Annual General Meeting of Saab AB 10 April 2025

Agenda item 15

THE BOARD'S PROPOSAL ON A LONG-TERM INCENTIVE PROGRAM 2026 AND ACQUISITION AND TRANSFER OF OWN SHARES

Background and reasons for the proposal

The Shareholders' Meeting of Saab AB ("Saab" or the "Company") has, for a number of years, resolved on a Long-term Incentive Program ("LTI") consisting of three parts, a Share Matching Plan, a Performance Share Plan and a Special Projects Incentive.

The Board of Directors finds it important and in all shareholders' interest that employees of the group have a long-term interest in a positive development of the share price in Saab. Accordingly, the Board of Directors has also previously implemented a policy with a requirement of certain shareholdings for senior executives. Saab's current order backlog includes certain special projects and the execution of these projects remains very important. In addition, developing and investing in future capabilities, including digitalization, within Saab's core areas have become an area of increased priority in line with Saab's strategy. Meeting this requires both that Saab can retain the best competencies and their loyalty, and that the Company's management and other key employees continue to deliver results and performance at a very high level. In light of this, the Board of Directors proposes to the Annual General Meeting the below long-term incentive program for employees ("LTI 2026").

In accordance with the proposal to the previous Annual General Meeting, this proposal also consists of three parts: Share Matching Plan 2026; Performance Share Plan 2026; and Special Projects Incentive 2026. LTI 2026 is proposed to comprise a maximum of 3,100,000[1] shares of series B in Saab and to have corresponding terms and conditions as the Long-Term Incentive program adopted by the Annual General Meeting 2024.

The Board of Directors' proposal for the Performance Share Plan 2026 includes that the minimum and maximum levels for the sustainability targets shall be possible to adjust, where necessary, at the Annual General Meeting 2026 for the purpose of creating more precise and relevant minimum and maximum target levels.

LTI 2026 enables present and future employees to become shareholders in Saab and includes a requirement of own investment in shares in Saab. The purpose of the LTI 2026 is to stimulate employees to continued long-term commitment and continued good performance as well as to increase the Saab Group's attractiveness as an employer. In view of this, LTI 2026 is considered to have a positive effect on Saab's future development and thus be of advantage to both the shareholders and the employees in the Saab Group.

[1] The number of shares that can be transferred to the participants free of consideration has decreased from 4,400,00 (after share split 4:1) to 3,100,000 compared to last year's program considering the share price development.

It is the intention of the Board of Directors to propose long-term incentive programs also to future Annual General Meetings.

Costs, dilution and effects on key figures

The total effect on the income statement is estimated to approximately MSEK 942 unevenly distributed over the years 2026–2030. The costs should be compared with the Saab Group's total remuneration costs in 2024, including social security costs, amounting to approximately MSEK 20,100.

The calculations are based on assumptions that all available shares in the LTI 2026 will be utilized and a share price of SEK 234[2]. The costs are dependent on the future development of the Company's share price. At a higher share price, a lower number of available shares in LTI 2026 will be utilized.

Effects on the income statement and the cash flow

Compensation costs, corresponding to the value of shares transferred to employees, is estimated to approximately MSEK 725. The compensation costs are distributed over the years 2026–2030.

Social security costs, as a result of transfer of shares to employees at an assumed share price at SEK 234, are estimated to amount to approximately MSEK 217. The social security costs are distributed over the years 2026–2030.

The expenditure for acquiring own shares affecting the cash flow is estimated to a maximum of MSEK 725 at an assumed share price of SEK 234 and a maximum of 3,100,000 shares.

Dilution and effects on key figures

The Company has approximately 543 million issued shares. As per 31 December 2024, the Company held 6,915,618 own shares of series B. In order to implement the LTI 2026, a total of 3,100,000 shares of series B are required, corresponding to approximately 0.57 percent of the total number of issued shares.

As calculated as per 31 December 2024, the number of shares to be transferred to employees within the scope of all ongoing long-term incentive programs amounts to approximately 5,821,000 shares (excluding LTI 2025 which started in January 2025), corresponding to approximately 1.07 percent of the total number of issued shares. LTI 2025 comprises 4,400,000 shares, corresponding to approximately 0.81 percent of the total number of issued shares, and are not included in the above calculation as it was launched in January 2025. The expected financial exposure of LTI 2024 is hedged through an equity swap agreement with a third party on terms and conditions in accordance with market practice.

All 3,100,000 shares of series B required for the LTI 2026 may be transferred to employees free of consideration and could cause a dilutive effect of approximately 0.57 percent on earnings per share.

[2] SEK 234 corresponds to the share price on 31 December 2024.

Hedge

As the main alternative, the Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors to resolve on acquisitions of own shares of series B on Nasdaq Stockholm, which subsequently may be transferred to the participants in Saab's long-term Share Matching Plan, Performance Share Plan and Special Projects Incentive. Furthermore, the Board of Directors proposes that the Shareholders' Meeting resolves on transfer of own shares of series B, free of consideration, to the participants of LTI 2026. The detailed terms and conditions for the Board of Directors' main alternative are presented below.

In the event that the required majority under item 15 b) below is not reached, the Board of Directors proposes that Saab should be able to enter into an equity swap agreement with a third party, in accordance with item 15 c) below.

Preparation of the proposals

The LTI 2026 has been prepared by the Remuneration Committee and in consultation with the Board of Directors. The proposals have been adopted by the Board of Directors.

The Board of Directors' proposals

The Board of Directors' proposals for the resolutions below entail that the Annual General Meeting resolves a) to implement LTI 2026, b) to authorize the Board of Directors to resolve on acquisitions of own shares on Nasdaq Stockholm and that acquired shares may be transferred, free of consideration, to the participants in LTI 2026, or, in the event that the required majority under b) is not reached, c) that Saab shall be entitled to enter into an equity swap agreement with a third party.

15 a) Implementation of LTI 2026

LTI 2026 comprises three parts: Share Matching Plan 2026, Performance Share Plan 2026 and Special Projects Incentive 2026. Participation in LTI 2026 requires own investment in shares in Saab. Investment made under the Performance Share Plan 2026 counts also as a basis for participation in the Share Matching Plan 2026, however, only up to an amount of maximum 5 percent of the cash base salary.

Share Matching Plan 2026

The Board of Directors proposes that the Annual General Meeting resolves on a long-term Share Matching Plan 2026 comprising a maximum of 1,900,000 shares of series B in Saab, according to the principal guidelines below.

1. All permanent employees within the Saab Group, including employees who are covered by Performance Share Plan 2026 and/or Special Projects Incentive 2026, with the exception of what is mentioned in item 3 below, will be offered to participate in the Share Matching Plan 2026.

2. Employees who participate in the Share Matching Plan 2026 can during a twelve-month period save up to a maximum of 5 percent of the cash base salary for the purchase of shares of series B on Nasdaq Stockholm. If the purchased shares are retained by the employee for three years from the date of investment and employment within the Saab Group has not been terminated during the entire three-year period, the employee will be

allocated by the Saab Group the corresponding number of shares of series B free of consideration. The Board of Directors may grant limited exemptions from the requirement of employment during the full three-year period.

3. Participation in the Share Matching Plan 2026 presupposes that such participation is legally possible as well as possible with reasonable administrative cost and financial efforts according to the assessment of the Company. The Board of Directors shall be entitled to implement an alternative incentive solution for employees in such countries where participation in Share Matching Plan 2026 is not advisable. Such alternative incentive solution shall, as far as practically possible, correspond to the terms for the Share Matching Plan 2026.

Performance Share Plan 2026

The Board of Directors proposes that the Annual General Meeting resolves on a long-term Performance Share Plan 2026 for a number of key employees, comprising a maximum of 890,000 shares of series B in Saab. The principal guidelines of the proposal are set out below.

1. Up to 300 key employees, including the CEO, with the exception of what is mentioned in item 4 below, will be offered to participate in the Performance Share Plan 2026.

2. Employees who participate in the Performance Share Plan 2026 can during a twelve-month period save up to a maximum of 7.5 percent of the cash base salary to purchase shares of series B on Nasdaq Stockholm. If the purchased shares are retained by the employee for three years from the date of investment and employment within the Saab Group has not been terminated during the entire three-year period, the employee will be entitled to matching of performance shares, free of consideration, as set out below. The Board of Directors may grant limited exemptions from the requirement of employment during the full three-year period.

   Group 1 Up to 286 Senior Managers, employees in Management Teams, certain specialists and Project Managers may be entitled to a performance match of up to four shares for each purchased share.

   Group 2 Members of the Group Management (currently 11) may be entitled to a performance match of up to five shares for each purchased share.

   Group 3 The CEO may be entitled to a performance match of up to seven shares for each purchased share.

3. The number of performance shares is linked to the performance targets established by the Board of Directors. The conditions for the performance matching are based on five independent targets: organic sales growth[3], EBIT margin[4], operational cash flow[5], annual average CO_2 reduction[6] and increase of the percentage of female employees in the Saab Group[7]. The relative apportionment between the targets is:

[3] Adjusted for acquisitions, divestments and foreign exchange fluctuation.
[4] Adjusted for acquisitions and divestments, and non-recurring items.
[5] Adjusted for acquisitions and divestments, and non-recurring items.
[6] Adjusted for acquisitions and divestments, and any other extraordinary or non-recurring items.
[7] Adjusted for acquisitions and divestments, regulatory changes and other extraordinary events.

- up to 20 to 40 percent of the maximum allotment will be attributable to organic sales growth during the financial year 2026;

- up to 20 to 40 percent of the maximum allotment will be attributable to EBIT margin during the financial year 2026;

- up to 20 to 40 percent of the maximum allotment will be attributable to operational cash flow during the financial year 2026;

- 5 percent of the maximum allotment is attributable to the annual average CO_2 reduction during the financial years 2026-2028; and

- 5 percent of the maximum allotment is attributable to the increase of the percentage of female employees in the Saab Group by the end of the financial year 2028.

Prior to the start of the performance period, the Board of Directors will decide on the exact relative apportionment between the financial targets within the ranges set out above (i.e. the maximum allotment for each of the financial targets). The aggregate maximum allotment for the three financial targets combined will be up to 90 percent, and 10 percent is attributable to the two sustainability targets.

Financial targets

The three financial targets (i.e. organic sales growth, EBIT margin and operational cash flow) will be established by the Board of Directors with a minimum level and a maximum level for each target. Minimum and maximum levels for each financial target are not provided due to stock market and competition reasons.

Sustainability targets

The sustainability target for annual average CO_2 reduction refers to the annual average aggregate greenhouse gas reduction within the following areas: district heating and district cooling, steam, electricity, stationary combustion, company cars, accidental emissions of refrigerants, corporate flight services and special flight operations[8] as well as other Scope 1 & 2 emissions during the financial years 2026-2028. The maximum level for the sustainability target for annual average CO_2 reduction shall correspond to an annual average CO_2 reduction of 5.7 percent during the financial years 2026-2028, and the minimum level shall correspond to an annual average CO_2 reduction of 0.5 percent during the financial years 2026-2028. The annual average CO_2 reduction during the financial years 2026-2028 will, after the financial year 2028, be established by dividing the sum of the annual CO_2 reduction in percentage for each of the financial years 2026-2028 by three.

The minimum level for the sustainability target for increase of the percentage of female employees in the Saab Group shall correspond to 27 percent female employees in the Saab Group by the end of the financial year 2028, and the maximum level shall correspond to 29 percent female employees in the Saab Group by the end of the financial year 2028.

In order to achieve more precise and up-to-date minimum and maximum levels for the sustainability target for annual average CO2 reduction and/or for the sustainability target for increase of the percentage of female employees in the Saab Group under the

[8] Excluding test flights with Gripen and GlobalEye.

Performance Share Plan 2026, these may be adjusted after further decision by the Annual General Meeting 2026, provided that the Board of Directors deems it necessary and that the Annual General Meeting 2026 approves the Board of Directors' adjustment proposal.

Performance matching and allotment

The Board of Directors will resolve on the outcome of the financial targets after the end of the financial year 2026 and on the outcome of the sustainability targets after the end of the financial year 2028. Information about the performance targets will be provided in the annual reports for the financial years 2026 and 2028, respectively. If the respective maximum levels for the performance targets are reached or exceeded, the performance matching will amount to (but not exceed) the maximum number of 890,000 shares. If the respective outcomes in relation to the performance targets falls short of the maximum level but exceeds the minimum levels, a linear proportioned performance matching will occur for each such target. No performance matching regarding the respective performance targets will occur if the respective outcomes amount to or falls short of the minimum levels. Performance shares are allotted three years after the investment under item 2 above, i.e. normally during 2029 and in February 2030.

4. Participation in the Performance Share Plan 2026 presupposes that such participation is legally possible as well as possible with reasonable administrative cost and financial efforts according to the assessment of the Company. The Board of Directors shall be entitled to implement an alternative incentive solution for employees in such countries where participation in Performance Share Plan 2026 is not advisable. Such alternative incentive solution shall, as far as practically possible, correspond to the terms for the Performance Share Plan 2026.

5. Before the performance matching is finally determined, the Board of Directors shall verify whether the performance matching is reasonable considering the Company's financial results and position, conditions on the stock market and other circumstances. If the Board of Directors considers otherwise, it shall reduce the number of performance shares to be matched to the lower number of shares deemed appropriate by the Board of Directors. This includes that if allotment of performance shares for one or more of the performance targets, to some or all of the participants, would be considered contrary to law, decisions by authorities or otherwise, in the opinion of the Board of Directors, could result in a material adverse effect on the Company, the Saab Group or its business interests, the Board of Directors is entitled to resolve that no allotment of performance shares shall be made for one or more of such performance targets, to some or all of the participants.

Special Projects Incentive 2026

The Board of Directors proposes that the Annual General Meeting resolves on a long-term Special Projects Incentive 2026 for a number of key employees, comprising a maximum of 310,000 shares of series B in Saab. The Special Projects Incentive 2026 constitutes a complement to the Performance Share Plan 2026. The principal guidelines of the proposal are set out below.

1. Up to 150 key employees, including the CEO, with the exception of what is mentioned in item 7 below, will be offered to participate in the Special Projects Incentive 2026.

2. Participation in the Special Projects Incentive 2026 presupposes savings under the Performance Share Plan 2026 or under the Share Matching Plan 2026 for purchasing

shares of series B. For the CEO and for members of the Group Management, allotment of performance shares requires saving by an amount equivalent to 7.5 percent of the cash base salary under the Performance Share Plan 2026 (i.e. maximum saving). For selected Heads of Business Unit and other specially selected key employees, allotment of performance shares requires participation in the Performance Share Plan 2026, or (if the individual is not covered by the Performance Share Plan 2026) participation in the Share Matching Plan 2026. Participants in the Special Projects Incentive 2026 will be entitled to allotment of performance shares, free of consideration, as set out below.

Group A Under the Special Projects Incentive 2026, the CEO may be entitled to allotment of performance shares corresponding to up to 52.5 percent of the cash base salary for the financial year 2026. The total value of allotted performance shares under the Performance Share Plan 2026 and the Special Projects Incentive 2026 may not exceed 75 percent of the cash base salary for the financial year 2026. If the total potential outcome of the Performance Share Plan 2026 and the Special Projects Incentive 2026 exceeds 75 percent, performance matching of the actual outcome shall be made in accordance with the Performance Share Plan 2026 and allotment of performance shares in the Special Projects Incentive 2026 shall be reduced so that the total outcome does not exceed 75 percent.

Group B Under the Special Projects Incentive 2026, members of the Group Management (currently 11) may be entitled to allotment of performance shares corresponding to up to 37.5 percent of the cash base salary for the financial year 2026. The total value of allotted performance shares under the Performance Share Plan 2026 and the Special Projects Incentive 2026 may not exceed 60 percent of the cash base salary for the financial year 2026. If the total potential outcome of the Performance Share Plan 2026 and the Special Projects Incentive 2026 exceeds 60 percent, performance matching of the actual outcome shall be made in accordance with the Performance Share Plan 2026 and allotment of performance shares in the Special Projects Incentive 2026 shall be reduced so that the total outcome does not exceed 60 percent.

Group C Under the Special Projects Incentive 2026, up to 136 selected Heads of Business Unit and other specially selected key employees may be entitled to allotment of performance shares corresponding to up to 15 percent of the cash base salary for the financial year 2026.

3. The conditions for allotment of performance shares are based on the achievement of a minimum of ten and a maximum of fifteen equally weighted performance targets, consisting of operational targets and milestones in special projects within Saab's core areas Fighter Systems, Command and Control Systems, Underwater Systems, Advanced Weapon Systems and Sensors. Special projects can be linked to both the existing backlog and the development of future capabilities, including digitalization[9] within each of the defined core areas. The specified performance targets are not provided due to stock market and competition reasons and are instead decided by the Board of Directors. The performance targets may be related to e.g. product design review, customer design review, partial deliveries or system implementation. Each performance target is equally weighted of the total performance targets. The performance measuring period is the financial year 2026. All participants will be allotted performance shares based on the achievement of the same performance targets. Prior to the start of the

[9] Including for example software, data, AI and infrastructure

performance measuring period, the Board of Directors will determine the number of performance targets within the range set out above.

4. The Board of Directors will resolve on whether or not the performance targets have been met and on the allotment of performance shares after the end of the one-year performance measuring period, i.e. the financial year 2026. The Board of Directors will also at that time assess the overall development during the performance measurement period of the special projects to which the performance targets refer. If a performance target has been met, but the Board of Directors after the end of the performance measurement period determines that the special project to which the performance target refers has developed significantly negatively compared to the start of the performance measurement period, the Board of Directors may decide that allotment of performance shares shall not be made for the relevant performance target. The Board of Directors will also assess at that time whether the limitation of maximum allotment in accordance with item 2 above becomes applicable. Information about the performance targets will be provided in the annual report for the financial year 2026.

5. Allotment of performance shares and assessment regarding the limitation of maximum allotment in accordance with item 2 above will, in respect of the performance shares to be allotted under Special Projects Incentive 2026, be based on the volume-weighted average price for the Saab share during the ten trading days immediately following the day for the announcement of the year-end report for 2026. If all performance targets in the Special Projects Incentive 2026 are met, up to 310,000 performance shares may be allotted, however with potential reduction in accordance with item 2 above. If not all but at least one performance target is met, a proportional allotment of performance shares will be made in relation to the number of reached performance targets, however with potential reduction in accordance with item 2 above.

6. Performance shares in the Special Projects Incentive 2026 will be delivered in February 2029. Delivery of performance shares is conditional on that the employment within the Saab Group has not been terminated during the period up until delivery in February 2029, and that the employee is still participating in the Performance Share Plan 2026 or the Share Matching Plan 2026. The Board of Directors may grant limited exemptions from the requirement of employment during the abovementioned period.

7. Participation in the Special Projects Incentive 2026 presupposes that such participation is legally possible as well as possible with reasonable administrative cost and financial efforts according to the assessment of the Company. The Board of Directors shall be entitled to implement an alternative incentive solution for employees in such countries where participation in Special Projects Incentive 2026 is not advisable. Such alternative incentive solution shall, as far as practically possible, correspond to the terms for the Special Projects Incentive 2026.

8. Before the allotment of performance shares is finally determined, the Board of Directors shall verify whether the allotment is reasonable considering the Company's financial results and position, conditions on the stock market and other circumstances. If the Board of Directors considers otherwise, it shall reduce the number of performance shares to be allocated to the lower number of shares deemed appropriate by the Board of Directors.

15 b) Authorization for the Board of Directors to resolve on acquisitions of shares and resolution on transfers of own shares to the participants in LTI 2026

Authorization for the Board of Directors to resolve on acquisitions of shares of series B in Saab on Nasdaq Stockholm

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to resolve on acquisitions of own shares of series B in Saab on Nasdaq Stockholm in accordance with the following conditions.

- Acquisitions of shares of series B in Saab may only be effected on Nasdaq Stockholm.
- A maximum of 3,100,000 shares of series B in Saab may be acquired to secure delivery of shares to participants in Saab's long-term Share Matching Plan, Performance Share Plan and Special Projects Incentive.
- Acquisitions of shares of series B in Saab on Nasdaq Stockholm may only be made at a price within the price range (spread) on Nasdaq Stockholm applicable from time to time, meaning the spread between the highest purchase price and the lowest selling price prevailing and disseminated by Nasdaq Stockholm from time to time.
- The authorization may be utilized on one or several occasions, however, only until the Annual General Meeting 2026.

Resolution on transfers of acquired own shares of series B to participants in LTI 2026

Transfers of shares of series B in Saab may be made on the following terms and conditions.

- Transfers may be made only of shares of series B in Saab, whereby no more than 3,100,000 shares of series B in Saab may be transferred, free of consideration, to participants in LTI 2026.
- Right to acquire shares of series B in Saab free of consideration shall, with deviation from the shareholders' preferential rights, be granted to such persons within the Saab Group who are participants in LTI 2026. Further, subsidiaries of Saab shall, with deviation from the shareholders' preferential rights, be entitled to acquire shares of series B in Saab free of consideration, whereby such company shall be obligated to, in accordance with the terms and conditions of LTI 2026, transfer the shares to such persons within the Saab Group who participate in LTI 2026.
- Transfers of shares of series B in Saab shall be made free of consideration at the time and on the other terms and conditions that participants in LTI 2026 have the right to acquire shares, i.e. normally during the financial year 2029 and in February 2030.
- The number of shares of series B in Saab that may be transferred under LTI 2026 may be subject to recalculation as a result of an intervening bonus issue, split, rights issue and/or other similar corporate events.

15 c) Equity swap agreement with third party

In the event that the required majority under item 15 b) above cannot be reached, the Board of Directors proposes that the Annual General Meeting resolves that the expected financial

exposure of LTI 2026 shall be hedged by Saab entering into an equity swap agreement with a third party on terms and conditions in accordance with market practice, whereby the third party in its own name shall acquire and transfer shares of series B in Saab to employees who participate in LTI 2026. Indicative costs for such equity swap agreement amount to approximately MSEK 74.

Conditions

The General Meeting's resolution to implement LTI 2026 in accordance with item 15 a) above is conditional upon the General Meeting resolving either in accordance with the proposal to authorize the Board of Directors to resolve on acquisitions of shares of series B in Saab on Nasdaq Stockholm and resolution on transfers to participants in LTI 2026 of acquired own shares of series B in Saab in accordance with item 15 b) above, or that an equity swap agreement with a third party may be entered into in accordance with item 15 c) above.

Majority requirements

The General Meeting's resolution to implement LTI 2026 under item 15 a) above requires that more than half of the votes cast are in favor of the proposal. The resolution to authorize the Board of Directors to acquire shares on Nasdaq Stockholm and the resolution on transfers to participants in LTI 2026 under item 15 b) above require that the resolution is supported by shareholders representing at least nine-tenths of the votes cast and votes represented at the meeting. The resolution that Saab may enter into an equity swap agreement with a third party under item 15 c) above requires that more than half of the votes cast are in favor of the proposal.

Other

For a description of Saab's other share-related incentive programs, reference is made to note 8 in Saab's Annual Report for the financial year 2024.

The Board of Directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act is enclosed to this proposal.

Linköping in March 2025

The Board of Directors of Saab Aktiebolag (publ)

APPENDIX

Statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act

The Board of Directors is of the opinion, with reference to the statement in connection with the proposed dividend in the Annual Report 2024, that the proposal is justified, taken into account the demands that the nature and scope of the business and the risks involved impose on the size of the Company's and the group's equity, and the Company's and the group's consolidation needs, liquidity and financial position in other respects.

Linköping in March 2025

The Board of Directors of Saab Aktiebolag (publ)