investments in tangible fixed assets amounted to SEK 4,012 million (2,507).

Investments in intangible fixed assets in the year amounted to SEK 827 million (1,031), of which SEK 530 million (547) was related to capitalised R&D expenditures. The investments were mainly related to the development of Gripen E/F. Of the total investments in intangible fixed assets, SEK 297 million (484) was related to other intangible fixed assets.

As of 31 December 2024, long- and short-term interest-bearing investments and liquid assets amounted to SEK 13,351 million, a decrease of SEK 118 million compared to year-end 2023. In addition, the Group had unutilised revolving credit facilities amounting to SEK 6,000 million. Capital employed increased by SEK 3,391 million, from December 31, 2023, to SEK 47,345 million at the end of the year. The return on capital employed was 13.6 per cent (11.9) and the return on equity was 12.4 per cent (11.1). During the year a dividend of MSEK 856 (703) was paid to the parent company's shareholders.

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Consolidated statement of changes in equity

MSEK	Capital stock	Other capital contributions	Other reserves: Net result of cash flow hedges	Other reserves: Translation reserve	Retained earings	Total parent company's shareholders' interest	Non-controlling interest	Total shareholder's equity
Opening balance, 1 January 2023	2,174	6,099	176	1,192	19,845	**29,486**	390	**29,876**
Net comprehensive income/loss for the year			637	-407	2,808	**3,038**	47	**3,085**
Transactions with shareholders:								
Share matching plan					214	**214**		**214**
Dividend					-703	**-703**	-120	**-823**
Acquisition and sale of non-controlling interest					-	**-**	10	**10**
Closing balance, 31 December 2023	**2,174**	**6,099**	**813**	**785**	**22,164**	**32,035**	**327**	**32,362**
Opening balance, 1 January 2024	2,174	6,099	813	785	22,164	**32,035**	327	**32,362**
Net comprehensive income/loss for the year			-1,868	465	5,811	**4,408**	60	**4,468**
Transactions with shareholders:								
Repurchase of shares through equity swap					-318	**-318**		**-318**
Share matching plan					235	**235**		**235**
Dividend					-856	**-856**	-79	**-935**
Acquisition and sale of non-controlling interest					-1	**-1**	1	**0**
Closing balance, 31 December 2024	**2,174**	**6,099**	**-1,055**	**1,250**	**27,035**	**35,503**	**309**	**35,812**

For a definition of other reserves, see note 28.

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Consolidated statement of cash flows

MSEK	Note	2024	2023
Operating activities:			
Income after financial items		5,289	4,418
Adjustments for items not affecting cash flow	40	3,369	2,950
Dividend from associated companies and joint ventures		22	36
Income tax paid		-945	-856
Cash flow from operating activities before changes in working capital		**7,735**	**6,548**
Cash flow from changes in working capital:			
Contract assets and liabilities		7,218	2,915
Inventories		-4,890	-2,691
Other current receivables		-5,464	-1,922
Other current liabilities		3,589	2,020
Provisions		-1,456	-408
Cash flow from operating activities		**6,732**	**6,462**
Investing activities:			
Capitalised development costs		-530	-547
Investments in intangible fixed assets		-297	-484
Investments in tangible fixed assets		-4,012	-2,507
Sales and disposals of tangible fixed assets		70	4
Investments in and sale of short-term investments		2,471	-1,233
Investments in financial assets, associated companies and joint ventures		-1,894	-1,268
Investments in operations	41	-15	-262
Sale of subsidiaries and other operations	40, 41	25	382
Cash flow from investing activities		**-4,182**	**-5,915**
Financing activities:			
Repayment of loans		-678	-1,075
Amortisation of lease liabilities		-690	-586
Raising of loans		331	1,250
Dividend paid to Parent Company's shareholders		-856	-703
Dividend paid to non-controlling interests		-41	-126
Transactions with non-controlling interests		-	10
Cash flow from financing activities		**-1,934**	**-1,230**
CASH FLOW FOR THE YEAR	40	**616**	**-683**
Liquid assets at beginning of year		2,129	2,869
Exchange rate difference in liquid assets		98	-57
Liquid assets at year-end	40	**2,843**	**2,129**

Capital expenditures

The cash flow effect of capital expenditures in tangible fixed assets amounted to MSEK 4,012 (2,507).

Investments in intangible fixed assets amounted to MSEK 827 (1,031), of which MSEK 530 (547) was related to capitalised development costs and MSEK 297 (484) to other intangible fixed assets.

Cash flow

Cash flow from operating activities, excluding taxes and other financial items, amounted to MSEK 7,266 (6,691), see note 40.

Operational cash flow amounted to MSEK 2,497 (3,157). The decrease compared to 2023 was mainly a result of higher investments and unfavourable impact from working capital.

Operational cash flow is defined as cash flow from operating activities and acquisitions and divestments of intangible and tangible fixed assets. Cash flow from operating activities excludes taxes and other financial items but includes amortisation of lease liabilities.

Free cash flow amounted to MSEK 993 (1,566). For more detailed information on cash flow, see note 40.

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Parent company income statement

MSEK	Note	2024	2023
Sales	4	36,291	29,204
Cost of goods sold		-30,454	-23,993
Gross income		**5,837**	**5,211**
Marketing expenses		-1,628	-1,519
Administrative expenses		-1,057	-986
Research and development costs		-1,587	-1,402
Other operating income	6	99	30
Other operating expenses	6	-15	-32
Operating income		**1,649**	**1,302**
Result from financial items:	11		
Result from shares in Group companies		2,333	2,800
Result from shares in associated companies and joint ventures		-80	-930
Result from other securities and receivables held as fixed assets		40	292
Other interest income and similar items		571	511
Interest expenses and similar items		-421	-635
Income after financial items		**4,092**	**3,340**
Appropriations	12	-824	-617
Income before taxes		**3,268**	**2,723**
Taxes	13	-703	-616
Net income for the year		**2,565**	**2,107**

Sales and income

The Parent Company includes units within the business areas Aeronautics, Surveillance, Dynamics as well as one unit within Combitech. Group staff and Group support are also included.

Parent company comprehensive income

MSEK	2024	2023
Net income for the year	**2,565**	**2,107**
Other comprehensive income/loss:		
Items that may be reversed in the income statement:		
Translation differences	-	-
Other comprehensive income/loss for the year	**-**	**-**
Net comprehensive income/loss for the year	**2,565**	**2,107**

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Parent company balance sheet

MSEK	Note	31-12-2024	31-12-2023
ASSETS			
Fixed assets:			
Intangible fixed assets	15	1,234	1,174
Tangible fixed assets	16	6,410	5,376
Financial fixed assets:			
Shares in Group companies	38	7,044	6,497
Receivables from Group companies	21	90	90
Shares in associated companies and joint ventures	20	74	74
Receivables from associated companies and joint ventures	21	164	238
Other long-term securities holdings	22	3,038	1,142
Other long-term receivables	23	56	59
Deferred tax assets	13	479	455
Total financial fixed assets		**10,945**	**8,555**
Total fixed assets		**18,589**	**15,105**
Current assets:			
Inventories	24	12,530	10,651
Current receivables:			
Accounts receivable	25	3,788	3,300
Receivables from Group companies		6,550	5,274
Receivables from associated companies and joint ventures		-	-
Contract assets		10,454	8,814
Other receivables	23	1,134	785
Prepaid expenses and accrued income	26	3,449	2,853
Total current receivables		**25,375**	**21,026**
Short-term investments		8,852	11,283
Cash and bank balances		903	753
Total current assets		**47,660**	**43,713**
TOTAL ASSETS		**66,249**	**58,818**

MSEK	Note	31-12-2024	31-12-2023
EQUITY AND LIABILITIES			
Equity	28		
Restricted equity:			
Capital stock		2,174	2,174
Revaluation reserve		631	637
Statutory reserve		543	543
Unrestricted equity:			
Share premium reserve		5,557	5,557
Retained earnings		7,268	6,092
Net income for the year		2,565	2,107
Total equity		**18,738**	**17,110**
Untaxed reserves	39	**4,750**	**3,926**
Provisions			
Provisions for pensions and similar commitments	31	189	208
Other provisions	32	1,795	2,469
Total provisions		**1,984**	**2,677**
Liabilities			
Bonds and other debt instruments	30	7,187	7,270
Liabilities to Group companies		8,883	7,241
Contract liabilities	4	8,876	8,108
Accounts payable		5,509	3,893
Liabilities to associated companies and joint ventures		55	49
Tax liabilities		371	114
Other liabilities	33	1,340	1,306
Accrued expenses and deferred income	34	8,556	7,124
Total liabilities		**40,777**	**35,105**
TOTAL EQUITY AND LIABILITIES		**66,249**	**58,818**

Liquidity, financing, capital expenditures and number of permanent employees
The Parent Company's net liquidity amounted to SEK 1,895 million as of 31 December 2024 compared to a net liquidity of SEK 2,635 million at 31 December 2023.

Investments in tangible fixed assets amounted to SEK 1,712 million (1,142). Investments in intangible assets amounted to SEK 284 million (413). At the end of the period, the Parent Company had 12,250 employees compared to 10,970 at the beginning of the year.

For information on the Parent Company's assets pledged and contingent liabilities, see note 36.

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Statement of changes in equity for the parent company

	Restricted equity			Unrestricted equity			
MSEK	**Capital stock**	**Revaluation reserve**	**Statutory reserve**	**Share premium reserve**	**Retained earings**	**Net comprehensive income for the year**	**Total equity**
Opening balance, 1 January 2023	2,174	644	543	5,557	6,574	-	**15,492**
Items reported directly in equity:							
Change in revaluation reserve		-7			7		**-**
Net comprehensive income/loss for the year						2,107	**2,107**
Transactions with shareholders:							
Dividend					-703		**-703**
Share matching plan					214		**214**
Closing balance, 31 December 2023	**2,174**	**637**	**543**	**5,557**	**6,092**	**2,107**	**17,110**
Opening balance, 1 January 2024	2,174	637	543	5,557	8,199		**17,110**
Items reported directly in equity:							
Change in revaluation reserve		-6			6		**-**
Net comprehensive income/loss for the year						2,565	**2,565**
Transactions with shareholders:							
Repurchase of shares through equity swap					-318		**-318**
Dividend					-856		**-856**
Share matching plan					235		**235**
Closing balance, 31 December 2024	**2,174**	**631**	**543**	**5,557**	**7,268**	**2,565**	**18,738**

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Parent company statement of cash flows

MSEK	Note	2024	2023
Operating activities:			
Income after financial items		4,092	3,340
Adjustments for items not affecting cash flow	40	-545	-663
Income tax paid		-471	-455
Cash flow from operating activities before changes in working capital		**3,076**	**2,222**
Cash flow from changes in working capital:			
Contract assets and -liabilities		-647	750
Inventories		-1,858	-1,589
Other current receivables		-1,317	-1,591
Other current liabilities		2,919	1,370
Provisions		-1,307	-240
Cash flow from operating activities		**866**	**922**
Investing activities:			
Shareholders' contributions paid/repaid		-772	-381
Investments in intangible fixed assets		-284	-413
Investments in tangible fixed assets		-1,684	-1,142
Sale of tangible fixed assets		20	-
Sale of and investments in short-term investments		2,473	-1,236
Investments in financial assets, associated companies and joint ventures		-1,874	-1,235
Investments in operations		-21	-24
Sale of subsidiaries		61	442
Cash flow from investing activities		**-2,081**	**-3,989**
Financing activities:			
Change in receivables to/liabilities from Group companies		462	1,014
Raising of loans		7	1,250
Repayment of loans		-400	-1,081
Dividend paid to shareholders		-856	-703
Group contributions and dividends received		2,152	1,737
Cash flow from financing activities		**1,365**	**2,217**
CASH FLOW FOR THE YEAR		**150**	**-850**
Liquid assets at beginning of year		753	1,603
Liquid assets at year-end		**903**	**753**

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Note 1. Accounting principles

Operations
Saab AB is a Swedish limited company with its registered address in Linköping. The company's Series B shares are listed on Nasdaq Stockholm's large cap list. The operations of Saab AB with its subsidiaries, joint ventures and associated companies (jointly referred to as Saab or the Group) are divided into four business areas: Aeronautics, Dynamics, Surveillance and Kockums. Combitech is reported as a segment outside of the business area structure. In addition, Corporate comprise Group staff, Group departments and secondary operations. The operations in each business area and Combitech are described in note 3.

On 28 February 2025, the Board of Directors and the President and CEO approved this annual report and consolidated accounts for publication, and it will be presented to the Annual General Meeting on 10 April 2025 for adoption.

Conformity to standards and laws
The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) Accounting Standards issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFRS IC) as approved by the EU.

The consolidated accounts have also been prepared in accordance with the Swedish Corporate Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups, which contains certain additional disclosure requirements for Swedish consolidated accounts prepared in accordance with IFRS.

The annual report for Saab AB has been prepared according to the Annual Accounts Act, the Swedish Corporate Reporting Board's recommendation RFR 2 Reporting by Legal Entities and the pronouncements of the Swedish Corporate Reporting Board. Differences between the accounting principles applied by the Parent Company and the Group are a result of limitations of opportunities to apply IFRS by the Parent Company owing to the Annual Accounts Act, the Act on Safeguarding Pension Commitments and in certain cases income tax rules. Significant differences are described in section "Significant differences between the Group's and the Parent Company's accounting principles."

Assumptions in the preparation of the financial reports
The Parent Company's functional currency is Swedish kronor (SEK), which is also the reporting currency for the Parent Company and for the Group. The financial reports are presented in SEK. All amounts, unless indicated otherwise, are rounded off to the nearest million.

The preparation of the financial reports in accordance with IFRS requires the Board of Directors and Management to make estimates and assumptions that affect the application of the accounting principles and the carrying amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are based on historical experience and knowledge of the industry that Saab operates in, that under current circumstances seem reasonable. The result of these estimates and assumptions is then used to determine the carrying amounts of assets and liabilities that otherwise are not clearly indicated by other sources. Actual outcomes may deviate from these estimates and assumptions.

Estimates and assumptions are reviewed regularly, and the effect of changed estimates is recognised in profit or loss unless the assesment relates to an item reported in other comprehensive income.

Estimates made by the Board of Directors and Management in applying the accounting principles in compliance with IFRS that may have a significant impact on the financial reports as well as estimates that may necessitate significant adjustments in financial reports in subsequent years are described in more detail in note 2.

The accounting principles described below for the Group and the accounting principles concerning significant profit /loss and balance sheet items described in the respective note disclosure have been applied consistently for all periods presented in the Group's financial reports, unless otherwise stated.

The consolidated accounts have been prepared with acquisition cost as valuation basis unless otherwise stated below or in the accounting principles in each note.

Application of new and revised accounting rules
A number of changes to existing accounting standards have entered into force during the year. None of these has had any material effect on the Group.

New and amended standards and interpretations that have not yet entered into force
IASB has issued IFRS 18 Presentation and Disclosure in Financial Statements which enters into force for reporting periods starting January 1, 2027 or later. Although IFRS 18 will have no impact on recognition and measurement, Saab is currently evaluating the effects on presentation and disclosures including presentation of the income statement where i.a. the definition of operating income might be changed.

In addition to IFRS 18, IASB has issued a number of other amendments and standards that have not yet entered into force. None of these are expected to have a material effect on the Group.

Classification of assets and liabilities
Current assets and current liabilities generally consist of amounts that can be recovered or paid within twelve months of the closing day. Other assets and liabilities are recognised as fixed assets or long-term liabilities.

Consolidation principles
Subsidiaries and acquired operations (business combinations) are recognised according to the purchase accounting method. This means that a business combination is treated as a transaction whereby the Group indirectly acquires the business's assets and takes over its liabilities and contingent liabilities. The Group's cost is determined through an acquisition analysis with regard to the acquisition of operating entities. Cost is comprised of the sum of the fair value of what of is paid in cash on the acquisition date through the assumption of liabilities or shares issued. Contingent consideration is included in cost and recognised at its fair value on the acquisition date. The subsequent effects of revaluations of contingent consideration are recognised in profit or loss. Acquired identifiable assets and assumed liabilities are initially recognised at their acquisition-date fair value. The exceptions to this principle are acquired tax assets/liabilities, employee benefits, share-based payment and assets held for sale, which are valued in accordance with the principles described in each respective note disclosure. Exceptions are also made for indemnification assets and repurchased rights. Indemnification assets are valued according to the same principle as the indemnified item. Repurchased rights are valued based on the remaining contractual period regardless of whether other market participants might consider opportunities for contract extensions in connection with valuations.

Recognised goodwill consists of the difference between, on the one hand, the cost of Group company's interests, the value of non-controlling interests in the acquired company and the fair value of the previously owned interest and, on the other, the carrying amount of the acquired assets and assumed liabilities in the acquisition analysis. Non-controlling interests are recognised on the acquisition date either at fair value or their proportionate share of the carrying amount of the acquired company's identified assets and liabilities. Acquisitions of non-controlling interests are recognised as transactions affecting the owners' equity.

Translation of financial reports of foreign operations to SEK
Assets and liabilities in operations with a functional currency other than SEK are translated to SEK at the closing day exchange rate. Revenue and expenses in foreign operations are translated to SEK at the average rate. Translation differences that arise through currency translations are recognised directly in other comprehensive income. The amount is recognised separately as a translation reserve in equity.

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Significant differences between the Group's and the Parent Company's accounting principles
The Parent Company follows the same accounting principles as the Group with the following exceptions.

Business combinations
Transaction costs are included in the cost of business combinations.

Associated companies and joint ventures
Shares in associated companies and joint ventures are recognised by the Parent Company according to the acquisition cost method. Revenue includes only dividends received.

Intangible fixed assets
All development costs are recognised in profit or loss.

Tangible fixed assets
Tangible fixed assets are recognised including revaluation, if necessary.

Right-of-use assets and lease liabilities
The Parent Company do not recognise leases in the balance sheet as right-of-use assets and lease liabilities. Leasing fees are expensed on a straight-line basis over the lease term in accordance with the exemption from IFRS 16 in RFR 2, Accounting for Legal Entities.

Financial assets and liabilities and other financial instruments
The Parent Company does not apply IFRS 9 in full but the rules for financial instruments in RFR 2. This means among other things that financial fixed assets are measured at cost less any write-down and current financial assets according to the lowest value principle. If the reason for write-down has ceased, it is reversed.

Derivatives and hedge accounting
Derivatives not classified as hedging instruments are carried by the Parent Company according to the lowest value principle. For derivatives classified as hedging instruments, recognition is determined by the hedged item. This means that the derivative is treated as an off-balance sheet item until the hedged transaction has occurred.

Employee benefits
The Parent Company complies with the provisions of the Law on Safeguarding of Pension Commitments and the regulations of the Swedish Financial Supervisory Authority, since this is a condition for tax deductibility.

Untaxed reserves
The amounts allocated to untaxed reserves constitute taxable temporary differences. Due to the connection between reporting and taxation, the deferred tax liability is recognised in the Parent Company as part of untaxed reserves.

Group contributions and shareholders' contributions
Group contributions received are recognised through profit and loss in financial income and expenses. Group contributions paid are capitalized in the shares and participating interests of the parent. Shareholders' contributions are recognised directly in the equity of the recipient and capitalised in the shares and participating interests of the contributor, to the extent write-down is not required.

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Note 2. Assumptions in the application of the accounting principles

The Board of Directors and Group Management together have identified the following areas where estimates and assumptions in the application of the accounting principles may have a significant impact on the accounting of the Group's results of operations and financial position and may result in significant adjustments in subsequent financial reports. Developments in these areas are monitored continuously by Group Management and the Board of Directors' Audit Committee.

Uncertainties in estimates and assumptions

Long-term customer contracts

A majority of all long-term customer contracts contain significant development aspects, which are associated with risks. Before a contract is signed with a customer for delivery of a product or service, a thorough analysis is always made of the prerequisites and risks of the delivery through a project management process established within Saab. In the execution stage, continuous reviews are made of the work in the project according to the same process.

An important aspect is to identify risks and assess them and the measures that are taken to mitigate the risks with the help of a risk assessment method.

The Group recognise revenue over time for long-term contracts. An estimation of total costs including an estimate of technical and commercial risks is critical in revenue recognition. Changed estimates of the projects' total costs cause retroactive effects that affect sales and revenue recognition. Saab has during recent years conducted several large customer projects in the development phase, which means greater uncertainties in risks to take into consideration in revenue recognition and estimation of total costs. Ongoing assessments of risks in projects and total costs of projects are part of Saab's operations. These ongoing assessments also result in changes to project estimates, both positive and negative. The accounting of long-term customer contracts also affects balance sheet items such as contract assets and contract liabilities, accounts receivables, inventories and project loss provisions. Delivering according to project plan and milestones are important for the cash flow since payments are made upon achievement of milestones or deliveries in projects. See note 4 for more information regarding long-term customer contracts.

Recovery of value of development costs

The Group has invested considerable amounts in research and development. The reported amounts in the statement of financial position are primarily due to development projects relating to the airborne early warning and control system, GlobalEye, and the new version of Gripen. Capitalised development costs amount to MSEK 6,052 (6,106). The recognition of development expenditures as an asset in the statement of financial position requires an assumption that the product is expected to be technically and commercially usable in the future and that future economic benefits are likely. Amortisation of capitalised development costs is made on a straight-line basis over the period of use, up to a maximum of 15 years. The carrying amount of capitalised development costs is tested on each closing day for any indication of impairment. If an indication exists, the asset's recoverable amount is calculated. For assets not yet ready for use, the recoverable amount is calculated annually, irrespective of whether there is any indication of impairment or not. See note 15 for further information.

Impairment testing of goodwill

In the calculation of cash-generating units' recovery value to determine whether there is a need for impairment of goodwill, assumptions have been made with regards to the calculation of value in use, based on discounted cash flow projections. A significant deviation in the conditions could necessitate impairment of goodwill. The carrying amount of goodwill amounts to MSEK 5,572 (5,424). See note 15 for further information.

Saab has analysed different scenarios and performed stress tests of the calculations of value in use through negative adjustments of key judgments such as growth rate and profitability level during the forecast period and in the terminal value. These stress test have not led to any identified need of impairment.

Pensions

Saab has two types of pension plans: defined-benefit and defined-contribution. In defined-benefit plans, post-employment compensation is based on a percentage of the recipient's salary. The present value of defined-benefit obligations amounts to MSEK 10,969 (10,749). The value of the pension obligation is determined through a number of actuarial assumptions, because of which the obligation can significantly increase or decrease if the actuarial assumptions change. During 2024, changes in actuarial assumptions regarding discount rate, inflation and experience impacted the defined benefit obligation. Changes in actuarial gains and losses directly affect the pension obligation and hence the Group's financial position. See note 31 for further information.

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Note 3. Segment reporting

Operating segments
Saab is a leading high-technology company, with its main operations in defence, aviation and civil security. Operations are primarily focused on well-defined areas in defence electronics, advanced weapons system and command and control systems, naval systems as well as military and commercial aviation. Saab is also active in technical services and maintenance. Saab has a strong position in Sweden and the main part of sales is generated in Europe. In addition, Saab has a local presence in Australia, Brazil, South Africa, the US and other selected countries globally.

Segment information is presented based on management's view, and operating segments are identified based on internal reporting to the company's chief operating decision maker. Saab has identified the Chief Executive Officer as its chief operating decision maker and the internal reports used by the CEO to oversee operations and make decisions on allocating resources serve as the basis of the information presented. The segments are monitored at the operating income level. In the segments' reporting, all leasing agreements are recognised as a cost on straight line basis over the leasing period. Except IFRS 16, the accounting principles for reportable segments conform to the principles applied by the Group as a whole. Sales of goods and services between segments are made on market terms.

Saab's operating and management structure is divided into four business areas, which are also operating segments: Aeronautics, Dynamics, Surveillance and Kockums. In addition, Combitech is reported as an operating segment outside the business area structure within Saab Group.

The operating segments are described below. Complementing the five operating segments is Corporate, which comprises Group staffs and departments as well as other non-core operations.

Due to the structural change where business unit Underwater Systems has been transferred from business area Dynamics to Kockums as of 1 January 2024, 2023 has been restated. Proforma statements are available at saab.com/investors/financials/financial-data.

Aeronautics
Aeronautics is a world-leading manufacturer of innovative aerial systems and is engaged in development of military aviation technology. It also conducts long-term future studies of manned and unmanned aircraft as preparation for new systems and further development of existing products.

Dynamics
Dynamics offers a market-leading product portfolio comprising ground combat weapons, missile systems, systems for training and simulation, signature management systems for armed forces around the world, niche products for the civil, and defence markets.

Surveillance
Surveillance provides efficient solutions for safety and security, for surveillance and decision support, and for threat detection, location, and protection.

The portfolio covers airborne, ground-based and naval radar, electronic warfare, combat systems, and C4I solutions.

Kockums
Kockums develops, delivers, and maintains world-class solutions for naval environments. Its portfolio includes submarines with the Stirling system for air independent propulsion, surface combatants, mine hunting systems, autonomous vessels, torpedoes, and unmanned underwater vehicles. Kockums' unique competence is in signature management, impact strength, and advanced stealth technology.

Combitech
Combitech is an independent subsidiary of Saab and reported as an operating segment outside the business area structure within Saab Group.

Combitech is one of Sweden's largest technology consulting firms, combining technology with cutting-edge expertise to create solutions for our customers' specific needs. Combitech is active in aviation, defence, telecom, and other industries as well as the public sector. Combitech offers services in systems development, systems integration, information security, systems security, communications, mechanics, technical product information, and logistics.

Information on large customers
During 2024, Saab had one customer that separately accounted for 10 per cent or more of the Group's sales. The Swedish Defence is a customer of all business areas and total sales amounted to SEK 22,795 million (19,029) corresponding to 36 per cent (37) of the Group's total sales.

Information on geographical areas
External sales are distributed to the market where the customer is domiciled, while fixed assets are distributed to the market where the asset is geographically located.

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Group	Aeronautics		Dynamics		Surveillance		Kockums		Combitech		Corporate[2]		Eliminations		Group	
MSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
External order bookings	10,668	18,049	49,745	26,407	27,396	22,821	5,642	7,323	3,013	2,981	334	230	-	-	96,798	77,811
Internal order bookings	508	62	548	302	1,138	1,066	64	174	1,624	1,310	-	-	-3,882	-2,914	-	-
Total	**11,176**	**18,111**	**50,293**	**26,709**	**28,534**	**23,887**	**5,706**	**7,497**	**4,637**	**4,291**	**334**	**230**	**-3,882**	**-2,914**	**96,798**	**77,811**
External order backlog	40,981	46,915	78,401	42,898	51,291	44,637	14,212	16,787	1,595	1,296	743	876	-	-	187,223	153,409
Internal order backlog	520	80	485	205	1,434	1,143	148	244	332	299	-	-	-2,919	-1,971	-	-
Total	**41,501**	**46,995**	**78,886**	**43,103**	**52,725**	**45,780**	**14,360**	**17,031**	**1,927**	**1,595**	**743**	**876**	**-2,919**	**-1,971**	**187,223**	**153,409**
External sales	16,621	13,664	14,337	10,943	21,267	17,897	8,205	6,188	2,715	2,627	606	290	-	-	63,751	51,609
Internal sales	68	90	268	217	747	662	159	126	1,591	1,295	2	-	-2,835	-2,390	-	-
Total sales	**16,689**	**13,754**	**14,605**	**11,160**	**22,014**	**18,559**	**8,364**	**6,314**	**4,306**	**3,922**	**608**	**290**	**-2,385**	**-2,390**	**63,751**	**51,609**
Operating income before share of income in associated companies and joint ventures	977	710	2,503	1,743	1,991	2,034	639	432	442	340	-962	-302	-	-	5,590	4,957
Share of income in associated companies and joint ventures	-	-	62	15	-	-	-	-	-	-	10	-700	-	-	72	-685
Operating income	**977**	**710**	**2,565**	**1,758**	**1,991**	**2,034**	**639**	**432**	**442**	**340**	**-952**	**-1,002**	**-**	**-**	**5,662**	**4,272**
Financial income	10	7	29	21	58	62	91	98	27	23	1,059	1,087	-711	-516	563	782
Financial expenses	-372	-257	-46	-40	-173	-63	-5	-7	-3	-8	-1,048	-777	711	516	-936	-636
Income before taxes	**615**	**460**	**2,548**	**1,739**	**1,876**	**2,033**	**725**	**523**	**466**	**355**	**-941**	**-692**	**-**	**-**	**5,289**	**4,418**
Taxes[1]	-111	-122	-50	-50	16	-112	-9	16	-24	-34	-901	-673	-	-	-1,079	-975
Net income for the year	**504**	**338**	**2,498**	**1,689**	**1,892**	**1,921**	**716**	**539**	**442**	**321**	**-1,842**	**-1,365**	**-**	**-**	**4,210**	**3,443**
Assets	19,568	17,296	24,500	14,458	26,185	24,173	8,341	7,897	2,444	2,117	49,111	44,586	-30,326	-27,768	99,823	82,759
Of which shares in associated companies and joint ventures	-	-	208	168	4	4	-	-	-	-	103	81	-	-	315	253
Liabilities	14,601	12,981	21,086	11,744	15,159	13,601	7,084	6,531	1,481	1,264	27,101	24,107	-22,501	-19,831	64,011	50,397
Operational cash flow	-712	-370	2,798	3,236	1,333	1,153	289	-254	532	387	-1,743	-996	-	-	2,497	3,157
Capital employed	12,136	10,403	5,342	4,346	12,133	11,676	3,622	3,011	1,348	1,101	12,764	13,417	-	-	47,345	43,954
Investments	652	706	1,097	518	1,323	813	148	185	21	9	1,598	1,307	-	-	4,839	3,538
Depreciation	253	206	128	98	952	878	51	38	16	10	1,245	1,035	-	-	2,645	2,265
Write-down	-	-	-	-	95	21	-	-	-	-	-	-	-	-	95	21

1) Current taxes in the Parent Company are reported in Corporate
2) Of which attributable to IFRS 16 adjustments, MSEK: Operating income 140 (114), Financial income - (10), Financial expense -184 (-131), Assets 3,421 (3,029), Liabilities 3,602 (3,175)

Geographical areas

Group	Sweden		Rest of Europe		North America		Latin America		Asia		Africa		Australia, etc.		Undisclosed country		Total	
MSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
External sales	26,140	21,614	15,829	11,913	6,148	5,607	4,556	3,690	5,329	4,759	165	109	3,375	3,425	2,209	492	**63,751**	**51,609**
as % of sales	41	42	25	23	10[1]	11[1]	7[2]	7[2]	8	9	0	0	5	7	4	1	**100**	**100**
Fixed assets	27,945	22,989	1,890	1,175	2,796	2,252	167	152	346	251	373	341	904	602	-	-	**34,421**	**27,762**

1) Which of US represents 9 per cent (10) of the Group's total sales.
2) Which of Brasil represents 7 per cent (7) of the Group's total sales.

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Sales by operating segment

	Parent Company	
MSEK	**2024**	**2023**
Aeronautics	16,538	13,612
Dynamics	3,412	2,655
Surveillance	16,003	12,768
Combitech	95	101
Corporate	243	68
Total	**36,291**	**29,204**

Sales by geographical market

	Parent Company	
MSEK	**2024**	**2023**
Sweden	16,540	13,749
Rest of Europe	9,172	7,007
North America	2,413	1,775
Latin America	4,447	3,568
Asia	2,914	2,774
Africa	115	91
Australia, etc.	101	110
Undisclosed country	589	130
Total	**36,291**	**29,204**

Note 4. Sales

Accounting principles

Sales

In the Saab group, Sales arise from primarily three types of categories; Long-term customer contracts, Products and Service assignments.

Long-term customer contracts

A large part of the Group's operations involves long-term customer contracts for the development and manufacture of complex systems that stretch over several reporting periods. The analysis of these contracts has mainly meant determining the number of performance obligations and when they are fulfilled, i.e. over time or at a given point in time.

Since Saab's long-term customer contracts involve considerable customisation and integration of goods and services, it usually means that a single performance obligation has been identified. A performance obligation is satisfied at a given point in time or over time.

Since Saab's long-term customer contracts involve considerable customisation and integration of goods and services and because the cost to adapt the asset and sell it to a new customer would not be insignificant, the conclusion is most often that the asset is not deemed to have an alternative use. Since the contracts also contain clauses that include the right to payment plus a reasonable profit for costs incurred in case of termination for reasons other than nonperformance by Saab, it means that the criteria for recognising revenues from long-term customer contracts over time are satisfied. Revenue and costs are therefore recognised in the income statement in relation to the contract's stage of completion.

The stage of completion is based on a determination of the relationship between expenditures incurred as of the closing day and estimated total expenditures to satisfy the contract. Of the total revenue, the portion corresponding to the stage of completion is recognised in each period. The stage of completion can also be determined in certain cases based on milestones or number of units delivered. An expected loss is recognised in the income statement as soon as it is identified.

In some long-term customer contracts Saab receives advance payments or build-up material contract assets. If there is a significant financing component, the time value effect is recognised only for contracts where the advance payment still remain after twelve months.

Occasionally, the content of the contractual relationship between Saab and the customer is changed through i.a. an additional order. Saab evaluates whether additional orders and other changes to contracts should be recognised as a part of the original contract or as a new contract. The evaluation is based on whether additional goods or services are added, that are distinct from the original contract, and whether the price of such goods or services correspond to a stand-alone selling price. If both these prerequisites are met the additional order is treated as a new contract.

Products

A share of Saab's revenue is attributable to products where development, customisation and integration are relatively minor and relates for the most part only to the manufacture of products, as well as the resale of spare parts, for example. Revenue from these contracts is recognised at a given point in time, i.e. normally when control of the good has transferred to the customer in accordance with the terms of the contract.

Service assignments

For Saab's service assignments, which include the sale of consulting hours and support services, at a fixed price or on current account, the customer normally obtains the benefits when the obligation is satisfied. Revenue is mainly recognised over time as the assignment is performed according to the contract.

Saab is active in the military defence market as well as the commercial aircraft and security market. In 2024 sales of defence materiel accounted for 92 per cent (90) of Saab's sales. Saab's international sales represent more than half of its total operations and as a rule entail considerable sums that stretch over long periods of time. In 2024, 59 per cent (58) of Saab's sales was to markets outside Sweden.

A large share of Saab's sales comes from a limited number of customers and relatively few contracts. The European market including Sweden is Saab's most important market. The Swedish Defence Materiel Administration (FMV) is Saab's most important customer, accounting for 36 per cent (37) of Saab's sales in 2024.

Saab's operations are distinguished by complex, multi-year development assignments on the cutting edge of technology. In its long-term customer projects, Saab implements and delivers cost-efficient high-tech solutions in accordance with the customer contract. The contract model for major development projects according to which Saab is often engaged in development work is complex and entails risks. Contracts are often signed where the customer orders a product with specifications on its features and which problems it will solve. Saab then commits to deliver in accordance with the specifications and produces the required product or system. Consequently, when contracts are signed, the product in some cases has not been developed and will normally be delivered several years later. Most of the contracts are signed with a fixed-price component. In 2024 Long-term customer contracts accounted for 63 per cent (64) of total sales. The majority of Saab's sales relate to projects where revenue is recognised over time. This places high demands on project planning and control as well as monitoring to ensure that at any given time the commitments and estimates of project costs and revenue provide a satisfactory basis for recognition of sales and income. Saab continuously updates cost estimates for long-term customer contracts, which has a retroactive effect, both positive and negative, on sales. The impact from regular revisions of projects estimates were insignificant in relation to sales during both 2024 and 2023. Approximately 80 percent of sales is recognised over time in pace with project completion.

Accounting for long-term customer contracts affects balance sheet items such as contract assets and contract liabilities as well as accounts receivable, for which customary payment terms are applied. Many of Saab's large contracts with customers are based on a payment model according to which the majority of the payment is not made until or after the product or system has been delivered or partially delivered. Saab has during 2024 and during recent years conducted several large customer projects in the development phase.

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During 2024, many of the Group's large projects reached far in the project execution phase which has led to that the Group has reached material milestones. Opening contract liabilities as of 1 January 2024 were practically all recognised in revenue in the financial year.

Provisions for guarantees in connection with products or services sold are normally recognised if a reliable calculation of the provision can be made; see note 32 for further information.

The Group has no significant commitments or obligations relating to product returns.

Saab has not identified any customer contracts where a significant financing component exists.

Future revenue from contracts with customers

The order backlog is expected to be realised and recognised as revenue according to the following table:

Order backlog duration:

MSEK	2024	2023
Within 1 year	57,869	48,460
Within 2 years	53,200	45,050
Within 3 years	43,596	27,729
Within 4 years	22,196	14,907
4 years and forward	10,362	17,263
Total	**187,223**	**153,409**

	Aeronautics		Dynamics		Surveillance		Kockums		Combitech		Corporate/ elimination		Group	
MSEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Sales per customer:														
Military customers	15,562	12,745	14,109	10,745	19,536	15,992	7,645	5,648	1,494	1,185	296	119	58,642	46,434
Civilian customers	1,059	919	228	198	1,731	1,905	560	540	1,221	1,442	310	171	5,109	5,175
Total external sales	**16,621**	**13,664**	**14,337**	**10,943**	**21,267**	**17,897**	**8,205**	**6,188**	**2,715**	**2,627**	**606**	**290**	**63,751**	**51,609**
Sales by significant source:														
Long-term customer contracts	14,563	12,075	5,321	3,814	15,136	13,377	4,951	3,628	1	-	259	126	40,231	33,020
Services	824	1,261	1,686	1,408	3,363	3,115	1,616	1,144	2,454	2,450	176	137	10,119	9,515
Products	1,234	328	7,330	5,721	2,768	1,405	1,638	1,416	260	177	171	27	13,401	9,074
Total external sales	**16,621**	**13,664**	**14,337**	**10,943**	**21,267**	**17,897**	**8,205**	**6,188**	**2,715**	**2,627**	**606**	**290**	**63,751**	**51,609**
Sales by domain:														
Air	15,289	12,400	382	305	7,981	7,226	-	-	40	34	45	49	23,737	20,014
Land	174	124	12,728	9,864	4,037	2,833	-	-	1,472	1,192	65	22	18,476	14,035
Naval	8	12	1,148	723	7,357	5,820	8,205	6,188	6	6	130	145	16,854	12,894
Civil Security	37	57	43	32	1,867	1,990	-	-	378	382	70	55	2,395	2,516
Commercial Aeronautics	1,097	1,071	-	-	6	9	-	-	7	8	15	15	1,125	1,103
Other	16	-	36	19	19	19	-	-	812	1,005	281	4	1,164	1,047
Total external sales	**16,621**	**13,664**	**14,337**	**10,943**	**21,267**	**17,897**	**8,205**	**6,188**	**2,715**	**2,627**	**606**	**290**	**63,751**	**51,609**
Sales recognition method:														
Over time	13,638	12,064	6,314	4,910	15,685	13,515	7,667	5,699	2,709	2,626	277	157	46,290	38,971
Point in time	2,983	1,600	8,023	6,033	5,582	4,382	538	489	6	1	329	133	17,461	12,638
Total external sales	**16,621**	**13,664**	**14,337**	**10,943**	**21,267**	**17,897**	**8,205**	**6,188**	**2,715**	**2,627**	**606**	**290**	**63,751**	**51,609**

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Sales by customer

	Parent Company	
MSEK	**2024**	**2023**
Military customers	34,694	27,641
Civilian customers	1,597	1,563
Total	**36,291**	**29,204**

Sales by significant source

	Parent Company	
MSEK	**2024**	**2023**
Long-term customer contracts	28,779	23,130
Services	3,831	3,999
Products	3,681	2,075
Total	**36,291**	**29,204**

Sales by domain

	Parent Company	
MSEK	**2024**	**2023**
Air	22,488	19,074
Land	6,854	4,655
Naval	5,140	3,688
Civil Security	535	697
Commercial Aeronautics	1,106	1,081
Other	168	9
Total	**36,291**	**29,204**

Sales recognition method

	Parent Company	
MSEK	**2024**	**2023**
Over time	27,582	23,273
Point in time	8,709	5,931
Total	**36,291**	**29,204**

Note 5. Operating expenses

The income statement is classified according to function as follows:

Cost of goods sold comprises costs for material handling and manufacturing costs, including salary and material costs, purchased services, premises, and the depreciation/amortisation and write-down of intangible and tangible fixed assets other than self-financed capitalised development cost (see below).

Customer-financed research and development is recognised in cost of goods sold.

Administrative expenses relate to expenses for the Board of Directors, Group Management and staff functions as well as expenses attributable to business area and business unit managements.

Marketing expenses comprise expenses for the in-house marketing and sales organisation as well as external marketing and selling expenses.

Research and development costs are recognised separately and comprise the cost of self-financed new and continued product development as well as amortisation of capitalised development costs.

Operating expenses classified by the type of cost, excluding other operating income and expenses, are distributed as follows:

	Group	
MSEK	**2024**	**2023**
Materials and components	13,615	12,213
Purchased services	12,492	8,587
Personnel costs	22,114	18,433
Depreciation/amortisation and write-downs	2,863	2,241
Other external costs	7,328	5,710
Total	**58,412**	**47,184**

Depreciation/amortisation and write-downs include write-downs and reversal of write-downs on inventory.

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Note 6. Other operating income and expenses

Accounting principles

Other operating income and expenses

Other operating income and expenses relate to operating activities that fall outside of core operations, costs not directly attributable to functions in the income statement, exchange rate differences on items of an operating nature, government grants, changes in the value of derivatives of an operating nature and capital gains/losses on the sale of tangible fixed assets. Also included at the Group level are capital gains/losses on the sale of subsidiaries, operations, associated companies and joint ventures.

Other operating income

	Group		Parent Company	
MSEK	**2024**	**2023**	**2024**	**2023**
Remeasurement of contingent consideration payable	145		-	-
Government grant	59	37	48	26
Gain on sale of Group companies[1)]	18	328	-	-
Gain from other operating activities	14	11	-	-
Exchange rate gains on operating receivables/liabilities and change in value of derivatives	10	-	-	-
Gain on sale of tangible fixed assets	7	1	-	0
Insurance compensation	1	6	-	-
Gain on sale of associated companies/joint ventures	1	5	-	-
Results from intangible assets	-	-	50	-
Negative goodwill from preliminary purchase price allocation[1)]	-	144	-	-
Change in fair value of biological assets	-	6	-	-
Other	46	53	1	4
Total	**301**	**591**	**99**	**30**

1) See note 41 and note 43.

Other operating expenses

	Group		Parent Company	
MSEK	**2024**	**2023**	**2024**	**2023**
Exchange rate gains on operating receivables/liabilities and change in value of derivatives	-28	-48	-3	-30
Loss on sale and disposal of tangible fixed assets	-17	-2	-12	-2
Loss from other operating activities	-2	-3	-	-
Change in fair value of biological assets	0	-	-	-
Impairment of receivables from associated companies	-	-3	-	-
Other	-3	-3	-	-
Total	**-50**	**-59**	**-15**	**-32**

Note 7. Government grants

Accounting principles

Saab receives government grants, mainly various grants from the EU related to research and development projects. These are recognised when there is a reasonable certainty that the grant will be received and that the Group will meet the conditions associated with the grant. Project-related government grants are systematically recognised in the income statement primely as cost deduction over the same periods as the expenses for which the grants are intended to compensate.

During 2024, MSEK 232 (278) was received in project-related support.

MSEK 273 (169) has been recognised through profit or loss mainly by deducting research and development expenditures and cost of goods sold or as other operating income. In the statement of financial position at year-end, MSEK 205 (246) is recognised as prepaid income.

No contingent liabilities or contingent assets are reported.

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Note 8. Employees and staff costs

The average number of employees in 2024 amounted to 23,375 (20,479), of whom 75 per cent (76) were men. For information about number of employees by country see page 6.

Average number of employees[1)]

	2024	of whom men	2023	of whom men
Parent company				
Sweden	11,579	74%	10,370	75%
Rest of Europe	17	86%	18	87%
North America	-	-	-	-
Latin America	32	87%	33	87%
Asia	3	100%	27	95%
Parent company, total	**11,631**	**74%**	**10,448**	**75%**
Group companies				
Sweden	7,114	73%	6,106	74%
Rest of Europe	1,779	84%	1,456	84%
North America	1,013	76%	825	77%
Latin America	127	70%	121	69%
Asia	314	79%	251	76%
Africa	410	70%	397	71%
Australia, etc	987	78%	875	79%
Group companies, total	**11,744**	**75%**	**10,031**	**76%**
Group, total	**23,375**	**75%**	**20,479**	**76%**

1) The average number of employees has been calculated as an average of the number of Full Time Equivalents (FTE). The term Full-Time Equivalents excludes long-term absentees and consultants. Fixed term employees and probationers are however included in the calculation.

Gender distribution of corporate management

	Parent company	
Share of women, per cent	**2024**	**2023**
Board of Directors [1)]	30	40
Other senior executives	29	21

1) Of the Board members elected by the shareholders' meeting, and not employed by the company.

Salaries, other remuneration and social security expenses

	2024		2023	
MSEK	**Salaries and other remuneration**	**Social security expenses**	**Salaries and other remuneration**	**Social security expenses**
Parent company	7,743	3,719	6,609	3,156
of which pension costs[1)]		1,233		1,098
Group companies	8,294	2,358	6,739	1,929
of which pension costs[2)]		819		671
Group, total	**16,037**	**6,077**	**13,348**	**5,085**
of which pension costs[3)]		2,052		1,769

1) Of the Parent Company's pension costs, MSEK 12 (12) referred to the Parent Company's Board and President, including deputies and Executive Vice President. The company's outstanding pension obligations for these individuals, amounted to MSEK 10 (10), of which MSEK 8 (8) referred to former Board members and President, including deputies and Executive Vice Presidents.
2) Adjusted according to different accounting principles regarding defined-benefit plans between Parent Company and Group. See notes 1 and 31 for more information.
3) Of the Group's pension costs, MSEK 26 (25) referred to the Group's and Group companies' Boards and Presidents. The Group's outstanding pension obligations for these individuals amounted to MSEK 12 (11), of which MSEK 8 (8) referred to former board members and Presidents.

Salaries and other remuneration distributed between Board members, President and Executive Vice Presidents and other employees

	2024		2023	
MSEK	**Board, President and Executive Vice Presidents**	**Other employees**	**Board, President and Executive Vice Presidents**	**Other employees**
Parent company	41	7,702	38	6,571
Group companies	109	8,185	102	6,637
Group, total	**150**	**15,887**	**140**	**13,208**

Of the salaries and remuneration paid to other employees in the Group, MSEK 45 (45) referred to senior executives other than Board members, the President and Executive Vice Presidents. Salaries and other remuneration to the President, Executive Vice Presidents and other senior executives according to the information above does not include share-based payments. Page 171 includes information about share-based payments.

For information on post-employment benefits, see note 31.

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Senior executives' benefits

Remuneration to Board members

In accordance with the resolution of the Annual General Meeting, the fees paid to members of the Board, for the term April 2024 – April 2025, amount to SEK 9,020,000 (8,520,000), consisting of SEK 2,250,000 (2,140,000) to the Chairman, SEK 850,000 (780,000) to the Deputy Chairman and SEK 740,000 (700,000) to each of the other members elected by the Annual General Meeting, with the exception of the President.

For audit committee work during the term April 2024 – April 2025, committee chairman Joakim Westh also received a fee of SEK 360,000 (295,000) and committee members Erika Söderberg Johnson and Sebastian Tham each received a fee of SEK 230,000 (190,000).

For remuneration committee work, during the term April 2024 – April 2025, committee chairman Johan Menckel also received a fee of SEK 195,000 (165,000) and committee members Marcus Wallenberg and Bert Nordberg each received a fee of SEK 115,000 (100,000).

Remuneration to Board members and committee members recognised as cost for fiscal year 2024 is shown in the table on page 171.

Remuneration to the President

The cash remuneration paid to the President and CEO consists of a fixed salary. No short-term variable remuneration is paid. The preparation process for compensation issues regarding the President is handled by the Board's Remuneration Committee according to the principles laid down by the Annual General Meeting and then voted on by the Board.

In the period 1 January through 31 December 2024, the cost for salary and other benefits to President and CEO Micael Johansson amounted in total to SEK 27,572,053 (23,907,921), of which other benefits, including share related plans, amounted to SEK 10,935,713 (9,734,358). Micael Johansson has participated in ongoing Share Matching plan 2021-2024, in Performance Share Plan 2021-2024 and in Special Projects Incentive 2021-2024. For more detailed information regarding Saab's long-term incentive programmes, see pages 172-174.

Pension terms

The retirement age for the President is 65 years. The President has a defined contribution pension plan and may decide himself on the payment term, though within the provisions of Swedish income tax law. The pension cost for Saab consists of pension premiums amounting to 35 per cent of the fixed salary. Pension premiums are paid as long as the President remains an employee of the company, but not beyond the age of 65. To this is added the cost of pension premiums according to the ITP plan. The pension commitment is vested.

For 2024 the cost of President Micael Johansson's pension including ITP, was SEK 5,964,641 (5,316,124).

Severance terms

If terminated by the company, the President will receive a salary and pension benefits for a period of six months (period of notice). Thereafter he will receive severance pay equivalent to one year of salary, based on his current fixed salary. If the President does not obtain new employment, he will receive an additional six months of severance pay. The severance will be deducted from income received from other employment during the same period. If the President resigns voluntarily, there is a six-month period of notice with salary and pension benefits, but no severance pay. The President's agreement includes a non-compete clause.

Remuneration to other senior executives

The group of other senior executives included 13 (13) individuals at 31 December 2024: the Executive Vice President, the Heads of the Business Areas and the Heads of Group staffs. At 31 December 2024 Group Management was comprised of Micael Johansson (President), Anna Wijkander, Görgen Johansson, Anders Carp, Jonas Hjelm, Lars Tossman, Christian Hedelin, Mikael Adelsberg, Charlotta Björklund, Annika Bäremo, Carl-Johan Bergholm, Mats Wicksell, Viktor Wallström and Lena Eliasson. The remuneration paid to other senior executives consists of a fixed salary. No short-term variable remuneration is paid. Compensation issues regarding the other senior executives are prepared by the Head of Group Human Resources and presented to the President, who makes a decision that is presented to the Compensation Committee and the Board.

All eligible executives have participated in ongoing Performance Share Plan 2021-2024, Share Matching Plan 2021-2024 and Special Projects Incentive 2021-2024.

In 2024, the cost for salaries and other benefits to other senior executives totalled SEK 85,302,396 (89,623,366), of which other benefits, including share related plans, amounted to SEK 26,054,481 (30,402,027). For more detailed information regarding Saab's long-term incentive programmes, see pages 172-174.

Pension terms

The retirement age for other senior executives is at least 62 years. However, one (two) persons have a pension age according to existing law and collective agreement.

In addition to ITP, 5 (6) members of the group are affiliated with the Saab plan and 7 (5) members of the group are affiliated with the New Saab plan, both plans are defined-contribution and vested. The Saab plan provides pension benefits in addition to ITP or its equivalent on salary levels between 20 and 30 basic amounts as well as on salary segments over 30 basic amounts. Moreover, an insurance policy finances the period between the agreed pension age, 62 years, and 65 years.

The pension cost for the Saab plan consists of pension premiums, which are based on a percentage of qualifying salaries. The percentage rate is determined by each executive's time remaning until agreed pension age, 62 years, when joining the plan. The aggregate insurance balance should cover a targeted pension from 65 years of approximately 32.5 per cent of salary levels between 20 and 30 basic amounts and approximately 50 per cent of segments over 30 basic amounts of qualifying salaries. The pension age in the New Saab plan shall be 65 years.

According to the New Saab plan, contributions are made for old age pension benefits from the age of 65 on salary levels exceeding 30 income base amounts per year. The New Saab plan entails contributions of 30 per cent on the part of the annual salary that is not insured by the ITP plan.

The individuals themselves can decide on the payment term, though within the provisions of Swedish income tax law. Premium payments continue as long as the individuals remain in their positions or as employees of the company.

Pension obligations are vested. In 2024, pension costs for other senior executives, including ITP and its equivalent, amounted to SEK 19,505,849 (17,999,531). Other senior executives are entitled, or obliged if the company so requests, to retire on pension as of the agreed retirement age.

Severance terms and severance pay

Upon termination by the company, the group of other senior executives normally receives salary and pension benefits for six months (period of notice). Thereafter 12 (11) senior executives receive severance pay, according to agreement, equivalent to a maximum of 18 months of salary, based on their fixed salary. Severance is paid monthly with the first payment in the month after the employment has ended. Severance is not paid for the period falling after the contractual pension age. Together, the term of notice and severance may not exceed 24 months.

The severance will be deducted from income received from other employment during the same period. Upon termination by themselves, there is a six-month period of notice with salary and pension benefits, but no severance pay.

Other benefits

All senior executives have medical insurance and are entitled to a company car. Several senior executives also have benefits in the form of overnight housing and travel.

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Summary of compensation and other benefits during 2024

SEK	Base salary/ Board and committee fee	Variable compensation remuneration	Share related plans[2]	Other benefits[1]	Pension cost	Total
Chairman of the Board						
Marcus Wallenberg	2,333,750					2,333,750
Deputy Chairman						
Bert Nordberg	943,750					943,750
Other Board members						
Sara Mazur	175,000					175,000
Lena Erixon	730,000					730,000
Joakim Westh	1,073,750					1,073,750
Danica Kragic Jensfelt	730,000					730,000
Erika Söderberg Johnson	950,000					950,000
Johan Menckel	917,500					917,500
Henrik Henriksson	730,000					730,000
Sebastian Tham	950,000					950,000
Anders Ynnerman	555,000					555,000
President and CEO Micael Johansson	16,636,340		10,576,317	359,396	5,964,641	33,536,694
Other senior executives	59,247,915		23,299,601	2,754,880	19,505,849	104,808,245
Total	**85,973,005**	**-**	**33,875,918**	**3,114,276**	**25,470,490**	**148,433,689**

Guidelines for remuneration and other benefits for senior executives are described in the administration report.

Summary of compensation and other benefits during 2023

SEK	Base salary/ Board and committee fee	Variable compensation remuneration	Share related plans[2]	Other benefits[1]	Pension cost	Total
Chairman of the Board						
Marcus Wallenberg	2,221,250					2,221,250
Deputy Chairman						
Bert Nordberg	873,750					873,750
Other Board members						
Sara Mazur	693,750					693,750
Lena Erixon	693,750					693,750
Joakim Westh	986,250					986,250
Danica Kragic Jensfelt	693,750					693,750
Daniel Nodhäll	215,000					215,000
Erika Söderberg Johnson	882,500					882,500
Johan Menckel	857,500					857,500
Henrik Henriksson	693,750					693,750
Sebastian Tham	667,500					667,500
President and CEO Micael Johansson	14,173,563		9,374,453	359,905	5,316,124	29,224,045
Other senior executives	59,221,339		26,264,797	4,137,230	17,999,531	107,622,897
Total	**82,873,652**	**-**	**35,639,250**	**4,497,135**	**23,315,655**	**146,325,692**

1) Including compensation for the additional costs incurred due to the benefits.
2) Share related plans relate to Share Matching Plans, Performance Share Plans and Special Projects Incentive.

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Share-based compensation

Accounting principles

Share-based compensation refers solely to remuneration to employees, including senior executives.

Share-based compensation settled with the company's shares or other equity instruments is comprised of the difference between the fair value at the time these plans were issued and the consideration received. This remuneration is recognised as staff costs during the vesting period. To the extent the vesting conditions in the plan are tied to market factors (such as the price of the company's shares), they are taken into consideration in determining the fair value of the plan. Other conditions (such as performance targets) affect staff costs during the vesting period by changing the number of shares or share-related instruments that are expected to be paid.

Saab has a Share Matching Plan where all permanent employees are entitled to participate. The payroll expenses for matching shares in the plan are recognised during the vesting period based on the fair value of the shares. The employees pay a price for the share that corresponds to the share price on the investment date. Three years after the investment date, employees are allotted as many shares as they purchased three years earlier, provided that they are still employees of the Saab Group and that the shares have not been sold. In certain countries, social security expenses are paid on the value of the employee's benefit when matching takes place. During the vesting period, provisions are allocated for these estimated social security expenses. Share repurchases to fulfil the commitments of Saab's Share Matching Plans are recognised in equity. In addition, there is a Performance Share Plan for senior executives and other key employees that entitles them to performance shares, depending on the employee category to which they belong, as well as a Special Projects Incentive, as a complement to the Performance Share Plan. The plans entitle the employee to performance shares depending on group affiliation, provided that they are still employed after three years and that the performance targets were met.

Share-based compensation settled with cash is comprised of the value of synthetic shares at the end of every period. This remuneration is recognised as staff costs during the three-year period from the time of grant to the time of payment. The accrued expense is valued at fair value based on the price of the company's shares each period. Any difference between the payout and the accrued expense is recognised in the income statement in the period of final payout.

Saab has a Key Employee Plan in which employees are selected as participants annually through a nomination process that identifies individuals according to critical skills, performance of potential. The participants are granted synthetic shares that will be paid out in cash after two and three years of vesting respectively, provided that the participant is still an employee of the Saab Group. The staff costs for the synthetic shares in the plan are recognised during the period between the time of grant to the time of payout based on the fair value of the shares. In certain countries, social security expenses are paid on the value of the payout.

For share-settled programs and cash-settled programs, the number of shares have been recalculated with account taken to the share split 4:1.

Share-settled programs

Long-term incentive programme

The Annual General Meeting of Saab has resolved for a number of years to offer a long-term incentive programme (LTI) consisting of three parts: a Share Matching Plan, a Performance Share Plan and a Special Projects Incentive . The Board considers it important that Saab's employees share a long-term interest in the appreciation of the company's shares. The table below shows the maximum number of shares in the ongoing programmes and the maximum number of participants of the performance programmes.

The Board of Directors proposed that the Annual General Meeting 2024 resolve to adopt long-term incentive programme 2025 (LTI 2025), consisting of Share Matching Plan 2025, Performance Share Plan 2025 and Special Projects Incentive 2025, with some changes to the performance targets as regards the Performance Share Plan 2025. The Annual General Meeting resolved in accordance with the Board's proposal. Until LTI 2022, the maximum number of shares consisted both of shares that can be transferred to the participants free of consideration and shares that are intended to be transferred on Nasdaq Stockholm in order to cover social security costs. The number of shares that can be transferred to the participants free of consideration has decreased from 5,200,000 in LTI 2024 to 4,400,000 in LTI 2025.

Ongoing incentive programmes[1)]	Maximum number of shares	Maximum number of participants[2)]
Share Matching Plan 2021	3,972,000	
Share Matching Plan 2022	4,020,000	
Share Matching Plan 2023	4,800,000	
Share Matching Plan 2024	3,400,000	
Share Matching Plan 2025	2,560,000	
Performance Share Plan 2021	1,032,000	200
Performance Share Plan 2022	800,000	200
Performance Share Plan 2023	1,200,000	200
Performance Share Plan 2024	1,200,000	200
Performance Share Plan 2025	1,160,000	300
Special Projects Incentive 2021	856,000	100
Special Projects Incentive 2022	660,000	100
Special Projects Incentive 2023	920,000	100
Special Projects Incentive 2024	600,000	100
Special Projects Incentive 2025	680,000	150

1) Share Matching Plan 2021-2025, Performance Share Plan 2021-2025, and Special Projects Incentive 2021-2025 have been recalculated with account taken to the share split 4:1.
2) Permanent employees working in a country where the Share Matching Plan is introduced are offered to participate in the Share Matching Plan, thus there is no maximum numbers of participants.

Share Matching Plan

Since 2007, Saab offers permanent employees the opportunity to participate in the Share Matching Plan. Employees can withhold up to 5 per cent of their gross base salary to purchase Series B shares on Nasdaq Stockholm during a twelve-month period. Provided that a participant retains the purchased shares for three years after the investment date and is still employed by the Saab Group, the participant will be allotted a corresponding number of Series B shares free of charge. Currently, Share Matching Plans 2021–2025 are ongoing.

In the Share Matching Plan 2021, shares have been matched three times in 2024 and once in February 2025. In Share Matching Plan 2022, shares will be matched three times in 2025 and once in February 2026.

Performance Share Plan

Since 2008, Saab also has a Performance Share Plan for senior executives and key employees. The Performance Share Plan is directed at a limited number of key employees, see the table above, including the President. Participants can save up to 7.5 per cent of their base salary to purchase Series B shares during a twelve month period, while participating in the Share Matching Plan as well, but only up to a maximum of 5 per cent of base salary. Depending on which category they belong to, participants are entitled to 4–7 performance shares for each purchased share. Participants are entitled to matching of performance shares, free of consideration, provided that the performance targets are achieved and the participants have retained the purchased shares for three years after the investment date and remain employed by the Saab Group.

The number of performance shares is linked to the performance targets established by the Board of Directors. The terms for the performance matching are based on four independent targets for a one-year performance period: organic sales growth [1)], EBIT margin [2)], free cash flow [3)] and CO2 reduction [4)]. Performance Share Plan 2025 have one additional target, increase of the percentage of women employees. The performance targets for CO2 reduction and increase of the percentage of women employees are both based on a three-year performance period. Additionally, the performance target free cash flow will be replaced by operational cash flow. The Board of Directors decides on the performance matching after the end of the performance period. If the performance outcome falls short of the maximum level but exceeds the minimum level, a linear proportionate performance matching will occur. No performance matching will occur if the performance outcome is equal to or below the minimum level. Before the performance matching is ultimately determined, the Board of Directors will assess whether it is reasonable in relation to the company's financial results and position, conditions in the stock market and other circumstances. If it

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determines that this is not the case, the Board of Directors will reduce the number of performance shares that will be matched to the lower number of shares it considers appropriate.

Performance shares are allotted three years after the investment. Currently, Performance Share Plans 2021-2025 are ongoing. In Performance Share Plan 2021, performance matching has occured three times in 2024 and once in February 2025. In Performance Share Plan 2022, performance matching will take place three times in 2025 and once in February 2026.

After the end of the one-year performance period for the Performance Share Plan 2024, on 31 December 2024, it was determined that the targets had been achieved and the Board of Directors approved performance matching as follows. Performance matching will take place three times in 2027 and once in February 2028.

1) Adjusted for acquisitions and divestments as well as exchange rate differences.
2) Adjusted for acquisitions and divestments as well as non-recurring items.
3) Adjusted for acquisitions and divestments as well as non-recurring items.
4) Adjusted for acquisitions and divestments as well as any other extraordinary or non-recurring items.

Performance Share Plan

2024	Outcome	Outcome performance targets, %	Weighted, %	Allotment, %
Organic sales growth	23%	100	20	20
EBIT margin	8.8%	50	30	15
Free cash flow	MSEK 1,259	100	40	40
CO2 reduction	-6.4%	100	10	10
Total allotment				**85**

2023	Outcome	Outcome performance targets, %	Weighted, %	Allotment, %
Organic sales growth	23%	100	30	30
EBIT margin	8.3%	80	30	24
Free cash flow	MSEK 2,311	100	30	30
CO2 reduction	-1.5%	0	10	0
Total allotment				**84**

Special Projects Incentive

Since 2017, Saab has also a Special Projects Incentive programme (SPI), as a complement to the Performance Share Plan.

The Special Projects Incentive is directed at a limited number of key employees, see the table above, including the President. Participation in SPI presupposes participation in the Performance Share Plan or the Share Matching Plan. The programme entitles the employee to allotment of performance shares corresponding to 15-52.5 per cent of the cash base salary for the current financial year depending on group affiliation, provided that the employment remains for three years and that performance targets are reached. For the President and other members of the Group Management, the total allotment of shares in SPI and the Performance Share Plan together amounts to a maximum of 75 per cent of the cash base salary for the President and 60 per cent of the cash base salary for the other members of the Group Management. Performance shares are allotted after three years based on the achievement during the current financial year of eight equally weighted performance targets in SPI 2021. SPI 2022-2024 programmes are based on ten equally weighted performance targets while SPI 2025 is based on ten to fifteen equally weighted performance targets.

After the end of the one-year performance period for the SPI 2024, on 31 December 2024, it was determined that five of the ten performance targets had been met. The ten performance targets in SPI 2024 were operating targets and milestones in special projects within Saab's product areas Gripen, airborne radar systems (AEW&C), submarines, missiles, combat management systems and advanced pilot training systems. The performance targets may be related to e.g. product design review, customer design review, partial deliveries or system implementation. Each performance target represents 10 per cent of the total performance targets. The performance targets in previous SPI programmes have been of a similar nature as in SPI 2024. Due to the nature of the defence industry, further information on the individual performance targets cannot be provided. Performances have been reviewed by Saab's internal audit and the external auditor, PwC.

The performance shares in SPI 2024 will be allotted in February 2027. In 2024, a total of 79,572 shares have been allotted in SPI 2021.

Number of Series B shares purchased and number of participants, Share Matching Plans, 2021–2024

Year	Number of shares	Number of participants
2021	3,055,456	8,062
2022	1,894,948	8,112
2023	1,396,356	8,857
2024	936,643	11,043

Number of Series B shares purchased and number of participants, Performance Share Plans, 2021–2024

Year	Number of shares	Number of participants
2021	277,968	162
2022	185,080	194
2023	145,040	199
2024	86,072	199

Share Matching Plan

Thousands	2021	2022	2023	2024	Total
Number of matching shares eligible at beginning of the year	2,551	1,718	1,175	-	5,445
Allotted during the year (purchased shares)	-	-	193	937	1,130
Early share matching	-	-30	-24	-6	-60
Ordinary share matching	-1,922	-	-	-	-1,922
Forfeited	-74	-60	-59	-17	-210
Number of matching shares eligible at year-end	**556**	**1,628**	**1,286**	**914**	**4,383**
Average remaining maturity, years	-	0.8	1.8	2.8	

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Performance Share Plan

Thousands	2021	2022	2023	2024	Total
Number of matching shares eligible at beginning of the year	260	183	126	-	570
Allotted during the year (purchased shares)	-	-	18	86	104
Early share matching	-	-7	-6	-2	-15
Ordinary share matching	-109	-	-	-	-109
Forfeited	-3	-5	-4	-	-12
Number of matching shares eligible at year-end	**148**	**171**	**136**	**84**	**539**
Average remaining maturity, years	-	0.8	1.8	2.8	

Total number of shares eligible at year-end

Thousands	2021	2022	2023	2024	Total
Share Matching Plan	556	1,628	1,286	914	4,383
Performance Share Plan	148	171	136	84	539
Less: Shares included in both plans	-148	-171	-136	-84	-539
Total	**556**	**1,628**	**1,286**	**914**	**4,383**

Cash-settled programs

Key Employee Plan
In 2023, Saab's Board of Directors decided on a new long term incentive program, Key Employee Plan. The Key Employee Plan is a cash-settled retention plan. Employees, except the Board, the CEO, members of the Group Management or other Senior Managers are selected as participants to Key Employee Plan annually through a nomination process that identifies individuals according to critical skills, performance or potential. The participants are granted an award of a potential amount corresponding 15 per cent of the participant's annual salary. The amount will be converted into a number of synthetic shares based on the share price for the Saab share of series B on Nasdaq Stockholm at the time of grant. The total amount payable may not exceed 30 per cent of the participant's annual salary. In order to receive full payment, the participant needs to remain employed within the Saab Group during the entire three-year period. Cash payment takes place on two occasions; after approximately two and three years respectively from the start of the plan with 50 percent of the award on each occasion. The amount which the participants may receive is driven by the share price development of the Saab share during the three-year period. At the respective time of payment, the synthetic shares are converted into an amount based on the share price at the time of payment.

Number of outstanding synthetic shares and number of participants, Key Employee Plan, as per 2024-12-31

Year	Number of outstanding synthetic shares	Number of participants
2023	447,688	753
2024	748,591	1,392

Recognised expense for above-mentioned plans, including social security expenses

MSEK	2024	2023
Share-settled programs		
Share Matching Plan 2020	-	115
Share Matching Plan 2021	168	100
Share Matching Plan 2022	99	83
Share Matching Plan 2023	93	29
Share Matching Plan 2024	36	-
Performance Share Plan 2020	-	9
Performance Share Plan 2021	45	28
Performance Share Plan 2022	20	20
Performance Share Plan 2023	22	7
Performance Share Plan 2024	11	-
Special Projects Incentive 2021	-	15
Special Projects Incentive 2022	14	12
Special Projects Incentive 2023	14	15
Special Projects Incentive 2024	9	-
Total share-settled programs	**531**	**433**
Cash-settled programs		
Key Employee Plan 2023	74	24
Key Employee Plan 2024	74	-
Total cash-settled programs	**148**	**24**
Total recognised expense	**679**	**457**

The expense for the share-settled programs is included in operating income and is recognised in the balance sheet as equity and accrued expenses (social security expenses). The expense for the cash-settled programs is included in operating income and is recognised in the balance sheet as accrued expenses (personnel liabilities and social security expenses). As of December 31, 2024 the accrued expense for cash-settled programs was MSEK 172 (24). Administrative expenses for the share-based compensation programs amounted to MSEK 10 (6) in 2024.

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Note 9. Auditors' fees and compensation

	Group		Parent Company	
MSEK	**2024**	**2023**	**2024**	**2023**
PwC				
Audit assignments	25	23	14	13
where of PwC Sweden	*19*	*17*		
Audit work in excess of the audit assignment	1	1	1	1
where of PwC Sweden	*1*	*1*		
Tax advice	0	0	0	0
Other services	3	1	2	1
where of PwC Sweden	*3*	*1*		
Other audit firms				
Audit assignments	4	4	-	-
Total	**33**	**29**	**17**	**14**
where of PwC Sweden	*22*	*19*		

Audit assignments refer to expenses for the statutory audit, i.e. the work that was necessary to issue the audit report as well as advice in connection with the audit assignment.

Audit work in excess of the audit assignment relates to expenses for opinions and other assignments associated to a fairly high degree with audits and which are normally performed by the external auditor, including consultations on advisory and reporting requirements, internal control and the review of interim reports. For 2024, the external auditors' assignment as mandated by law amounted to a negligible sum.

Other services relate to expenses that are not classified as audit assignments, audit work in excess of the audit assignment and tax advice.

Note 10. Depreciation/amortisation and write-downs

	Group	
MSEK	**2024**	**2023**
Depreciation/amortisation		
Capitalised development costs	-634	-594
Other intangible fixed assets	-230	-164
Operating properties	-131	-104
Plant and machinery	-414	-350
Equipment, tools and installations	-539	-458
Right-of-use assets	-697	-595
Total	**-2,645**	**-2,265**
Write-downs		
Capitalised development costs	-	-21
Other intangible fixed assets	-95	-
Total	**-95**	**-21**

	Parent Company	
MSEK	**2024**	**2023**
Depreciation/amortisation		
Goodwill	-40	-40
Other intangible fixed assets	-160	-123
Buildings	-70	-52
Plant and machinery	-235	-205
Equipment, tools and installations	-337	-310
Total	**-842**	**-730**

No write-downs were recognised in the Parent Company during 2024 or 2023.

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Note 11. Financial income and expenses

	Group	
MSEK	**2024**	**2023**
Interest income on interest-bearing investments and other loans receivable	521	497
Financial income from revaluation and disposal of financial assets and liabilities measured at fair value through profit or loss	18	241
Other financial income	24	44
Financial income	**563**	**782**
Interest expenses on bonds and other financial liabilities	-400	-387
Interest expenses on lease liabilities	-159	-139
Financial expenses from revaluation and disposal of financial assets and liabilities measured at fair value through profit or loss	-284	-16
Financial expenses related to pensions	-46	-35
Other financial expenses	-47	-59
Financial expenses	**-936**	**-636**
Net financial income and expenses	**-373**	**146**

	Parent Company			
	Result from shares in Group companies		Result from shares in associated companies/ joint ventures	
MSEK	**2024**	**2023**	**2024**	**2023**
Dividends	337	679	-	-
Group contributions received	2,180	2,041	-	-
Capital gain on sale of shares	0	234	-	43
Write-downs	-183	-153	-80	-973
Other	-1	-1	-	-
Total	**2,333**	**2,800**	**-80**	**-930**

	Parent Company			
	Result from other securities and receivables held as fixed assets		Other interest income and similar profit/loss items	
MSEK	**2024**	**2023**	**2024**	**2023**
Interest income, Group companies	-	-	142	85
Other interest income	-	-	429	426
Exchange rate differences	12	42	-	-
Net change in value from revaluation and disposal of financial assets/liabilities	59	301	-	-
Write-downs of financial assets	-6	-30	-	-
Other	-25	-21	-	-
Total	**40**	**292**	**571**	**511**

	Parent Company	
	Interest expenses and similar profit/loss items	
MSEK	**2024**	**2023**
Interest expenses, Group companies	-160	-172
Other interest expenses	-261	-463
Total	**-421**	**-635**

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Note 12. Appropriations

	Parent Company	
MSEK	**2024**	**2023**
Plant and machinery as well as equipment, tools and installations	-264	-156
Total difference between tax depreciation and depreciation according to plan	**-264**	**-156**
Net change in tax allocation reserves	-560	-461
Total	**-824**	**-617**

Note 13. Taxes

Accounting principles

Income taxes are recognised in the income statement and consist of current tax and deferred tax. When the underlying transaction is recognised in other comprehensive income, for example the revaluation of the net pension obligations, the related tax effect is also recognised in other comprehensive income.

Current tax is the tax to be paid or received for the current year, applying the tax rates that have been set as of the closing day. Adjustments are made for current taxes attributable to previous periods.

Deferred tax is calculated according to the balance sheet method based on temporary differences. Temporary differences constitute the difference between the carrying amount of assets and liabilities and their value for tax purposes.

Deferred tax assets from deductible temporary differences and tax loss carry forwards are only recognised to the extent it is likely that they will be utilised. The value of deferred tax assets is reduced when it is no longer considered likely that they can be utilised.

Tax recognised in the income statement

Taxes comprise current tax and deferred tax. Current tax is calculated based on applicable tax laws in the countries in which the parent company and subsidiaries operate and generate taxable income.

	Group	
MSEK	**2024**	**2023**
Current tax expense (–)/tax income (+)		
Taxes for the year	-1,056	-866
Adjustment for taxes related to previous years	1	-2
Total	**-1,055**	**-868**
Deferred tax expense (–)/tax income (+)		
Deferred tax related to temporary differences	-43	-140
Deferred tax related to value of tax loss carry forwards capitalised during the year	60	73
Deferred tax expense due to utilisation of previously capitalised tax value in tax loss carry forwards	-46	-36
Deferred tax related to previous years	5	-4
Total	**-24**	**-107**
Total recognised tax in the Group	**-1,079**	**-975**

The Group's total deferred tax amounted to MSEK -24 (-107) and current tax expense for the year amounted to MSEK -1,055 (-868), leading to a total recognised tax of MSEK -1,079 (-975) in the consolidated income statement. The table "Change in deferred tax in temporary differences and tax loss carry forwards" for the Group, on the following page, specifies how deferred tax affected income.

	Parent Company	
MSEK	**2024**	**2023**
Current tax expense (–)/tax income (+)		
Taxes for the year	-725	-494
Adjustment for taxes related to previous years	-3	-1
Total	**-728**	**-495**
Deferred tax expense (–)/tax income (+)		
Deferred tax related to temporary differences	25	-121
Deferred tax related to previous years	-	0
Total	**25**	**-121**
Total recognised tax in the Parent Company	**-703**	**-616**

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Reconciliation of effective tax

	Group			
MSEK	**2024 (%)**	**2024**	**2023 (%)**	**2023**
Income before taxes		5,289		4,418
Tax according to current tax rate for the Parent Company	-20.6	-1,089	-20.6	-910
Effect of other tax rates for foreign operations	-1.1	-57	-0.2	-9
Non-deductible expenses	-1.3	-70	-1.3	-57
Tax-exempt income	1.3	68	2.9	126
Tax on additional non-capitalised tax loss carry forwards	-0.4	-20	-1.7	-76
Utilisation of previously non-capitalised tax loss carry forwards	0.9	45	1.2	52
Effect from tax deductions and other similar items	0.4	22	1.2	54
Tax related to previous years	0.1	6	-0.2	-6
Effect on tax from associated companies	0.3	15	-3.2	-141
Other	0.0	1	-0.2	-8
Reported effective tax	**-20.4**	**-1,079**	**-22.1**	**-975**

Current and deferred taxes amounted to MSEK -1,079 (-975), equivalent to an effective tax rate of 20.4 per cent (22.1). The decrease in the effective tax rate was mainly a result of the change in effect on tax from associated companies and higher utilisation of previously non-capitalised loss carry forwards in 2024.

	Parent Company			
MSEK	**2024 (%)**	**2024**	**2023 (%)**	**2023**
Income before taxes		3,268		2,723
Tax according to current tax rate for the Parent Company	-20.6	-673	-20.6	-561
Tax allocated to foreign operations	-0.2	-5	0.9	24
Non-deductible expenses	-3.0	-97	-10.2	-276
Tax-exempt income	2.3	75	7.3	198
Tax related to previous years	-0.0	-3	0	-1
Reported effective tax	**-21.5**	**-703**	**-22.6**	**-616**

Tax items recognised directly against other comprehensive income

	Group	
MSEK	**2024**	**2023**
Provisions for pensions	-72	140
Cash flow hedges	492	-170
Equity instruments classified as measured at fair value through other comprehensive income	-8	8
Interest-bearing investments measured at fair value through other comprehensive income	-1	-
Total	**411**	**-22**

Expiration of recognised and unrecognised tax loss carry forwards in the Group

MSEK	**Recognised tax loss carry forwards**	**Unrecognised tax loss carry forwards**
Expiration		
Unlimited expiration	836	413
2028	26	
2030	1	
Total tax loss carry forwards	**863**	**413**
Recognised deferred tax asset	**199**	

At the close of 2024, the Saab Group's unrecognised tax loss carryforwards amounted to MSEK 413 (449).

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Change in deferred tax in temporary differences and tax loss carry forwards

	Group												
SEK	Intangible fixed assets	Tangible fixed assets	Right-of-use assets	Inventories	Lease liabilities	Provisions for pensions	Other provisions	Tax allocation reserves	Tax loss carry forwards	Other	Total	Tax set-off	Deferred tax assets/ liabilities, net
Opening balance 1 Jan 2023	**-1,239**	**-516**	**-537**	**463**	**574**	**363**	**465**	**-504**	**164**	**30**	**-737**		**-737**
Recognised in the income statement	14	-75	22	-9	-21	-7	99	-93	37	-74	-107		-107
Recognised in other comprehensive income	-	-	-	-	-	140	-	-	-	-162	-22		-22
Acquired/divested operations	-56	-	-	-	-	-	-	-	-14	7	-63		-63
Translation differences	3	5	2	-7	-2	-	-11	-	-9	-2	-21		-21
Closing balance 31 Dec 2023	**-1,278**	**-586**	**-513**	**447**	**551**	**496**	**553**	**-597**	**178**	**-201**	**-950**		**-950**
Of which, deferred tax assets	-	24	-	447	551	496	553	-	178	265	2,514	-2,032	482
Of which, deferred tax liabilities	-1,278	-610	-513	-	-	-	-	-597	-	-466	-3,464	2,032	-1,432
Opening balance 1 Jan 2024	**-1,278**	**-586**	**-513**	**447**	**551**	**496**	**553**	**-597**	**178**	**-201**	**-950**		**-950**
Recognised in the income statement	54	-2	-61	198	71	-29	-31	-112	14	-126	-24		-24
Recognised in other comprehensive income	-	-	-	-	-	-72	-	-	-	483	411		411
Translation differences	-2	-3	-4	12	4	-	16	-	7	-16	14		14
Closing balance 31 Dec 2024	**-1,226**	**-591**	**-578**	**657**	**626**	**395**	**538**	**-709**	**199**	**140**	**-549**		**-549**
Of which, deferred tax assets	27	63	-	657	626	395	538	-	199	721	3,226	-2,705	521
Of which, deferred tax liabilities	-1,253	-654	-578	-	-	-	-	-709	-	-581	-3,775	2,705	-1,070

The Group's total deferred tax expense/income in the 2024 income statement amounted to MSEK -24 (-107). The Group's total deferred tax expense in the statement of comprehensive income amounted to MSEK 411 (-22). The net closing balance on 31 December 2024, MSEK -549 (-950), consisted of deferred tax assets of MSEK 521 (482) and deferred tax liabilities of MSEK -1,070 (-1,432).

The net change in the year's tax loss carry forwards, excluding translation differences, amounted to MSEK 14 (37) , which is the amount of deferred tax on capitalised tax value in tax loss carry forwards, MSEK 60 (73), and deferred tax expense due to utilisation of previously capitalised tax value in tax loss carry forwards, MSEK -46 (-36).

Other amounts in the "Recognised in the income statement" row in the table above amounted to MSEK -38 (-144), which is the total of deferred tax related to temporary differences and deferred tax attributable to previous years.

Deferred tax assets and liabilities related to leases are offset in the statement of financial position but presented gross above.

Acquired/divested operations in the comparative year mainly relate to the divestment of the MTM operations and the acquisition of BlueBear, see note 41.

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MSEK	Deferred tax assets 31-12-2024	Deferred tax liabilities 31-12-2024	Net
	Parent Company		
Tangible fixed assets	-	-188	-188
Inventories	196	-	196
Accounts receivable	11	-	11
Provisions for pensions	124	-	124
Other provisions	210	-	210
Long-term liabilities	3	-	3
Accrued expenses and deferred income	71	-	71
Other	52	-	52
Tax assets/liabilities, total	**667**	**-188**	**479**
Set-off	-188	188	-
Tax assets/liabilities, net	**479**	**-**	**479**

MSEK	Deferred tax assets 31-12-2023	Deferred tax liabilities 31-12-2023	Net
	Parent Company		
Tangible fixed assets	-	-193	-193
Inventories	178	-	178
Accounts receivable	11	-	11
Provisions for pensions	121	-	121
Other provisions	186	-	186
Long-term liabilities	4	-	4
Accrued expenses and deferred income	65	-	65
Other	83	-	83
Tax assets/liabilities, total	**648**	**-193**	**455**
Set-off	-193	193	-
Tax assets/liabilities, net	**455**	**-**	**455**

The change in deferred tax assets and liabilities in the Parent Company, Saab AB, has been recognised in the income statement.

Estimated utilisation dates of recognised deferred tax assets

MSEK	Group	Parent Company
Deferred tax assets expected to be recovered within one year	320	8
Deferred tax assets expected to be recovered after one year	2,906	659

Estimated utilisation dates of recognised deferred tax liabilities

MSEK	Group	Parent Company
Deferred tax liabilities due for payment within one year	-429	-11
Deferred tax liabilities due for payment after one year	-3,346	-177

OECD Pillar II Model Rules

Saab is within the scope of the OECD Pillar II model rules. For the Saab group, with a Swedish parent company, the rules came into effect on January 1, 2024. Under the new legislation, Saab is liable to pay a top-up tax for the difference between the effective tax rate calculated in accordance with the Pillar II rules per jurisdiction and the minimum rate in the Pillar II rules, 15 per cent. The group applies the exception as provided in the amendments to IAS 12 issued in May 2023, to recognising and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes.

For the closing of 2024, the Group has performed preliminary calculations in accordance with the transitional Safe Harbour rules for all jurisdictions where the group operates. Based on these calculations, no additional tax according to Pillar II has been idenitified. The final impact of Pillar II is yet to be determined but is expected to be very limited. Therefore, no additional tax expense was recognised in the Group's consolidated accounts for 2024.

The jurisdictions in which Saab operates and is taxed are primarily jurisdictions with a local corporate income tax rate well above the Pillar II minimum rate of 15 per cent. However, as the model rules, and interpretations thereof, are still in development, and with consideration to local variations, the future impact cannot yet be fully estimable.

Note 14. Earnings per share

MSEK	2024	2023
Net income for the year attributable to Parent Company's shareholders (MSEK)	4,171	3,381
Weighted average number of common shares outstanding:		
before dilution (thousands)[1)]	534,008	531,536
after dilution (thousands)[1)]	539,218	537,511
Earnings per share, before dilution (SEK)[1)]	7.81	6.36
Earnings per share, after dilution (SEK)[1)]	7.74	6.29

1) Comparison period adjusted for share split 4:1

The weighted average number of shares outstanding before dilution refers to the total number of shares in issue less the average number of repurchased treasury shares. The weighted average number of shares outstanding after dilution is based on the effects of all potential shares (long-term incentive programmes) that give rise to a dilution effect.

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Note 15. Intangible fixed assets

Accounting principles

Goodwill

Goodwill is distributed among cash-generating units and tested annually for impairment in the fourth quarter. Goodwill arising from the acquisition of associated companies and joint ventures is included in the carrying amount of the shares in the associated company and joint venture.

In acquisitions where the cost is less than, on the one hand, the net of the cost of the Group company's shares, the value of non-controlling interests in the acquired company and the fair value of the previously owned interest and, on the other, the carrying amount of the acquired assets and assumed liabilities in the acquisition analysis, the difference is recognised directly through profit or loss.

Research and development

Expenditures for research undertaken in an effort to gain new scientific or technological knowledge are expensed when incurred.

Expenditures for development, where the research results or other knowledge is applied to new or improved products or processes, are recognised as an asset in the statement of financial position. Other expenditures for development are recognised in profit or loss as an expense when they arise. Development expenditures are recognised in the statement of financial position at cost less accumulated amortisation and any impairment losses. Customer-financed research and development is recognised in cost of goods sold rather than capitalised.

Other intangible fixed assets

Other intangible fixed assets, which include licenses for operating systems, design and implementation of new operating systems, as well as acquired assets such as trademarks and customer relations, are recognised at cost less accumulated amortisation and any impairment losses.

Amortisation

Intangible fixed assets, excluding goodwill, are amortised from the day they are available for use. Estimated periods of use and amortisation methods are as follows:

- Patents, trademarks, customer relations and other technical rights: 5–10 years on a straight line basis.
- Other intangible assets: licenses for operating systems etc. are amortised on a straight line basis, 2-5 years.
- Capitalised development costs: Self-financed capitalised development costs are amortised on a straight line basis over a maximum period of 15 years. Acquired development costs are amortised on a straight line basis over a maximum of 10 years.
- Goodwill: In the Parent Company, goodwill is amortised over a maximum period of 20 years. Goodwill is not amortised in the Group.

Periods of use are tested annually and unfinished development work is tested for impairment at least once a year regardless of any indications of diminished value.

Impairment of goodwill, capitalised development costs and other intangible assets

For goodwill and intangible fixed assets not yet ready for use, recoverable values are calculated annually in the fourth quarter.

The recoverable amount of an asset is the higher of its fair value less selling expenses and value in use. Value in use is measured by discounting future cash flows using a discounting factor that takes into account the risk-free rate of interest adjusted for the risk associated with the specific asset.

If essentially independent cash flows cannot be isolated for individual assets, the assets are grouped at the lowest levels where essentially independent cash flows can be identified (cash-generating units). An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable value. Impairment losses are charged against the income statement.

Impairment losses attributable to a cash-generating unit (or pool of units) are mainly allocated to goodwill, after which they are divided proportionately among other assets in the unit (the pool of units). Impairment of goodwill is not reversed. Impairment losses from other assets are reversed if a change has occurred in the assumptions that served as the basis for determining recoverable value. Impairment is reversed only to the extent the carrying amount of the assets following the reversal does not exceed the carrying amount that the asset would have had if the impairment had not been recognised, taking into account the amortisation that would have been recognised.

	Group		Parent Company	
MSEK	**31-12-2024**	**31-12-2023**	**31-12-2024**	**31-12-2023**
Goodwill	5,572	5,424	53	93
Capitalised development costs	6,052	6,106	-	-
Other intangible assets	1,374	1,411	1,181	1,081
Total	**12,998**	**12,941**	**1,234**	**1,174**

Goodwill

	Group		Parent Company	
MSEK	**2024**	**2023**	**2024**	**2023**
Acquisition value				
Opening balance, 1 January	6,121	6,081	784	784
Business combinations	5	112	-	-
Disposals and reclassifications	-4	-	-	-
Translation differences	147	-72	-	-
Closing balance, 31 December	**6,269**	**6,121**	**784**	**784**
Amortisation and write-downs				
Opening balance, 1 January	-697	-697	-691	-651
Amortisation for the year	-	-	-40	-40
Closing balance, 31 December	**-697**	**-697**	**-731**	**-691**
Carrying amount, 31 December	**5,572**	**5,424**	**53**	**93**

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Capitalised development costs

	Group		Parent Company	
MSEK	**2024**	**2023**	**2024**	**2023**
Acquisition value				
Opening balance, 1 January	14,017	13,246	2,000	2,000
Internally developed assets	530	547	-	-
Business combinations	35	252	-	-
Disposals and reclassifications	-	-17	-	-
Translation differences	43	-11	-	-
Closing balance, 31 December	**14,625**	**14,017**	**2,000**	**2,000**
Amortisation and write-downs				
Opening balance, 1 January	-7,911	-7,288	-2,000	-2,000
Amortisation for the year	-634	-594	-	-
Write-downs for the year	-	-21	-	-
Business combinations	-	-26	-	-
Disposals and reclassifications	-	7	-	-
Translation differences	-28	11	-	-
Closing balance, 31 December	**-8,573**	**-7,911**	**-2,000**	**-2,000**
Carrying amount, 31 December	**6,052**	**6,106**	**-**	**-**

Other intangible assets

	Group		Parent Company	
MSEK	**2024**	**2023**	**2024**	**2023**
Acquisition value				
Opening balance, 1 January	3,946	3,300	2,975	2,552
Investments	297	484	284	413
Business combinations	5	184	-	-
Disposals and reclassifications	-74	-1	-52	10
Translation differences	60	-21	-	-
Closing balance, 31 December	**4,234**	**3,946**	**3,207**	**2,975**
Amortisation and write-downs				
Opening balance, 1 January	-2,535	-2,394	-1,894	-1,767
Amortisation for the year	-230	-164	-160	-123
Write-downs for the year	-95	-	-	-
Disposals and reclassifications	38	7	28	-4
Translation differences	-38	16	-	-
Closing balance, 31 December	**-2,860**	**-2,535**	**-2,026**	**-1,894**
Carrying amount, 31 December	**1,374**	**1,411**	**1,181**	**1,081**

Amortisation is included in the following lines in the income statement

	Group		Parent Company	
MSEK	**2024**	**2023**	**2024**	**2023**
Cost of goods sold	230	164	200	163
Marketing expenses	95	-	-	-
Research and development costs	634	615	-	-

Development expenditures
The total capitalisation largely relates to development projects for the Gripen E/F.

Development expenditures are capitalised in the consolidated accounts. In most legal entities, all development expenditures are expensed. Capitalisation of development expenditures in the Parent Company relates to acquired development expenditures.

Impairment tests for goodwill
In connection with business combinations, goodwill is allocated to the cash-generating units, or groups thereof, that are expected to obtain future economic benefits in the form of, for example, synergies from the acquisition. Acquired operations normally have access to knowledge, technology and solutions that will benefit large parts of the Group, and the acquired operations are usually integrated with other operations shortly after acquisition. Consequently, goodwill is allocated to and tested for impairment at the business area level, which also corresponds to the lowest level at which goodwill is monitored in the internal governance.

Goodwill in the Parent Company relates to goodwill arising from the purchase of the net assets of Saab Microwave Systems.

Goodwill is distributed by segment as follows:

MSEK	31-12-2024	31-12-2023
Aeronautics	119	119
Dynamics	623	623
Surveillance	4,064	3,928
Kockums	373	365
Combitech	351	353
Corporate	42	36
Total goodwill	**5,572**	**5,424**

Impairment testing of cash-generating units is based on the calculation of value in use. This value is based on discounted cash flow forecasts according to the units' business plans. Saab's assessment is that this does not cause any impairment. Saab has analysed different scenarios and performed stress tests of the calculations of value in use through negative adjustments of key judgments such as growth rate and profitability level during the forecast period and in the terminal value. In 2024, stress tests were performed with negative adjustment on volume/growth with 5 per cent, operating margin with 1 per cent and with a discount rate (WACC) between 10 and 14 per cent. These stress test have not led to any identified need of impairment.

Variables used to calculate value in use

Volume/growth
Growth in the cash-generating units' business plans is based on Saab's expectations with regard to development in each market area and previous experience. It is also based on estimates of cash flows that are distributed over the long projects and are dependent on the timing and size of advances and milestone payments. The first five years are based on the five-year business plan formulated by Group Management and approved by the Board. For cash flows after five years, the annual growth rate has been assumed to be 2 (2) per cent.

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Operating margin
The operating margin is based on the units' operating income after depreciation and amortisation. Each unit's operating margin is calculated against the backdrop of historical results and Saab's expectations with regard to the future development of markets where the units are active. All business areas have a substantial order backlog of projects that stretch over a number of years. The risks and opportunities affecting the operating margin are managed through continuous cost forecasts for all significant projects. The operating margin is based on current projections of final costs.

Capitalised development costs
In the five-year business plans, consideration is given to additional investments in development considered necessary for certain units to reach the growth targets in their respective markets.

Discount rate
Discount rates are based on the weighted average cost of capital (WACC). The WACC rate that is used is based on a risk-free rate of interest in ten years adjusted for, among other things, market risks. The discount rate is in line with the external requirements placed on Saab and similar companies in the market.
All units have sales of defence materiel, unique systems, products and support solutions in the international market as their primary activity, and their business risk in this respect is considered equivalent.

Recent years' order bookings have increased the share of projects across business areas and changed the composition of the order backlog for certain units, which complicates a differentiation of discount rates between business areas. As a result, Saab has decided to apply a uniform discount rate in the impairment tests. The discount rate (WACC) used in 2024 was 10 per cent (10) pre-tax.

Sensitivity analysis
Group Management considers that reasonable possible changes in the above variables would not have such a large impact that any one variable individually would reduce the recoverable amount to less than the carrying amount.

Note 16. Tangible fixed assets

Accounting principles
Tangible fixed assets are recognised at cost after deducting accumulated depreciation and any write-down.

Depreciation
Depreciation is recognised on a straight-line basis based on the asset's cost less estimated residual value at the end of the period of use, over the asset's estimated period of use. Land is not depreciated. Component depreciation is applied, which means that fixed assets consisting of various components, or where significant parts have different periods of use, are depreciated as separate assets based on their periods of use.

Estimated periods of use:
- Operating properties/buildings: 20–90 years.
- Plant and machinery: 5–10 years.
- Equipment, tools, installations and computers: 3–10 years.

Each asset's residual value and period of use are estimated annually.

Impairment of tangible assets
The carrying amount of fixed assets, with the exception of assets measured at fair value, is tested on each closing day for indications of impairment. If an indication exists, the asset's recoverable amount is calculated.

	Group		Parent Company	
MSEK	**31-12-2024**	**31-12-2023**	**31-12-2024**	**31-12-2023**
Operating properties/ buildings and land[1)]	3,271	3,093	1,690	1,671
Plant and machinery	3,439	2,315	1,966	1,291
Equipment, tools and installations	2,106	1,656	1,232	1,019
Construction in progress	3,668	2,437	1,522	1,395
Total	**12,484**	**9,501**	**6,410**	**5,376**

1) In the Group, the reported amount refers to operating properties. In the Parent Company, the reported amount refers to buildings and land.

Operating properties/buildings and land[1)]

	Group		Parent Company	
MSEK	**2024**	**2023**	**2024**	**2023**
Acquisition value				
Opening balance, 1 January	6,413	6,127	2,689	2,483
Investments	255	321	100	225
Divestments, disposals and reclassifications	-3	3	-34	-19
Translation differences	50	-38	-	-
Closing balance, 31 December	**6,715**	**6,413**	**2,755**	**2,689**
Depreciation and write-downs				
Opening balance, 1 January	-3,320	-3,231	-1,915	-1,867
Depreciation for the year	-131	-104	-70	-52
Divestments, disposals and reclassifications	25	5	23	4
Translation differences	-18	10	-	-
Closing balance, 31 December	**-3,444**	**-3,320**	**-1,962**	**-1,915**
Revaluations				
Opening balance, 1 January	-	-	897	897
Closing balance, 31 December	**-**	**-**	**897**	**897**
Carrying amount, 31 December	**3,271**	**3,093**	**1,690**	**1,671**

1) In the Group, the reported amount refers to operating properties. In the Parent Company, the reported amount refers to buildings and land.

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Plant and machinery

	Group		Parent Company	
MSEK	**2024**	**2023**	**2024**	**2023**
Acquisition value				
Opening balance, 1 January	6,608	6,543	4,001	3,827
Investments	1,495	507	928	177
Business combinations	6	79	-	-
Reclassifications	85	48	-	13
Divestments and disposals	-278	-508	-122	-16
Translation differences	109	-61	-	-
Closing balance, 31 December	**8,025**	**6,608**	**4,807**	**4,001**
Depreciation and write-downs				
Opening balance, 1 January	-4,293	-4,443	-2,710	-2,523
Depreciation for the year	-414	-350	-235	-205
Business combinations	-	-39	-	-
Reclassifications	-31	-3	-	2
Divestments and disposals	216	508	104	16
Translation differences	-64	34	-	-
Closing balance, 31 December	**-4,586**	**-4,293**	**-2,841**	**-2,710**
Carrying amount, 31 December	**3,439**	**2,315**	**1,966**	**1,291**

Equipment, tools and installations

	Group		Parent Company	
MSEK	**2024**	**2023**	**2024**	**2023**
Acquisition value				
Opening balance, 1 January	4,792	4,278	3,109	2,838
Investments	974	666	558	418
Business combinations	-	12	-	-
Reclassifications	-25	34	-5	-10
Divestments and disposals	-100	-172	-64	-137
Translation differences	28	-26	-	-
Closing balance, 31 December	**5,669**	**4,792**	**3,598**	**3,109**
Depreciation and write-downs				
Opening balance, 1 January	-3,136	-2,867	-2,090	-1,926
Depreciation for the year	-539	-458	-337	-310
Business combinations	-	-7	-	-
Reclassifications	34	14	-	10
Divestments and disposals	96	166	61	136
Translation differences	-18	16	-	-
Closing balance, 31 December	**-3,563**	**-3,136**	**-2,366**	**-2,090**
Carrying amount, 31 December	**2,106**	**1,656**	**1,232**	**1,019**

Construction in progress

	Group		Parent Company	
MSEK	**2024**	**2023**	**2024**	**2023**
Acquisition value				
Opening balance, 1 January	2,437	1,558	1,395	1,073
Investments	1,288	1,013	98	322
Reclassifications	-59	-121	29	0
Translation differences	2	-13	-	-
Carrying amount, 31 December	**3,668**	**2,437**	**1,522**	**1,395**

Investments in construction in progress refer to a net of new investments and reclassifications to other asset classes.

Collateral
On 31 December 2024 property with a carrying amount of MSEK 0 (0) was pledged as collateral for bank loans.

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Note 17. Leasing

The Group's and the Parent Company's obligations as a lessee mainly involve premises and buildings for production and/or administration. The Group's other leases mainly relate to aircraft and vehicles. Leases are normally signed for fixed periods over several years, but may include an option to extend, as described in more detail below. The Group or the Parent Company has no material obligations as a lessor.

The terms are negotiated separately for each lease and contain a large number of contractual terms. The leases do not contain any special terms or restrictions whereby the contracts could be terminated if the terms are not met, but the leased assets may not be used as collateral for loans.

Accounting principles

Leases are recognised as right-of-use assets and a corresponding liability on the date the leased asset is available for use by the Group. Each lease payment is divided between amortisation of the liability and financial cost. The financial cost is allocated over the lease term so that each reporting period is charged with an amount corresponding to a fixed interest rate for the liability recognised in that period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's period of use and the term of the lease.

The lease payments are discounted by the implicit interest rate if that rate can easily be determined, or otherwise by the incremental borrowing rate.Saab sets the incremental borrowing rate for different maturities by constructing a rate curve based on the interbank interest rate swap curve adjusted with Saab's credit risk. The credit risk of a liability with the underlying asset type as collateral is added. The rate is recalculated if the lessee within the Saab Group has a functional currency other than SEK. The rate is also adjusted for differences in credit risk between the Group company in question and the Saab Group. Saab uses market data in the form of swap rates, for example, to calculate the incremental borrowing rate. If a quote is not available for a variable for a specific maturity, interpolation or extrapolation is applied. The key judgments made in determining the incremental borrowing rate mainly comprise assumptions about the mark-up for lessee-specific credit risk and collateral-specific credit risk. The mark-up for the credit risk is based on listed bonds with similar underlying credit risk.

Lease payments for short-term leases and leases of low-value assets are expensed on a straight-line basis in the income statement. Short-term leases are leases of 12 months or less.

Options to extend and terminate are included in a number of the Group's leases on premises and buildings. The terms are used to maximise the flexibility in managing the contracts. When determining the term of the lease, available information is taken into account if it provides an economic incentive to exercise an extension option, or to not exercise an option to terminate a lease. Possibilities to extend a lease are included in the term of the lease only if it is reasonably certain that the lease will be extended (or not terminated). The key judgments made when determining the lease term have been based on Saab's judgments when dividing leases into groups based on whether they are of a strategic nature or not. Strategic nature refers to premises that contain production equipment which is difficult to move or for which Saab for some other reason has an economic incentive to exercise an option. The lease term for these contracts is regularly assessed, whereupon extension options are more likely to be included the shorter the remaining term is. For leases that are not of a strategic nature, Saab has determined that there are no economic incentives to exercise options that affect the lease term. It happens, however, that options to extend which have not been taken into account in the calculation of the lease liability are exercised even though the initial judgment was that there was no significant economic incentive to exercise the extension option.

Interest costs on lease liabilities are presented as financial costs in the income statement.

Cash flows from leases are classified and presented as follows:

- The lease liability's amortisation is included in financing activities.
- Interest payments are included in cash flows from operating activities.
- Payments for short-term leases and payments for leases for which the underlying asset has a low value and is not included in the valuation of the lease liability are presented in operating activities.

The following tables provide information on leases.

Right-of-use assets

MSEK	Properties	Other	Group
Opening balance, 1 January 2023	2,281	401	2,682
New leases	98	167	265
Depreciation	-446	-149	-595
Revaluation [1]	208	4	212
Translation differences	-9	-1	-10
Closing balance, 31 December 2023	**2,132**	**422**	**2,554**
Opening balance, 1 January 2024	2,132	422	2,554
New leases	554	187	741
Depreciation	-535	-162	-697
Revaluation [1]	260	-3	257
Translation differences	23	3	26
Closing balance, 31 December 2024	**2,434**	**447**	**2,881**

1) Revaluation primarily refers to extensions of existing contracts but also indexation and early termination of contracts.

Lease liabilities

	Group	
MSEK	2024	2023
Opening balance lease liabilities, 1 January	2,675	2,794
of which long-term leases	*2,078*	*2,240*
of which short-term leases	*597*	*554*
New leases	721	270
Expensed interest	159	139
Lease fees paid	-849	-725
Revaluation [1]	269	215
Translation differences	57	-18
Closing balance, 31 December	**3,032**	**2,675**
of which long-term leases	*2,337*	*2,078*
of which short-term leases	*695*	*597*

1) Revaluation primarily refers to extensions of existing contracts but also indexation and early termination of contracts.

Of the lease liabilities, undiscounted lease fees due within one year from the closing day amount to MSEK 775 (863), MSEK 1,390 (1,163) in the range from one to three years and MSEK 1,370 (859) are due later than three years from the closing day. Lease fees during periods in scope of an extension option which have not been included in the calculation of the lease liability amount to MSEK 1,781 (1,556). The amount has been calculated on the basis of one extension period per contract.

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In addition to the leases reported as of the closing day, the Group has signed two leases on properties with estimated access during the fourth quarter 2025. The rental terms are five and 20 years respectively and generates a total rental commitment of approximately SEK 1.8 billion.

Result from leases that are not recognised as right-of-use assets and lease liabilities

	Group	
MSEK	**2024**	**203**
Costs for short-term leases	34	23
Costs for leases for assets of low-value	5	8
Total	**39**	**31**

Lease fees paid for leases that are not recognised as right-of-use assets and lease liabilities amounted to MSEK 39 (31) whereby the Group paid total lease fees of MSEK 888 (756). Contractual obligations for short-term leases amounted to MSEK 9 (12) as of 31 December 2024.

The following table provide the result of lease contracts for the Parent Company.

	2024		2023	
MSEK	**Buildings and land**	**Plant and machinery**	**Buildings and land**	**Plant and machinery**
Expensed lease fees	457	101	364	146
of which variable lease fees	-	-	-	-
Contracted lease fees				
Within 1 year	461	92	378	320
1 to 3 years	970	77	836	81
Later than three years	1,132	4	775	1
Total contracted	**2,563**	**173**	**1,989**	**402**

Note 18. Biological assets

Accounting principles
Biological assets comprise forest property that is recognised at fair value less deduction for estimated selling expenses. Changes in fair value is recognised in the income statement. The fair value is based on a valuation of an independent appraiser.

	Group	
MSEK	**2024**	**2023**
Living forest		
Carrying amount, 1 January	414	408
Investments	-	-
Divestments	-	-
Change in fair value	34	23
Less fair value logging	-34	-17
Carrying amount, 31 December	**414**	**414**
Of which fixed assets	414	414

On 31 December 2024, biological assets consisted of approximately 375,000 m³sk of spruce, 784,000 m³sk of pine and 89,000 m³sk of hardwood. Forest growth is estimated at 37,000 m³sk per year. During the year, approximately 49,000 m³sk of timber was felled, which had a fair value in the Group, after deduction of selling expenses, of MSEK 34 on the felling date.

The valuation of forests has been done by independent appraisers. The forestry property has been valued according to the market comparison method. In the valuation according to the market comparison method, the environmental impact from a firing range within the property has not been taken into account. An adjustment for the environmental impact has therefore been made by reducing fair value by an amount corresponding to the market value of the size of the firing range (4,457 hectares) less the value of the timber.

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Note 19. Shares in associated companies and joint ventures

Accounting Principles
Associated companies are companies over which the Group has a significant, but not decisive, influence over operating and financial controls, usually through a shareholding of between 20 and 50 per cent of the votes. Joint ventures are companies in which the Group, through a cooperative agreement with one or more parties, shares a decisive influence over operating and financial controls. As of the date that significant influence in an associated company and shared decisive influence in a joint venture arises, the shares in the associated company or joint venture are recognised according to the equity method in the consolidated accounts. The equity method is applied until the date when significant or shared decisive influence ceases.

Associated companies and joint ventures

	Group	
MSEK	**2024**	**2023**
Carrying amount, 1 January	253	343
Acquisition of associated companies and joint ventures	-	-
Sales of associated companies and joint ventures	-	-6
Share of income in associated companies and joint ventures [1)]	72	-685
New share issues/infusion of capital	12	55
Adjustment against receivable	-	584
Translation differences	-	-2
Dividends	-22	-36
Carrying amount, 31 December	**315**	**253**

1) Share of associated companies' and joint ventures' net income and non-controlling interests.

The Group's associated companies and joint ventures are held for operating purposes, i.e. they are related to operations of the business areas or in the venture portfolio and are therefore recognised in operating income.

Aggregate net income for Saab's associated companies amounted to MSEK 220 (-1,284) and other comprehensive income/loss to MSEK 0 (-2), producing net comprehensive income/loss of MSEK 220 (-1,286).

For Saab's joint ventures, net income amounted to MSEK 0 (0) and other comprehensive income to MSEK 0 (0), producing a net comprehensive income of MSEK 0 (0).

Saab's share of income in associated companies and joint ventures amounts to MSEK 72 (-685).

Shares in associated companies and joint ventures as of 31 December 2024 include goodwill of MSEK 19 (20).

The Group's share of sales, income, assets, liabilities, equity, and the carrying amount of shares in associated companies and joint ventures is as follows.

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2024, MSEK	Country	Sales	Income	Assets	Liabilities	Equity	Ownership interest, %[1]	Share of income in associated companies and joint ventures	Carrying amount, shares in associated companies and joint ventures
Associated companies									
FFV Services Private Limited	India	44	19	75	20	55	49.0%	10	27
Taurus Systems GmbH	Germany	285	43	181	105	76	33.0%	14	25
Wah Nobel (Pvt) Ltd	Pakistan	453	122	573	96	477	27.0%	33	129
Other associated companies, mainly in the ventures portfolio		1,097	36	1270	939	331		14	119
Total associated companies		**1,879**	**220**	**2,099**	**1,160**	**939**		**71**	**300**
Divested during 2024									
UMS Skeldar AG[2]	Switzerland						-	1	-
Joint ventures									
Järfälla-Veddesta Holdings AB	Sweden	0	0	703	659	44	35.0%	0	15
Total joint ventures		**0**	**0**	**703**	**659**	**44**		**0**	**15**
Total		**1,879**	**220**	**2,802**	**1,819**	**983**		**72**	**315**

1) The ownership interest of each holding represents both ownership and voting rights.
2) UMS Skeldar AG was established as a fully owned subsidiary in 2024.

2023, MSEK	Country	Sales	Income	Assets	Liabilities	Equity	Ownership interest, %[1]	Share of income in associated companies and joint ventures	Carrying amount, shares in associated companies and joint ventures
Associated companies									
FFV Services Private Limited	India	45	18	91	16	75	49.0%	9	37
Taurus Systems GmbH	Germany	317	1	174	141	33	33.0%	0	11
UMS Skeldar AG	Switzerland	144	-1,264	128	128	0	49.8%	-630[2]	0
Wah Nobel (Pvt) Ltd	Pakistan	350	4	457	94	363	27.0%	1	98
Other associated companies, mainly in the ventures portfolio		1,071	-43	802	535	267		-7	92
Total associated companies		**1,927**	**-1,284**	**1,652**	**914**	**738**		**-627**	**238**
Divested during 2023									
Akaer Participacões S.A.	Brazil						-	-58[3]	-
Joint ventures									
Järfälla-Veddesta Holdings AB	Sweden	0	0	711	667	44	35.0%	0	15
Total joint ventures		**0**	**0**	**711**	**667**	**44**		**0**	**15**
Total		**1,927**	**-1,284**	**2,363**	**1,581**	**782**		**-685**	**253**

1) The ownership interest of each holding represents both ownership and voting rights.
2) Includes write-down of Saab's share with MSEK 436. See note 43 Items affecting comparability.
3) Includes write-down of Saab's share with MSEK 58. See note 43 Items affecting comparability.

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Note 20. Parent company's shares in associated companies and joint ventures

	Parent Company	
MSEK	2024	2023
Accumulated acquisition value		
Opening balance, 1 January	74	368
Acquisitions	-	-
Divestments	-	-
Write-downs	-	-294[1)]
Closing balance, 31 December	**74**	**74**
Carrying amount, 31 December	**74**	**74**

1) Refers to UMS Skeldar AG and Akaer Participações S.A.

Specification of Parent Company's (co-owner's) directly owned holdings of shares in associated companies and joint ventures

	2024	
MSEK	% of votes and capital	Carrying amount
Associated companies		
Kedtech Holding AB, 556945-3748, Stockholm	23.0	0
Skill Scandinavia AB, 556060-5478, Linköping	40.2	2
AVIA SATCOM Co Ltd, Thailand	25.1	0
Combient AB, 556985-1560, Järfälla	24.9	35
Joint ventures		
Järfälla-Veddesta Holdings AB, 559025-4024, Linköping	35.0	37
Total		**74**

UMS Skeldar AG was established as a fully owned subsidiary in 2024.

	2023	
MSEK	% of votes and capital	Carrying amount
Associated companies		
Kedtech Holding AB, 556945-3748, Stockholm	23.0	0
Skill Scandinavia AB, 556060-5478, Linköping	33.0	2
AVIA SATCOM Co Ltd, Thailand	25.1	0
UMS Skeldar AG, CHE-113.226.140, Switzerland	49.8	0
Combient AB, 556985-1560, Järfälla	24.9	35
Joint ventures		
Järfälla-Veddesta Holdings AB, 559025-4024, Linköping	35.0	37
Total		**74**

Note 21. Receivables from group companies

	Parent Company			
	Long-term receivables from Group companies		Long-term receivables from associated companies and joint ventures	
MSEK	2024	2023	2024	2023
Accumulated acquisition value				
Opening balance, 1 January	90	91	238	539
Change in reserve for excepted credit losses	-	-	-	24
Realised loss on receivables	-	-	-81	-630
Settled receivables	-	-1	-10	-27
Additional receivables	-	-	0	317
Translation differences	-	-	17	15
Closing balance, 31 December	**90**	**90**	**164**	**238**

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Note 22. Other long-term securities holdings

	Parent Company	
MSEK	**2024**	**2023**
Accumulated acquisition value		
Opening balance, 1 January	1,159	133
Acquisition of shares	286	1,026
Acquisition of interest-bearing investments	1,610	-
Closing balance, 31 December	**3,055**	**1,159**
Accumulated write-downs		
Opening balance, 1 January	-17	-17
Closing balance, 31 December	**-17**	**-17**
Carrying amount, 31 December	**3,038**	**1,142**

Acquisition of shares in 2024 refers to AMEXCI AB, Helsing GmbH, and Industrikraft i Sverige AB.

Note 23. Long-term receivables and other receivables

	Group	
MSEK	**31-12-2024**	**31-12-2023**
Long-term receivables held as fixed assets		
Receivables from associated companies, interest-bearing	28	117
Receivables from joint ventures, interest-bearing	164	174
Other interest-bearing receivables	49	42
Receivables attributable to pensions, interest-bearing	79	59
Other non interest-bearing receivables	115	123
Total	**435**	**515**

	Group	
MSEK	**31-12-2024**	**31-12-2023**
Other receivables held as current assets		
Receivables from associated companies, interest- bearing	-	2
Receivables from associated companies, non interest- bearing	-	2
Receivables from joint ventures, non interest-bearing	20	18
Advance payments to suppliers	2,154	1,136
Other interest-bearing receivables	73	71
Other non interest-bearing receivables	1,012	963
Total	**3,259**	**2,192**

	Parent Company	
MSEK	**31-12-2024**	**31-12-2023**
Other long-term receivables		
Interest-bearing receivables	48	42
Non interest-bearing receivables	8	17
Total	**56**	**59**

	Parent Company	
MSEK	**31-12-2024**	**31-12-2023**
Other receivables held as current assets		
Positive market value related to FX forwards	561	349
Other non interest-bearing receivables	573	436
Total	**1,134**	**785**

	Parent Company	
MSEK	**31-12-2024**	**31-12-2023**
Long-term receivables		
Accumulated acquisition value		
Opening balance, 1 January	59	16
Additional receivables	13	78
Settled receivables	-16	-
Write-downs	-	-35
Closing balance, 31 December	**56**	**59**

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Note 24. Inventories

Accounting principles
Inventories are valued at the lower of cost and net realisable value. The net realisable value is the estimated selling price in continuing operations after deducting estimated expenses for completion and expenses incurred in selling.

Cost is calculated by applying the first-in first-out method (FIFO) or the weighted average method and includes expenses to acquire inventory assets and bring them to their present location and condition. For finished and semifinished goods, cost consists of direct manufacturing expenses and a reasonable share of indirect manufacturing expenses as well as expenses to customise products for individual customers. Calculations take into account normal capacity utilisation.

	Group	
MSEK	**31-12-2024**	**31-12-2023**
Raw materials and consumables	11,751	9,626
Work in progress	8,698	6,130
Finished goods and goods for resale	1,376	1,030
Total	**21,825**	**16,786**

The Group's cost of goods sold includes inventory write-downs of MSEK 149 (170). The reversal of previous write-downs amounted to MSEK 26 (215).

	Parent Company	
MSEK	**31-12-2024**	**31-12-2023**
Raw materials and consumables	5,626	5,196
Work in progress	5,120	3,946
Finished goods and goods for resale	1,102	848
Advance payments to suppliers	682	661
Total	**12,530**	**10,651**

Cost of goods sold for the Parent company includes inventory write-downs of MSEK 110 (128) and reversals of previous write-downs of MSEK 18 (199).

Note 25. Accounts receivable

Accounting principles
Accounts receivable are initially recognised at fair value and subsequently at amortised cost at the amount expected to be received based on an individual evaluation. Accounts receivable have a short expected maturity, accordingly, they are normally recognised at their nominal amount without discounting.

Impairment losses on accounts receivable and contract assets from defence-related operations are evaluated based on expected credit losses due to defaults within the coming twelve months. These tests are done individually by counterparty. The evaluation is primarily based on counterparty credit risk after consideration of collateral received. Data primarily include official credit rating grades for counterparties.

Impairment losses on accounts receivable from commercial operations are tested based on a probability-weighted outcome for expected credit losses. The calculation is based on an individual assessment of the solvency of the customer and on incurred customer losses in the last ten financial years, from which a worse-case scenario, default scenario and better-case scenario is calculated. The default scenario has been calculated using the average of actual customer losses during these ten years. The other two scenarios have been calculated based on historical information as well as forward-looking information such as future outlooks and economic forecasts. Each scenario has been assigned a probability, where the default scenario is weighted 70 (70) per cent in the calculation and the other two scenarios 15 (15) per cent each. Finally, an evaluation is performed, both for defence-related and civil operations, in order to identify whether adjutsments to the caluclated provision is needed to capture credit risk that is not captured by the calculation models.

Contract assets recognised in the balance sheet for work to be billed essentially have the same risk characteristics as work already billed for the same type of contract. The Group therefore applies the same assessment for expected credit losses in contract assets as for account receivables.

Impairment of accounts receivable is recognised as operating expenses.

Accounts receivable are written off when the counterparty is no longer expected to be able to pay its debt which can be indicated by final settlement from liquidation of the counterparty or other information that cause Saab to deem that no reimbursement is likely.

As of 31 December 2024 the Group's outstanding accounts receivable amounted to MSEK 11,334 (7,244) of which MSEK 10,434 (6,319) were attributable to defense-related operations. Contract assets amounted to MSEK 14,323 (12,316) of which 13,534 (11,549) were attributable to defence-related operations.

Defence-related sales accounted for 92 per cent (90) of total sales, accordingly counterparties in the major part of accounts receivables are nations with high creditworthiness. The Group's receivables are mainly within the EU, which accounted for 55 per cent (61) of the total. Where counterparties' creditworthiness is deemed unsatisfactory, bank or insurance guarantees or guarantees from EKN are secured.

Write-downs of accounts receivable and contract assets amounted to MSEK 68 (64) as of 31 December 2024, corresponding to 0.6 per cent (0.9) of total accounts receivable. Write-downs are entirely attributable to accounts receivable. MSEK 49 (44) of the write-down is attributable to defence-related operations and MSEK 19 (20) to civil operations.

Accounts receivable in the Parent Company amounted to MSEK 3,788 (3,300). During the year, receivables were written down with MSEK 5 (1). Reversals of previous write-downs amounted to MSEK 2 (6).

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Write-downs of accounts receivable, Group

	2024		
MSEK	Defence related operations	Civil operations	Total
Write-downs, 1 January	-44	-20	-64
Write-downs for calculated losses	-8	-5	-13
Reversal of previous write-downs	3	2	5
Actual credit losses	1	4	5
Translation differences	-1	0	-1
Write-downs, 31 December	**-49**	**-19**	**-68**

	2023		
MSEK	Defence related operations	Civil operations	Total
Write-downs, 1 January	-51	-29	-80
Write-downs for calculated losses	-2	-1	-3
Reversal of previous write-downs	7	11	18
Actual credit losses	0	0	0
Translation differences	2	-1	1
Write-downs, 31 December	**-44**	**-20**	**-64**

Age analysis of the Group's overdue receivables

	2024		
MSEK	Defence related operations	Civil operations	Total
<30 days	1,085	59	1,144
30 to 90 days	154	11	165
91 to 180 days	57	5	62
>181 days	200	14	214
Accounts receivable overdue	**1,496**	**89**	**1,585**
Accounts receivable not overdue	8,938	811	9,749
Total accounts receivable	**10,434**	**900**	**11,334**

	2023		
MSEK	Defence related operations	Civil operations	Total
<30 days	720	84	804
30 to 90 days	219	31	250
91 to 180 days	63	34	97
>181 days	255	35	290
Accounts receivable overdue	**1,257**	**184**	**1,441**
Accounts receivable not overdue	5,062	741	5,803
Total accounts receivable	**6,319**	**925**	**7,244**

Note 26. Prepaid expenses and accrued income

	Group		Parent Company	
MSEK	31-12-2024	31-12-2023	31-12-2024	31-12-2023
Prepaid expenses	1,026	762	948	721
Deferred realised losses from cash flow hedges	-	-	1,963	1,830
Accured service income	208	194	116	46
Other accrued income	506	327	422	256
Total	**1,740**	**1,283**	**3,449**	**2,853**

Prepaid expenses primarily relate to pension premiums, rents, licenses and insurance.

Note 27. Liquid assets

Accounting principles
Liquid assets consist of cash and cash equivalents, immediately accessible balances with banks and similar institutions, and short-term liquid investments with a maturity from acquisition date of less than three months, which are exposed to no more than an insignificant risk of fluctuation in value.

	Group	
MSEK	31-12-2024	31-12-2023
Cash and bank balances	2,543	1,629
Bank deposits	300	500
Total according to statement of financial position	**2,843**	**2,129**
Total according to statement of cash flows	**2,843**	**2,129**

Bank deposits relate to short-term investments, with a maturity of less than three months. The Group's unutilised account overdraft facility amounted to msek 96 (88) at year-end. With regard to the Group's other loan facilities, refer to notes 30 and 35.

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Note 28. Shareholders' equity

The shares in the Parent Company are divided into two series, A and B. Both classes of shares carry equal rights, with the exception that each Series A share is entitled to ten votes and each Series B share one vote. The shares have a quota value of SEK 4.

Outstanding shares

31 December 2024	Number of shares	Number of shares, %	Number of votes, %
Series A shares	9,535,612	1.8%	15.4%
Series B shares	525,735,356	98.2%	84.6%
Total	**535,270,968**	**100.0%**	**100.0%**

31 December 2023	Number of shares	Number of shares, %	Number of votes, %
Series A shares	2,383,903	1.8%	15.4%
Series B shares	130,863,412	98.2%	84.6%
Total	**133,247,315**	**100.0%**	**100.0%**

Change in number of outstanding shares

2024	Series A	Series B	Total
Number of outstanding shares at 1 January	2,383,903	130,863,412	133,247,315
Share split 4:1	7,151,709	392,590,236	399,741,945
Equity swap agreement with third party		-1,200,000	-1,200,000
Matching and allotment in long-term incentive programmes		3,481,708	3,481,708
Number of outstanding shares at 31 December	**9,535,612**	**525,735,356**	**535,270,968**

On 11 April 2024, the Annual General Meeting decided on a share split, whereby each share is divided, regardless of series, into four shares of the same series. The record date for the share split was 8 May, 2024. After the share split, the total number of shares in Saab amounts to 543,383,388 of which 9,535,312 are A shares and 533,847,776 B shares, corresponding to 629,203,896 votes in total. Saab held 6,915,618 treasury shares as of 31 December 2024, compared to 10,394,128 at year-end 2023 (adjusted for the share split 4:1). During the second quarter 2024, Saab also entered an equity swap agreement with a third party to hedge the expected financial exposure of LTI 2024 of 1,200,000 shares. As of 31 December, the equity swap consisted of 1,196,802 shares. Number of outstanding shares as of 31 December 2024, without reduction for shares in equity swap, was 536,467,770. In 2024, 3,481,708 shares were matched or alloted in Saab's long-term incentive programmes. Transferred shares correspond to 0.6 per cent of the share capital. No shares were repurchased during the year. The dividend to shareholders during the year amounted to MSEK 856 (703), or SEK 1.60 (1.33) per share.

Proposed disposition of earnings 2024
The Board of Directors and the President and CEO propose that the unappropriated earnings in the Parent Company at disposal of the Annual General Meeting, amounting to:

SEK	
Retained earnings	7,268,016,739
Share premium reserve	5,557,130,127
Net income for the year	2,565,306,277
Total	**15,390,453,143**
be disposed as follows:	
To the shareholders, a dividend of SEK 2.00 per share	1,072,935,540
To share premium reserve	5,557,130,127
Funds to be carried forward	8,760,387,476
Total	**15,390,453,143**

Management of the Group's capital
The Group's capital under management consists of equity. The Group's capital management goal is to facilitate continued operating growth and to remain prepared to capitalise on business opportunities. Saab's equity/asset target is to exceed at least 30 per cent.

Net result of cash flow hedges
The net result of cash flow hedges comprise the effective share of the cumulative net change in fair value of a cash flow hedging instrument attributable to hedge transactions that have not yet occured.

Translation reserve
The translation reserve comprise exchange rate differences that arise from the translation of financial reports from operations that have prepared their reports in a currency other than the currency of the Group's financial reports. The Parent Company and the Group present their financial reports in SEK. The translation reserve at year-end amounts to MSEK 1,250 (785). During 2024 MSEK 2 (61) were reclassified from the translation reserve to the income statement.

Parent company
Restricted reserves
Restricted reserves may not be reduced through profit distributions.

Revaluation reserve
When a tangible or financial fixed asset is revaluated, the revaluation amount is allocated to a revaluation reserve.
Statutory reserve
Provisions to the statutory reserve have previously amounted to at least 10 per cent of net income for the year, until the statutory reserve corresponded to at least 20 per cent of the Parent Company's capital stock. As of 2006 provisions are voluntary and the Parent Company makes no provisions to the statutory reserve.

Unrestricted equity
Share premium reserve
Amounts exceeding the quota value per share received in connection with rights issues. The amount is available for distribution to the shareholders.

Retained earnings
Retained earnings consist of previous year's unrestricted equity after any profit distribution. Retained earnings together with net income for the year comprise unrestricted equity, available for distribution to the shareholders.

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Note 29. Interest-bearing liabilities

	Group	
MSEK	**31-12-2024**	**31-12-2023**
Long-term liabilities		
Bonds and other debt instruments	7,079	6,870
Other interest-bearing liabilities	49	45
Total	**7,128**	**6,915**
Current liabilities		
Bonds and other debt instruments	114	400
Liabilities to associated companies and joint ventures	55	49
Other interest-bearing liabilities	55	4
Total	**224**	**453**
Total interest-bearing liabilities	**7,352**	**7,368**

Terms and repayment schedules

Collateral for loans amounts to MSEK 0 (0). Of the long-term liabilities, MSEK 4,484 (3,549) falls due between one and five years of the closing day and MSEK 2,644 (3,366) later than five years of the closing day. The undiscounted cashflows in the interval between one and three years from the closing day are MSEK 1,732 (1,508), MSEK 3,198 (2,652) between three and five years and MSEK 3,506 (4,399) later than five years from the closing day. The interest rate curve as of the closing day has been used to calculate future cashflows from floating rate liabilities.

Bonds and other debt instruments consist of Medium Term Notes (MTN) and liability related to equity swap agreement. For more information on financial risk management, see note 35.

The fair value of MTN loans and liability related to equity swap agreement is MSEK 233 (203) lower than the book value. Except for MTN loans and liability related to equity swap agreement, there is no significant difference between book and fair value.

Note 30. Bonds and other debt instruments

	Parent company	
MSEK	**31-12-2024**	**31-12-2023**
Current liabilities		
Overdraft facilities: Available credit/limit	96	88
Short-term portion of bank loans: Unutilised portion	-96	-88
Utilised credit amount	**-**	**-**
Credit facility: Medium Term Notes (MTN)	114	400
Total	**114**	**400**
Long-term liabilities		
Credit facilities: Available credit/limit (revolving credit facility)	6,000	6,000
Unutilised portion of revolving credit facility	-6,000	-6,000
Utilised credit amount	**-**	**-**
Credit facility: Medium Term Notes (MTN)	6,756	6,870
Liability related to equity swap agreement	317	-
Total	**7,073**	**6,870**
Total bonds and other debt instruments	**7,187**	**7,270**

Since 2009, Saab has a Medium Term Note programme (MTN) to enable the issuance of long-term loans on the capital market. In 2018, the MTN programme was increased to MSEK 10,000. During the year bonds with short maturity amounting to MSEK 400 were repurchased while no new bonds were issued. As a result, outstanding loans under the MTN programme totaled MSEK 6,869 (7,269) with a corresponding carrying value of MSEK 6,870 (7,270). In addition to the MTN programme, Saab also has a commercial paper program with a limit of MSEK 5,000 (5,000). Issues of commercial papers amounted to MSEK 0 (0).

In September 2021, Saab signed two revolving credit facilities of MSEK 4,000 maturing 2026 and MSEK 2,000 maturing 2023 with one plus one year extension option. During 2024, the MSEK 2,000 was re-negotiated resulting in an extention with one additional year, exteding the revolving credit facility to mature in 2026. No credit facility has been utilised during the year.

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Note 31. Post-employment benefits

The Saab Group's post-employment benefits refer to pensions. These pensions comprise both defined-contribution and defined-benefit plans. A defined-contribution plan is a pension plan according to which the Group pays fixed fees to a separate legal entity that assumes the obligations to employees. Other pension plans are defined-benefit and refer to pension obligations that are retained by the Group, secured through its own pension funds or through insurance.

Accounting principles group

Defined-contribution plans

Obligations for fees to defined-contribution plans are expensed through the income statement.

Defined-benefit plans

Saab has around ten different types of defined-benefit plans. Defined-benefit plans mainly relate to the Swedish operations, where the ITP2 plan accounts for 94 per cent (94) of the total obligation.

The Group's net obligation for defined-benefit plans is calculated separately for each plan by estimating the future compensation that employees have earned through employment in present and previous periods. This compensation is discounted to present value. Most of the liability is met through provisions to a pension fund. The net obligation on the closing day is estimated as the net of the fair value of the fund assets and the present value of the pension liability.

The discount rate to estimate the obligation at present value is based on the interest rate on the closing day for first-class corporate bonds, if available, with a maturity corresponding to the pension obligation. The discount rate for Sweden is based on Swedish covered mortgage bonds (AAA) taking into account the duration of all cash flows. The calculation is made by qualified actuaries using the Projected Unit Credit Method.

When the compensation terms in a plan are improved, the portion of the increased compensation attributable to the employees' service in previous periods is expensed through the income statement.

If the obligation calculated on the closing day deviates from the estimated obligation, actuarial gains or losses arise and are recognised directly in other comprehensive income. The same interest rate is used to calculate financial income on assets under management as to discount pension liabilities.

If pension obligations are lower than assets under management, this amount is recognised as an asset.

When there is a difference between how the pension cost is determined for a legal entity and for the Group, a liability or receivable is recognised for the special employer's contribution based on this difference.

The following tables provide information on defined-benefit pension plans.

Sweden

The predominant plan in Sweden is the ITP plan under collective agreements between the Confederation of Swedish Enterprise and the Negotiation Cartel for Salaried Employees in the Private Business Sector (PTK). The ITP2 plan, which is based on an employee's final salary, covers individuals born 1978 and before and is a defined-benefit plan, while the ITP1 plan is a defined-contribution plan and covers individuals born 1979 and after.

Saab's defined-benefit pension plans in Sweden are secured either through transfers to the Group's own pension fund, as liabilities in the balance sheet or are funded through insurance mainly with Alecta. The Saab Pension Fund, which secures part of the ITP2 plan, had assets of MSEK 9,346 (8,802) as of 31 December 2024, compared to an obligation of MSEK 10,326 (10,152), calculated according to IAS 19, which means that the solvency margin amounted to 91 per cent (87).

The following applies to the portion of the defined-benefit pension obligation for retirement and family pensions secured through insurance with Alecta. According to a pronouncement by the Swedish Corporate Reporting Board, this is a defined-benefit plan for multiple employers. Alecta is unable to provide the information that would allow Saab to report these obligations as a defined-benefit plan, owing to which they are reported as a defined-contribution plan. All newly earned pensions are secured through the pension fund solution. As a result, no additional premiums are paid to Alecta. The collective funding ratio is calculated as the market value of Alecta's assets as a percentage of the insurance obligations calculated according to Alecta's actuarial methods and assumptions, which differ from IAS 19.

The collective funding ratio is normally permitted to range between 125 and 170 per cent.

USA

In the US, the defined-benefit plan for certain employees was terminated in 2023. The remaining pension obligation is related to a supplementary plan for individuals in executive positions.

Switzerland

Switzerland has a defined-benefit plan that includes all employees and where minimum benefits are prescribed by law. The company is affiliated with a collective foundation for the purpose of insuring its employees' retirement and survivor's pension, and payments are made annually. Provisions for pensions are made by both employer and employees. The employee may elect to receive the full pension as a lump sum at retirement.

Other countries

The pension plans in other countries are of insignificant amounts and are therefore reported together with Sweden below.

Disclosures regarding defined-benefit plans

	Group			
31-12-2024, MSEK	**Sweden**	**USA**	**Switzerland**	**Total**
Wholly or partially funded obligations				
Present value of defined-benefit obligations	10,500	29	440	10,969
Fair value of assets under management	-9,360	-20	-519	-9,899
Total net obligation	**1,140**	**9**	**-79**	**1,070**
Impact of asset ceiling	-	-	-	-
Recognised value net obligation	**1,140**	**9**	**-79**	**1,070**
Share funded	89%	69%	118%	
Average duration of pension obligation	16	0	15	
The net amount and the special employer's contribution is reported in the following items in the statement of financial position				
Provisions for pensions (excluding special employer's contribution)	1,140	9	-	1,149
Provisions for pensions (related to special employer's contribution)	238	-	-	238
Long-term receivables	-	-	79	79

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	Group			
31-12-2023, MSEK	**Sweden**	**USA**	**Switzerland**	**Total**
Wholly or partially funded obligations				
Present value of defined-benefit obligations	10,361	26	362	10,749
Fair value of assets under management	-8,819	-19	-448	-9,286
Total net obligation	**1,542**	**7**	**-86**	**1,463**
Impact of asset ceiling	-	-	27	27
Recognised value net obligation	**1,542**	**7**	**-59**	**1,490**
Share funded	85%	73%	116%	
Average duration of pension obligation	17	0	14	
The net amount and the special employer's contribution is reported in the following items in the statement of financial position				
Provisions for pensions (excluding special employer's contribution)	1,542	7	-	1,549
Provisions for pensions (related to special employer's contribution)	323	-	-	323
Long-term receivables	-	-	59	59

Cost reported in the income statement

	Group			
2024, MSEK	**Sweden**	**USA**	**Switzerland**	**Total**
Current service costs	184	-	12	196
Settlements	2	-	-	2
Net interest expense	46	1	-1	46
Cost of defined-benefit plans in the income statement	**232**	**1**	**11**	**244**
Cost of defined-contribution plans				1,447
Special employer's contribution				361
Total cost of post-employment benefits				**2,052**

	Group			
2023, MSEK	**Sweden**	**USA**	**Switzerland**	**Total**
Current service costs	149	-	8	157
Settlements	7	19	-	26
Net interest expense	36	-1	0	35
Cost of defined-benefit plans in the income statement	**192**	**18**	**8**	**218**
Cost of defined-contribution plans				1,253
Special employer's contribution				298
Total cost of post-employment benefits				**1,769**

Items included in the statement of cash flow

	Group			
2024, MSEK	**Sweden**	**USA**	**Switzerland**	**Total**
Deposits to pension fund and other funding	-	-	-19	-19
Payments	-366	-2	-1	-369
Withdrawals	-	2	8	10
Total impact on cash flow	**-366**	**0**	**-12**	**-378**

	Group			
2023, MSEK	**Sweden**	**USA**	**Switzerland**	**Total**
Deposits to pension fund and other funding	-	3	-16	-13
Payments	-329	-203	9	-523
Withdrawals	-	205	-2	203
Total impact on cash flow	**-329**	**5**	**-9**	**-333**

Estimated payments during 2025 amount to approximately MSEK 404.

Actuarial gains and losses are reported in other comprehensive income. Actuarial losses related to pensions amounted to MSEK 346 net in 2024 primarily due to the following:

The net of revised assumptions related to discount rate and inflation amounted to a gain of MSEK 355. The gain mainly relate to the Swedish pension plans for which the assumed discount rate has increased by 50 basis points, from 3.25% to 3.75% and the inflation assumption has increased by 25 basis points, from 1.50% to 1.75% compared to the beginning of the year.

Negative experience adjustment, has resulted in an actuarial loss of MSEK 393.

Actuarial loss related to special employer's contribution amounted to MSEK 60. The return on assets under management produced an actuarial gain of MSEK 297. The impact of asset ceiling led to an actuarial gain of MSEK 27.

Changes in net obligation for defined-benefit plans reported in the statement of financial position

	Group	
MSEK	**2024**	**2023**
Net obligation for defined-benefit plans, 1 January	1,490	1,068
Compensation paid	-369	-523
Deposits to pension fund and other funding	-19	-13
Cost reported in the income statement	244	218
Income (-) /cost (+) reported in other comprehensive income	-285	542
Withdrawals from pension funds	10	203
Settlement/translation differences	-1	-5
Net obligation for defined-benefit plans, 31 December	**1,070**	**1,490**

Change in pension obligation

	Group	
MSEK	**2024**	**2023**
Fair value, 1 January	10,749	9,742
Benefits vested during the year	196	157
Interest expense	340	358
Pension disbursements	-369	-523
Reductions	-	-22
Settlement	-3	26
Actuarial gain (-)/loss (+)	40	997
Translation differences	16	14
Fair value, 31 December	**10,969**	**10,749**

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Change in assets under management

	Group	
MSEK	**2024**	**2023**
Fair value, 1 January	9,259	8,674
Financial income	294	323
Withdrawals	-10	-203
Settlement	-5	-21
Contributions	19	13
Actuarial gain (+)/loss (-)	297	404
Actuarial gain (+)/loss (-) related to asset ceiling	27	51
Translation differences	18	18
Fair value, 31 December	**9,899**	**9,259**

Interest expense on the pension obligation less financial income on assets under management is classified as financial expense. Other pension costs are divided by function in the income statement in relation to how payroll expenses are charged to the various functions.

Sensitivity analysis (excluding special employer's contribution)

	Group	
MSEK	**Change**	**Change in obligation**
Discount rate	+0.25%	-404
	-0.25%	427
Inflation	+0.25%	454
	-0.25%	-427
Salaries	+0.25%	98
	-0.25%	-90
Life span	1 year	370

Return on assets under management

	Group	
MSEK	**2024**	**2023**
Actual return on assets under management	591	727
Financial income on assets under management	-294	-323
Actuarial result from assets under management during the year	**297**	**404**

Governance

The pension fund is governed by the Pension Board, which resumes 4–5 times per year and has the following responsibilities:

- Appoint the members of the Investment Committee
- Appoint the Fund Manger
- Annually establish the Investment Policy
- Decide on strategic (long-term) and tactical (short-term) asset allocation and allow deviations in accordance with the terms of the strategic and tactical mandate
- Annually approve the benchmark indices to track the fund's performance
- Annually approve the stop loss limit

Investment strategy and risk management

The pension fund manages the allocation and investment of assets with an aim to increase the consolidation level over time. Certain risks are accepted in order to achieve the desired return. The investment horizon is long-term and the allocation ensures that the investment portfolio is well diversified.

The Fund's investments are subject to a number of restrictions and limitations, the purpose of which is to limit investment losses. Treasury Operations continuously monitors the Fund's management and reports its findings to the Chairman of the Board and the Investment Committee.

Assets under management divided by asset class

	Group			
Per cent	**2024**	**of which listed on an active market**	**2023**	**of which listed on an active market**
Interest-bearing assets	27	100	24	100
Share-related assets	28	100	26	100
Alternative investments	19	-	17	-
Property	24	-	31	-
Liquid assets	2	-	2	-
Total assets	**100**	**56**	**100**	**50**

Assumptions for defined-benefit obligations

	Group				
Per cent	**2024**	**2023**	**2022**	**2021**	**2020**
Significant actuarial assumptions as of closing day (expressed as weighted averages)[1)]					
Discount rate, 31 December	3.75	3.25	3.75	1.50	1.00
Future salary increase	2.75	2.50	2.75	3.25	2.50
Future increase in pensions	1.75	1.50	1.75	2.25	1.50
Employee turnover	3.00	3.00	3.00	3.00	3.00

1) Refers to Sweden since essentially all defined-benefit plans are in Sweden.

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The following assumptions serve as the basis of the valuation of Saab's pension liability:

Discount rate: The valuation has been based on Swedish covered mortgage bonds (AAA), taking into account the duration of all cash flows. A nominal government bond whose duration corresponds to the average duration of the pension obligation is used as a basis. A premium is then added equal to the difference between the interest rate on a mortgage bond and a nominal government bond with similar maturities. The same discount rate has been used for all future disbursements.

Long-term salary increase assumption: The long-term salary increase assumption corresponds to a real salary increase of 1 per cent plus an inflation assumption of 1.75 per cent, rendering a future salary increase of 2.75 per cent.

Long-term inflation assumption: The long-term inflation assumption is based on market pricing of inflation on maturities corresponding to the pension liability's duration. For 2024, the assumption is 1.75 per cent.

Mortality: The mortality assumption is based on tables from the industry organisation Insurance Sweden, the so called DUS23. It was updated during the year.

Employee turnover: The employee turnover is assumed to be 3 per cent per year.

Accounting principles parent company

The parent company's accounting principles differ from IAS 19 in the following ways:

- The calculation does not take into account future salary increases
- The discount rate is determined by PRI
- Changes in the discount rate and other actuarial assumptions are recognised directly in the income statement and balance sheet
- Surplus in the pension plan cannot be recognised as an asset while the deficit should either be expensed or recovered through contributions to the pension fund

Parent Company's pension obligations

Funds allocated for pensions according to the balance sheet correspond to the net present value of existing pension obligations less funds that are secured by Saab's pension fund.

MSEK	31-12-2024	31-12-2023
Pension obligations ITP 2	7,055	6,529
Less funds secured in pension fund	-7,033	-6,529
Total ITP 2 and the book reserve method	**22**	**-**
Other pensions	53	85
Other provisions for pensions	114	123
Total	**189**	**208**
Of which credit guarantees in PRI Pensionsgaranti	53	56

MSEK	2024	2023
Amount related to pension obligations ITP 2 expected to be settled within 12 months	279	267

Note 32. Provisions

Accounting principles

Provisions for incremental costs for industrial cooperations

Some of Saab's contracts with customers contain requirements on technology and knowledge transfers as well as various forms of industrial cooperation. The related costs are included in the project's expenditures and expensed in relation to the stage of completion. The expenditures are then set against the provision, which can also occur after the delivery of goods and services under the contract.

Onerous contracts

A provision for an onerous contract is recognised when anticipated benefits are less than the unavoidable costs to fulfill the obligations as set out in the contract.

Guarantees

A provision for a guarantee is normally recognised when the underlying product or services are sold if a reliable calculation of the provision can be made. The provision is based on historical data on guarantees for the products or similar products and an overall appraisal of possible outcomes in relation to the likelihood associated with these outcomes.

Restructuring

A provision for restructuring is recognised when a detailed, formal restructuring plan has been established and the restructuring has either begun or been publicly announced. No provision is made for future operating losses.

A provision is recognised in connection with termination of personnel only if the company is obligated to terminate an employment before the customary time, e.g., when compensation is paid in connection with a voluntary termination offer. In cases where the company terminates personnel, a detailed plan is drafted containing at the minimum the workplaces, positions and approximate number of individuals affected as well as compensation for each personnel category or position and a schedule for the plan's implementation.

Soil remediation

In accordance with the Group's publicly announced environmental policy and applicable legal requirements, periodic estimates are made of Saab's obligations to restore contaminated soil. Anticipated future payments are discounted to present value and recognised as an operating expense and a provision. Provision for environmental commitments is included in other provisions below.

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	Group	
MSEK	**31-12-2024**	**31-12-2023**
Provisions that are long-term liabilities		
Incremental costs for industrial cooperations	608	1,383
Onerous contracts	464	327
Guarantees	84	71
Expenditures for restructuring measures	6	2
Other	1,076	1,105
Total	**2,238**	**2,888**
Provisions that are current liabilities		
Incremental costs for industrial cooperations	1	1
Onerous contracts	331	424
Guarantees	379	242
Expenditures for restructuring measures	28	16
Other	297	192
Total	**1,036**	**875**

	Parent Company	
MSEK	**31-12-2024**	**31-12-2023**
Incremental costs for industrial cooperations	669	1,448
Onerous contracts	157	312
Guarantees	294	199
Expenditures for restructuring measures	13	14
Other	662	496
Total	**1,795**	**2,469**

Incremental costs for industrial cooperations

MSEK	Group	Parent Company
Opening balance, 1 January 2024	1,384	1,448
Provisions allocated during the year	184	180
Amount utilised during the year	-959	-959
Reversal of unutilised amount	-	-
Closing balance, 31 December 2024	**609**	**669**

Onerous contracts

MSEK	Group	Parent Company
Opening balance, 1 January 2024	751	312
Provisions allocated during the year	627	241
Amount utilised during the year	-516	-326
Reversal of unutilised amount	-9	-
Reclassification	-70	-70
Translation differences and other	12	-
Closing balance, 31 December 2024	**795**	**157**

Guarantees

MSEK	Group	Parent Company
Opening balance, 1 January 2024	313	199
Provisions allocated during the year	298	213
Amount utilised during the year	-140	-109
Reversal of unutilised amount	-14	-7
Reclassification	1	-2
Translation differences and other	5	-
Closing balance, 31 December 2024	**463**	**294**

Expenditures for restructuring measures

MSEK	Group	Parent Company
Opening balance, 1 January 2024	18	14
Provisions allocated during the year	41	16
Amount utilised during the year	-24	-17
Reversal of unutilised amount	-1	-
Closing balance, 31 December 2024	**34**	**13**

Other provisions

MSEK	Group	Parent Company
Opening balance, 1 January 2024	1,297	496
Provisions allocated during the year	219	217
Amount utilised during the year	-156	-121
Reversal of unutilised amount	-	-
Reclassification	8	70
Translation differences and other	5	-
Closing balance, 31 December 2024	**1,373**	**662**

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Total provisions

MSEK	Group	Parent Company
Opening balance, 1 January 2024	3,763	2,469
Provisions allocated during the year	1,369	867
Amount utilised during the year	-1,795	-1,532
Reversal of unutilised amount	-24	-7
Reclassification	-61	-2
Translation differences and other	22	-
Closing balance, 31 December 2024	**3,274**	**1,795**

Incremental costs for industrial cooperations

Provision for incremental costs for industrial cooperations relates to costs to meet future obligations for industrial cooperations in accordance with these contracts. The expenditure is expected to occur during the term of the projects but also after the delivery of goods and services under the contracts in accordance with the contract and the regulation for industrial cooperation.

Restructuring

Structural costs primarily relate to costs to adapt resources and transformation costs.

Onerous contracts

Provisions for onerous contracts on the closing day relate to certain military projects as well as projects within commercial aeronautics. The provisions are utilised in pace with the projects' completion.

Other provisions

Other provisions primarily relate to provisions for remaining costs in projects, environmental commitments, disputes and legal proceedings, provisions related to leasing as well as for royalty.

By year end 2024 the provision related to disputes and legal proceedings amounted to SEK 178 million. The disputes are mainly attributable to deliveries in both ongoing and completed projects. Due to the state of negotiations in the legal proceedings, all information in accordance with the disclosure requirements in IAS37 Provisions, Contingent Liabilities and Contingent Assets cannot be provided.

No provision has been made for liability risks associated with the production of civil aircraft or the production of sub-components for civil aircraft.

Note 33. Other liabilities

	Group	
MSEK	31-12-2024	31-12-2023
Other long-term liabilities		
Liabilities related to employees	36	40
Other	100	170
Total	**136**	**210**
Of which liabilities due for payment more than five years after closing day	27	42
Other current liabilities		
Value-added tax	692	334
Employee withholding taxes	418	382
Liabilities to minority owners	-	-
Liabilities to associated companies and joint ventures	5	11
Other	75	356
Total	**1,190**	**1,083**

	Parent Company	
MSEK	31-12-2024	31-12-2023
Value-added tax	499	233
Employee withholding taxes	241	240
Negative market value related to financial instruments	70	20
Negative market value of FX forwards	504	766
Other	26	47
Total	**1,340**	**1,306**
Of which liabilities due for payment more than five years after closing day	6	8

Saab considers that there is no significant difference between book and fair value.

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Note 34. Accrued expenses and deferred income

	Group		Parent Company	
MSEK	**31-12-2024**	**31-12-2023**	**31-12-2024**	**31-12-2023**
Accrued expenses				
Accrued project costs	3,946	2,850	3,222	2,289
Vacation pay liability	1,831	1,604	1,093	985
Social security expenses	1,415	1,213	1,029	919
Expected invoices	731	702	463	454
Personnel liabilities	706	522	337	243
Other	342	214	170	81
Total accrued expenses	**8,971**	**7,105**	**6,314**	**4,971**
Deferred income				
Deferred realised gains from cash flow hedges	-	-	1,829	1,717
Government grants	205	246	159	209
Other	524	664	254	227
Total deferred income	**729**	**910**	**2,242**	**2,153**
Total	**9,700**	**8,015**	**8,556**	**7,124**

Saab considers that there is no significant difference between book and fair value.

Note 35. Financial risk management and financial instruments

Saab's financial assets, liabilities, and contractual obligations give rise to financial risks. Group Treasury is responsible for identifying and managing the financial risks with various financial instruments in order to reduce the impact on the Group's result, competitive strength, and financial flexibility. The Board of Directors of Saab has established a Group Treasury Policy, which provides an overall description of the management of the financial risks and Treasury operations.

The financial risks are defined as follows:
- Currency risk
- Liquidity risk
- Funding and liquidity risk
- Interest rate risk
- Commodity price risk
- Credit risk

To handle financial risks, Group Treasury has been assigned risk mandates that are reported daily according to defined risk measures.

Accounting principles

Recognition and valuation of financial assets and liabilities

Financial instruments are initially recognised at cost, corresponding to the instrument's fair value plus transaction expenses. This applies to all financial instruments with the exception of financial assets and liabilities categorised as and measured at fair value through profit or loss or equity instruments recognised at fair value through other comprehensive income, where the fair value excluding transaction costs equals the acquisition cost. The instruments are subsequently recognised at fair value or amortised cost, depending on how they have been classified as described below. The fair value of listed financial assets and liabilities is determined using market prices. Saab also applies various valuation methods to determine the fair value of financial assets and liabilities traded on an inactive market or that are unlisted holdings. These valuation methods are based on the valuation of similar instruments, discounted cash flows or well-recognised valuation models such as Garman-Kohlhagen's. Amortised cost is determined based on the effective interest rate calculated on acquisition date.

Classification of financial assets and liabilities

The Group's financial assets and liabilities are classified according to the following categories, which determine how each item is valued.

Financial assets and liabilities at amortised cost:

Financial assets in this category are assets that are held to collect contractual cash flows that consist of principal and interest, such as liquid assets, accounts receivable, loans receivable, other receivables, and contract assets.

Interest income is recognised as financial interest income by applying the effective interest rate method. Gains and losses that arise upon derecognition from the balance sheet are recognised directly in profit or loss together with FX effects.

Financial liabilities in this category comprise interest-bearing liabilities, accounts payable and other liabilities that are initially recognised at fair value, which corresponds to the amount received less deducting transaction costs. After acquisition, the liabilities are measured at amortised cost according to the effective interest rate method.

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Financial assets at fair value through other comprehensive income:
Financial assets that are debt instruments in this category are assets that result in payments related only to principal and interest on the outstanding principal and where the financial asset is held under a business model whose purpose is achieved both by holding financial assets to collect contractual cash flows and selling financial assets. These assets are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (OCI), except effective interest, impairments and their reversals as well as exchange rate gains and losses, which are presented in profit or loss. When the asset is derecognised from the balance sheet, accumulated gains and losses in OCI are reclassified to profit or loss. In addition to debt instruments, equity instruments that are not held for trading can be classified and measured as fair value through other comprehensive income upon such an election. Realised and unrealised gains and losses, including gain or loss upon disposal but excluding any dividend is recogniosed in OCI for such instruments. The Group's long-term interest bearing investments are mandatorily classified in this category. Also, two equity invesments are elected to be classified in the category and derivatives that are designated as hedging instruments in a cash flow hedge relationship are recognised at fair value through other comprehensive income.

Financial assets and liabilities at fair value through profit or loss:
Assets that do not satisfy the requirements to be recognised at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. Gains or losses on assets and liabilities at fair value through profit or loss that are not included in a hedging relationship are offset in profit or loss in the period the gain or loss arises. Derivatives included in a hedging relationship are recognised in other comprehensive income for the portion determined to be an effective hedge. Equity instruments such as shares and participations are continuously measured at fair value with changes in value recognised in profit or loss except for those that are elected to be classified as and measured at fair value through other comprehensive income. Contingent consideration payables are measured at fair value through profit or loss.

Impairment of financial assets:
Financial assets that are not recognised at fair value through profit or loss or equity instruments recognised at fair value through other comprehensive income are tested for impairment on each closing date using a model based on expected credit losses. Impairment losses are recognised in profit or loss. Derecognition from the balance sheet occurs when there is no longer a reasonable expectation of collecting payment. See also note 25 and 23.

Hedge accounting
To cover the Group's risks associated with changes in exchange rates and exposure to interest rates, derivatives, consisting of FX forwards, options and swaps, are utilised. These instruments are valued at fair value on initial recognition and subsequently at each reporting date.

Changes in fair value of derivatives that do not meet the requirements for hedge accounting are recognised directly in profit or loss. If the underlying hedged items relate to operations-related receivables or liabilities, the effect on earnings is recognised in operating income, while the corresponding effect on earnings related to financial receivables and liabilities are recognised in the financial net.

The Group applies hedge accounting to cash flow hedges as described below.

Cash flow hedges
FX forwards (hedge instruments) entered into mainly to hedge future receipts and disbursements against currency risks and classified as cash flow hedges (primarily related to contracted sales volumes) are recognised in the statement of financial position at fair value. Changes in value are recognised in other comprehensive income and separately recognised in the hedge reserve in equity until the hedged cash flow affects the income statement, at which point the cumulative changes in value of the hedging instrument are transferred to profit or loss to offset the effects on earnings of the hedged transaction.

When the hedged future cash flow refers to a transaction that will be capitalised in the statement of financial position, the hedge reserve is dissolved when the hedged item is recognised in the statement of financial position. If the hedged item is a non-financial asset or liability, the gain or loss from the hedging instrument is included in the acquisition cost of the asset or liability. If the hedged item is a financial asset or liability, the hedge reserve is dissolved gradually through profit or loss at the same rate that the hedged item affects earnings.

When a hedging instrument expires, is sold, terminated or exercised, or the group otherwise revokes the designation as a hedging relationship before the hedged transaction occurs and the projected transaction is still expected to occur, the cumulative gain or loss remains in the hedge reserve in equity and is recognised in the same way as above when the hedged transaction occurs.

If the hedged transaction is no longer expected to occur, the hedging instrument's cumulative gains and losses are immediately recognised in profit or loss in accordance with the principles described above for derivatives.

The Group is potentially exposed to the Interest Rate Benchmark reform through issued bonds, derivatives and interest-bearing securities with STIBOR as benchmark interest rate. The Group has no material exposure towards other benchmark interest rates. The nominal amount of interest rate swaps, that are designated as hedging instruments in a cash flow hedge, total MSEK 3,800 and MTN bonds with STIBOR as base rate, MSEK 5,819. STIBOR linked interest-bearing securities in the investment portfolio amounted to MSEK 4,670 at year-end. Fallback provisions are not yet in place for these financial instruments. Saab closely monitors the development of creating fallback language from working groups and industry participants and will take due procedures when possible.

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Financial instruments

Financial assets within the Group mainly consist of liquid assets, accounts receivable, shares, loans receivable, bonds receivable, derivatives with positive market values, certain accrued income and other receivables. The liability side includes accounts payable, loans payable, derivatives with negative market values, certain accrued expenses and other liabilities.

The following table shows classification and categorisation of financial assets and liabilities.

Classification and categorisation of financial assets and liabilities [2)]

	Carrying amount	
MSEK	**31-12-2024**	**31-12-2023**
Financial assets		
Valued at amortised cost[4)]:		
Accounts receivable, contract assets and other receivables	27,482	21,144
Liquid assets	2,843	2,129
Long-term receivables	356	456
Valued at fair value through profit and loss[3)]:		
Short-term investments	8,898	11,340
Derivatives for trading	17	81
Financial investments	237	223
Valued at fair value through other comprehensive income[3)]:		
Derivatives identified as hedges	913	1,575
Equity investments elected to be classified as fair value through other comprehensive income	2,526	879
Long-term interest-bearing investments	1,610	-
Total financial assets	**44,882**	**37,827**
Financial liabilities		
Valued at amortised cost:		
Interest-bearing liabilities[1)]	10,384	10,043
Other liabilities[4)]	15,977	12,426
Valued at fair value through profit and loss[3)]:		
Contingent consideration payable	19	158
Derivatives for trading	64	8
Valued at fair value through other comprehensive income[3)]:		
Derivatives identified as hedges	2,380	1,103
Total financial liabilities	**28,824**	**23,738**
1) Fair value	10,617	9,840

2) Derivatives with positive values are recognised as assets and derivatives with negative values are recognised as liabilities. Derivatives with a legal right of offset amount to MSEK 709 (964).
3) The impact of credit risk on these instruments is considered low given the limits in the current investment policy.
4) Carrying amount, in Saab's assessment, essentially corresponds to fair value.

Valuation of financial instruments at fair value are divided into the following three valuation levels:

Level 1
According to listed (unadjusted) prices on an active market on closing date:
- Bonds and interest-bearing securities
- Electricity derivatives
- Interest rate forwards

Level 2
According to accepted valuation models based on observable market data from Refinitiv Datascope:
- *Currency forwards:* Future payment flows in each currency are discounted by current market rates to the valuation day and valued in SEK at period-end exchange rates.
- *Currency options:* The Garman-Kohlhagens option-pricing model is used in the market valuation of all options.
- *Interest rate swaps and cross currency basis swaps:* Future variable interest rates are calculated with the help of current forward rates. These implicit interest payments are discounted to the valuation date using current market rates. The market value of interest rate swaps is obtained by contrasting the discounted variable interest payments with the discounted present value of fixed interest payments.

Level 3
According to accepted principles, e.g. for venture capital firms:
- *Unlisted shares and participations*

As of 31 December 2024, the Group had the following financial assets and liabilities at fair value:

Assets at fair value

MSEK	2024	Level 1	Level 2	Level 3
Bonds and interest-bearing securities	10,508	10,508	-	-
FX forwards	726	-	726	-
Interest rate swaps	181	-	181	-
Electricity derivatives	23	23	-	-
Shares, participations and long-term receivables	2,763	-	-	2,763
Total	**14,201**	**10,531**	**907**	**2,763**

Liabilities at fair value

MSEK	2024	Level 1	Level 2	Level 3
FX forwards	2,399	-	2,399	-
Interest rate swaps	3	-	3	-
Electricity derivatives	42	42	-	-
Contingent consideration payable	19	-	-	19
Total	**2,463**	**42**	**2,402**	**19**

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Movements in the group's Level 3 financial instruments were as follows:

MSEK	Unlisted shares and participa-tions	Contingent consideration payable
Opening balance, 1 January 2024	1,102	158
Acquisitions	286	-
Divestments	-1	-
Payments	-	-4
Gains/losses recognised in the income statement	5	-145
Gains/losses recognised in other complehensive income	1,371	-
Foreign currency translation	-	10
Closing balance, 31 December 2024	**2,763**	**19**

Financial risk management

Currency risk

Currency risk refers to the risk that fluctuations in exchange rates will negatively affect income or the value of net assets. In 2024, countries outside Sweden accounted for 59 per cent (58) of Saab's sales. Since a large share of production takes place in Sweden with expenses denominated in SEK, Saab has a large net exposure in foreign currencies. The predominant currency risk in the order backlog are in the currencies USD, EUR and GBP.

Transaction exposure

Transaction exposure within the order backlog is hedged with currency derivatives ,(mainly currency swaps and forwards), which means that changes in exchange rates do not affect the Group's future results with respect to the order backlog. Hedges are normally arranged for each specific contract and the average forward rate is used as the contract's rate for revenue recognition.

Transaction exposure from commercial contracts with option clauses and framework agreements that according to forecasts are highly probable transactions, are hedged to a certain level according to separate hedging instructions. Impairment testing of unprofitable contracts in foreign currency that are not hedged is done by valuating future cash flows at the spot rate . These contracts mainly refer to anticipated future orders as part of long-term commercial aircraft programs in USD. Framework agreements can contain both transaction and economic exposure. Hedge accounting is applied to derivatives that hedge transaction exposure. The hedge is effective when the hedging relationship is entered and periodically evaluated to ensure that the criteria for effectiveness are still met. The factors that are examined to ensure the effectiveness are currency, timing of payment flows and amount. If the flow generated by the hedging instrument matches the flow from the hedged item in currency, timing and amount, the hedging relationship is considered effective. Until maturity, value changes from effective hedges are recognised in other comprehensive income and recognised separately in the hedge reserve in equity. Value changes in ineffective hedges are recognised in profit or loss. Ineffectiveness can arise if the timing and/or amount of cash flow changes. Since parts of the portfolio extend over long periods, effects from forward points could also be a source of ineffectiveness. Hedging relationships are arranged such that adjustments are made continuously to avoid this effect.

The net market value of existing hedges of the order backlog and highly, probable transactions according to forecasts amounted to MSEK -1,626 (262). Currency sensitivity, i.e. the effect of a change in exchange rates of +/- 10 per cent, would affect the market value of derivatives as of 31 December 2024 by +/- MSEK 3,055 (1,740). The ineffectiveness in cash flow hedges that affected net income for the year amounted to MSEK 0 (0).

The following table shows the cash flows for derivatives recognised as cash flow hedges, expressed in millions in local currency.

	EUR			GBP			USD		
Million	**Outflow**	**Inflow**	**Net**	**Outflow**	**Inflow**	**Net**	**Outflow**	**Inflow**	**Net**
2025	-647	761	**114**	-207	107	**-100**	-895	2,298	**1,403**
2026	-203	274	**71**	-46	42	**-4**	-87	705	**618**
2027	-86	227	**141**	-33	20	**-13**	-62	392	**330**
2028	-80	74	**-6**	-	-	**-**	-26	398	**372**
2029	-	6	**6**	-	-	**-**	-	-	**-**
2030 and forward	-	-	**-**	-	-	**-**	-	-	**-**
Total flows 2024	**-1,016**	**1,342**	**326**	**-286**	**169**	**-117**	**-1,070**	**3,793**	**2,723**
Total flows 2023	**-532**	**873**	**341**	**-260**	**112**	**-148**	**-977**	**2,614**	**1,637**

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Pre-transaction exposure arises when fixed-price tenders are issued in foreign currency. This risk is usually managed separately in the tender portfolio, using both currency options and forwards. The following table shows outstanding nominal net hedges for the most predominant currencies as of year-end.

Net hedges

	Forward contracts[1]		Options[2]		Total hedge	
Million	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
USD	-208	-162	-	-75	-208	-237
EUR	-41	-39	-10	-10	-51	-49
GBP	-1	-27	-	-10	-1	-37

1) Also including sold call- and put options.
2) Net of bought call- and put options.

To measure VaR the external hedges are compared with a benchmark, that is to say the external hedge that would optimally be done to eliminate the currency risk a tender gives rise to in relation to the likelihood that a business contract is received. If the two correspond, the tender portfolio is defined as risk-neutral – i.e. its VaR measure will be zero.

In 2024 a VaR limit of MSEK 35 was allocated to the tender portfolio, and at year-end VaR amounted to MSEK 7.9 (5.3). Hedge accounting is not applied to the portfolios hedges, due to which the Group's result is affected by the extent of tenders and the exchange rate for the underlying currency pair. The portfolio's effect on the Group's result in 2024 was MSEK -266 (156).

Translation exposure
Comprehensive income is affected when the results and net assets of foreign subsidiaries are translated to SEK. The value of net assets exposed to translation exposure amounted to MSEK 8,227 (7,345) at year-end; see the following table.

Net assets translated to SEK

MSEK	31-12-2023	31-12-2023
USD	4,079	3,537
AUD	1,120	1,087
ZAR	749	611
EUR	585	466
GBP	462	493
DKK	260	296
BRL	206	212
Other currencies	766	643
Total	**8,227**	**7,345**

The effect on net assets as of 31 December 2024 of a change in exchange rates of +/– 10 per cent would be a change in value of MSEK 823 (735).

Foreign currency risk due to translation effects on the net assets of foreign subsidiaries is not hedged.

Currency exposure
The Group's total outstanding currency derivatives related to all currency risks are shown in the following table.

The Group's outstanding derivatives

Currency derivatives			Fair value 2024			2023	
Million	**Currency**	**Local currency**	**Asset SEK**	**Liability SEK**	**Net**	**Local currency**	**Net**
Maturity up to 1 year	EUR	-94	140	144	-4	-126	29
	GBP	72	129	46	83	69	123
	USD	-1,699	239	1,231	-992	-1,176	-126
	Other		23	28	-5		34
Subtotal			**531**	**1,449**	**-918**		**60**
Maturity 1 to 3 years	EUR	-231	84	101	-17	-115	-32
	GBP	8	19	21	-2	61	31
	USD	-946	67	636	-569	-826	211
	Other		9	10	-1		40
Subtotal			**179**	**768**	**-589**		**250**
Maturity 3 to 5 years	EUR	9	12	4	8	-61	24
	GBP	-	-	-	-	-1	-
	USD	-371	3	178	-175	1	-2
	Other		1	-	1		3
Subtotal			**16**	**182**	**-166**		**25**
Maturity over 5 years	EUR		-	-	-		-
	GBP		-	-	-		-
	USD		-	-	-		-
Subtotal			**-**	**-**	**-**		**-**
Currency derivatives, total[1]			**726**	**2,399**	**-1,673**		**335**

1) Of which derivatives used as cash flow hedge MSEK -1,554 (701).

The Parent Company's outstanding derivatives

Currency derivatives			Fair value 2024			2023	
Million	**Currency**	**Local currency**	**Asset SEK**	**Liability SEK**	**Net**	**Local currency**	**Net**
	EUR	-119	520	370	150	-57	139
	GBP	-39	179	226	-47	24	130
	USD	-298	1,906	2,090	-184	-831	-272
	Other		35	62	-27		58
Currency derivatives, Parent Company total			**2,640**	**2,748**	**-108**		**55**

Funding and liquidity risk
To minimize the risk of not being able to meet payment obligations due to insufficient liquidity the company consistently maintains liquid assets and short term investments, adjusted for loans maturing within 12 months, to a value higher than MSEK 5,000. If any of the risk-weighted amount of bank guarantees covered

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by Saab or 10 per cent of annual total sales exceeds MSEK 5,000, then shall the adjusted value of liquid assets and short term investments exceed the highest there of.

Saab is diversifying funding sources and maturities to reduce impact from the risk of not being able to find favorable market conditions for raising new debt or re-financing. To meet funding needs related to long dated projects the average maturity of the loan portfolio shall not be below 24 months. As of 31 December 2024 the average maturity was 53 months (61). For maturity analysis of the Group's financial liabilities, see tables for each class of derivatives in this note as well as information on interest-bearing liabilities in note 29.

Saab has two revolving credit facilities of MSEK 2,000 maturing 2026 and MSEK 4,000 maturing 2026, with nine participating banks. Saab also has a commercial paper program with a limit of MSEK 5,000 (5,000) and a Medium Term Note (MTN) program with a limit of MSEK 10,000 (10,000). As of 31 December 2024, MSEK 0 (0) commercial paper and MSEK 6,869 (7,269) MTN were issued. None of the existing credit facilities or capital market programmes are restricted by financial covenants.

In 2024, Saab received an initial investment-grade credit rating from S&P Global. The credit rating institute assigned Saab a BBB+ rating with a stable outlook.

Saab Funding facilities

MSEK	Facility	Utilised	Unutilised
Revolving credit facility (Maturity 2026)	2,000	-	2,000
Revolving credit facility (Maturity 2026)	4,000		4,000
Overdraft facility (Maturity 2025)	96	-	96
Total committed credit facilities	**6,096**	**-**	**6,096**
Commercial paper	5,000	-	5,000
Medium Term Notes (MTN)	10,000	6,869	3,131
Total capital market programs	**21,096**	**6,869**	**14,227**

Interest rate risk

Interest rate risk refers to the risk that Saab will be negatively affected by changes in interest rates.

Funding portfolio

A portfolio of loans issued in the Capital Market. Interest rate derivatives are used to manage the interest rate risk and the average duration shall be in the range of 12-48 months (12-48). As of year-end, the loan portfolio's duration was 34 months (41).

Cash flow hedging is applied in the financial statements. The effectiveness of a hedge is evaluated when the hedging relationship is included and periodically evaluated to ensure that the relationship meets the requirement. The factors that are evaluated to ensure effectiveness are the timing of payment flows and amount of interest payments as well as the nominal amount of the hedging instrument and the hedged item. If the nominal amount of the hedging instrument does not exceed the nominal amount of the hedged item and the flows generated by the hedging instrument do not exceed the flows from the hedged item in timing and amount, the hedging relationship is considered effective. Until maturity, value changes in effective hedges are recognised as other comprehensive income and recognised separately, in the hedge reserve in equity. The value change is obtained in the financial upon transfer to profit or loss. Value changes in ineffective hedges are recognised in profit or loss. Ineffectiveness affecting net income for the year amounted to MSEK -7 (2). The interest rate benchmark reform could potentially affect hedge effectiveness in the future. An increase or decrease in market interest rates of +/- 1.00 per cent would affect financial income by +/- 0 MSEK (0) and other comprehensive income by +/- 197 MSEK (190) based on the loan portfolio as of 31 December 2024.

Financing (refers to utilised credit facilities)

MSEK (Nom) Maturities	Fixed interest	Of which effect from derivative agreements entered	Tied-up capital
1 year	2,319	-3,500	114
2 years	600	600	1,250
3 years	100	100	300
4 years	1,500	450	1,875
5 years and forward	2,350	2,350	3,330
Total	**6,869**	**-**	**6,869**

Investment portfolio

The portfolio invests in interest-bearing securities. Interest rate derivatives are used to manage the interest rate risk and the average duration shall be in the range of 3–24 months (3–24). As of year-end, the duration was 6 months (4).

Changes in interest rates affect Saab's net financial items. An increase in market interest rates of 1.00 per cent units would affect financial income negatively by 50 MSEK (50). A corresponding decrease in market interest rates of 1.00 per cent units would positively affect financial income by 50 MSEK (50) based on the investment portfolio as of 31 December 2024.

Investments in interest-bearing securities and bank deposits

MSEK (Nom) Maturities	Fixed interest [1)]	Tied-up capital
1 year	9,959	6,674
2 years	770	1,362
3 years	100	1,658
4 years	40	315
5 years and forward	534	1,394
Total	**11,403**	**11,403**

1) Effects of derivative agreements entered are included in the fixed interest.

FX forwards

FX forwards used to hedge commercial currency flows contain an interest component. In certain cases, Saab may decide to shift the hedge to an earlier date than when the cash flow is expected. This primarily refers to very long-term customer contracts, which then generate an interest rate risk. The underlying cash flows that are exposed to extensions through FX forwards amounted to MEUR 120 (36) at year-end.

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Interest rate derivatives

The next table shows the Group's outstanding interest rate derivatives.

Interest rate derivatives			Fair value 2024			2023	
Million	**Currency**	**Local currency**	**Asset SEK**	**Liability SEK**	**Net**	**Local currency**	**Net**
Maturity up to 1 year	SEK	500	3	-	3	-	7
		-	-	-	-	-	-
Subtotal			**3**	**-**	**3**		**7**
Maturity 1 to 3 years	SEK	700	19	2	17	1,100	49
Subtotal			**19**	**2**	**17**		**49**
Maturity 3 to 5 years	SEK	725	53	-	53	550	45
Subtotal			**53**	**-**	**53**		**45**
Maturity over 5 years	SEK	1,875	106	1	105	2,050	120
Subtotal			**106**	**1**	**105**		**120**
Interest derivatives, total [1)2)]			**181**	**3**	**178**		**221**

1) Market value includes accrued interest of MSEK -4 (3).
2) Of which derivatives used for cash flow hedges MSEK 173 (216).

Commodity price risk

Commodity price risk refers to the risk that Saab will be negatively affected by changes in commodity prices. Purchasing costs for raw materials are managed primarily through contract clauses with customers and suppliers. Electricity costs are managed through hedging instruments. Electricity derivatives are managed through a discretionary management mandate. The market value of electricity derivatives at year-end was MSEK -19 (-11). Hedge accounting is applied to electricity derivatives. Projected electricity consumption is hedged using a model where 90 per cent of the coming year's consumption is hedged; the hedge ratio then drops on a straight-line basis to 0 per cent in quarter 13. The effectiveness of the hedge is periodically evaluated to ensure that the relationship meets the requirement. To ensure that the hedge is effective, an evaluation is made to determine that the hedged volume per quarter does not exceed the projected volume. Value changes in derivatives that exceed the projected volume in a quarter are recognised in profit or loss. Ineffectiveness affecting net income for the year amounted to MSEK 0 (0).

The Group's outstanding electricity derivatives

Electricity derivatives		Fair value 2024			2023	
	Mega-watt	**Asset MSEK**	**Liability MSEK**	**Net**	**Mega-watt**	**Net**
Maturity up to 1 year	15	23	38	-15	15	-2
Subtotal		**23**	**38**	**-15**		**-2**
Maturity 1 to 3 years	11	-	4	-4	10	-9
Subtotal		**-**	**4**	**-4**		**-9**
Electricity derivatives, total[1)]		**23**	**42**	**-19**		**-11**

1) Of which derivatives used for cash flow hedges MSEK -19 (-11).

Credit risks

Credit risk is the risk that the counterparty in a transaction will not be able to fulfil the financial obligations of a contract. In the course of its day-to-day operations, Saab is exposed to credit risks as a result of transactions with counterparties in the form of customers, suppliers and financial players. The Group's aggregate credit risks consist of commercial credit risks and financial credit risks.

Commercial credit risks

Commercial credit risks consist of accounts receivable outstanding, contract assets and advances paid to suppliers. This type of credit risk is identified and managed on a case-by-case basis. Credit risks that arise in customer contracts are managed by utilising available banking or insurance products. In some cases, export credit institutions may be used as well. Commercial credit risks that arise through advances paid to suppliers are managed by maintaining bank-guaranteed collateral. At 31 December 2024, the Group had paid advances to suppliers of MSEK 2,154 (1,136).

Accounts receivable and contract assets represent a commercial credit risk. Where counterparties' creditworthiness is deemed unsatisfactory, bank or insur- ance guarantees or guarantees from EKN are secured to ensure that payment will be received. Since accounts receivable are generally secured through bank or insurance guarantees or are attributable to states, the commercial credit risk is low. For more information on the Group's accounts receivable including expected credit losses, see note 25.

Financial credit risks

The risk that counterparties within financial contracts, such as deposits, asset investments and positive market value of outstanding derivatives, will not be able to fulfill their payment obligations are denoted as credit risk.

The governing rule for Saab is that counterparties shall have a long-term credit rating of no lower than BBB from Standard and Poor's or Baa2 from Moody's or BBB from Fitch. Consequently, the risk of credit losses is considered low and there was no need for credit reserves at year-end.

The concentration risk is managed by a credit limit assigned to each financial counterparty based on its long-term credit rating.

Saab has entered into ISDA master agreements with financial counterparties to handle legal and credit risks in OTC transactions. Furthermore, the agreements net the positive and negative market values of outstanding derivatives, see the tables below.

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Market value of financial assets and liabilities subject to netting arrangements

2024 MSEK	Gross amount	Set-off	Net amount in balance sheet	Master netting arrangements	Collateral received/assets pledged	Net amount
Currency derivatives	726	-	726	-683	-	43
Interest rate derivatives	181	-	181	-3	-	178
Electricity derivatives	23	-	23	-23	-	-
Assets	**930**	**-**	**930**	**-709**	**-**	**221**
Currency derivatives	2,399	-	2,399	-683	-	1,716
Interest rate derivatives	3	-	3	-3	-	-
Electricity derivatives	42	-	42	-23	-	19
Liabilities	**2,444**	**-**	**2,444**	**-709**	**-**	**1,735**

2023 MSEK	Gross amount	Set-off	Net amount in balance sheet	Master netting arrangements	Collateral received/assets pledged	Net amount
Currency derivatives	1,415	-	1,415	-944	-	471
Interest rate derivatives	240	-	240	-19	-	221
Electricity derivatives	1	-	1	-1	-	-
Assets	**1,656**	**-**	**1,656**	**-964**	**-**	**692**
Currency derivatives	1,080	-	1,080	-944	-	136
Interest rate derivatives	19	-	19	-19	-	-
Electricity derivatives	12	-	12	-1	-	11
Liabilities	**1,111**	**-**	**1,111**	**-964**	**-**	**147**

The exposure towards banks, mortgage institutions, corporates and the Swedish state as of 31 December 2024 amounted to MSEK 9,003 (12,946). The exposure is calculated using the market value of assets with each counterparty.

Hedge reserve

The hedge reserve before tax amounted to MSEK -1,335 (1,025), of which the unrealised value of derivatives was MSEK -1,431 (906) and the realised effects arising from rollovers of derivatives was MSEK 96 (119). For information on the amount recognised in other comprehensive income, see consolidated other comprehensive income. The ineffectiveness in cash flow hedges that affected net income for the year amounted to MSEK -7 (2).

Change in the hedge reserve per derivative*

2024 (2023) MSEK	Currency derivatives	Interest rate derivatives	Electricity derivatives	Total
Reversed through profit or loss	-619 (65)	-6 (-1)	2 (-98)	-623 (-34)
Change in value of existing derivatives	-850 (299)	-39 (-201)	-7 (-31)	-896 (67)
Change in value of new derivatives	-1,113 (376)	-4 (0)	2 (-6)	-1,115 (370)
Change due to rollover	274 (404)	- (-)	- (-)	274 (404)
Total	**-2,308 (1,144)**	**-49 (-202)**	**-3 (-135)**	**-2,360 (807)**

Effects in the hedge reserve per derivative

2024, MSEK	Currency derivatives	Interest rate derivatives	Electricity derivatives
Recognised amount in hedge reserve	-1,489	173	-19
Nominal amount	32,536	3,800	26[1)]
Maturity date	2025-2030	2025-2033	2025-2027
Hedge ratio	1:1	1:1	1:1
Change in value of derivatives outstansding since 1 January	-2,255	-36	-8
Change in value of hedged item to determine effectiveness	2,255	43	8

1) Megawatt

Pension obligation

The Saab Pension Fund was established in 2006 to secure the main part of the Group's pension obligation. The fund has a long-term real yield requirement that corresponds annual financial cost of pension liability to PRI Pensionsgaranti. Investment guidelines indicate the following asset allocation, 0-35 per cent equities, 0-22.5 per cent alternative assets, 15-100 per cent interest-bearing products and 0-27.5 per cent real assets. Investments are made in interest-bearing securities from issuers with a credit rating of no lower than BBB according to Standard & Poor's and Baa according to Moody's.

Of the fund's capital at year-end 29 per cent (29) was invested in interest-bearing assets, 23 per cent (26) real assets investments, 28 per cent (27) in equity and 20 per cent (18) in alternative investments. The market value of the fund's assets as of 31 December 2024 was MSEK 9,346 (8,802) and the annual return was +6 per cent (+8). In 2024, the fund was capitalised by MSEK 43 (190) and MSEK -43 (-190) in refunds was paid.

The table below shows the solvency margin for the pension fund.

MSEK	31-12-2024	31-12-2023	31-12-2022	31-12-2021
Fair value of assets under management	9,346	8,802	8,120	8,307
Present value of defined-benefit obligations[1)]	10,301	10,128	8,995	12,832
Solvency margin	91%	87%	90%	65%
Pension obligation according to PRI	9,273	8,581	7,681	6,404
Solvency margin	101%	103%	106%	130%

1) Refers to the pension obligation that the assets under management are designed to cover.

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Note 36. Assets Pledged and Contingent Liabilities

	Group		Parent Company	
MSEK	**31-12-2024**	**31-12-2023**	**31-12-2024**	**31-12-2023**
Contingent liabilities				
Guarantees to insurance company, PRI Pensionsgaranti	186	172	186	172
Guarantees for Group companies' commitments to customers	-	-	8,346	8,875
Sureties for joint ventures	12	12	-	-
Sureties for associated companies	15	20	4	9
Total	**213**	**204**	**8,536**	**9,056**

In the ordinary course of business, Saab is occasionally involved in disputes and legal proceedings arising as a result of the Group's operations worldwide. For some of these legal proceedings and disputes Saab has recognised a provision, see note 32. Other disputes and legal proceedings are not expected, either individually or collectively, to have any significant negative impact on Saab's financial position or results.

In October 2024, Saab North America, Inc. received a subpoena from the U.S. Department of Justice (DoJ) requesting information about the Brazilian Government's acquisition of 36 Gripen E/F fighter aircraft in 2014. Saab is complying with the request to supply information and is cooperating with the DoJ in this matter. Both Brazilian and Swedish authorities have previously investigated parts of the Brazilian fighter procurement process. These investigations were closed without indicating ant wrongdoings by Saab.

The Group has issued bank guarantees related primarily to advance payments and fulfilment of MSEK 19,111 (20,270). These guarantees do not represent contingent liabilities as the likelihood of an outflow of resources is extremely small and, as a result, no value is recognised in the table of contingent liabilities.

In the ordinary course of business, Saab AB issue Parent Company guarantees to subsidiaries and joint ventures on a case by case basis. These guarantees may cover all or part of the relevant subsidiary's or joint venture's general obligations, or be a defined amount for a specific purpose.

For commitments regarding signed, not started, leases see note 17.

Note 37. Transactions with Related Parties

The Group's financial agreements conform to market principles. Saab has not had any significant transactions with Investor, Board members or members of Group Management during the year. For information on remuneration, see note 8.

In the first quarter 2024, Saab completed the acquisition of the remaining shares in UMS Skeldar AG for a minor consideration. No other significant transactions with related parties have occurred during 2024.

Of the Parent Company's sales, 10 (8) per cent referred to sales to Group companies, while 21 (26) per cent of the Parent Company's purchases were from Group companies. Sales to and purchases from the Group's associated companies and joint ventures amounted to approximately MSEK 66 (88) and MSEK 414 (206), respectively. For information on receivables from and liabilities to associated companies and joint ventures, see notes 23 and 33.

Note 38. Group Companies

Significant Group company holdings

		Ownership share, per cent	
Group company	**Group company's registered office, country**	**2024**	**2023**
Combitech AB	Växjö, Sweden	100	100
Saab Australia Pty Ltd	Australia	100	100
Saab Barracuda AB	Västervik, Sweden	100	100
Saab Canada, Inc.	Canada	100	100
Saab Danmark A/S	Denmark	100	100
Saab Deutschland GmbH	Germany	100	100
Saab Digital Air Traffic Solutions AB	Timrå, Sweden	100	100
Saab Dynamics AB	Karlskoga, Sweden	100	100
Saab Grintek Defence (Pty) Ltd	South Africa	100	100
Saab, Inc.	USA	100	100
Saab Kockums AB	Malmö, Sweden	100	100
Saab Seaeye Ltd	UK	100	100
Saab UK Ltd	UK	100	100

Total ownership of non-controlling interests amounted to MSEK 309 (327). No non-controlling interests are considered material.

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	Parent Company	
MSEK	**2024**	**2023**
Accumulated acquisition value		
Opening balance, 1 January	19,398	19,338
New issues/shareholders' contributions	771	379
Acquisitions	21	24
Sales and liquidations	-62	-343
Closing balance, 31 December	**20,128**	**19,398**
Accumulated write-downs		
Opening balance, 1 January	-12,901	-12,748
Write-downs for the year	-183	-153
Closing balance, 31 December	**-13,084**	**-12,901**
Carrying amount, 31 December	**7,044**	**6,497**

Specification of Parent Company's holdings of shares in Group companies

31-12-2024	No. of shares	Share, per cent	Carrying amount, MSEK
Group company/Corp. ID no./Registered office			
Celsius AB, 556194-4652, Linköping, Sweden	5,000	100.0%	144
Celsius Invest AB, 556164-6588, Stockholm, Sweden	1,720,000	100.0%	158
Combitech AB, 556218-6790, Växjö, Sweden	100,000	100.0%	1,064
Fastighets AB Linköping Malmen 27, 556354-6349, Linköping, Sweden	20,000	100.0%	4
Fastighets AB Stensholm-Huskvarna, 556030-2746, Jönköping, Sweden	150,000	100.0%	42
FFV Ordnance AB, 556414-8194, Karlskoga, Sweden	100,000	100.0%	10
Muskövarvet AB, 556675-3496, Haninge, Sweden	1,002	100.0%	61
N. Sundin Dockstavarvet AB, 556193-6138, Kramfors, Sweden	5,100	100.0%	85
Saab Air Traffic Management AB, 559464-9872, Göteborg, Sweden	1,000	100.0%	174
Saab Airport AB, 556366-8333, Linköping, Sweden	5,000	100.0%	3
Saab Asia Pacific Co. Ltd, Thailand	1,000	100.0%	12
Saab Barracuda AB, 556045-7391, Västervik, Sweden	200,000	100.0%	107
Saab Canada, Inc., Canada	25,765	100.0%	1
Saab Czech s.r.o, Czech Republic	-	100.0%	25
Saab Danmark A/S, Denmark	-	100.0%	103
Saab Deutschland GmbH, Germany	-	100.0%	311
Saab Digital Air Traffic Solutions AB, 559060-0747, Timrå, Sweden	500	100.0%	124
Saab Dynamics AB, 556264-6074, Karlskoga, Sweden	500,000	100.0%	357
Saab Emerging Technologies Norrmalm AB, 559334-2180, Stockholm, Sweden	1,000	100.0%	12
Saab France S.A.S, France	-	100.0%	0
Saab India Technologies Private Limited, India	100,000	100.0%	0

31-12-2024	No. of shares	Share, per cent	Carrying amount, MSEK
Saab International AB, 556267-8994, Stockholm, Sweden	50,000	100.0%	14
Saab Kenya Ltd, Kenya	2,000	100.0%	0
Saab Kockums AB, 556205-5623, Malmö, Sweden	500,000	100.0%	340
SAAB LTD, United Arab Emirates	100	100.0%	0
Saab Microwave Systems AB, 556028-1627, Mölndal, Sweden	300,000	100.0%	49
Saab Nordic Defence Industries A/S, Denmark	1,000	100.0%	60
Saab North America, Inc., USA	-	100.0%	2,419
Saab South Africa (Pty) Ltd, South Africa	-	100.0%	443
Saab Tactical Electronics AB, 559238-1627, Linköping, Sweden	1,000	100.0%	51
Saab Technologies Norway AS, Norway	1,000	100.0%	3
Saab Technologies s.r.o., Czech Republic	-	100.0%	-
Saab TransponderTech AB, 556628-6398, Linköping, Sweden	1,000	100.0%	110
Saab UK LTD, UK	100,000	100.0%	277
Saab Ventures AB, 556757-5211, Linköping, Sweden	1,000	100.0%	0
UMS Skeldar Sweden AB, 559006-2245, Linköping, Sweden	500	100.0%	369
UMS Skeldar AB, 556829-2949, Linköping, Sweden	500	100.0%	12
UMS Skeldar AG, Switzerland	-	100.0%	20
Dormant companies etc.	-	-	80
Carrying amount at year-end			**7,044**

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Note 39. Untaxed Reserves

	Parent Company	
MSEK	**2024**	**2023**
Tax allocation reserve:		
Opening balance, 1 January	2,797	2,336
Allocation for the year	1,090	770
Dissolution for the year	-530	-309
Closing balance, 31 December	**3,357**	**2,797**
Accumulated accelerated/under depreciation		
Buildings and land:		
Opening balance, 1 January	-	-
Accelerated/under depreciation for the year	-	-
Closing balance, 31 December	**-**	**-**
Machinery and equipment:		
Opening balance, 1 January	1,129	973
Accelerated depreciation for the year	264	156
Closing balance, 31 December	**1,393**	**1,129**
Total untaxed reserves, 31 December	**4,750**	**3,926**

Note 40. Statement of Cash Flows, Supplemental Information

The Group's free cash flow, and a reconciliation between free cash flow and cash flow for the year from the statement of cash flows, are stated below.

Free cash flow

	Group	
MSEK	**2024**	**2023**
Cash flow from operating activities before changes in working capital, excluding taxes and other financial items[1)]	**8,269**	**6,777**
Cash flow from changes in working capital:		
Contract assets and liabilities	7,218	2,915
Inventories	-4,890	-2,691
Other current receivables	-5,464	-1,922
Other current liabilities	3,589	2,020
Provisions	-1,456	-408
Change in working capital	**-1,003**	**-86**
Cash flow from operating activities, excluding taxes and other financial items	**7,266**	**6,691**
Investing activities:		
Investments in intangible fixed assets	-827	-1,031
Investments in tangible fixed assets	-4,012	-2,507
Sales and disposals of tangible fixed assets	70	4
Cash flow from investing activities[2)]	**-4,769**	**-3,534**
Operational cash flow	**2,497**	**3,157**
Taxes and other financial items	-1,224	-815
Sale of and investments in financial assets	-290	-896
Investments in operations	-15	-262
Sale of subsidiaries and other operations	25	382
Free cash flow	**993**	**1,566**

1) Including amortisation of lease liabilities.
2) Cash flow from investing activities excluding change in short-term investments and other interest-bearing financial assets and excluding sale of and investment in financial assets, investments in operations and sale of subsidiaries. If investments in and sale of financial fixed assets are considered to be of operating nature, the item is included in investing activities.

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Free cash flow versus cash flow for the year in statement of cash flows

MSEK	2024	2023
Free cash flow	993	1,566
Investing activities – interest-bearing:		
Short-term investments	2,471	-1,233
Other financial investments and receivables	-1,604	-372
Financing activities:		
Repayment of loans	-678	-1,075
Raising of loans	331	1,250
Dividend paid to the Parent Company's shareholders	-856	-703
Dividend paid to non-controlling interest	-41	-126
Transactions with non-controlling interest	-	10
Cash flow for the year	**616**	**-683**

Supplemental information on statement of cash flows

Liquid assets

	Group	
MSEK	**31-12-2023**	**31-12-2023**
The following components are included in liquid assets:		
Cash and bank balances	2,543	1,629
Bank deposits	300	500
Total according to the statement of financial position	**2,843**	**2,129**
Total according to statement of cash flows	**2,843**	**2,129**

	Parent Company	
MSEK	**31-12-2024**	**31-12-2023**
The following components are included in liquid assets:		
Cash and bank balances	603	253
Bank deposits	300	500
Total according to balance sheet	**903**	**753**
Total according to statement of cash flows	**903**	**753**

Interest and dividend

	Group		Parent Company	
MSEK	**2024**	**2023**	**2024**	**2023**
Dividends received	22	36	129	383
Interest received	390	340	469	389
Interest paid	-465	-437	-476	-466
Total	**-53**	**-61**	**122**	**306**

Adjustments for items not affecting cash flow

	Group		Parent Company	
MSEK	**2024**	**2023**	**2024**	**2023**
Depreciation and amortisation	2,645	2,265	842	730
Provisions	787	399	615	291
Write-downs	95	21	183	153
Capital gains/losses from sales of Group companies, associated companies and joint ventures	-18	-328	-	-234
Share of income in associated companies and joint ventures	-72	685	80	930
Unrealized change in fair value biological assets	0	-6	-	-
Negative goodwill from a purchase price allocation	-	-144	-	-
Dividends and Group contributions from/to Group companies	-	-	-2,517	-2,720
Other	-68	58	252	187
Total	**3,369**	**2,950**	**-545**	**-663**

Reconciliation of cash flows arising from liabilities in financing activities

			Non-cash changes		
Group, MSEK	**31-12-2023**	**Cash flows[1)]**	**Foreign exchange movement**	**New contracts/ Revaluation[2)]**	**31-12-2024**
Interest-bearing liabilities					
Bonds and other debt instruments	7,270	-400	5	318	7,193
Liabilities to associated companies and joint ventures	49	6	-	-	55
Lease liabilities	2,675	-690	57	990	3,032
Other interest-bearing liabilities	48	47	9	-	104
Total interest-bearing liabilities	**10,042**	**-1,037**	**71**	**1,308**	**10,384**

			Non-cash changes		
Group, MSEK	**31-12-2022**	**Cash flows[1)]**	**Foreign exchange movement**	**New contracts/ Revaluation**	**31-12-2023**
Interest-bearing liabilities					
Bonds and other debt instruments	7,101	165	4	-	7,270
Liabilities to associated companies and joint ventures	48		1	-	49
Lease liabilities	2,794	-586	-18	485	2,675
Other interest-bearing liabilities	45	10	-7	-	48
Total interest-bearing liabilities	**9,988**	**-411**	**-20**	**485**	**10,042**

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Parent company, MSEK	31-12-2023	Non-cash changes: Cash flows[1]	Foreign exchange movement	New contracts/ Revaluation[2]	31-12-2024
Interest-bearing liabilities, external					
Bonds and other debt instruments	7,270	-400	5	318	7,193
Liabilities to associated companies and joint ventures	49	6	-	-	55
Total interest-bearing liabilities, external	**7,319**	**-394**	**5**	**318**	**7,248**

Parent company, MSEK	31-12-2022	Non-cash changes: Cash flows[1]	Foreign exchange movement	New contracts/ Revaluation	31-12-2023
Interest-bearing liabilities, external					
Bonds and other debt instruments	7,101	165	4	-	7,270
Liabilities to associated companies and joint ventures	48	4	-3	-	49
Total interest-bearing liabilities, external	**7,149**	**169**	**1**	**-**	**7,319**

1) These amounts refer to cash flows arising from liabilities in Financing activities in the Consolidated statement of cash flows for the Group and cash flows arising from group external liabilities in Financing activities for the Parent company.
2) Amount in 2024 related to Bonds and other debt instruments refers to increase through equity swap agreement.

Sale of subsidiaries and operations

MSEK	Group 2024	2023
Divested assets and liabilities		
Intangible fixed assets	4	41
Tangible fixed assets	1	28
Deferred tax assets	-	13
Current receivables	7	178
Liquid assets	2	77
Total assets	**14**	**337**
Deferred tax liabilities	-	17
Current liabilities	8	105
Total liabilities	**8**	**122**
Sales price	27	592
Purchase price received	**27**	**459**
Less: Liquid assets in divested operations	-2	-77
Effect on the Group's liquid assets	**25**	**382**

During 2024, divestments relate to Combitech's Norwegian operations. The cash flow effect was 25 MSEK. During 2023, the MTM operations and a property were divested. The cash flow effect was 382 MSEK in total.

Note 41. Business combinations

In the first quarter 2024, Saab completed the acquisition of the remaining shares in UMS Skeldar AG for a minor consideration. The UMS Skeldar AG Group was an associated company in the comparison year. In the fourth quarter 2023, Saab acquired two subsidiaries in Sweden from UMS Skeldar AG for a minor consideration and entered into an agreement to acquire the remaining shares in UMS Skeldar AG.

In the beginning of the third quarter 2024, Combitech divested its Norwegian entity for a minor consideration.

During the year, the purchase price allocation for the acquisition in 2023 of BlueBear Systems Group Ltd (BlueBear) was confirmed. In the fourth quarter 2024, a remeasurement of a contingent consideration payable and a write-down of intangible assets related to acquired customer relations related to the acquisition of BlueBear were recognised. See note 43 for further information.

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Note 42. Information on Parent Company

Saab AB (publ), corporate identity no. 556036-0793, is a limited company registered in Sweden, with its registered office in Linköping. The Parent Company's B shares are registered on Nasdaq Stockholm. The address of the head office is Saab AB, Olof Palmes gata 17, 5th floor, SE-111 22 Stockholm, Sweden.

The consolidated accounts for 2024 comprise the Parent Company and its Group companies, together referred to as the Group. The Group also includes the holdings in associated companies and joint ventures.

Note 43. Items affecting comparability

Item affecting comparability	Business Area	Line item	2024	2023
Capital gain from divestment of Combitech Norway	Combitech	Other operating income	18	-
Remeasurement of contingent consideration payable	Surveillance	Other operating income	112	-
Write-down of intangible assets related to acquired customer relations	Surveillance	Marketing expenses	-72	-
Write-down of associated companies	Corporate	Share of income in associated companies and joint ventures	-	-494
Capital gain from the divestment of MTM operations	Surveillance	Other operating income	-	270
Capital gain from divestment of property	Corporate	Other operating income	-	58
Negative goodwill from purchase price allocation	Corporate	Other operating income	-	144
Total			**58**	**-22**

The items affecting comparability are included in the operating income of the group. Operating income adjusted for items affecting comparability is not reported in 2024 or 2023.

Note 44. Exchange Rates used in Financial Statements

			Year-end rate		Average rate	
Country			**2024**	**2023**	**2024**	**2023**
Australia	AUD	1	6.84	6.82	6.98	7.04
Brazil	BRL	1	1.78	2.06	1.97	2.13
Denmark	DKK	100	153.88	148.23	153.30	153.98
Euro	EUR	1	11.48	11.05	11.43	11.47
India	INR	100	12.87	12.01	12.63	12.85
Canada	CAD	1	7.65	7.55	7.72	7.86
Norway	NOK	100	96.93	97.94	98.34	100.46
Switzerland	CHF	1	12.22	11.83	12.00	11.81
UK	GBP	1	13.81	12.72	13.51	13.19
South Africa	ZAR	100	58.79	53.86	57.68	57.53
Czech Republic	CZK	100	45.55	44.73	45.52	47.84
USA	USD	1	11.00	9.99	10.56	10.61

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Note 45. Definitions of Key Ratios in Financial Statements

Below are definitions of financial key ratios that are used in the report. For more information and explanations regarding the usage of these key ratios, see saabgroup.com, investor, financial data, key ratios.

Capital employed Total assets less non-interest-bearing liabilities.
Capital turnover Sales divided by average capital employed.
Cash conversion Operational cash flow divided by operating income (EBIT).
Earnings per share Net income for the year attributable to the Parent Company's shareholders, divided by the average number of shares before and after full dilution. There is no dilution impact if the result is negative.
EBITDA Operating income before depreciation/amortisation and write-downs
EBITDA adjusted for items affecting comparability Operating income before depreciation/amortisation and write-downs adjusted for items classified as affecting comparability.
EBITDA margin Operating income before depreciation/amortisation and write-downs as a percentage of sales.
EBITDA margin adjusted for items affecting comparability Operating income before depreciation/amortisation and write-downs adjusted for items classified as affecting comparability as a percentage of adjusted sales.
Effective tax rate Current and deferred taxes as a percentage of income before tax.
Equity/assets ratio Equity in relation to total assets.
Equity per share Equity attributable to the Parent Company's shareholders divided by the number of shares, excluding treasury shares, at the end of the year.
Free cash flow Cash flow from operating activities, including amortisation of lease liabilities, and cash flow from investing activities, excluding acquisitions and divestments of short-term investments and other interest-bearing financial assets.
Free cash flow per share Free cash flow divided by the average number of shares after dilution.
Full Time Equivalent, FTE Refers to the number of full-time equivalent employees. Excludes long-term absentees and consultants but includes fixed term employees and part-time employees.
Gross income adjusted for items affecting comparability Gross income adjusted for items classified as affecting comparability.
Gross margin Gross income as a percentage of sales.
Gross margin adjusted for items affecting comparability Gross income adjusted for items affecting comparability as a percentage of adjusted sales.
Interest coverage ratio Operating income plus financial income divided by financial expenses.
Items affecting comparability Items affecting comparability comprise the financial effects from events or transactions with material impact that are relevant to understand the result when comparing periods. Such events or transactions can relate to restructuring programs, costs related to disputes and legal proceedings, macroeconomic developments, impairment charges and gains and losses from divestments of group companies, joint ventures or associated companies.
Net investments Investments, sales and disposals of intangible and tangible fixed assets.
Net liquidity/net debt Liquid assets, short-term investments and interest-bearing receivables less interest-bearing liabilities and provisions for pensions excluding provisions for pensions attributable to special employers' contribution.
Net liquidity/net debt to EBITDA End of period Net liquidity/net debt divided by 12-month rolling reported EBITDA
Number of permanent employees Headcount of all employed by the company, excluding fixed term employees and consultants
Operating income Income before financial items and tax.
Operating income adjusted for items affecting comparability Operating income (EBIT) adjusted for items classified as affecting comparability.
Operating margin Operating income (EBIT) as a percentage of sales.
Operating margin adjusted for items affecting comparability Operating income adjusted for items affecting comparability as a percentage of adjusted sales.
Operational cash flow Cash flow from operating activities, excluding taxes and other financial items, amortisation of lease liabilities and investments, sales and disposals of intangible and tangible fixed assets.
Order backlog Total value of orders at the end of the year.
Order bookings Total value of orders received during the year.
Organic sales growth Change in sales in percentage adjusted for effects from exchange rate due to the translation of foreign subsidiaries, and structural changes such as acquisitions and divestments of subsidiaries.
Profit margin Operating income plus financial income as a percentage of sales.
Research and development, R&D Research and development costs are recognised separately in the income statement and comprise the cost of self-financed new and continued product development as well as amortisation and any write-down of capitalised development costs. Research and development expenses comprise both expenses incurred as costs excluding amortization and write-downs, and expenses capitalised as development costs in the statement of financial position. Total R&D expenses also include the part of Saab's R&D that is conducted in cooperation with customers, which is reported as cost of goods sold.
Return on capital employed Operating income plus financial income as a percentage of average capital employed.
Return on equity Net income for the year as a percentage of average equity.
Sales adjusted for items affecting comparability Sales adjusted for items classified as affecting comparability.

Note 46. Significant events after the conclusion of the period in the Financial Statements

- On 17 January 2025, Saab provided a Q4 update and comments on higher organic sales growth for full year 2024. Sales for full year 2024 was expected to be approximately SEK 63.8 billion (51.6), corresponding to an organic sales growth of 23.4%.
- On 29 January 2025, Saab informed that Jonas Hjelm, then Senior Vice President and Head of Government Affairs, will leave his position and the Group Management team to become Senior Advisor at Saab.
- On 31 January 2025, Saab informed of a number of changes affecting the Group Management team. Eva Karlsson has been appointed Senior Vice President, Chief Operating Officer (COO) and will be a member of Saab's Group Management team. As a consequence, Saab's Group Operational Excellence organisation will sort under the new COO role and Charlotta Björklund, currently Senior Vice President, Operational Excellence, therefore left the Group Management team as of 1 March 2025 and subsequently report to the COO. Eva Karlsson will assume the position on 1 August 2025 at the latest. In addition, Saab informed that the scope of the Group Strategy function is reduced and will become more focused on the common strategic areas of Saab. Therefore, Saab's Christian Hedelin, Senior Vice President and Chief Strategy Officer, will leave the Group Management team and report to Anders Carp, Deputy CEO.

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Dividend motivation

The Board of Directors' statement according to chapter 18, § 4 of the Companies Act with regard to the proposed dividend – Saab AB.

Saab is one of the world's leading high-technology companies, with operations that are characterised by complex development assignments on the cutting edge of technology. Over the years, Saab has conducted significant development projects and managed the associated risks with great success. See also risks and uncertainties in the annual report.

The Board of Directors is proposing a total dividend of MSEK 1,073 (853), an increase of 26 per cent, corresponding to SEK 2.00 (1.60 adjusted for the share split 4:1) per share.

Saab AB's unrestricted equity amounts to MSEK 15,390 and profit carried forward in the Group before the dividend is paid amounts to MSEK 27,035.

Net income for the year attributable to the Parent Company's shareholders amounted to MSEK 4,171 for the Group and MSEK 2,565 for the Parent Company.

After paying the dividend to the shareholders, the Group's equity/assets ratio amounts to 35.2 per cent, compared to the target of 30 per cent. Since the IPO in 1998, the equity/assets ratio has risen from 22.0 per cent to 35.9 per cent.

Saab's gross capital expenditure in 2024 amounted to MSEK 4,012. Investments are also made in research and development, which in 2024 amounted to MSEK 2,705, of which MSEK 530 was capitalised in the balance sheet.

At year-end, Saab had a net liquidity, which includes liquid assets, short-term investments and interest-bearing receivables less interest-bearing liabilities, including provisions for lease liabilities and pensions, amounting to MSEK 2,211.

The proposed dividend is not expected to affect Saab's ability to carry out its commitments on a short- or long-term basis.

The proposed dividend is considered justifiable with regard to what is stated in chapter 17, § 3, paragraphs two and three of the Companies Act (2005:551):

1. the demands that the company's nature, scope and risks place on the size of its equity, and
2. the company's consolidation needs, liquidity or financial position in other respects.

The Board of Directors of Saab AB

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Proposed disposition of earnings 2024

The Board of Directors and the President and CEO propose that the unappropriated earnings in the Parent Company at disposal of the Annual General Meeting, amounting to:

SEK	
Retained earnings	7,268,016,739
Share premium reserve	5,557,130,127
Net comprehensive income for the year	2,565,306,277
Total	**15,390,453,143**

be disposed as follows:	
To the shareholders, a dividend of SEK 2.00 per share	1,072,935,540
To share premium reserve	5,557,130,127
Funds to be carried forward	8,760,387,476
Total	**15,390,453,143**

After the proposed disposition, equity in the Parent Company will be as follows:

SEK	
Capital stock	2,173,533,552
Statutory reserve	542,471,135
Revaluation reserve	631,228,918
Share premium reserve	5,557,130,127
Retained earnings	8,760,387,476
Total	**17,664,751,208**

The company's policy is to issue a dividend of 20–40 per cent of net income over a business cycle. The Board of Directors and the President propose that MSEK 1,073 (853), or SEK 2.00 (1.60 adjusted for the share split 4:1) per share be issued as a dividend. This has been calculated based on the amount of outstanding shares on 31 December 2024, of 536,467,770 (532,989,260 adjusted for the share split 4:1). Saab's equity/assets ratio is currently 35.9 per cent (39.1) and after the proposed disposition of earnings will be 35.2 per cent (38.5).

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Signing of the Annual Report

The undersigned certify that the consolidated accounts and the annual report have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use in the European Union, and generally accepted accounting principles, and give a true and fair view of the financial positions and results of the Group and the Parent Company, and that the management report gives a fair review of the development of the operations, financial positions and results of the Group and the Parent Company and describes substantial risks and uncertainties that the Group companies faces.

Linköping 28 February 2025

Marcus Wallenberg
Chairman

Bert Nordberg
Deputy Chairman

Lena Erixon
Board member

Henrik Henriksson
Board member

Danica Kragic Jensfelt
Board member

Johan Menckel
Board member

Erika Söderberg Johnsson
Board member

Sebastian Tham
Board member

Joakim Westh
Board member

Anders Ynnerman
Board member

Stefan Andersson
Board member

Göran Andersson
Board member

Magnus Gustafsson
Board member

Micael Johansson
President and Chief Executive Officer (CEO)
and board member

Our audit report was submitted on 28 February 2025
PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant
Auditor in charge

Camilla Samuelsson
Authorised Public Accountant

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This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

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 (publ) for the year 2024 except for the statutory sustainability report and the corporate governance statement on pages 66 to 145 and 51 to 62 respectively. The annual accounts and consolidated accounts of the company are included on pages 45 to 218 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 2024 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 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, 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 66 to 145 and 51 to 62 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 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 (publ) and the subsidiaries Saab Dynamics AB, Saab Kockums AB and Combitech AB. In addition, entities in Australia and the USA have been subject to review procedures.

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 judgment, we determined certain quantitative thresholds for materiality, including the overall materiality for the consolidated financial statements as a whole. These, together with qualitative

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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 one key audit matter. The matter 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 this matter.

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, do not correctly reflect Saab's fulfillment 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 the 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 49 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 49.

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.

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.

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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 44 and 225 to 228 as well as the statutory sustainability report on page 66 to 145. 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 Accounting Standards 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. This description is part of the auditor's report.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

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 (publ) for the year 2024 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 organisation 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 organisation 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 fulfill 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

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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/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Saab AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Saab AB (publ) 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for ensuring that the Esef report has been prepared in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to form an opinion with reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for the corporate governance statement on pages 51 to 62 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 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 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.

PricewaterhouseCoopers AB, Stockholm, was appointed auditor of Saab AB (publ) by the general meeting of the shareholders on the 11 April 2024 and has been the company's auditor since the 7 April 2011.

Stockholm 28 February 2025
PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant
Partner in charge

Camilla Samuelsson
Authorised Public Accountant

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Auditor's Combined Assurance Report

on Saab AB (publ)specific ESRS quantitative data and entity specific quantitative data and the EU Taxonomy reporting, CO_2 emissions and the statutory sustainability report 2024

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.
To the annual general meeting of Saab AB (publ), org.nr 556036-0793

Introduction
We have been engaged by the board and Managing Director of Saab AB (publ) to undertake a limited assurance of specific ESRS quantitative data and entity specific quantitative data (see below) and the EU Taxonomy reporting in Saab AB (publ) sustainability report 2024. The engagement also includes a reasonable assurance of specific CO_2 emissions (scope 1 and scope 2) as specified below and our statement of the statutory sustainability report.

Responsibilities of the Board and Managing Director for sustainability report
The Board of Directors and the Managing Director of Saab are responsible for the preparation of the specific ESRS quantitative data and entity specific quantitative data and the EU Taxonomy reporting in accordance with applicable criteria and the statutory sustainability report.

The company has defined the reporting criteria and accounting principles on page 138. The criteria consist of the following specific ESRS quantitative data and entity specific quantitative data (see below) based on the European sustainability reporting standard (ESRS), the company's own developed accounting principles, the EU's Green Taxonomy Regulation Article 8, the Greenhouse Gas Protocol for CO_2 emissions scope 1 and 2 and the Annual Accounts Act.

Specific ESRS quantitative metrics
- E1-5 Energy consumption and mix
  - 37a Total energy consumption from fossil sources
  - 37b total energy consumption from nuclear sources;
  - 37c Total energy consumption from renewable sources disaggregated by type
  - 38a Fuel consumption from coal and coal products
  - 38b Fuel consumption from crude oil and petroleum products
  - 38c Fuel consumption from natural gas
  - 38d Fuel consumption from other fossil sources
  - 38e Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources
  - 39 Non-renewable energy production
  - 39 Renewable energy production
  - 40 Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue)

- E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions
  - 48a Gross Scope 1 greenhouse gas emissions
  - 48b Percentage of Scope 1 GHG emissions from regulated emission trading schemes
  - 49a Gross location-based Scope 2 greenhouse gas emissions
  - 49b Gross market-based Scope 2 greenhouse gas emissions
  - 51 Gross Scope 3 greenhouse gas emissions
  - 53 GHG emissions intensity, location-based and market-based (total GHG emissions per net revenue)

- E5-5 Resource outflow
  - 37a Total Waste generated
  - 37b Waste diverted from disposal, breakdown by hazardous and non-hazardous waste and treatment type
  - 37c Waste directed to disposal, breakdown by hazardous and non-hazardous waste and treatment type
  - 37d Amount and percentage of Non-recycled waste
  - 39 Total amount of hazardous and radioactive waste

- S1-6 Characteristics of the entity's employees
  - 50a Total number of employees by headcount and breakdown by county and gender
  - 50b Total number of employees by head count or FTE and breakdown by employee type and gender

- S1-7 Characteristics of non-employee workers in the undertaking's own workforce
  - 55a Number of non-employees in own workforce

- S1-9 Diversity metrics
  - 66a Gender distribution in number and percentage of employees at top management level
  - 66b Distribution of employees by age group

- S1-14 Health and safety metrics
  - 88a Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and/or recognised standards or guidelines
  - 88b Number of fatalities as a result of work-related injuries and work-related ill health
  - 88c Number and rate of recordable work-related accidents
  - 88d Number of cases of recordable work-related ill health

- S1-16 Pay gap between women and men
  - 97a Gender pay gap
  - 97b Annual total remuneration ratio

- G1-4 Incidents of corruption or bribery
  - 24a Number of convictions and the amount of fines for violation of anti-corruption and anti- bribery laws

Entity specific quantitative metrics
- SBTi engagement for supply chain
- Responsible sales
  - Number of risk assessments produced
  - Share of flagged leads assessed
- Data privacy integrated in all central processes

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- Water withdrawal
- Number of lost time injuries for own workforce
- Rate of lost time injuries for own workforce
- Reported close calls/hazard identification per work-related injury

This responsibility also includes the internal control which is relevant to the preparation of the specific ESRS quantitative data and entity specific quantitative data and CO_2 emissions scope 1 and 2 and the Annual Accounts and EU Taxonomy is free from material misstatement, whether due to fraud or error.

Responsibilities of the auditor
Our responsibility is to express a conclusion on the specific ESRS quantitative data and unit-specific quantitative data (see below) and the EU Taxonomy, specific CO_2 emissions scope 1 and 2 and the statutory sustainability report based on our review.

We conducted the assurance engagement in accordance with ISAE3000 (revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", to provide limited assurance on specific ESRS quantitative data and entity specific quantitative data and reporting of EU Taxonomy, and in accordance with ISAE3410, "Assurance Engagements on Greenhouse Gas Statements", to provide reasonable assurance on scope 1 and 2 CO_2 emissions as specified below. We have conducted our review regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Saab AB (publ) according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and according to RevR12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The stated conclusion based on a limited assurance and an examination in accordance with RevR 12, therefore, does not have the security that the conclusion of our reasonable assurance procedures.

Since this assurance engagement is combined, our conclusions regarding the reasonable assurance and the limited assurance will be presented in separate sections.

Our reasonable assurance engagement includes data for 2024 related to CO_2 emissions in scope 1 and scope 2 (as disclosed on page 138).

Our procedures are based on the criteria defined by the Board of Directors and the Managing Director as described above. We consider these criteria as suitable for the preparation of the specific ESRS quantitative data and entity specific quantitative data, reporting of EU Taxonomy, specific CO_2 emissions scope 1 and 2 and the statutory sustainability report.

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

Conclusions
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that Saab AB (publ) for the specific ESRS quantitative data and entity specific quantitative data, reporting of EU Taxonomy, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Managing Director.

In our opinion, Saab's direct and indirect (scopes 1+2) fossil CO_2 emissions which have been subject to our reasonable assurance procedures have, in all material respects, been prepared in accordance with the criteria defined by the Board of Directors and the Managing Director.

Our statement does not include forward-looking statements.

A statutory sustainability report has been prepared.

Stockholm 28 February 2025

PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant
Partner in charge

Camilla Samuelsson
Authorised Public Accountant

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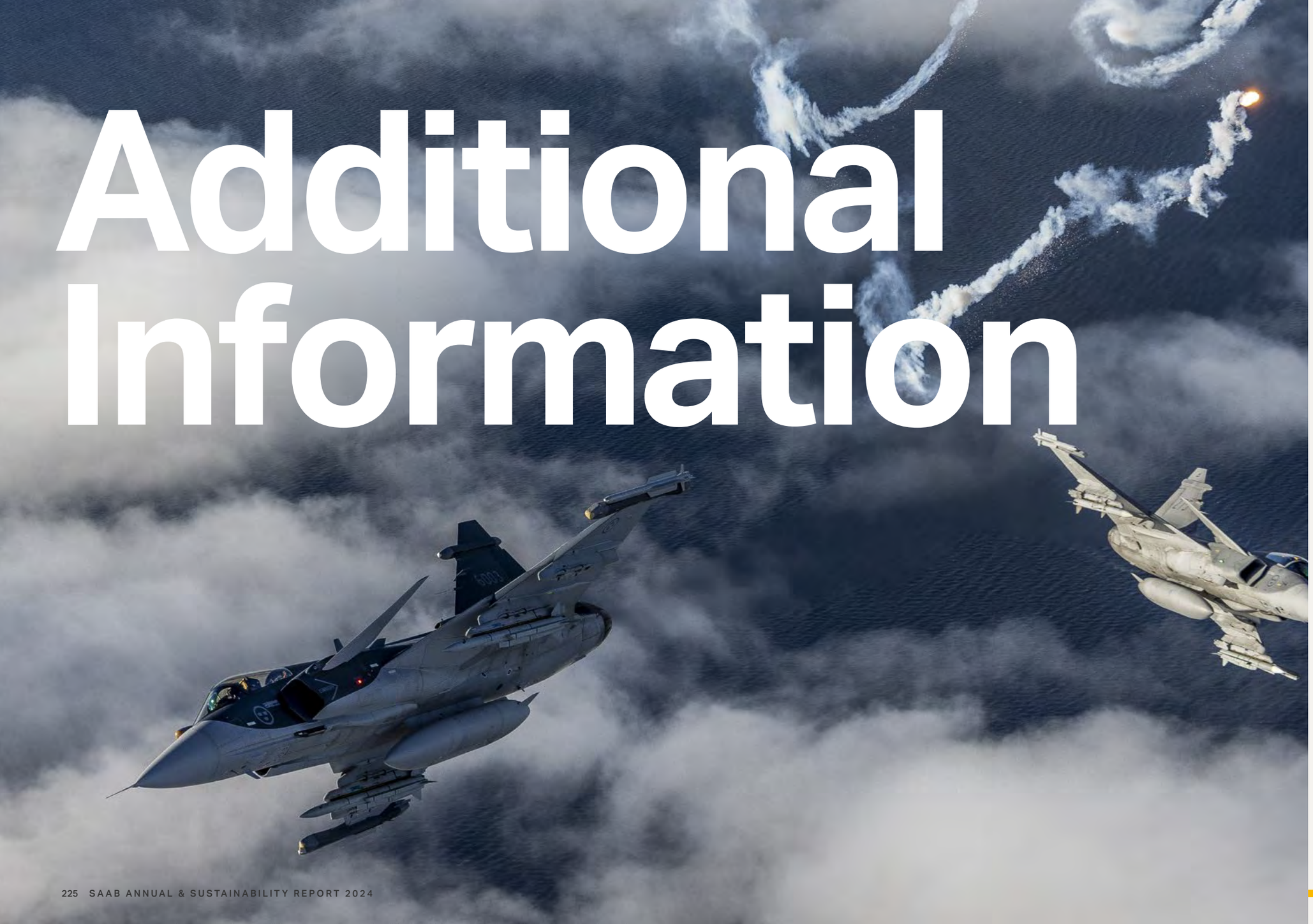

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Multi-year overview

MSEK. unless otherwise indicated	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Order bookings	96,798	77,811	63,116	43,569	42,328	27,216	27,975	30,841	21,828	81,175
Order backlog 31 December	187,223	153,409	127,676	105,177	99,816	93,293	102,184	107,233	107,606	113,834
Sales	**63,751**	**51,609**	**42,006**	**39,154**	**35,431**	**35,433**	**33,156**	**31,666**	**28,631**	**27,186**
Foreign market sales, %	59	58	58	62	64	63	59	58	57	58
Defence sales, %	92	90	89	90	88	85	85	84	83	82
Operating income before depreciation/amortisation and write-downs (EBITDA)	8,402	6,558	5,401	4,826	2,833	4,305	3,182	3,089	2,743	2,859
EBITDA margin, %	13.2	12.7	12.9	12.3	8.0	12.1	9.6	9.8	9.6	10.5
Operating income (EBIT)	**5,662**	**4,272**	**3,274**	**2,888**	**1,315**	**2,937**	**2,266**	**2,250**	**1,797**	**1,900**
Operating margin, %	8.9	8.3	7.8	7.4	3.7	8.3	6.8	7.1	6.3	7.0
Financial income	563	782	194	124	230	190	193	121	90	169
Financial expenses	-936	-636	-649	-435	-433	-520	-663	-272	-276	-338
Income after financial items	5,289	4,418	2,819	2,577	1,112	2,607	1,796	2,099	1,611	1,731
Net income for the year	**4,210**	**3,443**	**2,283**	**2,025**	**1,092**	**2,025**	**1,366**	**1,508**	**1,175**	**1,402**
Net income attributable to Parent Company's shareholders	4,171	3,381	2,195	1,926	1,073	1,983	1,313	1,477	1,133	1,362
Total assets	99,823	82,759	72,365	65,039	60,568	59,858	56,128	44,998	41,211	35,088
– of which total equity	35,812	32,362	29,876	23,249	21,644	20,809	19,633	14,285	13,301	12,912
– of which equity attributable to Parent Company's shareholders	35,503	32,035	29,486	22,976	21,466	20,535	19,412	14,097	13,156	12,851
Equity per share, SEK[1) 7)]	66.33	60.11	55.64	43.58	40.58	38.62	36.36	30.47	28.54	28.00
Net liquidity/debt excluding lease liabilities, interest-bearing receivables and net provisions for pensions	5,999	6,102	5,663	4,669	2,918	-354	2,190	344	28	-1,880
Net liquidity/debt[6)]	2,211	2,343	2,432	-2,125	-4,273	-7,069	-1,460	-1,834	-1,836	-3,217
Cash flow from operating activities	6,732	6,462	4,654	5,713	5,800	1,194	-490	3,164	4,154	358
Free cash flow[6)]	**993**	**1,566**	**1,871**	**2,737**	**3,753**	**-2,036**	**-3,195**	**852**	**2,359**	**-726**
Free cash flow per share after dilution, SEK[3) 7)]	1.84	2.91	3.50	5.13	7.01	-3.80	-6.82	1.83	5.10	-1.58
Average capital employed	45,650	42,453	39,364	37,243	36,338	34,485	28,151	22,495	21,135	18,454
Average equity	34,087	31,119	26,563	22,447	21,227	20,221	16,959	13,793	13,107	12,143
Return on capital employed, %	13.6	11.9	8.8	8.1	4.3	9.1	8.7	10.5	8.9	11.2
Return on equity, %	12.4	11.1	8.6	9.0	5.1	10.0	8.1	10.9	9.0	11.5
Profit margin, %	9.76	9.79	8.26	7.69	4.36	8.83	7.42	7.49	6.59	7.61
Capital turnover rate, multiple	1.40	1.22	1.07	1.05	0.98	1.03	1.18	1.41	1.35	1.47
Equity/assets ratio, %	35.9	39.1	41.3	35.7	35.7	34.8	35.0	31.7	32.3	36.8
Interest coverage ratio, multiple	6.65	7.95	5.34	6.92	3.57	6.01	3.71	8.72	6.84	6.12
Earnings per share before dilution, SEK[2) 5) 7)]	7.81	6.36	4.15	3.64	2.02	3.72	2.82	3.20	2.46	2.98
Earnings per share after dilution, SEK[3) 5) 7)]	7.74	6.29	4.10	3.61	2.00	3.70	2.80	3.18	2.45	2.95
Dividend, SEK[7)]	**2.00[4]**	**1.60**	**1.33**	**1.23**	**1.18**	**0.00**	**1.12**	**1.38**	**1.31**	**1.25**
Gross capital expenditures for tangible fixed assets	4,012	2,507	1,624	1,223	1,269	1,213	1,481	1,093	807	799
Total R&D expenditures	10,528	8,899	7,637	6,897	7,440	7,643	7,562	7,348	7,421	6,841
Number of permanent employees at year-end	**24,481**	**21,479**	**19,002**	**18,153**	**18,073**	**17,420**	**17,096**	**16,427**	**15,465**	**14,685**
FTEs	**24,523**	**21,610**	**19,121**	**18,011**	**17,985**	**17,299**	**16,759**	**16,171**	**15,474**	**14,519**

1) Number of shares, excluding treasury shares, as of 31 December 2024: 535,270,968; 2023: 532,989,260; 2022: 529,955,536; 2021: 527,240,712; 2020: 528,988,292; 2019: 531,705,452; 2018: 533,931,520; 2017: 462,741,804; 2016: 460,929,980; 2015: 458,987,336
2) Average number of shares before dilution 2024: 534,007,696; 2023: 531,535,632; 2022: 528,630,344; 2021: 528,658,396; 2020: 532,039,944; 2019: 532,981,440; 2018: 465,871,288; 2017: 461,779,660; 2016: 459,884,392; 2015: 457,937,912
3) Average number of shares after dilution 2024: 539,218,308; 2023: 537,511,328; 2022: 534,896,892; 2021: 533,173,360; 2020: 535,508,564; 2019: 535,717,168; 2018: 468,579,660; 2017: 465,241,864; 2016: 463,101,100; 2015: 461,123,784
4) Board of Directors' proposal.
5) Net income less non-controlling interest divided by average number of shares.
6) For more information and explanations regarding the usage of these key ratios, please see saab.com, investor, financial data, key ratios.
7) Comparison periods adjusted for share split 4:1

Financials for 2017 are restated according to the changed accounting principles for revenue from contracts with customers (IFRS 15).

The average number of outstanding shares for the years 2017-2015 have been adjusted in accordance with IAS 33 "Earnings per share", in accordance with the terms of the rights issue 2018.

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10 April 2025

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25 April 2025

Capital Markets Day
26-27 May 2025

Q2 report
18 July 2025

Q3 report
24 October 2025

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Annual General Meeting 2025
The Annual General Meeting will be held on Thursday, 10 April 2025 at 15:00 CET in Saab's hangar, Åkerbogatan 10, Linköping, Sweden.

The shareholders may, besides physical attendance, also exercise their voting rights at the Annual General Meeting by postal voting prior to the meeting.

Information on the right to participate and notification of participation, on how shareholders will be able to exercise their voting rights, and on proxies and assistants can be found in the notice of the Annual General Meeting.

Information can also be found at the company's website www.saab.com/agm.

Dividend
The Board of Directors proposes that shareholders receive a dividend of SEK 2.00 per share. In order to facilitate a more efficient cash management, the dividend is proposed to be paid out in two equal instalments. The proposed record dates to be entitled to receive the dividend are 14 April 2025 and 7 October 2025. The dividend is expected to be paid out on 17 April 2025 and 10 October 2025.

Distribution of the Annual Report
The Annual Report is available on Saab's website, www.saab.com. A printed version of the annual report can be ordered by email to annual.report@saabgroup.com.

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Concept, text and production: Saab Investor Relations
in co-operation with Miltton.
Photos of Board of Directors and Group Management
taken in co-operation between Lili Studios AB and Saab.

SAAB