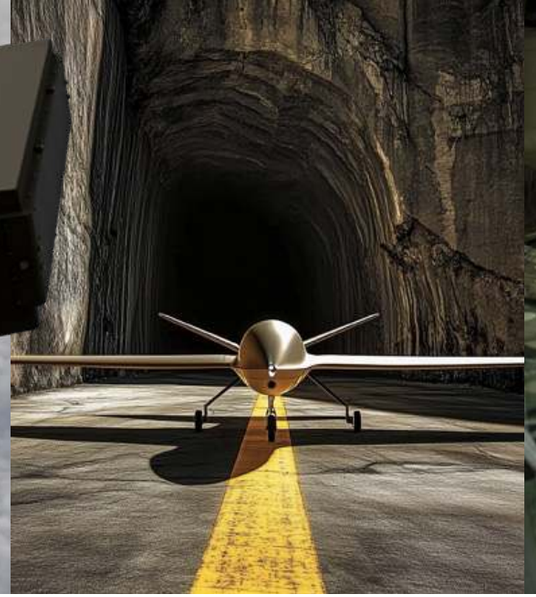
6002

Our purpose is to keep people and society safe. With an ambition to lead innovation in 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 solutions.

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



About this report

The formal Annual Report comprises pages 44–217. The administration report is included on pages 44–149.

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

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SAAB

Chairman's letter

Saab has an important role in protecting society

Geopolitical complexity has increased, accompanied by higher uncertainty about the future security situation. European countries are assuming greater responsibility for regional deterrence and defence, and are expanding these efforts in line with NATO's ambition. We expect this trend to continue for the foreseeable future.

This is generating substantial interest for Saab's advanced solutions and 2025 was another record year. Strong order intake, record sales and operating result were combined with delivery towards our sustainability targets.

A central area for the Board of Directors is ensuring the company is well prepared for the future. We are making significant investments to continue building a stronger and more sustainable Saab, and ultimately to keep people and society safe.

Saab is well positioned with leading solutions for air, ground and sea. Our heritage and long-standing technical expertise have resulted in systems that now combine advanced technology and AI, with operational simplicity and cost-efficiency, qualities highly valued by customers.

I would like to take the opportunity to express my appreciation to all employees for exceptional contributions during the year. We are in a period of strong growth and transformation, and their engagement is crucial for our success.

Finally, I also wish to welcome the more than 100,000 new shareholders that decided to invest in Saab during the year. We are now close to 300,000 in total, all important ambassadors for Saab and a foundation for long-term value creation.

Stockholm, March 2026

Marcus Wallenberg
Chairman

" We are making significant investments to continue building a stronger and more sustainable Saab, and ultimately to keep people and society safe."

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As a defence company, we offer solutions that range from protecting the depths of the ocean to the heights of 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.

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This is Saab

Saab serves customers in more than 100 countries and has operations in over 30. Driven by a team of 28,000 dedicated professionals, Saab continually pushes the boundaries of technology to contribute to a safer and more sustainable society.

Sales, SEK billion
79

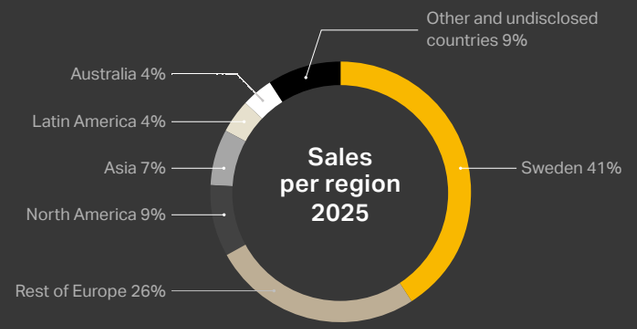
Order backlog, SEK billion
275

Operating margin, adjusted, %
9.8

Employees, thousands
28

CO_2e reduction (Y/Y)
7%

Women managers, %
29



Aeronautics

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

24

Dynamics

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

26

Surveillance

Key products
Airborne Early Warning and Control solutions, surface radars, command and control systems and electronic warfare solutions.

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Kockums

Key products
Submarines, surface ships, combat boats, and underwater vehicles.

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Note: The reason percentages do not add up to 100% is sales in the reporting segments Corporate and Combitech.

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2025 – a year with strong growth and cash flow

Record order bookings of SEK 168.5 billion, driven by strong demand, resulting in an order backlog of SEK 274.5 billion.

Strong sales growth of 24% with double-digit sales growth in all business areas and Combitech.

Adjusted EBIT grew by 37% and the EBIT margin increased to 9.8%, primarily driven by the strong growth.

Positive operational cash flow for the fifth consecutive year with operational cash flow amounting to SEK 5.3 billion.

Growing our people and talent. More than 3,300 new employees joined in 2025.

Progressing toward the sustainability targets to position Saab as a sustainability leader in the defence industry.

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

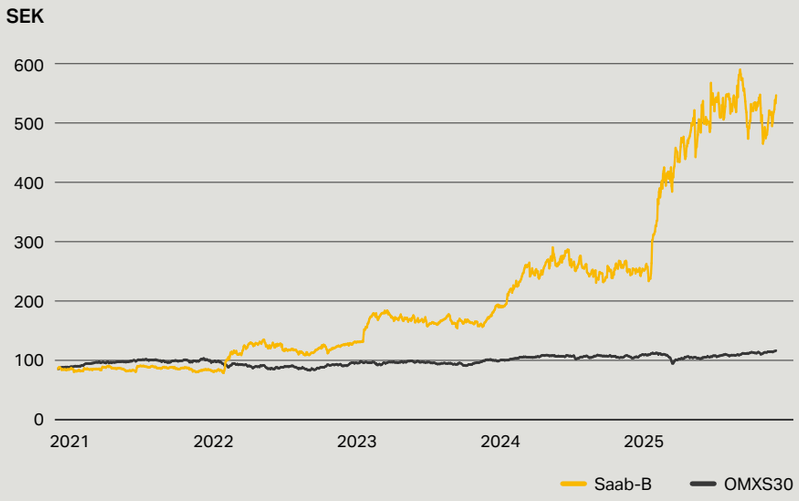
Upgraded medium-term targets where Saab is targeting an organic sales growth of around 22% (CAGR) for the period 2023–2027 (upgraded from 18%). EBIT growth to be higher than organic sales growth and a cash conversion of >60% (unchanged).

Financial highlights

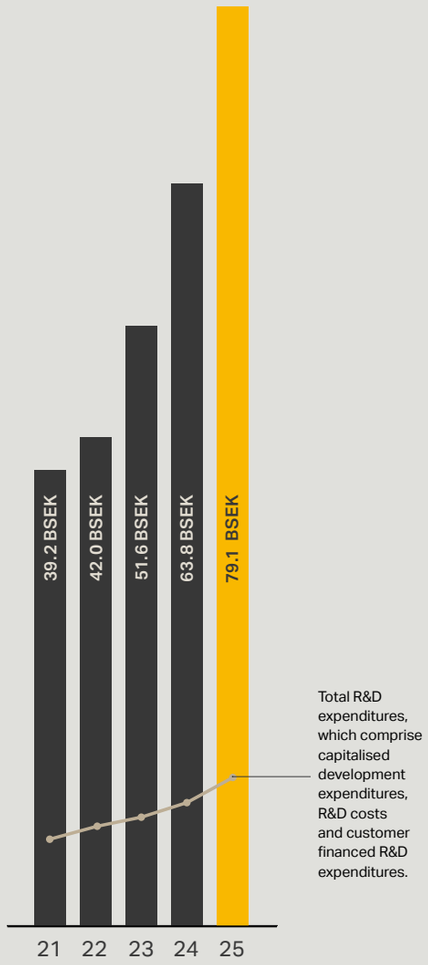
SEK million	2025	2024
Sales	79,146	63,751
Sales growth, %	24.1	23.5
EBITDA	11,347	8,402
Adjusted operating income (EBIT)	7,730	5,662
Adjusted operating margin, %	9.8	8.9
Net income	6,356	4,210
Earnings per share, SEK	11,70	7.74
Operational cash flow	5,273	2,497
Free cash flow	4,206	993
Net debt to EBITDA ratio	-0,4	-0.3
Dividend per share, SEK	2.40*	2.00
Return on equity, %	16.0	12.4
Total shareholder return (TSR), %	131	58
No. of shareholders at year-end	296,295	188,744

*Proposed dividend

Share price development, 5 years



Sales and total R&D expenditures (SEK billion)



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RBS 70 NG framework agreement
Saab signed a framework agreement with Latvia for RBS 70 NG and received an order of SEK 2.1 billion.

Combat boats to Sweden
Saab received an order for 22 combat boats to Sweden. The order value was approximately SEK 900 million with deliveries over the coming years.

Gripen E/F order for Thailand
Saab received an order for four Gripen E/F fighter aircraft from the Swedish Defence Materiel Administration (FMV) for the Kingdom of Thailand with an order value of approximately SEK 5.3 billion.

Order relating to the A26 submarines
Saab received an order from FMV for the last phase of the production of the two Blekinge-class (A26) submarines.

GlobalEye order for France
Saab received an order from the French defence procurement agency for two GlobalEye aircraft.

Q1

New facility in Fareham
Saab opened a new manufacturing facility in Fareham, U.K. The site is developing, manufacturing, and supporting Saab's radar systems and underwater robotics portfolio.

Q2

Development of unmanned AEW solution
A strategic cooperation with General Atomics to develop an unmanned medium-range Airborne Early Warning solution was announced.

Q3

Saab to lead NATO's new underwater battlespace project
The Saab-led MANGROVE consortium has been selected by NATO to lead the Allied Underwater Battlespace Mission Network project.

Q4

Contract for Gripen E/F with Colombia
Saab signed a contract with the Colombian Government and received an order for 17 Gripen E/F fighter aircraft with an order value of EUR 3.1 billion.

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Another record year for Saab

2025 was a record year for Saab. We successfully delivered on our strategy, reported strong financial performance, and made many important deliveries to our customers. By continuing to earn their trust, we built a record order backlog for the future.

Micael Johansson
President and CEO

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"Our corporate culture is strong, and together we continue to build a Saab for the future."

The record year was achieved in an environment marked by geopolitical uncertainty, rising tensions, and increasing polarisation, resulting in a growing need for deterrence and defence capabilities.

During the year, market activity increased significantly, and we experienced broad interest for our entire offering. Order bookings increased 74% and reached a new record of SEK 168.5 billion, with strong growth in Aeronautics, Surveillance and Kockums. The order backlog increased to SEK 274.5 billion at the end of the year.

We are experiencing increasing demand for our larger systems. For instance, we received orders for Gripen E/F fighters to Colombia and Thailand and an order for two GlobalEye aircraft to France. In addition, Sweden signed a letter of intent with Ukraine for a long-term expansion of their air force, an agreement with the potential to result in a major order for Gripen E/F fighters. Towards the end of the year, Sweden and Saab were selected by Poland for their new submarines. In business area Dynamics, we achieved strong deliveries and at the same time built a solid order backlog for future growth.

Our production pace and capacity were substantially expanded. We supplied a record number of Giraffe 1X radars to customers around the world, delivered Gripen E/F fighters to Sweden and Brazil, provided new counter drone-solutions, delivered combat boats to new customers, launched the first SIGINT ship for Poland, and we achieved record deliveries in our missile and ground combat business units, just to mention a few examples.

We offer world-leading systems and solutions and are at the forefront of innovation in our industry. During the year, we made important progress in the development of new capabilities, including successful flight tests with an AI-enabled Gripen fighter, further developments of drone-swarming and anti-drone solutions. These achievements reflect our focus on future capabilities, including autonomous systems, and our ambition to lead in defence innovation.

Our goal is to be a sustainability leader in our industry. Here we made meaningful progress. We continued our transition to solutions and production methods with lower climate impact, including expanding the use of sustainable aviation fuels. In line with our ambition, we increased the share of female leaders in the organisation during the year.

From a financial perspective, we delivered a record year. Sales grew by 24% to SEK 79.1 billion, driven by high delivery volumes and strong project execution across our business areas. Organic sales growth was 25.6% and our adjusted operating income grew by 37%. In parallel, we delivered a strong cash flow and at the same time made significant investments in capacity expansion. We expanded our research and development for future profitable growth.

I would like to extend my sincere thanks to all employees for tremendous contributions and commitment. During the year, we welcomed over 3,300 new colleagues, and over the past four years we have expanded our teams by around 10,000. Our corporate culture is strong, and together we continue to build a Saab for the future.

We enter the coming year with a solid foundation, a record order backlog, and a focused strategy for continued profitable growth. Our focus is clear: deliver to our customers and drive technological development. We are building a stronger Saab for the future and ultimately for keeping people and society safe.

Stockholm, March 2026

Micael Johansson
President and CEO

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Market and trends

The geopolitical landscape is rapidly changing and highly uncertain with escalating tensions in several regions across the globe. This is driving increasing demand for defence and deterrence capabilities.

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Adapting to the future of defence

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

The technological shift in the defence industry is driven by the need to maintain an edge in modern warfare, where agility, adaptability and intelligent systems are vital to counter new threats. Countries seek capabilities that enhance situational awareness, operational flexibility, and leverage emerging technologies like UAVs (Unmanned Aeral Vehicles) and C-UAS (Counter-Unmanned Aircraft Systems). These trends reflect customers' growing interest in battlefield technologies that provide real-time intelligence and rapid decision-making cycles.

Simultaneously, demand for advanced defence systems, such as radar systems with the capacity to detect hypersonic missiles and cost-efficient loitering munition systems that can operate autonomously in dangerous environments, are increasing.

As the defence industry enters a new software and AI-driven era, this shift presents significant opportunities for Saab's portfolio of systems and the company's efforts to drive innovation and technological advancement.

Artificial intelligence

Saab is integrating AI and machine learning into its offerings, focusing on enhancing sensor and command and control systems. To further accelerate innovation, Saab is utilising generative AI tools to streamline product development.

Autonomy and unmanned systems

Saab continues to advance its capabilities in autonomy and unmanned systems, actively collaborating with customers on projects like future fighter aircraft, manned-unmanned teaming for both naval and air applications as well as swarming drones technologies.

Distributed sensor systems

Saab's latest generation of radar technology leverages advanced sensor capabilities and powerful processing, enabling the creation of distributed radar networks across multiple platforms and locations. These radars offer high mobility and can operate completely silent, making them undetectable.

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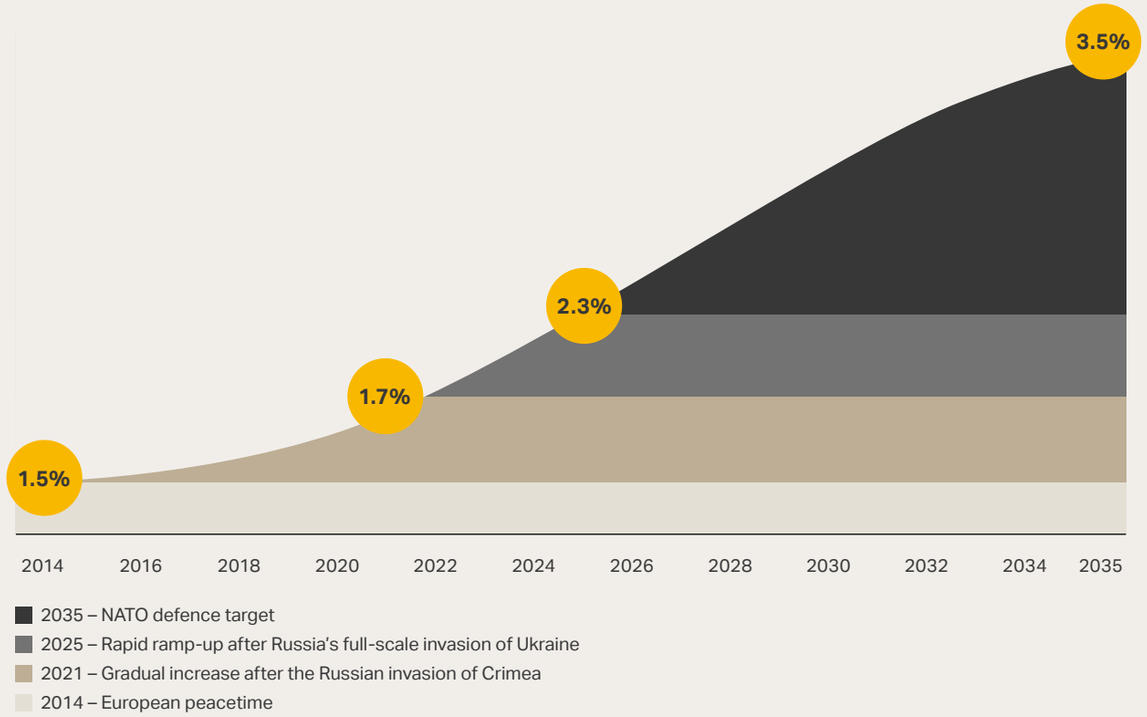
Increasing defence spending

Following years of underinvestment in defence across Europe, countries are increasingly prioritising security and defence, acknowledging the need to address capability gaps and to invest in new technologies. Efforts to strengthen European deterrence are expected to result in a substantial rise in defence spending over the coming years.

Defence spending in Europe is expected to increase substantially, with recent commitments indicating a shift to 3.5% of GDP for defence expenditure, complemented by an additional 1.5% of GDP dedicated to defence-related infrastructure.

For the European defence industry, this growth trajectory is reinforced by coordinated EU initiatives aimed at strengthening industrial capacity and ensuring long-term supply resilience, including joint procurement incentives and expanded funding. The increased emphasis on European self-reliance, driven by geopolitical instability, further supports sustained investment levels. As several countries continue to modernise their armed forces and replace legacy systems, demand for advanced capabilities is expected to remain high in the foreseeable future.

NATO Europe defence expenditure, share of GDP (%)



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Long-term drivers of growth in Europe

Europe's need for strengthened defence has become increasingly evident. To achieve credible deterrence, Europe is gradually assuming greater responsibility for its own defence capabilities. This includes building a more robust and resilient industrial base, with a higher proportion of defence investments made within the continent. Encouragingly, in 2025 almost all European allies committed to substantial defence-spending increases over the next decade, building on the significant uplifts already introduced following Russia's full-scale invasion of Ukraine in February 2022.

European rearming

After decades of peace, Europe faces a long-term need to rebuild its defence capacity by expanding forces, replenishing stockpiles, and developing advanced capabilities. Joint EU initiatives and coalitions will be essential to strengthening collective security and readiness across the continent.

Supporting Ukraine

Europe will have to maintain continuous support for Ukraine to ensure long-term resilience and defence capability. Going forward, the focus will be on rebuilding defence capacities and establishing effective deterrence. Cooperation with European defence industries is essential in order to modernise and expand Ukraine's defence capabilities.

Strengthening the European industrial base

Europe has expressed an ambition to increase its own share of European defence procurement and to strengthen its industrial base. Expanding production capacity and prioritising European sourcing will drive growth and reinforce resilience across the continent.

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Our strategy

Saab has a focused strategy for profitable growth, leveraging our strong market position, core capabilities, and commitment to innovation and sustainability. By investing in future technologies, expanding production capacity, and improving performance through efficiency and digitalisation, we support our customers' needs and create long-term value.

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A focused strategy for profitable growth

Saab's strategy is focused on four key priorities: scaling up, focused market expansion, accelerating future capabilities and empowering the workforce. These areas reflect our ambition to lead in a dynamic global defence market. Underpinning this is a commitment to a rapid digital transformation of our offering and an ambition to be a sustainability leader in our industry.

With rising demand for advanced defence solutions, Saab's top priority is to deliver on customer commitments by increasing capacity and enhancing performance through operational excellence, automation, and efficiency. Continued investment in R&D and cutting-edge technologies secures long-term competitiveness and capability leadership.

A growing, empowered workforce is central to our success—driving innovation, agility, and resilience, and enabling long-term value creation.

Read more about our financial targets on page 30

Keeping people and society safe

Scaling up

Deliver on customer commitments
Capacity ramp-up
Industrialisation
Supply chain resilience

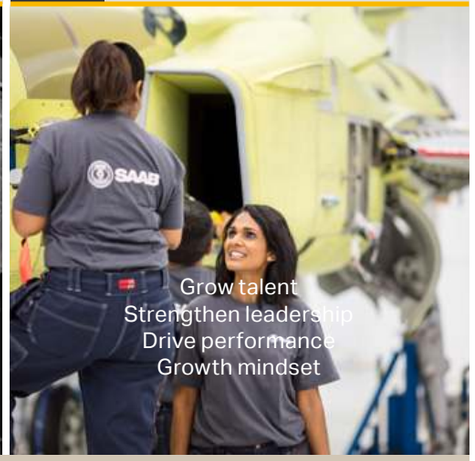
Focused market expansion

Portfolio focused on core areas
Multi-domestic growth
Partnerships and M&A

Accelerating future capabilities

Capture new demand
Focused innovation and R&D investments
Software-defined
Autonomy and AI

Empowered workforce



Grow talent
Strengthen leadership
Drive performance
Growth mindset

Digital transformation

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Investing and building capacity

Saab is scaling up to meet growing market demand through strategic investments, capacity expansion and automation as well as driving operational excellence.

Saab's strategy for scaling up is focused on meeting strong market demand through increased capacity, automation, and operational excellence. Significant investments are being made in new facilities across key markets to expand production capacity and strengthen delivery capabilities. Scaling up is not just about building more - it's about working smarter. Saab is increasing automation, redesigning processes, and reinforcing supply chain resilience, while also supporting key suppliers to grow.

A growing and empowered workforce is central to this, driving continuous improvement across the Group - from agile ways of working, digitalised development to increased project excellence and cross-organisational efficiency - laying the foundation for sustainable, long-term growth.

Scaling up initiatives – examples

Aeronautics
- Expansion of Gripen production capacity
- T-7 ramp-up

Dynamics
- Higher capacity in Ground Combat and Missile Systems
- New production facilities in India and Grayling, U.S.
- Expansion in Malmslätt, Sweden

Surveillance
- Ramp-up in US and Sweden
- Expansion in Fareham, U.K.
- New production facility in Finland

Kockums
- Expansion in Landskrona, Sweden
- Growing the production facility in Karlskrona, Sweden
- Strategic partnerships and acquisitions

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Expanding the Björkborn site

Saab is making major investments at its Björkborn site in Karlskoga, Sweden, significantly expanding capacity and strengthening efficiency within the Dynamics business area. The new facilities will transform production through advanced automation, digitalisation and smarter, more streamlined workflows.

These investments mark a decisive step forward – boosting productivity, enhancing safety and improving environmental performance, while securing resilient and reliable supply capabilities. The Björkborn capacity expansion positions Saab to meet rapidly growing global demand and reinforces long-term industrial strength, innovation and competitiveness in Sweden and across international markets.

Inauguration of Saab Fareham

Saab officially opened its new three-building campus in Fareham, U.K., in February 2025. The state-of-the-art site develops, manufactures, and supports Saab's advanced radar systems and Seaeye underwater robotics, including the Giraffe 1X radar and the electric Seaeye SR20 system.

The opening marks the completion of a major investment by Saab into its U.K. operations. Designed for future growth, the campus enhances the U.K.'s radar and underwater robotics capabilities and will also service radars operated by the U.K. Armed Forces.

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Leveraging on our core areas

Saab's five core areas form the foundation of the strategic focus and future development of our advanced product portfolio. Continued investment in these areas drives innovation, integration, and sustainable growth - ensuring Saab meets current and future customer needs across air, land, and sea domains.

Fighter Systems

Saab's latest fighter system, the Gripen E/F, includes several advancements such as cutting-edge sensors, enhanced weapon capabilities, and the latest electronic warfare systems. Saab is also investing in, and 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 solutions.

Advanced Weapon Systems

The area includes ground combat support weapons, missiles and training systems. Saab's ground combat systems hold a market-leading position. The war in Ukraine has further demonstrated the effectiveness of multirole anti-tank weapons. Saab's portfolio comprise the Carl-Gustaf, AT4, and NLAW systems. In the missile segment, Saab leverages its expertise through strategic partnerships. The portfolio features 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 includes systems such as the Giraffe radar family and the GlobalEye AEW&C (Airborne Early Warning and Control) system. The Giraffe radar family has been continuously developed for both land-based and naval applications. Saab leverages its technological leadership to further expand within EU/NATO and into new markets.

Command and Control Systems

Saab provides comprehensive command and control solutions for land, air, and naval applications, with a particularly strong position in the naval domain. The purpose of a command and control system is to connect and integrate various defence systems across land, air, and naval domains. This, to enable seamless, multi-domain communication and situational awareness in real time.

Underwater Systems

Saab is a leading provider of naval systems. The offering ranges from surface ships with stealth characteristics to advanced submarines, autonomous underwater systems, and combat boats. The A26 submarines currently being built for the Swedish Navy are state-of-the-art. The growing demand for seabed operations in recent years has increased interest in Saab's autonomous underwater capabilities.

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Focused market expansion

Our strategic markets

Saab is focusing its geographic expansion on selected strategic markets. By growing local operations, forming new partnerships, and leveraging strengths in key technologies, Saab aims to support and strengthen local defence ecosystems—meeting long-term demand driven by increasing defence budgets and capability needs.

Sweden

Saab aims to reinforce and expand its strong position across all core areas and continue to grow as the defence budget expands. A key focus is supporting Sweden's membership within NATO.

U.S.

The U.S. is the world's largest defence market, where Saab has successfully expanded in selected product niches. Saab currently holds a well-established position in surface-based radars, ground combat, the T-7A trainer aircraft (in partnership with Boeing), and training solutions. The company is also expanding its presence in unmanned underwater systems.

U.K.

Saab has a strong presence in the U.K. within sensors, seabed operations, and ground combat. In 2025, Saab inaugurated a new state-of-the-art manufacturing facility in Fareham, U.K., dedicated to radar systems and underwater solutions, reinforcing its long-term commitment to the U.K. defence market.

Germany

Saab has established operations in Germany and, in recent years, gained a good position in naval combat management, land training and simulation, and fighter electronic warfare systems.

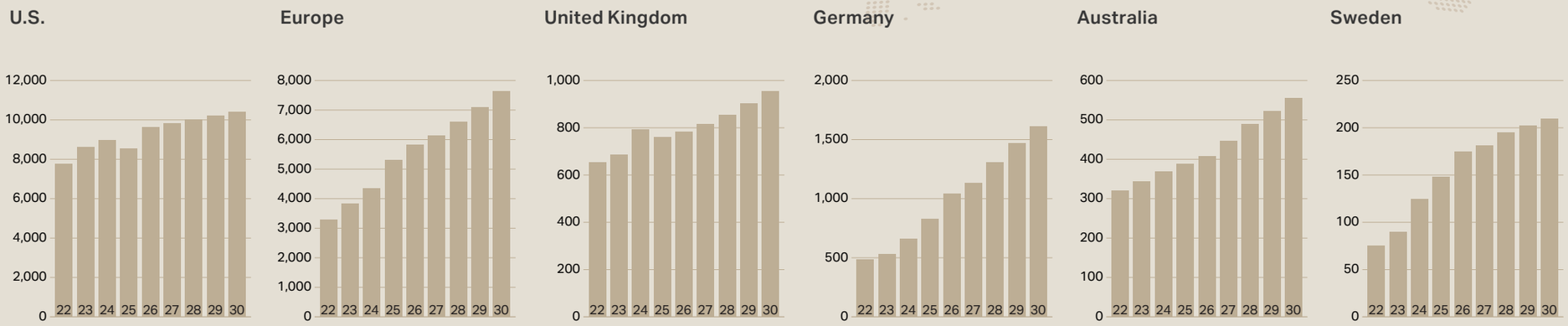
Australia

Saab is the Australian Navy's sovereign combat management system provider for surface ships and has a legacy in the underwater domain.

Additional markets

Saab is expanding in key growth markets that strengthen long-term defence and deterrence capabilities, such as Poland and the Baltics.

Defence budget forecasts, SEK billion (nominal)



Source: Janes and Swedish Defence Budget results and plans 2022-2030

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Partnerships and acquisitions

Partnerships and acquisitions are key enablers of Saab's growth and ambition to build strong customer offerings. Together, they strengthen Saab's technological edge within core areas, and ability to deliver customer value.

Partnerships are an important part of Saab's strategy, enabling collaboration, knowledge sharing, and technological advancement across markets. By working closely with global and regional partners, Saab leverages complementary strengths to accelerate innovation in next-generation defence capabilities. These partnerships also expand Saab's industrial footprint, enhance production capacity, and foster joint development initiatives that enhances both competitiveness and resilience in a rapidly evolving defence and security landscape.

Acquisitions form a complementary pillar of Saab's growth strategy. Through selective investments in areas such as autonomy, sensor technology, AI and advanced electronics, Saab enhances its product portfolio and secures access to critical technologies for the future. The M&A strategy focuses on bolt-on acquisitions that provide crucial technologies in core areas. In 2025, Saab acquired a Swedish company supplying speciality parts for submarines and divested its non-core maritime navigation and communication business. Additionally, Saab invested in a space technology company developing lightweight, rapidly deployable rockets to enhance space access.

Select partnerships

Helsing
AI-enabled electronic warfare.

Babcock
Naval platforms.

Boeing
Advanced trainer aircraft T-7A and GLSDB (ground-based small diameter bomb).

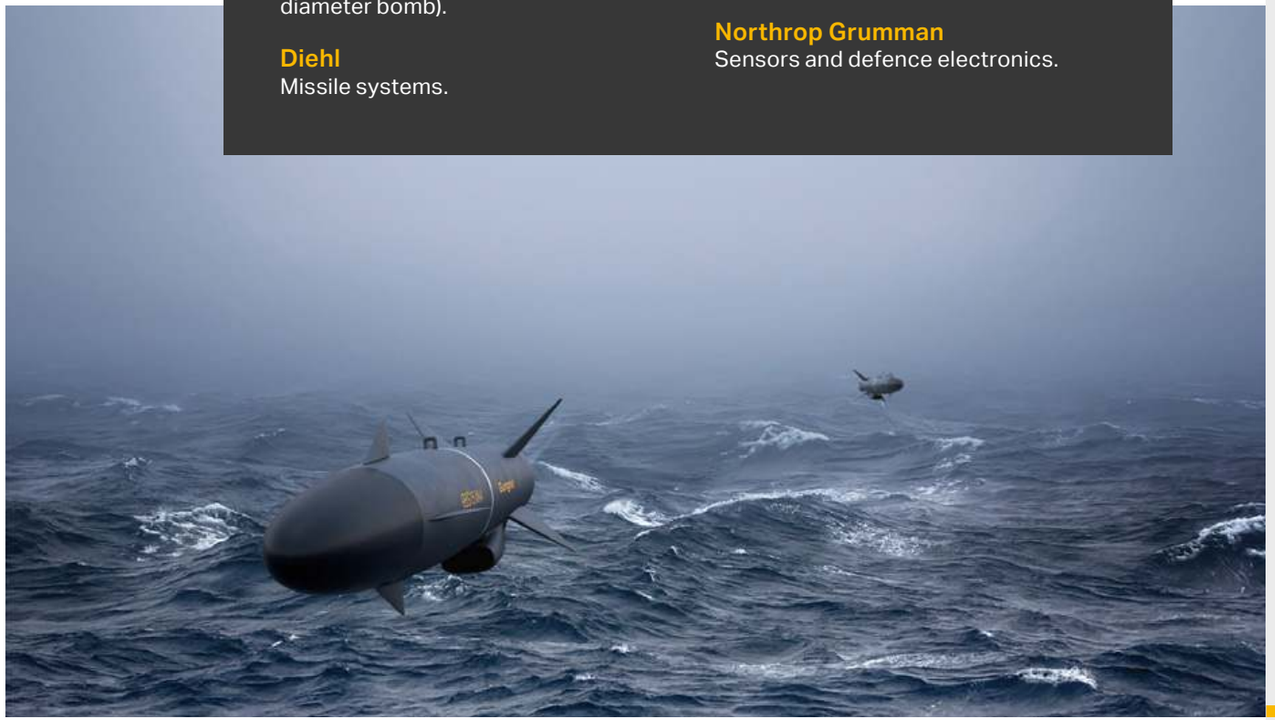
Diehl
Missile systems.

Gkn Aerospace
Future fighter concepts.

General Atomics
Unmanned airborne early warning solutions.

MBDA
Missile & air defence.

Northrop Grumman
Sensors and defence electronics.



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Investing in future capabilities

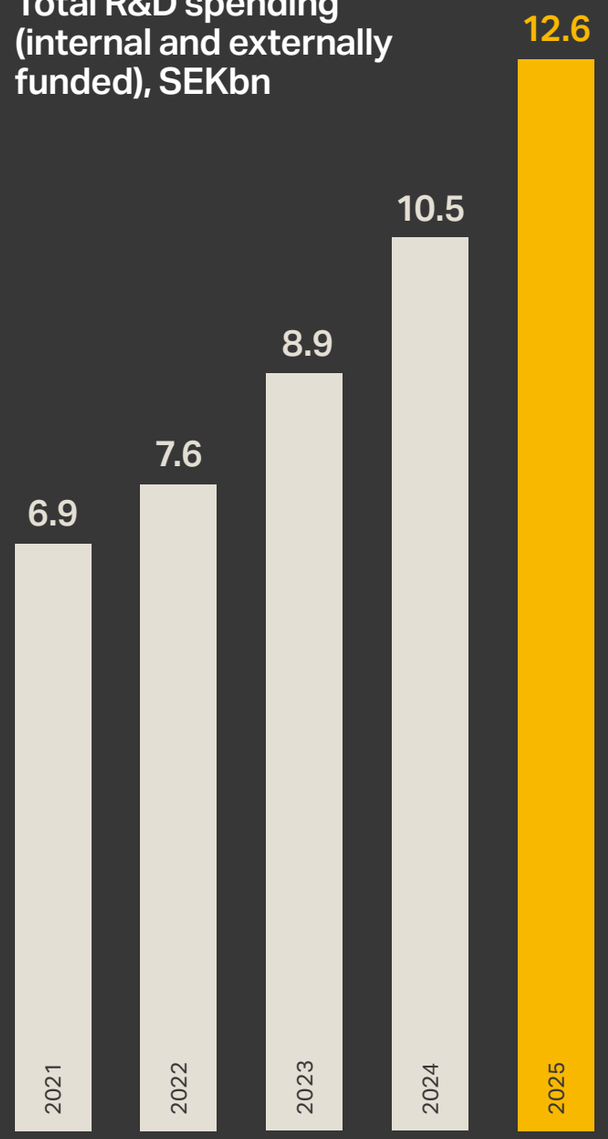
While fulfilling current commitments and expanding capacity, Saab is accelerating development of future capabilities through R&D investments and partnered innovation, leveraging software-driven technology, data, and AI.

Saab's history of being a niche defence company in the global arena has driven 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. Saab has several focus areas for future capabilities.

Future defence capabilities
The battlespace is evolving faster than ever, shaped by new technologies, data-driven operations, and learnings from ongoing conflicts such as the war in Ukraine. Saab is accelerating development through advanced digital engineering to shorten development cycles and enhance adaptability. By collaborating closely with customers, academia, partners, and startup companies, Saab ensures speed, and a high technological level.

Focus areas		Examples of recent progress
Air autonomy	→	Autonomous air-to-air combat
AI-enhanced C2	→	Swarming drone concept
Distributed sensors	→	Compact electronic warfare products
Advanced weapons	→	Counter UAS systems
Naval autonomy	→	Saab Autonomous Ocean Core

Total R&D spending (internal and externally funded), SEKbn



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Expanding our drone system capabilities

Saab has a broad portfolio of counter drone systems and drone technologies and solutions. Operational C-UAS systems have already been deployed in NATO missions, comprising integrated sensors, command and control systems, and multiple effector types for a flexible response. Saab is also advancing swarm and loitering munition technologies powered by AI, enabling self-organising drones to carry out coordinated missions across surveillance and combat scenarios.

First flight-mission test with an AI-enabled Gripen fighter

Saab has successfully flown the Gripen E with integrated AI software, marking a breakthrough in autonomous air combat capabilities. The AI executed complex maneuvers in a beyond visual range engagement, demonstrating Gripen E's ability to rapidly adopt advanced technologies. This milestone highlights Saab's leadership in software-driven innovation and the fighter's unmatched adaptability in an operational setting.

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Our people are the core of Saab's success

Saab's success is driven by its people. As the company grows and transforms, Saab is focused on fostering engaged employees strengthened through trust, collaboration and continuous learning.

With approximately 28,000 employees worldwide, Saab attracts top engineering talent and encourages everyone to have a passion for change and innovation. The company's culture is how we engage, work and support each other ensuring that each employee can contribute to Saab's mission of keeping people and societies safe. By investing in development, digital competencies and a strong sense of shared responsibility, Saab is creating a workplace that encourages both innovation and sustainable growth.

Driven by our values

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

28,000
Number of employees

7.9
Employee engagement survey score 2025 on a scale from 0 to 10, up from 7.7 in 2024

#1
Employer in Sweden among engineering students and senior professionals based on the Universum Ranking

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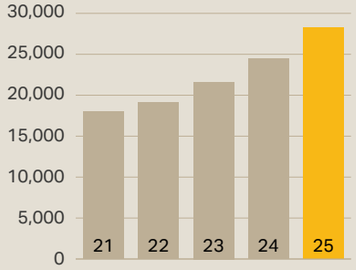
Shaping future capability through people, purpose and potential

Saab's long-term value creation relies on more than advanced technology — it depends on people with the right competencies and the passion to innovate. As global demand for Saab's products and services grows, so does the need to strengthen our workforce and foster a culture where talent thrives. We believe that diversity increases creativity and boost innovation and that an inclusive culture results in higher engagement that helps every employee perform at their best. This is central to our strategy for securing the competencies needed to deliver on our commitments and contributes to a successful business.

To ensure long-term capability, Saab applies competency-based recruitment, and structured talent development. Learning is integrated into our everyday work, with a focus on proactive skill-building that aligns individual growth with business needs. This is supported by a wide portfolio of technical and leadership programmes, mentorships, internal mobility, and knowledge sharing. We see learning not as a one-time event, but as a continuous journey. Employees are introduced to this mindset early through mandatory training in our global onboarding, Code of Conduct, and Sustainability. Throughout the year, performance and development evaluation occurs on an ongoing basis and is anchored in our Annual Performance Review, which consolidates learning and individual progress.

Saab measures learning activity through Average Learning Hours per Employee. This ensures that development is not only encouraged — but followed up on. By investing in people and cultivating technical leadership, Saab secures the capabilities needed to shape the future — and deliver on its purpose of keeping people and societies safe.



Number of employees

In 2025, the workforce increased with more than 3,300 employees.

13,000

Number of engineers

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Accelerating digital transformation

Saab's digital transformation is redefining our solutions and how we design, produce, and deliver advanced defence systems, while also shaping the organisation for the future. The evolving battlespace is becoming increasingly software-defined, data-driven, and AI-enabled.

The strategy for digital transformation begins with understanding evolving customer needs on the future battlefield, where advanced situational awareness and multidomain collaboration are becoming critical differentiators. Digital engineering, software, automation, and scalable architectures are redefining how defence systems are conceived, and accelerating development and enabling seamless integration across domains. By harnessing advanced data analytics, AI, and model-based design, Saab increases speed, precision, and collaboration.

Saab is integrating digital technologies across the entire product lifecycle—from concept and design to manufacturing, maintenance, and service. Model-based engineering and virtual testing enable faster iteration and verification of complex systems, reducing time to market and improving quality. Data-driven decision-making allows Saab to anticipate operational needs, optimise performance, and ensure seamless connectivity between platforms and users.

Investments in AI and automation are also transforming and future-proofing the entire organisation, for instance in engineering and for production processes. Saab collaborates closely with customers, academia, and technology partners to build new digital ecosystems and share expertise across industries. This collaborative, forward-looking approach ensures Saab remains at the forefront of technological innovation, delivering smarter, faster, and more resilient defence solutions for the future.

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Sustainability at Saab

Saab's strategy for Sustainable business guides our ambition to be a sustainability leader within the defence sector.

Saab's sustainability strategy prioritises areas of significance to the Company's stakeholders, employees, customers, and legislators and that are necessary to manage Saab's impacts, risks and opportunities. The sustainability strategy was approved by the Board in December 2025 and adopted in January 2026. Saab has established short (current year), medium (2027), and long-term (2030) targets across 11 key topic areas, that are continuously monitored for progress. Short-term targets are reviewed annually to ensure a maintained momentum towards Saab's ambition and long-term goals.

Saab has been a dedicated member of the UN Global Compact since 2011, upholding its ten principles on human rights, labour, environment, and anti-corruption.

Strategic long-term targets – 2030*

Resilient and Safe Societies

Business and Human Rights
→ Saab has an industry-leading Human Rights Programme, according to an internationally recognised actor

Anti-Corruption
→ Saab has an industry-leading Anti-Bribery and Corruption Programme according to internationally recognised actor

Information Security
→ Saab has a defined, well-functioning, proactive and systematic approach to information security according to an internationally recognised actor

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)**
→ Reduce emissions by 25% (Scope 3)**
→ Net zero emissions by 2050

Substances of Concern
→ Tools deployed for efficient handling of product life cycle data including collection, sorting and reporting
→ Define and set target to minimise the use of "Target substances"

Circularity
→ 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 the work-related accidents, measured by decreased "total recordable injury frequency rate" (TRIFR) by 15%, compared to base year 2025
→ Improve employees experienced work-life balance and reach benchmark top 25th percentile

Innovation and Partnership

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 contribute to a sustainability category based on sustainability criteria
→ Partnerships with external actors contribute to Saab's sustainability commitments and strategy

* unless otherwise stated
** compared to base year 2020

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New biogas plant strengthens security of supply and reduces reliance on fossil fuels

In line with Saab's strategy to mitigate emissions, the business area Dynamics commissioned a new biogas plant in Gamleby, Sweden during the year. The initiative reduces a previous reliance on fossil fuels and ensures security of supply. Production of camouflage is an energy and heat intensive process involving heating boilers to dry pieces of camouflage. When using fossil fuels to heat, this process created up to 1,250 tonnes of CO_2 a year, but by replacing the input with biogas, the emissions reduce to near zero.

By introducing a biogas system in the production of camouflage, the project will fulfil close to 20% of Saab's Scope 1-2 CO_2 reduction target for 2025. The plant was financed by Saab's internal climate fund and Klimatklivet, a government initiative that finances grants for climate investments.

Highlights from 2025:

- An updated Supplier Code of Conduct was published, reinforcing Saab's commitment to responsible business practices.
- A Human Rights Due Diligence (HRDD) Policy was developed and approved by Group Management in November 2025.
- Sustainable innovation pilots were launched within each Business Area (BA) to test sustainable design criteria.
- For the third year running, Saab has received an "A" rating from CDP for climate change and for the first time an "A-" for water security.

Challenges to focus on in 2026:

- Enhance our resilience related to supply-chain dependencies, including collaboration with industry peers to address shared challenges.
- Availability of quality-assured supplier product data for compliance to adhere new requirements.
- Availability, infrastructure and higher costs for biofuels such as SAF and HVO hinder effective low-carbon transition.

Read more in the Sustainability Statements on page 65

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We are fully focused on achieving our financial and sustainability targets. Through strategy execution and delivering on our record order backlog, we are set to deliver sustainable long-term value for our shareholders and society.

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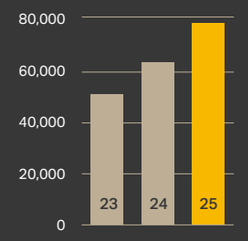
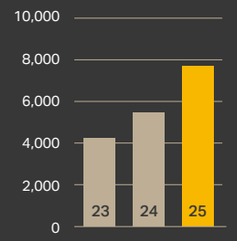
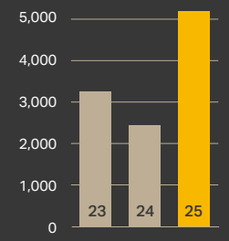
Medium-term targets

With a record order backlog and high demand for its product portfolio, Saab has upgraded its medium-term targets. The target for organic sales growth for 2023-2027 has been increased to around 22% (CAGR), up from around 18%.

	Organic sales growth	Operating income	Cash flow
Target 2023–2027 →	Compound annual growth rate (CAGR) 2023–2027* **~22%**	Operating income growth higher than organic sales growth **higher**	Cash conversion**, cumulative for the 5-year period **>60%**
Outcome 2023–2025 →	**Sales, MSEK**  **24%** Organic sales growth	**EBIT, MSEK**  **33%** Operating income growth	**Operational cash flow, MSEK**  **62%** Cash conversion**
Comment →	With a well-positioned portfolio and a focused growth strategy, Saab aims to deliver continued growth. Key priorities are delivering on the customer commitments and increase production capacity, whilst continuing to invest in future capabilities. During 2023-2025, Saab's compounded annual sales growth corresponded to a growth of 24%, driven by double-digit 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 2025, Saab improved its profitability with an EBIT growth of 37% and achieved an EBIT margin of 9.8% (8.9). This was supported by higher sales volumes, scale and efficiency efforts, while maintaining the priority on R&D investments. During 2023-2025 EBIT growth has been 33% (CAGR).	Saab targets a good cash conversion for the medium-term period. Active financial steering of working capital and continued investments in capacity and R&D is important for future growth. In 2025, Saab delivered on its positive cash flow outlook with an operational cash flow of SEK 5.3 billion, which corresponded to a cash conversion of 68%. During 2023-2025, cash conversion has been 62%.

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

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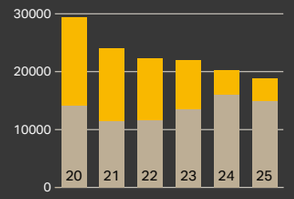
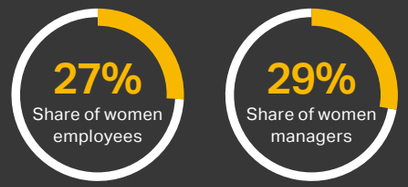
Sustainability targets

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 Statement.

	Business and human rights Resilient and safe societies	Climate 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%**	2030 target: Reduction in Scope 1 & 2 CO_2e emissions **42%**	2030 target: Share of women employees **30%** 2030 target: Share of women managers **35%**
Outcome 2025 →	During 2025, 8 (16) flagged opportunities have been assessed according to Saab's Responsible Sales Policy. **100%**	**Scope 1 & 2 emissions, tonnes CO_2e**  **36%** Scope 1 Scope 2 market-based	**Share of women, %**  27% Share of women employees 29% Share of women managers
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 124.	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 2025, Saab reduced its Scope 1 & 2 emissions by 36% (31) compared to the base year 2020. 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 2025, the share of women employees increased to 27% (26) and the share of women managers to 29% (28). Read more about diversity and inclusion at Saab on pages 112, 114.

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Our business

Saab offers solutions that range from protecting the depths of the ocean to safeguarding the skies, as well as on land and in cyberspace. The operations are divided into four business areas — Aeronautics, Dynamics, Surveillance, and Kockums — along with the subsidiary Combitech.

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Our business areas

Aeronautics

Key products

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

24%

Dynamics

Key products

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

26%

Surveillance

Key products

Airborne Early Warning and Control solutions, surface radars, command and control systems and electronic warfare.

33%

Kockums

Key products

Submarines, surface ships, combat boats and underwater systems.

12%

Combitech

Technology consultancy. Areas of expertise include total defence, cyber security, digitalisation, and systems integration.

4%

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Business area Aeronautics

Core area
Fighter systems

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

Highlights 2025

- Strong order intake and record order backlog.
- Order for Gripen E/F fighters to Thailand and Colombia were received.
- Increased production of Gripen fighters.
- Saab received an order from FMV (Sweden) for continued future fighter concept studies.
- Saab announced successful flights integrating AI into a Gripen E fighter jet.

Key figures 2025

83.8
Order backlog, SEK bn

15%
Sales growth

19.1
Sales, SEK bn

6.2%
EBIT margin

6,565
Employees

Sales by market	
Sweden	69%
Rest of world	31%

Sales by domain	
Air	91%
Civil	8%
Land	1%
Naval	<1%

Sales by significant source	
Long-term contracts	94%
Services	4%
Products	2%

Aeronautics

Business Area Aeronautics supplies innovative, world-class aircraft systems. The expertise encompasses research, development, production, and support for both military and civilian aircraft. We also conduct programs 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 capability updates without compromising operational availability.

Aeronautics is advancing the development of sophisticated unmanned platforms, including a collaborative combat aircraft (loyal wingman) concept, as well as additional programs and concepts.

The T-7 program is a joint effort with Boeing to produce the T-7A Red Hawk, the U.S. Air Force's next-generation trainer. It provides advances in high-agility flight performance and integrated training systems to prepare pilots for modern fighter operations.

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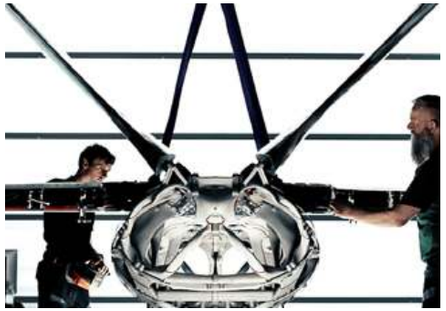
Business Units in Aeronautics

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, Colombia, Hungary, Thailand, South Africa, Czech Republic



Advanced Programs

Offering
Development of manned/unmanned future fighter system concepts including emerging and disruptive technologies, novel materials and agile methods.

Main sites
Linköping, Järfälla (Sweden)

Key customer
Sweden

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

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

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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 2025

- Strong order intake, including mobile air defence for Lithuania, live training systems for the Spanish Army and the U.S. Marine Corps, and orders for the Carl-Gustaf system.
- Record order backlog.
- Expansion of the production capacity to meet rising demand.
- New energy-efficient heating process at BU Barracuda reduced carbon emissions by 50%.
- Development of several C-UAS capabilities and loitering munitions.

Key figures 2025

90.1
Order backlog, SEK bn

41%
Sales growth

20.7
Sales, SEK bn

18.1%
EBIT margin

5,068
Employees

Sales by market	
Rest of world	83%
Sweden	17%

Sales by domain	
Land	80%
Naval	16%
Air	3%
Civil	<1%
Other	<1%

Sales by significant source	
Products	48%
Long-term contracts	36%
Services	16%

Dynamics

Business Area Dynamics offers a market-leading 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 world leading in the areas infantry support weapons, live training solutions, and camouflage and deception systems. The Carl-Gustaf and AT4 families, together with NLAW represent some of the most capable soldier support systems on the market. In the missile domain, Saab has strong and long-standing strategic partnerships with industry leaders such as Boeing, Diehl Defence and MBDA. The portfolio also includes ground-based air defence systems and the RBS15 anti-ship missile, alongside several international missile programmes.

Beyond systems and technologies, the business area delivers comprehensive support and logistics solutions to armed forces, including capabilities for field hospitals and CBRN (chemical, biological, radiological & nuclear)-related services, ensuring troops remain operational and protected in demanding environments. Dynamics' customer focus is centred on Europe and NATO countries, which form the core of its business and reflect long-term defence cooperation, shared security interests and high interoperability needs. This focus is supported by a customer base in more than 50 countries worldwide.

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Business Units in Dynamics

Ground Combat

World-leading ground combat solutions used by defence forces worldwide, delivering capability across diverse operational environments. The portfolio supports mission success, rapid adaptation and decisive action.

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

Main sites
Sweden, Switzerland, India, U.S.

Missile Systems

Missile capabilities offering precision, reach and adaptability. Strategic international partnerships expand the portfolio and enable reliable, high-impact solutions for armed forces across multiple domains.

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

Main sites
Sweden, Germany, U.S.

Barracuda

Advanced camouflage and signature management solutions designed to reduce detectability across modern sensor systems, enhancing survivability and force protection for soldiers, vehicles and installations across operational environments.

Offering
- Barracuda mobile camouflage System (MCS)
- Advanced Camouflage Nets (ULCAS and Arctic)
- Barracuda soldier system

Main sites
Sweden

Training and Simulation

World-leading live and virtual training solutions enabling interoperability and realistic conditions for land forces. Developed in close collaboration with customers, the systems strengthen skills, decision-making and readiness across units.

Offering
- GAMER live training system
- Ground combat indoor trainer
- Live firing training solutions
- Training services

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

Tactical Support Solutions

Comprehensive support for mission-critical systems, including maintenance, integration and on-site services. The offering also includes deployable healthcare, CBRN expertise and advanced 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

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 2025

- Record order bookings and sales were achieved.
- Saab received an order from the French defence procurement agency for two GlobalEye AEW&C aircraft.
- Saab partnered with General Atomics to develop an Unmanned Airborne Early Warning (UAEW) solution.
- The U.S. Army ordered Giraffe 1X radars.
- An order for Giraffe 4A radar systems and services was received from Sweden.
- Saab extended Arthur radar systems for the Spanish Army with NATO.
- Airbus ordered the Arexis EW sensor suite for German Eurofighters.

Key figures 2025

78.0
Order backlog, SEK bn

24%
Sales growth

27.3
Sales, SEK bn

10.0%
EBIT margin (adjusted)

8,330
Employees

Sales by market	
Rest of world	73%
Sweden	27%

Sales by domain	
Air	35%
Naval	31%
Land	27%
Civil	7%
Other	<1%

Sales by significant source	
Long-term contracts	70%
Services	14%
Products	16%

Surveillance

Surveillance delivers cutting-edge sensor solutions and systems integration for airborne, ground, and naval platforms. Our systems are high-performing, robust, and user-friendly, with a growing emphasis on software and AI. They seamlessly integrate with customers' existing solutions.

Surveillance leads the global market in airborne early warning and control (GlobalEye and Erieye), providing unmatched situational awareness and extended reach for modern defense operations. We also hold a leading position in surface-based radar systems for air and sea surveillance, such as air defence and weapon location systems. Additionally, we specialise in electronic warfare self-protection, signals intelligence, and combat systems.

Surveillance also offers solutions for public safety and high-security facilities, as well as digital tower and air traffic management technologies.

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Business Units in Surveillance

Airborne Early Warning

Multi-domain airborne surveillance for military and security applications with an installed base in Europe, Asia, South America and the Middle East.

Offering
- Airborne Early Warning & Control (AEW&C) solutions
- Sensors, mission systems and upgrades
- Integrated command and control (C2)
- Systems integration
- AEW&C support solutions

Main sites
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
Sweden, U.K., U.S., Finland, Norway, Germany

Naval Combat Systems

Advanced combat systems solutions and systems for command and weapon control. 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
Sweden, Australia, Denmark, Finland, Germany, 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
Sweden, U.K.

Safety and Security Solutions

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

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

Main sites
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 2025

- Strong growth in order intake and record order backlog.
- Sweden and Saab were selected for Poland's new submarines.
- Good demand and increased deliveries for the Combat Boat 90.
- Saab will develop a large autonomous underwater vehicle for the Swedish Navy.
- Saab and the Swedish Defence Materiel Administration (FMV) extended the framework agreement regarding maintenance.

Key figures 2025

22.9
Order backlog, SEK bn

15%
Sales growth

9.6
Sales, SEK bn

7.9%
EBIT margin

2,681
Employees

Sales by market	
Sweden	68%
Rest of world	32%

Sales by domain	
Naval	100%

Sales by significant source	
Long-term contracts	60%
Services	19%
Products	21%

Kockums

Business Area Kockums has long and extensive experience in developing highly advanced ships 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, upgrades and in-service support of submarines, surface ships and naval systems. 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 ships are made for challenging environments with unique speed, shock resistance and stealth capabilities. Underwater systems, including remotely operated and autonomous vehicles, torpedoes, and underwater sensors, are also part of the portfolio.

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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 have been delivered across three continents.

Offering
- Submarines
- Autonomous Ocean Drones
- Maintenance, support and upgrades
- Submarine rescue systems

Main sites
Karlskrona, Lund, Landskrona, Muskö, Helsingborg (Sweden)

Key customers
Sweden, Singapore, Australia

Surface Ships

Solutions and capabilities to navies for surface combat, mine countermeasure and patrol, as well as special purpose ships. Design and material technology such as composite superstructures, and through-life support.

Offering
- Design and construction of surface ships, special purpose ships and systems
- Ships and systems for mine countermeasures
- Saab Lightweight Integrated mast and composite technology
- Maintenance, support and upgrades

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

Key customers
Sweden, Germany, Poland, Singapore, Finland

Docksta

Advanced, high-speed combat and patrol boats for defence and civilian missions with 300+ units delivered across four continents. Recent development of autonomous solutions.

Offering
- Combat boats
- Autonomous systems & solutions
- Patrol boats
- Maintenance, support and upgrades

Main sites
Docksta, Örnsköldsvik, Muskö (Sweden)

Key customers
Sweden and other NATO-countries

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
- Commercial ROV´s

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

Key customers
Navies and offshore energy companies around the world

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Combitech – a Saab subsidiary

Highlights 2025

- Good growth, praticularly in the defence segment, including expanision in both Sweden and Finland.
- Combitech entered into a five-year framework agreement with BAE Systems Hägglunds.
- A new competence centre, to nurture customer innovation, was opened in Hyderabad, India.
- Strategic system deliveries in the cyber domain.
- Maintained a high recruitment pace, achieving a net increase of 200 new colleagues in 2025.

Key figures 2025

1.8
Order backlog, SEK bn

16%
Sales growth

5.0
Sales, SEK bn

9.6%
EBIT margin

2,582
Employees

Sales by market	
Sweden	96%
Rest of world	4%

Sales by customer	
Military	58%
Civil	42%

Sales by significant source	
Services	86%
Products	14%

Combitech

Combitech, a company wholly owned by Saab, is a technology solutions and consulting partner with some 2,600 experts across Sweden, Finland, and India. The company has core capabilities for shaping a smart and resilient society.

With more than 40 years of experience, Combitech utilises its knowledge and competence across sectors to deliver advanced solutions to complex challenges for its customers. For example, in total defence, cyber security, digitalisation, systems engineering and integration, engineering development, secure communication and autonomy.

The 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 growth 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.

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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
- Artificial intelligence
- Documentation

Key customer sectors
Defence industry, mining and telecom

Smart and Sustainable Community

By working with technology, development and people in collaboration, Combitech accelerates its contribution to society. The company 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
- Artificial intelligence

Key customers sectors
Municipalities, authorities, financial sector and telecom

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. The company uses its expertise to develop robust solutions and processes.

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

Key customers sectors
Swedish Armed Forces, Finnish Defence Forces, municipalities, authorities, industry and defence industry

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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 primarily develops, manufactures and supplies technologically advanced systems and products including both hardware and software to military and civil customers around the world. This is to a large extent structured through major projects with long time horizons spanning over multiple years. The projects entail significant investments and large share of technological development or refinement of products conducted in close cooperation with customers, suppliers, partners and research institutions. Saab has an international footprint that involve own business operations abroad, joint ventures and collaborations with other parties and industries.

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 growing rapidly both in Sweden and in other countries, including investments in scaling capacity such as production ramp-ups, establishing new factories and a high rate of recruitment. This growth entails a higher level of business risk and implies 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

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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and self-assessments are reported to Group Management and once a year to the Audit Committee.

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

Risks related to supply chain

The uncertainty in the global supply chain, including trade barriers and tariffs, entails a risk for Saab and its operations. The challenges primarily relate to the availability of certain raw materials, including Rare Earth Elements (REEs), defence-specific supply, suppliers' ability to ramp-up production capacity as well as suppliers' ability to handle the flow-down of increasing regulatory requirements. Saab works actively to ensure a robust supply chain by supplier commitments to Saab's growth plan and to manage the supply chain risks through mitigating actions.

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 any 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 "Innovation and Partnership". 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. 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.

Example of activities during 2025; a new updated Supplier Code of Conduct has been published, a new global anti-bribery and anti-corruption training mandatory for all employees has been launched and in line with our strategy to mitigate emissions, Saab commissioned a new biogas plant in Gamleby, Sweden as well as continued to transitioning from diesel to HVO fuel for the company's prime transport partners.

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 the financial market 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.

2025 main risks

The risks highlighted on the following pages are the main ones identified within each risk category during the 2025 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 34, for post-employment benefit risks, see note 30, and for legal proceedings, see note 31, subheading Other provisions.

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Risk and uncertainty factors

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	More than 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 geopolitical situation, 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 EU & NATO landscape 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, time to market, delivery precision and price. • Reference customers, partnerships and industrial collaborations.
Supply chain risks	The uncertainty in the global supply chain, including trade barriers and tariffs, 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. Recent export controls on rare earth elements (REEs) by China are also a potential risk. 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 a single or very 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, redesign, re-planning, placing orders earlier and intensified dialogue and negotiations with suppliers. • In response to the risks related to the recent export controls on REEs, Saab is focusing on strategic stockpiling and exploring alternative trading routes. • 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.	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.
	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.	• 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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Corporate Governance Report

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 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 2025. The Corporate Governance Report is prepared in accordance with the Swedish Annual Accounts Act and the Code, and describes how Saab applied the Code in the financial year 2025. Saab's website, www.saab.com, has a dedicated section on corporate governance.

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 Swedish Companies Act. Preparations for and the execution of the AGM 2025 were carried out in accordance with the Code, and the AGM 2026 will also comply with the provisions of the Code. The Annual General Meeting of Saab was held on 10 April 2025 in

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Linköping, Sweden. The shareholders could also exercise their voting rights by postal voting in advance. 1,168 shareholders were represented at the Meeting, corresponding to about 66 per cent of the total number of votes in the company.

This year the Annual General Meeting will be held on 1 April 2026 in Linköping, Sweden, for more information see page 230. On 31 December 2025, 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 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 64. As of 31 December 2025, Saab held 4,440,000 of its own series B shares, corresponding to 0.8 per cent of the share capital. For more information on the ownership structure, see page 229.

Largest shareholders, 31 December 2025

	% of capital	% of votes[1)]
Investor AB	30.2	40.0
Wallenberg Investments	8.7	7.6
BlackRock	4.2	3.7
Vanguard	2.8	2.5
Capital Group	1.7	1.5
Norges Bank Investment Management	1.5	1.3
Swedbank Robur Fonder	1.5	1.3
VanEck	1.4	1.2
WisdomTree Asset Management	1.0	0.9
Avanza Fonder	0.9	0.8

[1)] % of votes is calculated based on the number of shares excluding treasury shares at 31 December, 2025.

Source: Monitor by Modular Finance AB.

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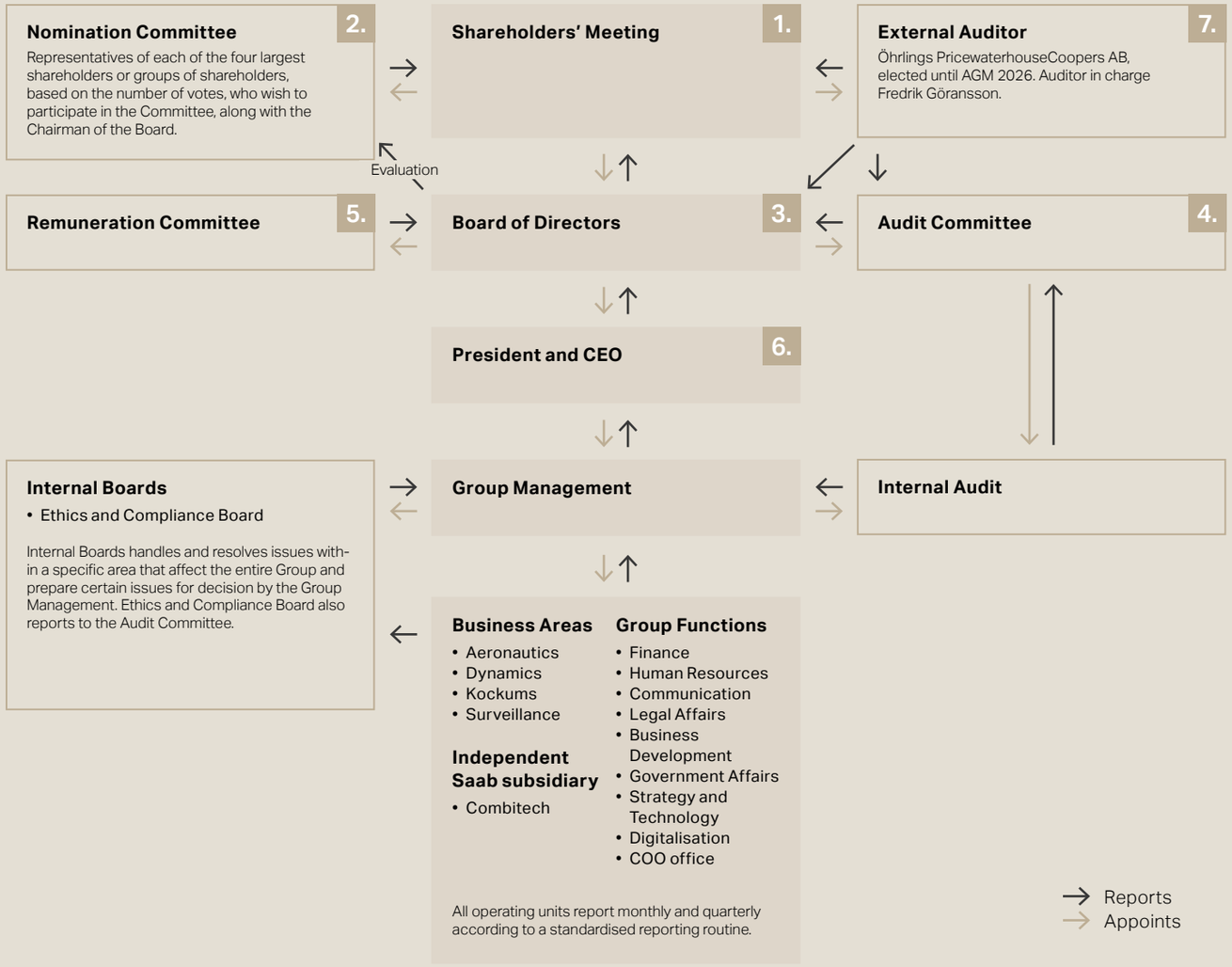

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2. Nomination Committee

According to the Nomination Committee process adopted at the Annual General Meeting 2011, which remains valid until further notice, Saab's Nomination Committee shall be composed of one representative from each of the four largest shareholders or groups of shareholders, based on the number of votes held, who wish to participate in the Committee, 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 Annual General 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 10 April 2025, the Nomination Committee issued a proposal for resolution on the Chairman of the Annual General 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 1 April 2026, it was announced in a press release on 1 October 2025 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), Oscar Bergman (Swedbank Robur Fonder) and Ross Bendetson (WCM Investment Management). Daniel Nodhäll is Chairman of the Nomination Committee.

The Nomination Committee members represent approximately 49 per cent of the votes in Saab based on the ownership structure as of 31 August 2025. The proposals of the Nomination Committee for resolution at the Annual General Meeting 2026 are included in the notice of the Annual General Meeting 2026. The Nomination Committee's statement regarding proposal for the Board of Directors is published on www.saab.com/agm.

Members of the Nomination Committee for Annual General Meeting 2026

Member	Representing	% of votes, 31 Aug 2025	% of capital, 31 Aug 2025
Daniel Nodhäll	Investor AB	40.01	30.44
Peter Wallenberg Jr	Wallenberg Investments AB	7.59	8.79
Oscar Bergman	Swedbank Robur Fonder	1.14	1.32
Ross Bendetson	WCM Investment Management	0.65	0.76
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 10 April 2025, 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 10 April 2025, Lena Erixon, Henrik Henriksson, Micael Johansson, Danica Kragic Jensfelt, Johan Menckel, Bert Nordberg, Erika Söderberg Johnsson, Sebastian Tham, Marcus Wallenberg, Joakim Westh and Anders Ynnerman were re-elected. 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 2025 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 2025 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
Göran Andersson	Robert Hellgren
Magnus Gustafsson	Lars Svensson
Tina Mikkelsen	Joakim Davidsson Truuberg

The Board members' other significant commitments, professional experience, shareholdings etc. can be found in the presentation of the Board of Directors on pages 57–59.

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 2025

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 2025

- In 2025, the Board continued to focus on geopolitical matters and 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 on acquisition of Deform AB and divestment of TransponderTech AB.
- The Board has worked with questions related to software transformation and digitalisation.
- During 2025, 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 has worked with Gripen to Thailand, Gripen to Colombia and GlobalEye to France.
- The Board proposed changes to the Long-term Incentive Program 2026 to the Annual General Meeting.
- The company also arranged two special information sessions for the Board members, where they received detailed information on strategic matters related to Aeronautics, Surveillance and the US operations.

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 2025, the Board held one statutory meeting, seven ordinary meetings and five extra meetings, a total of thirteen meetings. The Board meetings in 2025 were held in Stockholm, Sweden except for one meeting in Linköping, Sweden in April. During March 2025, the Board visited Aeronautics' and Surveillance's operations in Linköping and also Saab's operations in Germany.

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, the 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 report on their respective business area. The Board's annual work includes deciding on the company's business plan and strategy, including sustainability strategy, which in 2025 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 2025 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 2025.

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 2025, 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, sustainability reporting, the company's business ethical rules as well as assisted the Nomination Committee with proposal for election of auditor.

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The Audit Committee keeps minutes of its meetings, which are distributed upon request to the other members of the Board. In 2025, the Committee held seven meetings.

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 2025 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 2025.

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 2025, the Remuneration Committee focused especially on issues relating to the company's long-term incentive programmes, including proposed changes to the Long-term Incentive Program 2026 to the Annual General Meeting primarily related to the Performance Share Plan 2026 and the Special Projects Incentive 2026, and the proposed performance targets in the company's two performance-related share plans, the Key Employee Plan with synthetic shares for 2,000 key employees (excluding the Board, CEO and Group Management), talent management and the preparation of a remuneration report.

The Remuneration Committee keeps minutes of its meetings, which are distributed upon request to the other members of the Board. In 2025, the Committee held five 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 2025

Name	Audit Committee meetings attended[1)]	Remuneration Committee meetings attended[1)]	Board meetings attended[2)]	Audit Committee remuneration KSEK	Remuneration Committee remuneration KSEK	Board remuneration KSEK[3)]	Total remuneration KSEK
Marcus Wallenberg		5	13		120	2,450	2,570
Bert Nordberg		5	13		120	925	1,045
Micael Johansson			13				
Lena Erixon			12			810	810
Henrik Henriksson			13			810	810
Danica Kragic Jensfelt			13			810	810
Johan Menckel		5	13		205	810	1,015
Erika Söderberg Johnsson	7		13	240		810	1,050
Sebastian Tham	7		13	240		810	1,050
Joakim Westh	7		13	375		810	1,185
Anders Ynnerman			13			810	810

1) Of a total of 7 meetings of the Audit Committee and 5 meetings of the Remuneration Committee in 2025.
2) Of a total of 13 Board meetings in 2025.
3) Refers to the remuneration resolved by the AGM 2025 for the period until the AGM 2026. CEO Micael Johansson does not receive remuneration.

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 57. 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 62–64.

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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 auditor has also reviewed whether the performance targets for the Special Projects Incentive 2025 were met.

The shareholders' meeting elects the auditor. Öhrlings PricewaterhouseCoopers AB (PwC) was re-elected as auditor for the period 2025–2026 by the Annual General Meeting 2025.

Öhrlings PricewaterhouseCoopers
Fredrik Göransson, Authorised Public Accountant, is auditor in charge since April 2024.

Öhrlings 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 2024–2025
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 2025 in addition to its audit assignments by consulting on accounting and tax issues.

Auditor's fees for the Group 2024–2025

MSEK	2025	2024
Audit assignments:		
PwC	28	25
Other	4	4
Other assignments:		
PwC	4	4

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 seven meetings of the Audit Committee in 2025.

The Board of Directors has met with the auditor to discuss their review of the company for the financial year 2025. 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 primarily develops, manufactures and supplies technologically advanced systems and products including both hardware and software 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. 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 the sustainability reporting identifies and assesses risks within the areas environment, social and governance 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 by 2025 all key controls withinin sustainability have been implemented. Key controls are performed according to a predefined schedule per key control 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 reviews annually the status of Saab's internal controls regarding financial reporting and evaluates the controls related to 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: 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: 344,246

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.
Professional experience: Board member of GreenIron, 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 Payment Agency. Board member of Hector Rail AB.
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, INCARRobotics, the Royal Swedish Academy of Engineering Sciences (IVA) and Royal Swedish Academy of Sciences (KVA).
Professional experience: Board member of CROSEIR, 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

Note: Shareholding as of 31 December 2025.

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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. Chair of Camurus' Audit Committee and Marley Spoon's Audit and Risk Committee.
Professional experience: Board member of Novo Nordisk Foundation Cellerator. 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 Swedish Space Corporation. Board member of Absolent Air Care Group.
Professional experience: Chair of Amexci, EMA Technology and Absolent 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. Director of Strategic Research Knut and Alice Wallenberg Foundation. Executive Chair of Sferical AI.
Education: B.SC., Lund University, M.Phil. and Ph.D., University of Gothenburg.
Current board commitments: Board member of Norrköping Visualisering AB. Chair of Sferical AI.
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: 1,356

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 CTEK. 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

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: 431

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: 2,901

Tina Mikkelsen

Member of the Board
Elected to the Board: 2025, deputy Member of the Board 2016-2025.
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: 5,240

Deputies

Joakim Davidsson Truuberg

Deputy Member of the Board
Deputy of the Board since: 2025
Current position: Vice Chair of the Local Salaried Employees' union, Unionen at Saab Kockums Lund and Helsingborg.
Education: M.Sc. in Electrical Engineering at Lunds tekniska högskola (LTH)
Born: 1978
Own and related parties' shareholding: 4,292

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: 262

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: 750

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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: 344,246

Anna Wijkander

Chief Financial Officer
Current position since: 2024
Group Management since: 2024
Saab employee since: 2015
Education: B.Sc. in Business Administration at Stockholm University.
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: 7,653

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: 95,348

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 Vice President, Connected, Autonomous and Embedded Systems at Scania. Various roles in the Scania group.
Born: 1979
Own and related parties' shareholding: 1,057

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: 46,454

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: 45,608

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Group Management

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: 16,804

Eva Karlsson

Chief Operating Officer
Current position since: 2025
Group Management since: 2025
Saab employee since: 2025
Education: M.Sc. in Engineering
Professional experience, in selection: Executive roles at Dometic Group including President EMEA and EVP & COO. Various leadership positions at Assa Abloy Entrance Systems. Earlier leading roles and major project responsibilities at ABB.
Born: 1966
Own and related parties' shareholding: 251

Marcus Wandt

Senior Vice President, Head of Group Strategy and Technology
Current position since: 2025
Group Management since: 2025
Saab employee since: 2014
Education: M.Sc. in Electrical Engineering at Chalmers University of Technology
Professional experience, in selection: European Space Agency astronaut , Special Advisor to the Swedish National Space Agency, Chief Test Pilot at Saab and fighter pilot in the Swedish Air Force.
Born: 1980
Own and related parties' shareholding: 3,973

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: 15,667

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: 46,803

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: 108,547

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: 13,368

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Remuneration and long-term incentive programmes

Guidelines on remuneration and other terms of employment for senior executives 2025
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 2025 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 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.

For information regarding the Company's business strategy, please see www.saab.com.

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 in the Company's operations and profits. Therefore, long-term incentive is especially well suited to Saab and its shareholders. Hence, Saab does not normally offer any short-term variable cash remuneration to the CEO or other members of the Group Management. Instead, the variable remuneration consists of long-term share based incentive programs which are adopted by the Shareholders' Meeting and therefore not subject to these guidelines. The CEO and other members of the Group Management are entitled to participate in these programs. 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
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 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. Saab maintains contributions for old age pension benefits in case of invalidity pension. Survivors'

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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.

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 2025
The Board of Directors proposed that the Annual General Meeting 2025 resolves to adopt long-term incentive programme 2026 (LTI 2026), consisting of Share Matching Plan 2026, Performance Share Plan 2026 and Special Projects Incentive 2026. The Annual General Meeting resolved in accordance with the Board's proposal. The Board of Directors decided in October 2025 to propose a revised Long-term Incentive Program 2026 (Revised LTI 2026) to the Annual General Meeting 2026 that will replace the previously resolved LTI 2026.

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.

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 2022–2026 are ongoing.

According to the resolution of the Annual General Meeting 2025, the Share Matching Plan comprises a maximum of 1,900,000 shares.

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 to 2025, 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. As from 2026, the Performance Share Plan has been amended from a performance share matching program to a performance allotment program with no savings requirement for purchase of B-shares. This means that delivery of performance shares to the participants shall be based on the achievement of the performance targets and continued employment within the Saab Group during the entire three-year period of the plan. The level of allotment of performance shares is 30-50 percent of the annual cash base salary. Performance Share Plan 2026 is subject to the approval of the Revised LTI 2026 by the Annual General Meeting.

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

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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, operational cash flow, CO_2 reduction and number of female employees. The relative apportionment between the performance targets is for 2025 as follows: 20 per cent of the allotment is attributable to organic sales growth, 30 per cent to EBIT margin, 40 per cent to operational cash flow, 5 per cent CO_2 reduction and 5 per cent number of female employees. The terms for the performance allotment are from 2026 based on five independent targets for a one-year respectively three-year performance period: organic sales growth, EBIT margin, operational cash flow, CO_2 reduction and number of female employees. The relative apportionment between the performance targets is for 2026 as follows: 30 per cent of the allotment is attributable to organic sales growth, 30 per cent to EBIT margin, 30 per cent to operational cash flow, 5 per cent CO_2 reduction and 5 per cent 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	2026	2025	2024	2023	2022
Organic sales growth	30%	20%	20%	30%	30%
EBIT margin	30%	30%	30%	30%	30%
Operational cash flow	30%	40%	40%[1]	30%[1]	40%[1]
CO_2 reduction	5%	5%	10%	10%	-
Number of female employees	5%	5%	-	-	-

1) the targets are until 2024 based on free 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 2022–2026 are ongoing.

According to the resolution of the Annual General Meeting 2025, the Performance Share Plan comprises a maximum of 890,000 shares.

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. Until 2025 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 2022–2024. As of SPI 2025, the programme is based on ten to fifteen equally weighted performance targets.

As of 2026 participation in Special Projects Incentive programme shall no longer presuppose savings under the Performance Share Plan 2026 or the Share Matching Plan 2026. The level of allotment of performance shares is 20-50 percent of the annual cash base salary depending on group belonging. Special Projects Incentive 2026 is subject to the approval of the Revised LTI 2026 by the Annual General Meeting.

According to the resolution of the Annual General Meeting 2025, the Special Projects Incentive comprises a maximum of 310,000 shares.

Share repurchases and equity swap agreement
The Annual General Meeting 2025 decided that Saab may enter into an equity swap agreement with a third party on terms and conditions in accordance with market practice, in order to hedge the expected financial exposure of Saab's long-term incentive programmes 2026, whereby the third party in its own name may acquire and transfer series B shares in Saab to employees who participate in Saab's long-term incentive programmes 2026.

The Annual General Meeting 2025 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 2025. The repurchase mandate applies until the Annual General Meeting 2026.

Incentive programme proposed to the Annual General Meeting 2026
The Board of Directors proposes that the Annual General Meeting resolves to adopt long-term incentive programme 2027 (LTI 2027), which consists of three parts: Share Matching Plan 2027, Performance Share Plan 2027 and Special Projects Incentive 2027. The Board of Directors also proposes that the Annual General Meeting resolves to adopt a revised long-term incentive programme 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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Basis for preparation

BP-1 General basis for preparation of the sustainability statement

The sustainability progress at Saab is reported every year in the Annual Report. This year's report covers the financial year 2025 and is prepared on a consolidated basis with the same scope as the financial statements. All subsidiaries are included in the Sustainability Statement.

The Sustainability Statement is prepared in accordance with the Swedish Annual Accounts Act, the European Sustainability Reporting Standards (ESRS) and the EU Taxonomy Regulation. No exemptions to omit disclosure of impending developments or matters under negotiation have been used.

BP-2 Disclosures in relation to specific circumstances

The Sustainability Statement, pages 65–147, covers material impacts, risks and opportunities identified within Saab's upstream and downstream value chain, as well as Saab's own operations. Given the complexity of Saab's global value chain, which involves multiple tiers and procurement of advanced sub-systems and components, assessments vary depeding on the specific material topic. For example, Workers in the value chain, mainly covers Tier 1 and uses a risk based approach deeper in the value chain, while IROs related to Consumers and end-users, take into consideration Saab's direct customers and supposed end-users. Unless otherwise stated, Saab applies the following definitions of time horizons:

- short-term: 1 year
- medium-term: 2–5 years
- long-term: more than 5 years

Information about calculation methodologies is provided alongside the respective figures. Any uncertainty and estimations in calculations is also indicated with the reported figures. Value chain data and estimations are used for certain categories of Scope 3. These calculations are based on expenditure and industry-specific emission factors published by IAEG, see [E1-6] Gross Scope 1,2 and 3 emissions, page 93 .The uncertainty is primarily associated with the use of spend-based emission factors, which are sector averages and therefore do not reflect company-specific parameters such as material composition or procurement practices. The uncertainty relates to the data source rather than the calculation methodology itself. Emission factors are updated on a continuous basis.

Saab discloses sustainability metrics subject to estimation uncertainty and provides information on underlying assumptions and sources of uncertainty alongside each metric, Saab has not identified any monetary amounts subject to material estimation uncertainty. Saab omits certain sensitive information.

The structure of the Sustainability Statement is based on ESRS guidelines and reporting principles. As this is Saab's first ESRS report, changes in scope compared to last year are described in the description of the processes to identify and assess material impacts, risks and opportunities, page 80 . Decisions on restatements of previously reported figures are based on Saab's internal processes, considering backtracking practicability, the materiality of the error, and whether recalculation is feasible.

Restatements including disclosure of differences between preceding and revised comparative figures are presented alongside the current figures, see [E1-6], page 93.

Corrections of prior-period errors are disclosed in conjunction with this year's figures, including the nature of material errors, the corrections made, and, where recalculation is not feasible, the reasons why.

References outside of the the Sustainability Statement are disclosed in Appendix ESRS Content Index, pages 139–140.

Saab has chosen to apply the European Commission's "EU quick fix," which provides temporary phase-in relief for this year's sustainability statement. Therefore, the minimum disclosure requirements are described for ESRS S2 (pages 120-122), ESRS S3 (pages 123-126) and ESRS S4 (pages 127-128). The topics are still presented in a dedicated section of the report. This is done in accordance with ESRS 2, General Disclosures, paragraph 17.

Furthermore, Saab applies the phase-in relief set out in Appendix C of ESRS 1, which permits temporary relief for anticipated financial effects under ESRS E1, ESRS E2 and ESRS E5, and certain quantitative disclosures under ESRS S1. Metrics requiring value chain information that is currently unavailable are also omitted in accordance with transitional provisions ESRS 1 Appendix C.

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Governance

GOV-1 The role of the administrative, management and supervisory bodies

Saab's governance structure consists of the Board of Directors, its committees, the President, the CEO, and Group Management. The Board includes shareholder-elected and employee representatives, of which there are both executive and non-executive members. Ten out of eleven (91 per cent) directors are non-executive and independent in relation to the company and its executive management. Employee interests are represented by three full members and three deputies appointed through trade unions. Group Management, led by the President and CEO, is composed of executive members only.

Board of Directors

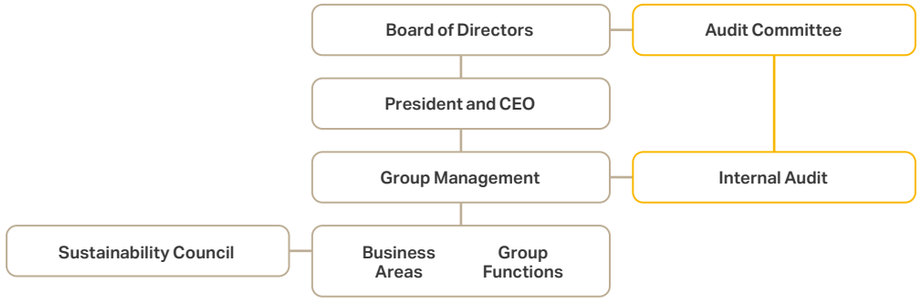
The Board of Directors is elected annually by the Annual General Meeting based on proposals from the Nomination Committee, which considers competence, experience, industry expertise, sustainability expertise, and diversity.

The Board members bring experience from aerospace, defence, engineering, finance, research institutions and government service. Group Management holds complementary expertise in Saab's core business areas and functions. The members of the Board of Directors of Saab represent a diversity and breadth in terms of gender, competence, age, experience and background. Of the Board members elected by the shareholders' meeting, and not employed by the company, 30 per cent are women. Employee representatives add perspectives from the workforce.

Oversight of sustainability impacts, risks and opportunities

Oversight of sustainability impacts, risks and opportunities rests with the Board. The Audit Committee monitors sustainability reporting and internal controls. Each year, the outcome of Saab's updated double materiality assessment is presented to the Audit Committee. In addition, the Audit Committee receives regular updates on the status of sustainability reporting, as well as the results of the internal controls carried out. This is reflected in the documented yearly calender for the governance of impact, risks and opportunities. The Sustainability Council, chaired by the Chief Sustainability Officer and including group functions, representatives from business areas and operational countries, prepares sustainability matters for decision by Group Management and the Board. The Sustainability Council meets four to six times per year. The Board receives regular reporting on targets and due diligence, and decides on the overall sustainability strategy.

Sustainability governance



Saab ensures sustainability competence through Board nominations and management representation. The composition of the Group Management is designed to ensure access to relevant competencies and experience in areas of strategic importance to the Group, including sustainability impacts, risks and opportunities. The Chief Executive Officer has appointed the Head of Group Communication and Sustainability as a member of Group Management, ensuring that sustainability matters are represented at the highest executive level. In addition, specialised expert functions are embedded within group functions, including Saab's material sustainability topics. Each of these expert areas reports to a designated member of Group Management, for example, Ethics & Compliance falls under the responsibility of the General Counsel.

Through this structure, the administrative, management and supervisory bodies ensure that relevant expertise is available and integrated into decision-making processes related to material impacts, risks and opportunities. Monitoring progress in these areas enables the administrative, management and supervisory bodies to evaluate the expertise within each respective topic.

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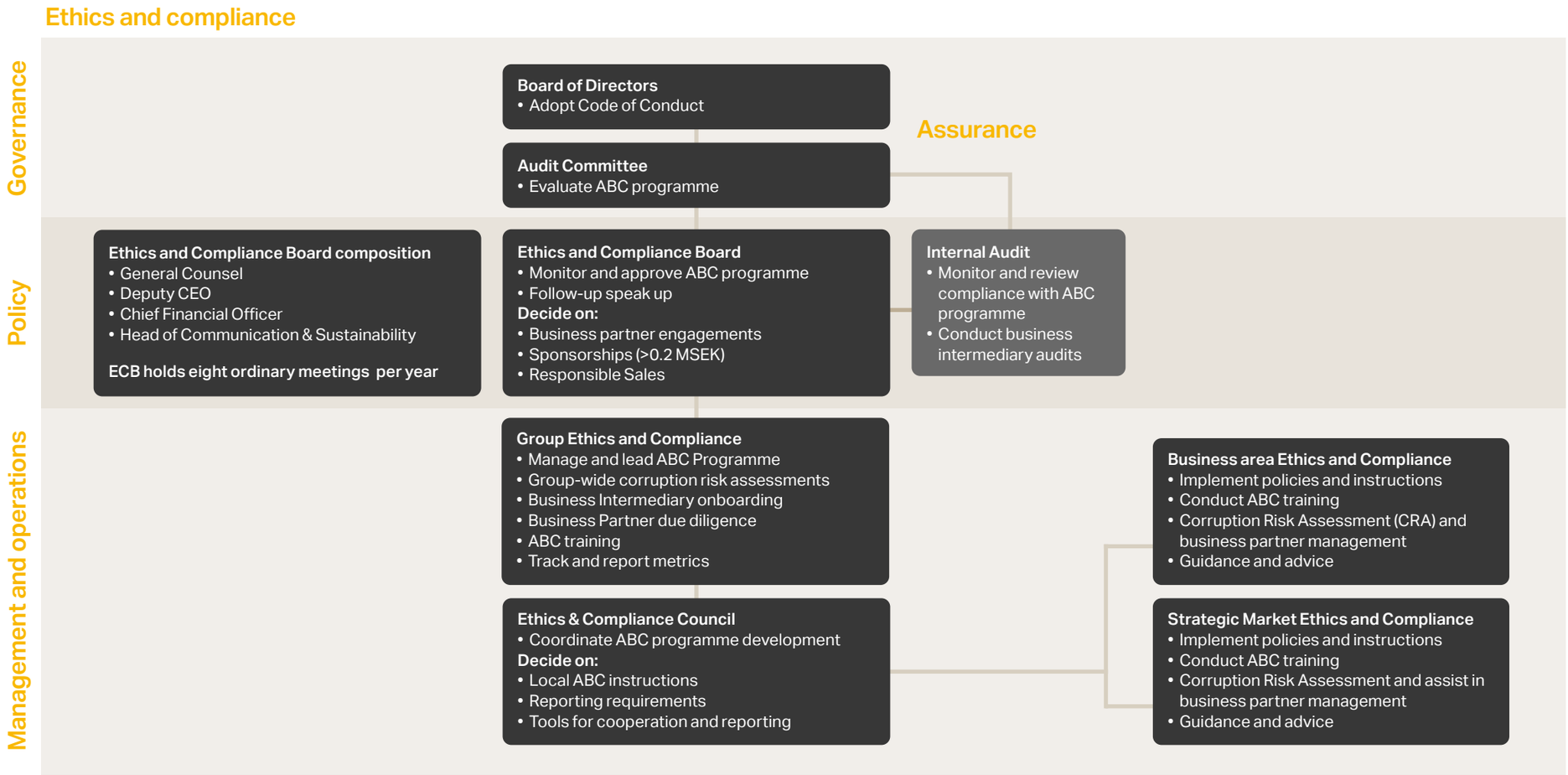
Business conduct governance

Saab's Board of Directors maintains oversight of all business conduct matters, including compliance within corruption and anti-bribery, export control, information security, whistleblower protection, and political engagement. The Audit Committee, consisting of experienced members who receive ongoing board training, ensures sustained expertise in all critical business conduct areas.



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GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Chief Sustainability Officer reports regularly on sustainability matters, including impacts, risks, opportunities and progress against targets, to Group Management. Major updates to the sustainability strategy, including targets, are prepared by the Group Management team before decision by the Board of Directors. The Senior Vice President & Head of Group Communications and Sustainability is part of Group Management. The Audit Committee informs the Board of the results of the audit and the assurance of the Sustainability Statement.

Material sustainability impacts, risks and opportunities constitute the basis for Saab's sustainability strategy, which is part of the Saab business plan. The Board of Directors, President & CEO, and Group Management consider these in decisions on strategy, mergers and acquisitions, research and development, major investments, business opportunities, risk management and business partner engagements.

The Audit Committee monitors financial and sustainability reporting, evaluates internal control, internal audit and risk management, and reviews the assurance of the Sustainability Statement. The Sustainability Council meets quarterly with representatives from business areas and group functions, and develops and proposes targets and KPIs in coordination with other councils. Together, these structures ensure that mechanisms for performance monitoring are in place for Saab's material sustainability topics.

Sustainability matters addressed
In 2025, the Sustainability Council focused on driving actions related to the company's established goals and objectives, as well as preparing for the CSRD and CSDDD. Each material sustainability topic is governed by a "Material Topic Directive," which includes information on impacts, risks and opportunities, actions and targets for short-, medium-, and long-term management, as well as governance responsibilities. During 2025, the Board of Directors and the Audit Committee have reviewed all of Saab's material topics. Topics that have been discussed in greater detail include recruiting the right competences, the company's business ethics, climate considerations related to the procurement and use of Sustainable Aviation Fuel (SAF) and Product Safety, based on the fact that this constitutes a new material topic for Saab's Sustainability Report 2025.

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

The Annual General Meeting in 2024 resolved on a long-term Performance Share Plan 2025 for 300 key employees, including Group Management and the CEO. The plan includes a sustainability component amounting to 10 per cent, split equally between CO_2 reduction and gender diversity.

The incentive schemes are designed as long-term performance matching plans, where sustainability targets form a defined share of the overall criteria. 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 per cent during the financial years 2025-2027, and the minimum level shall correspond to an annual average CO_2 reduction of 0 per cent 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 company uses the market-based method for emission targets.

The minimum level for the sustainability target for increase of the percentage of female employees within the Saab Group shall correspond to 25 per cent female employees in the Saab Group by the end of the financial year 2027, and the maximum level shall correspond to 28 per cent female employees in the Saab Group by the end of the financial year 2027.

The sustainability-related targets are specific and measurable. For CO_2 reduction, the targets cover 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. These metrics serve as performance benchmarks within the incentive structure. Achievement against the CO_2 and gender diversity targets is directly tied to variable remuneration outcomes, making sustainability performance an integrated part of Saab's long-term incentive policy. Overall, 10 per cent of variable remuneration under the long-term incentive programmes is dependent on sustainability-related targets and impacts, ensuring that sustainability factors are explicitly linked to employee incentives.

The terms of the Performance Share Plans, including the sustainability-related elements, are determined and approved during the Annual General Meeting, which also decides on any updates.

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GOV-4 Statement on due diligence

Saab operates under diverse legal, contractual, and stakeholder requirements that call for structured sustainability due diligence in line with the UN Guiding Principles and OECD Guidelines for Responsible Business Conduct. As Saab primarily serves governments and operates globally in collaboration with industrial partners, there are inherent risks, including corruption and bribery. To manage risks across the value chain, Saab conducts both group-wide and activity specific human rights risk screenings. When screenings identify severe risks of adverse impacts, further due diligence is initiated to assess, prevent, mitigate, and address those risks. This due diligence is embedded in key business processes, including procurement and supply chain management, sales, and mergers and acquisitions. The Responsible Sales Policy (pages 123-124), for example, ensures that human rights risks are considered in addition to national export control regulations.

Core elements of due diligence	Paragraphs in the sustainability statement	Page
Embedding due diligence in governance, strategy and business model	Strategy, business model and value chain	73
Engaging with affected stakeholders in all key steps of the due diligence	Workers in the value chain Affected communities	120 123
Identifying and assessing adverse impacts	Workers in the value chain Affected communities	120 123
Taking actions to address those adverse impacts	Workers in the value chain Affected communities	120 123
Tracking the effectiveness of these efforts and communicating	Workers in the value chain Affected communities	120 123

GOV-5 Risk management and internal controls over sustainability reporting

All business activities entail risk, and proactive as well as effective risk management is essential to deliver on Saab's strategic sustainability objectives. 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 Enterprise Risk Management process, as well as current policies, guidelines, and instructions.

Internal controls

Internal controls related to sustainability reporting are integrated into Saab's overarching internal control framework, encompassing financial reporting, operational processes, and IT tools. By monitoring risk exposure in a structured manner, the framework supports the business in achieving its sustainability targets and in ensuring the accurate disclosure of information. The internal control process includes a semi-annual self-assessment of completed key controls, which also evaluates whether material risks in each area are effectively managed.

Saab's internal control framework is based on external legal requirements and expectations related to sustainability reporting, as well as on the priority areas outlined in Saab's sustainability strategy. The principal risks identified pertain to the completeness and integrity of sustainability data, the accuracy of estimations, the availability of data across the upstream and downstream value chain, and the timeliness of available information. The Key Controls cover Environment, Social, and Governance areas. Each control is owned by the responsible function within the organisation for that specific area, and it is accountable for ensuring that appropriate actions are taken should the controls fail to meet the required standard. The results of the key controls performed are reported on a quarterly basis to Group Management, and annually to the Audit Committee.

In addition to internal controls designed to prevent the misstatement of information, Saab applies a four-eyes principle to both qualitative and quantitative sustainability information prior to reporting. The Sustainability Reporting Steering Group is regularly informed of any potential strategic risks, in order to enable timely decision-making and to mitigate the likelihood of risks materialising.

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Strategy, business model and value chain

SBM-1 Strategy, business model and value chain

Saab is an aerospace and defence company, founded in 1937 as a response to the security situation of the time and as a means for Sweden to safeguard its freedom. Since then, the purpose has been to contribute to secure societies and to keep people and societies safe, which Saab views as fundamental requirements for sustainable development.

Markets
Saab serves the global market with products, services and solutions from military defence in all domains to civil security. The offering is broad and consists of complex systems involving extensive research and development, as well as products that are sold in higher volumes, such as ammunition or camouflage. Complex systems are configured and designed based on each customer's specific needs and therefore often have a large share of customer-financed development. Also, complex defence orders usually entail some form of industrial co-operation.

When governments make significant investments, such as procuring infrastructure or defence equipment, suppliers are often required to create jobs, transfer technology, or strengthen the local market's domestic skills base. These requirements, commonly referred to as 'offset programmes', are particularly prevalent in the defence sector due to the scale of government expenditure.

In 2025, 76 per cent of total sales originated from Sweden, other European countries and North America, and no other single country or region represented more than eight per cent of sales (Financials, note 3, page 165). Saab had a total headcount of 29,093 employees in 2025. For further information about geographical distribution, see [S1-6] Characteristics of the undertaking's employees, page 117.

With operations on every continent, Saab continuously develops, adapts and improves new technology to meet customers' changing needs.

Core product areas
Saab's five core product areas are Fighter Systems, including the Gripen E-system and Gripen support; Advanced Weapon Systems, including ground combat systems, missiles, and training systems; Sensors, including sensors, radar technology and electronic warfare solutions; Command and Control Systems, including command and control solutions for land, air and naval use; and Underwater Systems, including surface vessels, advanced conventional submarines, autonomous underwater systems and combat boats.

Sales derive primarily from three categories: long-term customer contracts (62 per cent of total sales), products (22 per cent of total sales), and service assignments (16 per cent of total sales) (Financials, note 4, page 167). Saab does not derive any revenue from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels. Saab does not produce any military equipment that is prohibited under international law, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons.

Saab's strategic business plan
Sustainaility is central to Saab's business strategy, which is built on four key priorities and two enabling areas for long-term value creation.

Key priorities:
- Scaling up: delivering on customer commitments while ramping up capacity and ensuring supply chain resilience.
- Focused market expansion: a portfolio focused on Core Areas, multi domestic growth, and driving partnerships and M&A.
- Accelerating future capabilities: focusing on innovation, R&D investment, autonomy and AI.
- Empowered workforce: retaining and attracting talent, while fostering a growth mindset.

Enablers:
- Digital transformation: data driven, autonomy-enabled and able to quickly adapt.
- Sustainable business: Keeping people and societies safe so that they can focus on matters such as climate change, human rights, diversity and financial stability. Safe societies have the ability to focus on matters 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.

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Sustainable business

Saab has formalised its sustainability efforts through a dedicated sustainability strategy, built upon three key pillars:

1. Resilient and safe societies,
2. Green and social transition, and
3. Innovation and partnerships.

The sustainability strategy includes targets on a:

- short-term (1 year),
- medium-term (3 years), and
- long-term (5+ years) horizon

Saab's short-, medium and long-term targets relate directly to its significant products, customer categories, stakeholders, and geographies. For example Saab's scope 1&2 reduction target of -42 per cent by 2030 requires the company to decrease its own emissions in relation to test flights with Gripen. The company is therefore working to increase the amount of sustainable aviation fuel (SAF) in the fuel mix for all test flights. Regarding scope 3 within the same time frame, Saab has committed to reducing absolute Scope 3 GHG emissions covering upstream transportation and distribution, business travel, and use of sold products by 25 per cent (base year 2020).

Supporting the delivery of the Sustainability Strategy

Sustainable Innovation is one of several initiatives supporting the implementation of Saab's sustainability strategy across its business areas. It focuses on integrating sustainability criteria into products, services, and core operations, contributing to Saab's ambition to be a sustainability leader within the defence sector and to leverage sustainability as a competitive advantage. The effective execution of the sustainability strategy is based on a comprehensive approach, in which collaboration plays an important role. This includes partnerships with academia, alliances with other companies, cooperation with suppliers across the value chain, and engagement with customers.

Value chain

Saab has or may have an impact on people, the economy and the environment in various phases of the value chain, either directly or indirectly. Saab purchases sub-systems, components and equipment, as well as some raw materials, 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, where suppliers are expected to have business continuity plans in place to manage disruptions efficiently. For more critical suppliers, continuity plans are reviewed and discussed in supplier audits and meetings.

Saab's current and expected outputs and outcomes for stakeholders include long-term customer contracts, improvements and upgrades of existing products, and contributions to national security and societal resilience. As Saab is a prime contractor and technology developer that designs, produces, and integrates complex systems, a majority of Saab's products are assembled through already finished components. Saab's upstream part of the value chain includes both direct and indirect suppliers. Direct suppliers primarily supply Saab with sub-systems and components, while materials are sourced from indirect suppliers. Saab's downstream part of the value chain includes contracts with governments, use of the company's products by government authorities and armed forces, as well as service, support, and end-of life management. See the diagram on the next page for more information.

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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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SBM-2 Interests and views of stakeholders

When assessing the impact for each topic, affected stakeholders have been identified by Group Sustainability with support from internal subject matter experts in each area. The ongoing materiality assessment process at Saab is shaped by stakeholder expectations and information needs, which are essential for identifying and prioritising key sustainability matters. This input also informs the focus and content of this report. Saab gathers stakeholder feedback through a variety of channels and engages regularly with different categories of stakeholders, each of which has distinct interests and expectations. Engagement is organised through structured dialogue formats that include both formal and informal processes, designed to ensure that material perspectives are consistently integrated into Saab's sustainability work.

Stakeholder groups

The stakeholder groups presented in the table to the right are relevant as Users of the sustainability Statement based on their interest in Saab as a company. Primary stakeholders identified as Users of the sustainability Statement are users of general-purpose financial reporting. In addition to these, Saab also includes ESG rating institutions.

Outcome of stakeholder engagement

The outcome of stakeholder engagement is reflected in the prioritisation of Saab's material topics and feeds directly into the sustainability strategy. Stakeholders have highlighted, among other aspects, the importance of Saab's zero-tolerance approach to corruption, its Responsible Sales practices (including respect for human rights), as well as demands for further information on sustainable innovations and carbon reduction efforts. These outcomes guide both reporting and the process to define focus areas in Saab's strategy.

Stakeholder engagement and business strategy

Customer and investor perspectives as well as market analysis are important factors that drive Saab's strategy development. During the year, Saab updated its business strategy to clearly include digitalisation based on market trends and customers expectations. Digitalisation permeates Saab's entire strategy and will shape the company's way of working over the next five years. Similarly, Saab has made several investments based on stakeholder and market analysis including aquiring businesses in order to meet the demand for future technologies such as artificial intelligence. In 2023 Saab acquired both BlueBear, a specialist in AI-powered autonomous swarm systems, and CrowdAI, an artificial intelligence and machine learning company.

Staying close to the market, continuous dialogues with stakeholders and an agile mindset are important in securing a future-proof strategy that will allow Saab to adapt to and deliver the future of defence. Saab's Group Management and Board of Directors are regularly informed about stakeholder views and interests, including those related to sustainability matters through the strategy and ERM process. Sustainability-related stakeholder views are also brought to the attention of the management team and board of directors during the annual Double Materiality process and annual sustainability strategy setting process.

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	• 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

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

For the material impacts, risks, and opportunities (IROs) identified, Saab applies a range of mitigation measures such as policies, actions, and targets. These elements are incorporated into the company's strategic planning, which is reviewed annually.

Resilience of the strategy and business model
Saab's assessment of the resilience of its strategy and business model is informed by the outcome of the Double Materiality Assessment (DMA), which serves as a key input to the company's Sustainability Strategy. Saab's Strategic Business Plan (SBP) and associated sustainability strategy are designed to foster resilience by proactively addressing the company's identified risks, opportunities, and impacts. The overarching purpose of the strategy is to manage potential risks while capitalising on emerging opportunities, thereby ensuring long-term sustainability and competitive advantage. The approach is underpinned by a robust analysis of underlying market trends and data, which inform strategic decision-making processes. The strategy is continuously followed up and adjusted based on real-time events, to create a resilient and adaptive organisation that can navigate the complexities of the global aerospace and defence landscape. This proactive stance not only safeguards Saab's future but also positions it as a leader in responsible and sustainable business practices. Accordingly, Saab considers that the company's business model currently demonstrates resilience against the identified risks, in conjunction with the measures Saab has implemented.

Resilience is continously evaluated as part of the process of determining which material topics are incorporated into the Sustainability Strategy and through the definition of related objectives and actions for each material area. Saab also analyses which short-, medium- and long-term targets should be set to enhance organisational resilience and to capture opportunities linked to the sustainability transition.

This process is conducted on an annual basis to ensure the company's capacity to address material impacts, risks and opportunities in relation to its overall strategy and business model. The process supports continuous monitoring of material impacts, risks and opportunities, and their alignment with Saab's strategic direction and business model.

Saab has not identified any current financial effects of material risks and opportunities on its financial position, financial performance, or cash flows, nor any material risks and opportunities that could give rise to a significant risk of material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.

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Impact materiality

The table shows Saab's impacts identified in the 2025 double materiality assessment. Further information is described under each topical disclosure in the sections; Environment, Social and Governance.

Topic	Description of impacts, risks and opportunities		ESRS sub/sub-sub-topics	Where in the value chain does the impact occur	Time horizon	Impact occurs through Saab's own operation and/ or business relations
E1 - Climate Change	Actual negative impact	Carbon emissions from Saab's value chain, primarily related to purchased goods and services, as well as use of sold products.	Climate mitigation Energy	Upstream Own operation Downstream	Short, medium, long term	Saab's own business and Business relations
E2 - Pollution	Actual negative impact	The use of substances of concern and in some cases substances of very high concern that cause negative impact on the environment	Substances of Concern Substances of very high concern	Upstream Own operation Downstream	Short, medium, long term	Saab's own operation and Business relations
E5- Resource use and circular economy	Actual negative impact	Resource depletion of the materials used for Saab's products and services and waste generated	Resources inflows, including resource use Waste	Upstream Own operation Downstream	Short, medium, long term	Saab's own operation and Business relations
S1 - Own workforce	Actual negative impact	Physical harm due to work-related accidents	Health and Safety	Own operation	Short, medium, long term	Saab's own operation
	Potential negative impact	High delivery pressures and business growth can lead to stress-related ill health.	Health and Safety	Own operation	Short, medium	Saab's own operation
	Actual negative impact	Unequal pay practices disadvantages affected employees	Gender equality and equal pay for equal value	Own operation	Short, medium	Saab's own operation
S2 - Workers in the Value Chain	Potential negative impact	Potential violations of Human Rights in connection to extraction and refinery of metals and minerals, as well as production and assembling of electronic products.	Health and safety Child labour Forced labour Freedom of association Adequate wages Gender equality and equal pay for work of equal value Adequate housing	Upstream	Short, medium, long term	Business relations
	Potential negative impact	Increased demand can lead to increased overtime work and work -related stress	Health and safety	Upstream	Short, medium, long term	Business relations
S3- Affected communities	Potential negative impact	Potential violations of human rights in case of improper or unintentional use of military equipment	Security related impact	Downstream	Short, medium, long term	Business relations
S4 - Consumers and end-users	Potential negative impact	Negative effect on users should a product fault occur	Health and Safety	Downstream	Short, medium, long term	Saab's own operation
G1 - Business conduct	Potential negative impact	Lack of coverage and handling of Saab's whistleblower function increases the risk of the occurrence of irregularities, which can adversely affect and people and the environment	Protection of whistle-blowers	Upstream Own operation Downstream	Short, medium, long term	Saab's own operation

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Financial materiality

The table shows Saab's risks and opportunities identified in the 2025 double materiality assessment. Further information is described under each topical disclosure in the sections; Environment, Social and Governance.

Topic	Description of impacts, risks and opportunities		ESRS sub/sub-sub-topics	Time horizon
E1 - Climate Change	Financial risk	Not living up to stakeholder expectations through lack of transparency or unfulfilled climate commitments.	Climate change adaptation	Medium, Long term
	Financial opportunite	Attracting sustainable funding, and return on investment from energy/carbon efficient products and processes	Energy	Short, medium, long term
	Financial risk	Costs related to reduce carbon emissions and adapting to physical changes resulting from climate change	Climate change mitigation Climate change adaptation	Medium, Long term
	Financial risk	Rising energy prices and long-term power outages	Energy	Short, medium, long term
E2 - Pollution	Financial risk	Changed regulations for approved chemicals and substances can lead to disruptions relating to production and development of products.	Substances of concern Substances of very high concern	Medium, Long term
E5- Resource use and circular economy	Financial risk	Risk of increased prices and low availability of critical raw materials due to geopolitical tensions and high demand.	Resources inflows, including resource use	Short, medium, long term
	Financial opportunity	Increased long-term business relationships due to circular manufacturing process and increased product life-cycle	Resource outflows related to products and services	Short, medium, long term
S1 - Own workforce	Financial opportunity	A healthy and innovative workplace where employees have the right skills, conditions and motivation to perform	Training and skills development Diversity	Short, medium, long term
S4 - Consumers and end-users	Financial risk	Safety incidents could pose significant reputation and financial risks for the company as safety is key competitiveness factor within the aerospace and defense industry.	Health and safety	Short, medium, long term
G1 - Business conduct	Financial risk	Failure to prevent incidents of bribery and/or corruption can result in loss of trust in Saab as a business partner.	Corruption and bibery - prevention and detection including training	Short, medium, long term
	Financial risk	Failure to adhere to compliance mechanisms within corporate culture, such as industry specific export compliance and information security expectations, can lead to business interruptions, and loss of trust.	Corporate culture	Short, medium, long term
	Financial opportunity	Political engagement to proactively promote and advocate Saab's positions and long-term business interests.	Political engagement	Short, medium, long term

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Disclosures on the materiality assessment process

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

The double materiality assessment adheres to the general principles in ESRS 1, chapter 3. All topics, sub-topics and sub-sub topics in ESRS 1 AR 16 are included in scope. Saab also considered sector and entity-specific topics in the assessment.

Methodology
In its assessment, Saab evaluated the actual positive and negative impacts of its operations using predetermined scales to measure the scale, scope, and irremediable character of the impacts. For potential impacts, likelihood was also considered. When assessing potential negative impact on human rights, the scale was always assessed at highest value. This was to raise the average severity level and thus ensure that the severity of the impact is considered before its likelihood, in line with ESRS 1 § 45. Saab has had the approach that if a topic is to be assessed as having a positive impact, it must exceed legal requirements or best practice. Risk reduction measures must not be taken into account to reduce existing negative effects.

Magnitude and likelihood for financial risks and opportunities were assessed using Saab's Enterprise Risk Management (ERM) process. Impacts, risks and opportunities that reached above a certain threshold constituted Saab's material sustainability topics.

Saab identified and assessed sustainability-related impacts, risks and opportunities based on the Group's own operations, upstream and downstream value-chains, business relationships, products and services provided, as well as geographic locations of own operations, suppliers and customers. Short-, medium- and long-term perspectives were considered.

Internal subject matter experts for the topics in scope, together with Group Sustainability, assessed each topic in a structured manner. For engagement with affected stakeholders, Saab has, where possible, utilised both internal and external data to obtain an objective understanding of impacts, risks, and opportunities. The most recent update of the Double Materiality Assessment did not include direct consultation with affected stakeholders or external experts.

Since Saab is certified to ISO 14001 for environmental management and ISO 45001 for occupational health and safety, Saab is used to identifying, assessing and determining material aspects to manage and has done so for many years. Saab has risk and opportunity management processes in place to determine material risks in the organisation, operations, in projects and in the value chain.

Saab has taken into consideration the interconnections between its impacts and dependencies, as well as the risks and opportunities that may arise from them. For example, should Saab's potential negative impact on end-users materialise, the identified financial risk relating to a loss of trust in Saab as a company could materialise.

Establishment of the double materiality assessment
The Audit committee endorsed the results of the updated double materiality assessment in June 2025. The double materiality assessment is planned to be reviewed annually in preparation for the forthcoming report, and every three years a more in-depth analysis shall be conducted. The outcome of the double materiality assessment is one of several key inputs to the development of Saab's sustainability strategy, which aims to address and manage risks and impacts, as well as to create competitive advantages based on identified opportunities.

Saab has established an internal control that includes ensuring that Saab's Double materiality assessment has been updated for the current year's Sustainability Statement. Any changes to the material topics compared with previous years shall be explained, including the reasons for their addition or removal.

Changes in the outcome
Compared with previous reporting periods, Saab's materiality process has evolved, and the outcomes of earlier double materiality assessments have been recalibrated and updated. This has resulted in the following changes to the 2025 report compared with the 2024 report:

- The previously entity-specific topics Sustainable Innovation and Industrial Cooperation and Partnership have been removed as entity-specific topics. These topics form part of Saab's sustainability strategy, and aim to further integrate sustainability into Saab's products, services and overall business.
- The previously entity-specific topics Export Compliance and Information Security have been removed as standalone topics and are now incorporated under the ESRS sub-topic Corporate Culture.
- The sub-sub-topic Secure Employment has been assessed as not material and removed.
- Product Safety has been assessed as material and has been added.

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Climate change [E1 IRO-1] Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Process
Saab's identification of climate impacts is based on Saab's initial Greenhouse gas emission mapping. See the table on page 93 for an overview of the distribution of Saab's climate emissions within its own operations and its value chain. Climate-related risks and opportunities are identified and assessed in accordance with Saab's risk process. Climate-related risks and opportunities are assessed both for Saab's own operations and across the value chain, covering upstream and downstream activities. The assessment follows the global TCFD framework and distinguishes between physical risks and opportunities (such as acute and chronical focused) and transitional risks and opportunities (such as policy, market and technological changes). Climate related risks and opportunities, both physical & transitional, are assessed in short-term (0-1 years), medium-term (1-5 years) and long-term (5-30+) time horizons, based on likelihood and magnitude of impact.

Saab applies the NABC (Need, Approach, Benefit and Competition) model together with an Innovation Matrix to evaluate opportunities. This tool assess whether innovations are incremental or radical, and whether the innovations create value for Saab's operations or provide positive impacts for customers. Over the long term, this process is expected to increase the output of carbon-reducing innovations that can be used to decrease corporate impact and risk or provide new low-carbon opportunities.

Scenario analysis
Scenario analysis plays a central role in Saab's assessments. High-emission scenarios are used to test the sensitivity of assets and business activities to physical risks, while transition scenarios evaluate the resilience of Saab's operations and products against a shift to net zero economy. Read more about the scenarios employed by Saab on page 86.

The scenarios are presented in different workshops where experts in relevant area contribute to evaluate the risks and opportunities in question. The results of these analyses inform both strategic planning and financial assumptions.

Through this integrated approach, Saab ensures that climate-related risks and opportunities are systematically identified, assessed and managed, supporting resilience in operations and the development of sustainable solutions for customers. Saab conducted a risk and opportunity analysis in 2021, which forms the basis for this disclosure. At the end of 2025, Saab updated this risk and opportunity analysis, which will serve as the foundation for future work.

Pollution [E2 IRO-1] Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

Saab has identified, assessed, and evaluated the impacts, risks, and opportunities related to pollution throughout the entire value chain, its own operations, and upstream and downstream. In 2024 Saab conducted an in-depth environmental and biodiversity study together with a third party, which analysed eight of Saab's global sites. The assessment concluded that Saab generally has a low impact on the pollution related subtopics, air, water and soil, and has no dependencies on ecosystem services. Microplastics were identified as a topic where Saab needs to conduct a further assessment, but based on existing knowledge it was not seen as material. Therefore, Saab's key focus areas within pollution are substances of concern (SoC) and substances of very high concern (SVHC).

Resource use and circular economy [E5 IRO-1] Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Resource use and circular economy are essential to addressing global challenges such as climate change, resource scarcity, and waste generation and management. Integrating these principles is not only critical for environmental sustainability but also for ensuring long-term business profitability.

Within the area of resource use and circular economy, Saab is improving its processes for identifying and assessing material impacts, risks, and opportunities. The company has not yet conducted a dedicated screening of its operations and value chain specifically for this area. Instead, Saab plans to build on existing materiality assessments and risk analyses developed under ESRS E-topics. These analyses are supported by the methodologies and processes required by ISO 14001, as well as internal risk management tools applied across projects and operations. With this approach, Saab is able to capture the most relevant dependencies, impacts, risks, and opportunities without duplicating processes. The aim is integration across environmental topics rather than establishing parallel systems.

During 2025, Saab carried out a pilot on material flow analysis (MFA), which highlighted that data on resource inflows is currently limited. Strengthening this data foundation is considered a prerequisite for conducting a meaningful and comprehensive E5 risk and opportunity analysis.

Business Conduct [G1 IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities

Saab's enterprise risk identification process (ERM) integrates defence-specific indicators, including corruption risks in offset contracts and exposure to sanctioned jurisdictions. Material risks are assessed using a geographic and operational exposure matrix, including assessments by Saab's Legal, Procurement, and Compliance units.

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Water and marine resources [E3 IRO-1] Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

Water and Marine Resources is considered non-material for Saab. The assessment is primarily based on an in-depth biodiversity study, including a water analysis, conducted by an independent third party on behalf of Saab in 2024. The analysis covered eight of Saab's global sites, of which only one was deemed relevant in relation to water discharges. This site is not located in an area of high-water stress. To monitor any potential impact on water quality, continuous sampling is carried out. The assessment is considered relevant in the short- to medium-term, as further analysis will be undertaken. Overall, Saab's water consumption is relatively low according to data on water withdrawal, particularly when compared with other actors in the same industry. The company does not employ any manufacturing processes that depend on large volumes of water, which has resulted in Saab not identifying water as an immediate risk. The vast majority of Saab's water consumption takes place in Sweden, where the availability of fresh water is stable. Based on this analysis, Saab has assessed the area of Water and Marine Resources as non-material. Consultation with affected communities has not been conducted.

Biodiversity and ecosystem [E4 IRO-1] Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

Biodiversity is considered non-material for Saab. The assessment is primarily based on an in-depth biodiversity study conducted by an independent third party on behalf of Saab in 2024. The investigation indicated that Saab generally has a low impact on biodiversity within its own operations. None of the eight sites are located in biodiversity sensitive areas.

The study also confirmed that Saab is not dependent on any specific ecosystem services. While both transitional and physical risks were assessed using the taskforce on Nature-related Financial Disclosures (TNFD) framework, the assessment showed that these risks are limited. Affected communities were not consulted in this initial assessment, and a scenario analysis was not conducted. The results are based on the company's current knowledge of its sites and operations.

Saab has not identified the need to implement any biodiversity mitigation measures at this time. The environmental team continues to monitor this area and plans to conduct a further study in 2026, which will consider Saab's upstream and downstream value chain.

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

For the full list of Disclosure Requirements covered in the Sustainability Statement, Saab refers to the Appendix ESRS content index and datapoints that derive from other EU legislation, pages 139–145. The appendix indicates where each requirement is addressed in the Sustainability Statement, and also includes a list of topics deemed not material.

For the topics that are material to Saab, Saab has as a main rule to report mandatory qualitative and quantitative data linked to those topics. Saab has identified two categories of exceptions to the main rule:

- Data Saab does not want to report due to sensitive information
- Description of methodology for calculating data due to sensitive information

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Climate change

Material impacts, risks and opportunities	
Actual negative impact	Carbon emissions from Saab's value chain, primarily related to purchased goods and services, as well as use of sold products.
Financial risk	Not living up to stakeholder expectations through lack of transparency or unfulfilled climate commitments.
Financial opportunity	Attracting sustainable funding, and return on investment from energy/carbon efficient products and processes.
Financial risk	Costs related to reduce carbon emissions and adapting to physical changes resulting from climate change.
Financial risk	Rising energy prices and long-term power outages.

E1-1 Transition plan for climate change mitigation

Saab's Climate Transition Plan (CTP) was updated in 2025 and will be finalised in 2026. The plan will subsequently be approved by the Board of Directors and published externally.

Saab's Climate Transition Plan 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.

Saab's alignment with limiting global warming

Saab's ambition is to be a sustainability leader within the defence sector, demonstrated by being one of the first major defense company to have its emission reduction targets approved by the Science Based Targets initiative (SBTi). These targets, published in 2021 and approved in 2022 (near-term) and 2024 (long-term net zero), align with the latest climate science and support the goal of limiting global warming to 1.5°C.

Saab is not excluded from the EU Paris-aligned benchmarks.

Decarbonisation levers and connected planned key actions

The identified decarbonisation levers are presented by key actions, in connection to each scope and category.

Fuel switching & product updates (Scope 1)
- Reduce emissions from flight operations
- Purchase of SAF for own flight operations

Energy efficiency & use of renewable energy (Scope 1 & 2)
- Increase the share of renewable energy and improve energy resilience.
- Improvements in the energy efficiency of buildings

Supply chain decarbonisation (Scope 3 - Purchased goods and services)
- Engage the company's 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 the company's products
- Ensure that design criteria are aligned with the company's commitment
- Collaborate with customers to ensure SAF in the company's supply chains

Fuel switching & use of renewable energy (Scope 3 - Business travel)
- Reduce emissions from Saab's business travel, through changed travel habits, mindset, applying new technology and work with suppliers to drive change.

Energy efficiency & fuel switching & use of renewable energy (Scope 3 - Upstream transportation)
- Work with suppliers of goods transportation to ensure transition to low-carbon transport methods and innovative logistic solutions

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Implementing the decarbonisation strategy
Setting out a clear decarbonisation strategy is essential part of the Climate Transition Plan.

Implementing Saab's decarbonisation strategy is built on the following steps:
1. Identify decarbonisation levers: Saab's Climate Transition Plan is built based on Saab's initial Greenhouse gas emission mapping and identifying Saab's decarbonisation levers (main enablers of the transition). See page 84 for identified decarbonisation levers and key actions included
2. Set up task forces: climate task forces were established in relation to the areas of the identified levers, covering all parts of the value chain, from the own operations to Saab's supply chain and the customer aspect, as well as the product innovations and development stage.
3. Identify key actions: the climate task forces identified a large set of key actions, connected to Saab's decarbonisation levers, that are crucial for the success in reducing its emissions throughout Saab's value chain and reaching net zero latest by the year 2050.
4. Define & implement Pathways to net zero: For each task force, an emission reduction pathway to 2050 was defined, and the task force is responsible for implementing the reductions in the pathway.

Saab continuously analyses its entire value chain to identify key actions essential for achieving the company's 2050 targets. This ongoing process also enables the identification of potential technology gaps, where innovation and close collaboration with partners and customers will be critical.

Saab has allocated capital and operational expenditures to activities supporting its climate transition plan, including energy efficiency, renewable energy, and biofuels. This is carried out through task forces that identify the capital and operational expenditures required and feasible. The underlying assessments are communicated to the SBTi Steering Committee, which, based on the consolidated overview, provides guidance to the business areas and group functions throughout the budget process.

In accordance with Regulation (EU) 2021/2178 and the Swedish Annual Accounts Act, Saab reports the share of CapEx and OpEx aligned with the EU Taxonomy. In 2025, 1.4 per cent of CapEx and 1.4 per cent of OpEx were Taxonomy-aligned.Saab does not disclose any CapEx plans or initiatives to increase alignment with the EU Taxonomy .

Locked-in GHG emission form assets & products
Saab's Climate Transition Plan includes measures to reduce locked-in emissions.
Saab's locked-in emissions from assets mainly consist of fossil fuel-powered stationary industrial equipment, the company vehicles, refrigerant gases and test aircraft. The CTP describes mitigation efforts planned to reduce the locked-in emissions. Such as improving the energy efficiency of systems and buildings, transitioning away from gas oil replacing it with biogas, investing in solar cells, and switching fossil driven company vehicle to electric vehicles.

Quantifying emissions at the asset level is more challenging, as most available data are reported and measured at the site level rather than for individual.

Saab's locked-in emissions from products are consistent with the Scope 3 category 11, Use of sold products (from current year and in order books). The products are generally designed with a long-life span in scope and therefore have a long-lasting effect. Table GHG Emissions, page 93, presents GHG emissions per scope and category.

Saab's locked-in emissions don't pose a major risk of jeopardising Saab reaching its climate reduction targets or drive transitional risks.

Saab's Climate transition plan and the overall business plan for Saab
The Climate Transition Plan is designed to drive the company towards the achievement of its climate objectives. These objectives directly address identified impacts, risks, and opportunities related to climate change, thereby reinforcing Saab's resilience and sustaining its competitive position within an evolving global market.

The Climate Transition Plan is incorporated into Saab's financial planning. This is done in several ways, by setting up a yearly budget for the identified key actions in Saab's task forces planned up to year 2030.

The larger items in Saab's planned budget, necessary to meet the mitigation target, are regularly reviewed, together with potential risks, in Saab's steering group meetings (for the SBT-project) for information and evaluations.

Based on the climate related risk and opportunity assessment, including evaluating the financial impact, measures were incorporated to mitigate risks.

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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 value chain. The analysis was of physical and transitional risks and opportunities with the help of publicly available IPCC and IEA scenarios and other relevant sources. Both well-below 2.0°C and 4.0°C pathways were used. 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 more 'business-as-usual' scenario without ambitious climate policy changes. The scenarios and other relevant sources were also used to test Saab's strategy resilience and better understand future strategic and financial impacts in both favourable and non-favourable scenarios.

For the physical risks and opportunities, these were the key forces and drivers taken into consideration in each scenario; Local ecosystem assets interactions; Dependencies and impacts; Finance and insurances; Stakeholder and costumer demands; Regulators, legal and policy regimes; Direct interaction with climate, and Macro and microeconomy. For the transitional risks and opportunities, these were the key forces and drivers taken into consideration in each scenario; Finance and insurances; Stakeholder and customer demands; Regulators, legal and policy regimes; and Direct interaction with climate.

The risk and opportunity-, financial impact and the resilience analysis was reviewed and updated during end of December 2025 and constitute important input for Saab's forthcoming updates of the double materiality assessment. For Saab's 2025 Sustainability Statement, the analysis is reported according to Saab's analysis done 15-12-2021, according to TCFD. 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 the company's physical climate risk assessment.

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

Conclusion
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 the strategy being temporarily disrupted or delayed. Medium impact translates to a moderate effect on performance and strategy affected.

Low-emission scenario/ Transitional scenario
In a scenario where global warming is kept below 2°C, Saab's primary climate-related risks are transition risks, including brand, policy, regulatory, and market factors. The identified risks and opportunities are described under the following heading, together with their impact on the company's operations.

High-risk scenario/ Physical scenario
The financial impact from physical climate risks is currently assessed as low in the medium term, but it is expected to increase in the long term under a high-emission scenario. Rising temperatures are projected to intensify extreme weather events, where incidents that previously occurred once every 50 years may instead occur every 3–4 years at 2°C of warming, and the IPCC also foresees a growing number of simultaneous and interconnected events as a result. The identified risks and opportunities are described under the following heading, together with their impact on the company's operations.

Material impacts, risks and opportunities
Impact - Carbon emissions from Saab's value chain, primarily related to purchased goods and services, as well as use of sold products.
For Saab to run its business model, Saab has a negative impact on the environment. Mainly resulting from emissions use of sold products and purchased goods and services. Saab's commitment to its Science Based Targets has resulted in measures that have influenced the company's strategy, decision-making processes, and collaboration with stakeholders, including suppliers, customers, and investors. Read section E1-1 to E1-4, pages 84-91, for further information about Saab's emission reduction work.

Transitional risk - Not living up to stakeholder expectations through lack of transparency or unfulfilled climate commitments.
To reduce its GHG emissions, Saab has set ambitious emission reduction targets. Combined with external legal and market requirements, this places Saab in a position with much to live up to. Saab must actively work towards achieving its emission reduction targets in order to minimise the risk of failing to meet stakeholders' expectations. To mitigate the risk of lack of transparency, Saab has, among other measures, incorporated climate targets into its incentive programs and provides external quarterly reporting on relevant KPI's. This approach enhances transparency and reinforces the integration of Saab's climate commitments into the company's overall strategy. Additionally, this identified risk has driven closer collaboration with suppliers and partners to improve the measurement and reduction of supply chain emissions. Saab also actively engages with stakeholders like investors, policymakers, and NGOs through dedicated Sustainability and Environmental Communications plans, ensuring transparency both internally and externally. Saab's commitment to emission reductions, CDP disclosures, and IFRS S2-aligned reporting helps safeguard Saab's reputation.

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Transitional and physical risk - Costs related to reduce carbon emissions and adapting to physical changes resulting from climate change
Saab's commitment to reducing carbon emissions entails a risk of increased costs, as does the risk of additional expenses associated with adapting to potential physical changes resulting from climate change. The management of Saab's physical risks are managed through Saab's comprehensive global insurance program, designed to mitigate property damage and business disruptions. At the asset level, Saab applies the Blue Risk Management Programme, developed with Willis Towers Watson, which includes on-site "blue surveys" by risk engineers to identify vulnerabilities and recommend mitigation actions.

Transitional- Attracting sustainable funding, and return on investment from energy/carbon efficient products and processes
By positioning itself as a leader in sustainability within the defence sector, Saab aims to leverage this leadership as a competitive advantage. Saab sees opportunities to attract sustainable funding as the company transitions its products, services, and processes toward greater energy efficiency and low carbon technologies. This positions the company 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 anticipates early innovation and infrastructure development in aviation and shipping. Saab expects notable environmental transitions within the next five years, presenting opportunities to offer more sustainable solutions. See sections E1-1 to E1-4, pages 84-91, for further details.

Physical risk - Rising energy prices and long-term power outages
The risk of rising energy prices and long-term power outages is increasing, potentially impacting long-term supply. Such interruptions could result in delayed deliveries, breaches of contract, and penalties. Saab mitigates this risk by ensuring robust infrastructure, risk mitigation at new establishments and potentially collaborating with power suppliers to increase energy production. Contracts are structured to avoid liability for disruptions beyond Saab's control. Saab is 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.

Saab, however, sees opportunities in enhancing energy efficiency for its operations and buildings, both in new construction and through renovations, leading to cost reduction and a reduction of carbon emissions. New technologies will enable more digital, efficient, and low-carbon operations.

E1-2 Policies related to climate change mitigation and adaptation

Environmental Policy
Saab's Environmental policy states that Saab shall work to minimise its environmental impacts from plants, products, and services across the entire value chain, including its own operations. 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 the company's environmental work

The policy collectively addresses Saab's identified impacts, risks and opportunities, and provides guidance on how these are to be managed. Saab's Environmental Policy is compliant with ISO 14001.

All Saab's major sites are certified according to ISO 14001:2015, which means that the management systems fulfil the requirements in the standard. Saab's Environmental policy is applicable for the company's supply chain as it is incorporated into the Supplier Code of Conduct (SCoC). Saab's Environmental policy is authorised by the CEO and approved by the Board of Directors. Saab's management team are responsible for the implementation of the policy throughout the organisation.

Supplier Code of Conduct
Saab's Supplier Code of Conduct mandates that suppliers actively manage and reduce their environmental and climate impacts. This includes the development and implementation of comprehensive environmental management policies, ideally aligned with recognised international standards such as ISO 14001. Suppliers are required to set near- and long-term science-based greenhouse gas emission targets consistent with the Paris Agreement, ensuring ongoing mitigation efforts are aligned with these commitments.

The Code addresses climate change mitigation through systematic emission reductions and encourages energy efficiency and the adoption of renewable energy where applicable. It also emphasises climate change adaptation by requiring assessments of operational impacts on biodiversity and protected areas, implementing appropriate mitigation measures to safeguard ecosystems.

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Additionally, suppliers must manage substances of concern proactively, ensuring compliance with evolving regulations and pursuing the elimination or substitution of hazardous materials. The Code promotes circular economy principles by encouraging reductions in resource consumption, including water and waste minimisation, and the development of circular business models.

For more information about Saab's Supplier Code of Conduct, see pages 100, 120.

Energy Strategy

The Energy Strategy provides clear guidance on how key areas within the Saab Group can achieve emissions reductions from energy use, aligning with the company's approved science-based target 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 its recommendations accordingly. Aligned with Saab's commitment to the SBTi and the UN's Race to Zero, the company's Energy Strategy directly supports Saab's decarbonisation efforts, specifically focusing on energy efficiency and renewable energy use. This strategy directly contributes to Saab's Scope 1 & 2 greenhouse gas emission reduction targets for purchased and manufactured energy.

Travel Directive

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

Aligned with Saab's commitment to the SBTi and the UN's Race to Zero, the company's Travel Directive supports Saab's decarbonisation efforts, specifically in the areas of fuel switching and renewable energy use. This directive contributes to Saab's Scope 1 and Scope 3 (Category 6 Business Travel) greenhouse gas emission reduction target.

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

During 2025, several key actions were undertaken in line with Saab's policy commitments in order to achieve the established objectives, which collectively address the decarbonisation levers Fuel switching & Use of renewable energy, Energy efficiency, Product Updates and Supply chain decarbonisation.

During the year, Special Flight Operations in Nyköping refuelled with 38 per cent drop-in Sustainable Aviation Fuel (SAF) from a segregated tank, marking a significant step in fuel switching. Additionally, a biogas plant was installed at Saab Dynamics in Gamleby during the summer, replacing Liquefied Petroleum Gas for production. This initiative, along with the replacement of two oil boilers with district heating, in buildings where renewable district heating is available, stands for 22 per cent reduction of Saab's internal annual scope 1 and 2 reduction target.

Energy efficiency measures were implemented across various Saab sites, including insulation to reduce heating requirements. Furthermore, several sites transitioned from diesel to HVO100 for internal transportation and equipment, with investments in new tanks and rental tanks for HVO100 refueling. This transition is set to continue into the following year.

Saab continued to engage its suppliers, achieving 30 per cent engagement based on spend, to commit to setting their own reduction targets aligned with science-based targets. The company also transitioned from diesel to HVO fuel for its Prime Transport Partners, involving the negotiation of new contracts. Additionally, efforts were made to consolidate transportation to decrease the number of necessary transports.

In the supply chain, air supplier agreements were improved based on Saab's environmental requirements. The updated Travel Directive was published, providing guidelines for sustainable travel practices. Saab's Climate Fund supported six innovative projects selected through the year's Innovation Call. These projects directly address key decarbonisation levers: energy efficiency, fuel switching and product updates. For more information about Saab's Climate Fund, see page 89.

Throughout the year, Saab developed a more detailed Climate Transition Plan, which is scheduled for publication in 2026. In late 2025, an updated risk and opportunity assessment was carried out in accordance with IFRS S2, which will serve as the basis for analyses in this area going forward.

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Saab's Climate Fund
Saab has a Climate Fund which supports climate innovations within the company. The Climate Fund has a dedicated process for identifying, funding, and developing early-stage innovations with the potential for positive climate impact, both within the company's operations and in the products and services Saab offer.

Saab's Climate Fund supported six innovative projects selected through this year's Innovation Call: Climate. These projects directly address key decarbonisation levers: energy efficiency, fuel switching and product updates. Short descriptions of some of the ideas granted approval of funding from the climate fund, presented below.

Climate call - Recycled tooling: A 3D-printed carbon fibre tooling for prototypes or low series that can be recycled. This is done by grinding it, make it into new pellets and print a new tool. Once the tooling is not needed or worn out, the material in the tool is usable for new tools. The old tool can be ground, and new pellets can be manufactured and used for printing a new tool. The methodology can save both need of new material resources and cost.

Climate call - Material structure optimisation: Run a pilot project to implement the optimisation tools to reduce the structure mass with regards to underwater shock. The objective to reduce mass is regarded as a first step to start implementing optimisation. Structural optimisation can include multiple objectives, such as a reduced CO_2 footprint, increased structural strength, decreased mass, cost, and weld size.

Finance and resources
Saab has dedicated approximately 100 full-time and part-time resources to the companys climate task forces, focused on driving emissions reductions as well as collecting and reporting emission data. To effectively monitor progress, emission reductions are linked to financial costs. A key element of this approach is the development of an internal carbon pricing mechanism. This will enable us to compare the costs of different reduction measures, understand the annual cost of meeting Saab's targets, and make informed decisions regarding climate-related investments. Once the detailed roadmap for the company's transition to 2050 is finalised, Saab's internal carbon pricing will support the identification of any remaining financing needs and help ensure that the company can close the gaps in the company's decarbonisation journey.

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, Saab 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 GHG emissions reduction targets validated and approved by the Science Based Targets initiative (SBTi) for near-term, long-term/net zero targets, this to ensure the targets are compatible with limiting global warming to 1.5°C.

Saab's climate emissions reduction targets address not only Saab's impact on the climate, but also the risk of failing to meet stakeholder expectations due to insufficient transparency or unfulfilled climate commitments. Saab's climate emission reduction targets within Scope 2 also address the identified risk of rising energy prices and long-term power outages.

The risk of increased costs associated with adapting to physical changes resulting from climate change is not addressed through a measurable target; instead, Saab manages this risk through ongoing mitigating actions.

Saab does not have time-bound targets for its opportunity to attract sustainable funding, and return on investment from energy/carbon efficient products and processes. The effectiveness of Saab's policies and actions regarding this opportunity is monitored through dialogue with customers and investors.

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Overall net zero target
Saab has committed to reaching net zero greenhouse gas emissions across the value chain by 2050.

Near-term targets:
- Saab has committed to reducing absolute Scope 1 and Scope 2 GHG emissions by 42 per cent by 2030 from the base year 2020*
- Saab has committed that 50 per cent of its suppliers by spend covering purchased goods and services and capital goods, will have science-based targets by 2027.
- Saab has committed to reducing absolute Scope 3 GHG emissions covering upstream transportation and distribution, business travel and use of sold products by 25 per cent by 2030 (base year 2020)

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

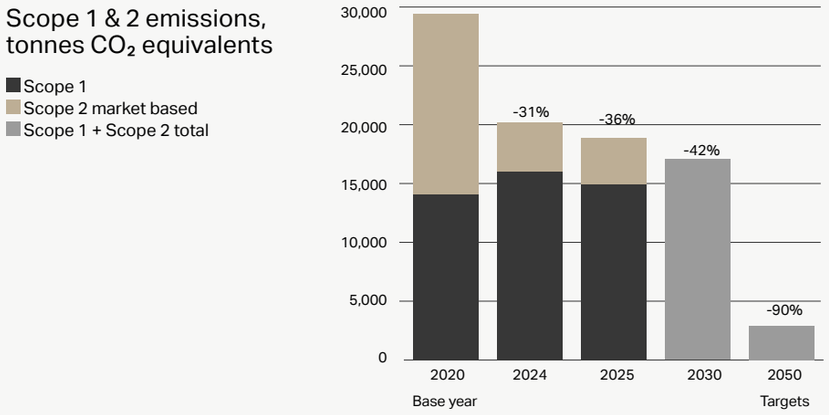
Long-term targets:
- Saab has committed to reducing absolute Scope 1 and 2 GHG emissions by 90 per cent by 2050 (base year 2020)
- Saab has committed to reducing absolute Scope 3 GHG emissions by 90 per cent within the same time frame

Saab has integrated its environmental strategy and climate targets throughout the organisation through a comprehensive program. This program 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.

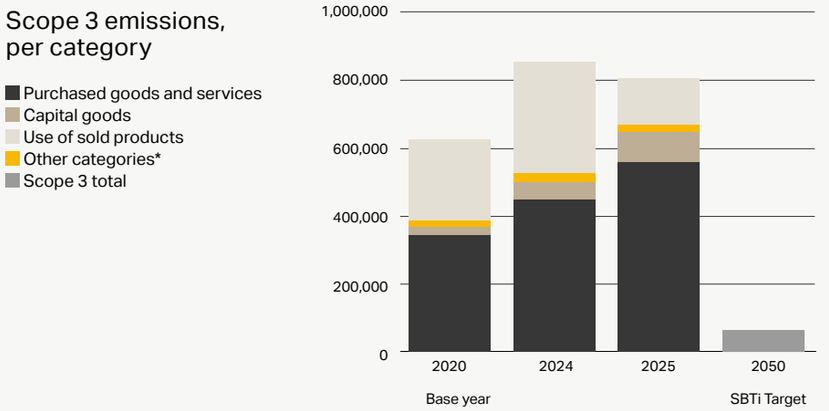
As outcome of the Risk and opportunity analysis done in 2021, the decision was taken to start up the Science based target project to actively work on mitigating Saab's emissions. Saab sent in it's letter of commitment during 2021 and according to the SBTs criterias the only base year to choise from then was 2020, or delay the commitment to year 2022. Saab considers that 2020 serves as a representative base year giver than year 2020 had full productions and sales which stands for the majority of emissions.

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 Auditor's report from a reasonable assurance engagement of Saab AB's selected sustainability information regarding carbon dioxide emissions (CO_2) concerning scope 1 and 2, page 224. For more information about emissions in Scope 1-3 [E1-6], see page 93.

*Other categories include: Upstream transportation and distribution as well as Business travelling.

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Engagement target

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 2025, 30 per cent of Saab's total spend originated from suppliers committed to the SBTi. Saab will continue collaborating with its suppliers to ensure at least 50 per cent (based on spend) aligns with the SBTi or adheres to similar targets by the end of 2027.

To achieve the commitment of having 50 per cent of Saab's purchase volume sourced from suppliers with climate targets (in line with the Paris Agreement), Saab prioritises engagement with the largest suppliers. 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.

	Target	2025	2024
SBTi engagement for supply chain	50%	30%	23%

Accounting Principles

To assess progress toward our engagement target, Saab identifies companies or corporate groups that, according to publicly available information on the Science Based Targets initiative (SBTi) website, have committed to meeting SBTi requirements.

For 2025, suppliers for which Saab has verified that their targets are aligned with SBT principles through alternative solutions are also included, in accordance with SBTi methodology. This information is cross-referenced with Saab's supplier base.When a match is confirmed, the corresponding purchasing volume is included in the calculation.The target is measured using total spend; all purchases are included in the calculation.There is inherent uncertainty when matching suppliers to SBTi commitments, as corporate group affiliations may change over time due to divestments or organizational restructuring.

Saab's methodology does not capture deliveries to units outside Sweden.These factors introduce a margin of error in estimating the proportion of total spend that aligns with the engagement target.

GHG Emissions change

For climate change, Saab uses the following time horizons: a near-term target for the year 2030 and a long-term target for the year 2050.

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

GHG Emission change	Base Year 2020 (tCO_2e)	2025/2020 (tCO_2e)	2025/2020 (%)	Target 2030	Target 2050
Total Greenhouse gas emissions	653,003	168,808	26%	-	Net-zero
Scope 1 & 2	29,412	-10,557	-36%	-42%	-90%
Scope 3 Near-term	258,602	-100,100	-39%	-25%	-
Scope 3 Long- term	623,591	179,365	29%	-	-90%

Accounting Principles

For climate change, Saab applies a near-term target year of 2030 and a long-term target year of 2050. The consistency of these targets is maintained through regular reviews of the organization's GHG inventory boundary.

For Scope 2, Saab's targets are market-based due to significant differences in access to renewable energy across the countries where the company operates.

For Scope 3, the near-term targets cover categories 3.4 upstream transportation and distribution, 3.6 business travel, and 3.11 use of sold products.

The long-term target for scope 3 include categories 3.1 purchased goods and services, 3.2 capital goods, 3.4 upstream transportation and distribution, 3.6 business travel, and 3.11 use of sold products.

The total is calculated for all GHG emission categories included in Saab's long-term target, namely Scope 1, Scope 2 market-based, and the Scope 3 categories included in the long-term commitment.

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E1-5 Energy consumption and mix

Energy consumption and production

Energy Consumption and mix (MWh)	2025	2024
Total energy consumption	**392,884**	**385,070**
Total energy consumption from fossil sources	**129,804**	**145,342**
-Fuel consumption from coal and coal products	0	0
-Fuel consumption from crude oil and petroleum products	48,969	52,772
-Fuel consumption from natural gas	7,311	6,153
-Fuel consumption from other fossil sources	0	0
-Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	73,524	86,417
Total energy consumption from nuclear sources	**6**	**63**
Total energy consumption from renewable sources	**263,074**	**239,665**
-Fuel consumption from renewable sources	5,410	3,190
-Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	256,369	236,028
-Consumption of self-generated non-fuel renewable energy	1,295	447

Energy Consumption and mix (%)	2025	2024
Share of fossil sources in total energy consumption	33%	38%
Share of nuclear sources in total energy consumption	0%	0%
Share of renewable sources in total energy consumption	67%	62%

Energy intensity (MWh/MSEK)	2025	2024
Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue)	4.96	6.04

Energy Production and mix (MWh)	2025	2024
Non-renewable energy production	9,394	9,690
Renewable energy production	3,884	2,754

Accounting Principles
Fuel type allocation is based on emission factors, and energy distribution is calculated accordingly. The energy mix is calculated using consumption data and statistical information for locations where energy is consumed.

For electricity and heat/steam/cooling, only quantities covered by renewable energy certificates (RECs) are treated as renewable. It is assumed that any energy consumption not covered by RECs contains no renewable attributes and is therefore sourced solely from nuclear or fossil-based electricity

Saab's major sources of emissions are controlled internally , estimates are therefore negligible. Estimations are made based on the corresponding month in the previous year, this method captures fluctuations in temperature over the year but does not account for fluctuations in production levels and/or number of employees, and energy efficiency measures.

Net revenue used for energy intensity calculations aligns with reported sales in the financial statements (page 151). Saab conducts activities within sectors C (Manufacturing) and H (Transport), which are classified as high energy-consuming sectors.

All renewable energy production, including self-generation from biomass and solar panels, is included.

Reported figures for previous years are updated following an internal backtracking process.To maintain alignment and comparability with other climate reporting frameworks, Saab provides updated 2024 figures, even though they fall below the materiality threshold of 5%.

Results of backtracking for the comparative year 2024
The total energy consumption increased by 1,214 MWh (383,856). Of this increase, 1,048 MWh (85,368) is attributed to the category Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources, and 214 MWh (52,559) to Fuel consumption from crude oil and petroleum products.
Energy consumption from nuclear sources increased by 58 MWh (6).Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources decreased by 107 MWh (236,135).
Fuel consumption from renewable sources increased by 0.6 MWh (3,190).

Non-renewable energy production increased by 203 MWh (9,487).

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E1-6 Gross Scope 1, 2, 3 and total GHG emissions

Scope 1&2

GHG Emission (tCO_2eq)	Base Year 2020	2024	2025	% Change from 2024	Targets (%) 2030	2050	Annual % target /base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions	14,070	16,040	14,922	-7%	-	-	-
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	-	-	-	-	-
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions	17,287	13,952	12,674	-9%	-	-	-
Gross market-based Scope 2 GHG emissions	15,342	4,180	3,932	-6%	-	-	-
Scope 1&2 GHG Emissions-location based	31,357	29,992	27,596	-8%	-	-	-
Scope 1&2 GHG Emissions-market based	29,412	20,220	18,855	-7%	-42%	-90%	-3% *

*Calculated based on long term target. Annual % target/ base year for scope 1+2 near term target is -4.2%.

Accounting principles
Saab uses the operational control approach under the GHG Protocol. Reported gases (CO_2, CH_4, N_2O, SF_6, HFCs, NF_3) are converted to CO_2e. Saab has no operational control over associated companies.

Scope 1 includes fuel use for stationary combustion and transport in owned or leased assets, plus process emissions such as industrial gases, chemical processes, methane, and refrigerant leakage. Scope 2 covers indirect emissions from purchased electricity, heat, cooling, and steam. Market-based figures apply zero emissions when GoOs/RECs are purchased; otherwise, the residual mix is used.

Calculations are based on consumption data and annually updated emission factors from IEA, DEFRA, Energiföretagen, and Tekniska Verken.Scope 1 estimates are minor and follow structured procedures, producing values close to actual consumption. Estimates use the same month from the previous year, capturing temperature effects but not production levels, staffing changes, or efficiency measures.

Reported figures for previous years are updated following an internal backtracking process To maintain alignment and comparability with other climate reporting frameworks, Saab provides updated 2024 figures, even though they fall below the materiality threshold of 5%.

Changes in comparative information for Scope 1 and Scope 2
Backtracking effects 2020: Sc 1:+6 tCO_2eq (14,064). Sc 2 LB:-37 tCO_2eq (17,324). Sc 2 MB : -37 tCO_2eq (15,379)
Backtracking effects 2024: Sc 1: +52 tCO_2eq (15,988). Sc 2 LB: -467 tCO_2eq (14,419)Sc 2 MB : -174 tCO_2eq (4,354)

Scope 3

GHG Emission (tCO_2eq)	Base Year 2020	2024	2025	% Change from 2024	Targets (%) 2030	2050	Annual % target /base year
Significant scope 3 GHG emissions							
Gross Scope 3 GHG emissions	623,591	852,296	802,956	-6%	-	-90%	-3%
1 Purchased goods and services	343,451	446,753	556,172	24%	-	-	-
2 Capital goods	21,538	49,141	88,282	80%	-	-	-
4 Upstream transportation and distribution	5,031	4,491	5,697	27%	-	-	-
6 Business travelling	15,971	22,711	17,805	-22%	-	-	-
11 Use of sold products	237,600	329,200	135,000	-59%	-	-	-
Total GHG emissions							
Total GHG emissions (location based)	654,948	882,288	830,552	-6%	-	-	-
Total GHG emissions (market based)	653,003	872,517	821,811	-6%	-	net -zero	

Acccounting principles
Significant changes
For 2025 Saab reports as significant Scope 3 GHG emission the categories that are included in the Science Based Targets, discontinuing reporting on category 3.3 Fuel and energy-related activities (not included in Scope 1 or Scope 2), and Category 3.15 Investments. The method for calculating category 3.11 Use of Sold products has been changed to include use of Sustainable Aviation fuel in the calculation of emissions.

Restatements
Comparative figures in category 3.4 Upstream transportation and distribution, and 3.6 Business travelling are updated through backtracking. Saab updates 2020 and 2024 figures for consistency with reporting frameworks, even when changes are below the 5% materiality threshold.

Changes in comparative information for Scope 3
Effects for 2020: In total, changes in methodology and updates during the back tracking process resulted in a total reduction of -21,473 tCO_2e for 2020. Discontinued reporting on category 3.3 reduced reported emissions by -7,732 tCO_2e. This also applies to category 3,15, leading to a -13,741 tCO_2e reduction. In addition, the backtracking process resulted in a -231 tCO_2e (5,262) reduction in category 3.4.

Effects for 2024: In total, changes in methodology and updates during the back tracking process resulted in a total reduction of -58,287 tCO2e for 2024. Discontinuing reporting on category 3.3 reduced reported emissions by -8,832 tCO_2e. This also applies to category 3,15, leading to a -10,285 tCO_2e reduction. The backtracking process resulted in a 196 tCO_2e (4,295) increase in category 3.4 and 1,634 tCO_2e (21,077) increase in category 3.6. The recalculation for category 3.11 including SAF, reduced emssions by -41,000 tCo2e (370,200).

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Disclosure of methodology, significant assumptions and emission factors used to calculate or measure GHG emissions
Saab uses operational control approach under the GHG Protocol. Reported gases (CO_2, CH_4, N_2O, SF_6, HFCs, NF_3) are converted to CO_2e. Saab has no operational control over associated companies.

According to the Science Based Targets initiative (SBTi), near-term targets must cover more than two thirds of total Scope 3 emissions in the base year Saab uses this threshold to define the Scope 3 categories that constitute a material share of emissions and are therefore included in annual reporting SBTi approval involves a rigorous review of base year data and methodologies. As the categories within the target boundary have been externally validated through this process, Saab regards them as the most reliable basis for tracking and evaluating progress.

Scope 3 categories included in reporting
Calculations are based on consumption or spend data and emission factors.

3.1 and 3.2 Purchased Goods and Services and Capital Goods:
Calculations are spend-based. Saab uses emission factors published by IAEG at https://www.iaeg.com/ghg-guidance.

3.4 Upstream Transportation and Distribution:
Emissions are derived from registered emissions from upstream transportation and distribution by road, sea, and air, according to Well-To-Wheels (WTW) calculations. Supplier-specific data is used, supplemented with averages where data is not available. Emission factors are from DEFRA 2021.

3.6 Business Travelling:
Data is collected using Saab's internally developed tool (Saab Travel Carbon Tool), applying average emission factors from DEFRA, covering WTW emissions.

3.11 Use of Sold Products:
Emissions are estimated using the number of products sold, estimated time in use, and estimated lifespan. Calculations are based on product-specific data from Saab's aeronautical, naval, and ground-based segments. From 2025, Saab applies the IAEG calculation guidance for military products, including the implementation of sustainable aviation fuel, following the ReFuelEU Aviation uptake trajectory.

Category 3.4, 3.6 and 3.11 are calculated using primary data, covering approximately 20 per cent of total scope 3 emissions.There is currently no appropriate way of further disaggregating emissions.Information about Scope 3 categories not in scope continues in Appendix Scope 3 GHG emissions categories, page 146.

Biogenic Emissions
Saab calculates biogenic emissions in Scope 1 based on activity data and emission factors from DEFRA (2025). Biogenic emissions in Scope 1 amounted to 1,533 tCO_2e in 2025.

Biogenic Scope 2 emissions include biogenic emissions from Saab's largest supplier of district heating, Tekniska Verken, based in Linköping, Sweden, covering 39% of total district heating, cooling, and steam consumption. Calculations are based on the emission factor provided by Tekniska Verken for its Guarantees of Origin (GoO) heating. The emission factor originates from Naturvårdsverket, with adaptations made by Tekniska Verken based on the moisture content of combusted material. Based on these calculations, biogenic emissions in Scope 2 amounted to 21,692 tCO_2e in 2025.

Saab calculates biogenic emissions not included in scope 3, based on Use of Sold Products. Scope 3 biogenic emissions amount to 52,800 tCO_2e in 2025.

Contractual Instruments
The contractual instruments used for Scope 2 GHG emissions are energy attribute certificates (RECs and GoOs). Saab purchased Guarantees of Origin (known in some countries as Renewable Energy Certificates, RECs) for electricity. These purchases were connected to facilities in Sweden, Australia, Brazil, Denmark, Finland, India, Norway, the United Arab Emirates, the United Kingdom, the U.S., the Czech Republic, South Africa, and Switzerland. In Sweden, Guarantees of Origin for district heating were purchased from one major supplier. 75 per cent of total energy consumption in scope 2 (99 per cent of electricity and 39 per cent of district heating) are covered by contractual instruments.

Key Elements of Change
Saab has continued expanding, with increased production and sales. In 2025, Saab increased its purchase of sustainable aviation fuel (SAF) for flight operations in scope 1. Additionally, a biogas plant was installed at Saab Dynamics in Gamleby, leading to decreased emissions in scope 2 (see E1-3).

Emissions from 3.1 Purchased Goods and Services and 3.2 Capital Goods increased during the year following increased spend. 3.4 Upstream transportation and distribution increased in line with sales. 3.6 Business travel decreased, which is due to an updated emission factor for air travel.

As some of the most emission-intensive products have irregular delivery schedules, emissions from 3.11 Use of Sold Products fluctuate year to year. Saab is working to enable emission reductions during the customer use phase of products. A key measure is enabling the use of sustainable aviation fuel.

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GHG emissions intensity

GHG intensity based on net revenue	2025	2024	Change from 2024
Total GHG emissions intensity (location based)	10.49	13.84	-24%
Total GHG emissions intensity (market based)	10.38	13.69	-24%

Accounting principles
GHG emissions intensity is calculated using Saab's total GHG emission (tCO2eq, location- and market-based)) divided by Saab's Net Revenues (reporting currency MSEK). For this calculation Saab uses total sales, refer to page 151 to calculate emission intensity, as a manufacturing company.

E1-8 Internal carbon pricing

Saab has an internal carbon pricing system (Carbon Fee), currently applied to international air travel (Scope 3, category 6), applicable to all Swedish employees. The carbon fee assists in tracking progress by correlating emission reductions with costs and motivate a change by investing in innovations. The fee encompasses approximately 63% of emissions from Scope 3 category 6 (mean SEK 640 per metric ton of CO_2). The fixed level of the carbon dioxide fee was determined by collecting statistics on Saab's number of flights during a year and deciding on an amount/fee to the fund that, without financing total innovation costs, would provide contributions for additional costs or feasibility studies. The fee should not at the same time increase the cost of flights too much.

Internal carbon pricing is not disclosed in corporate financial statements. The carbon fee is used for financing innovations approved financing from the Climate fund. For more information about Saab's Climate fund, see page 89.

Going forward, as part of the Climate Transition Plan, Saab is developing an internal carbon pricing (shadow price) 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.

External validation

For the metrics presented in Sections E1-5 to E1-8, no external body other than the assurance provider has provided validation of those metrics.

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Pollution

Material impacts, risks and opportunities	
Actual negative impact	The use of substances of concern and in some cases substances of very high concern that cause negative impact on the environment.
Risk	Changed regulations for chemicals and substances can lead to disruptions relating to procurement, production and development of products.

Material impacts, risks and opportunities and their interaction with strategy and business model

Saab's product portfolio contains substances of concern and in some cases very high concern, these substances are also used in Saab´s production process. As these substances can have a negative impact on people and the environment, Saab has identified this as a priority area to manage and progress within its sustainability strategy. Moreover, Saab has identified changing regulations within the area as a risk that could cause delays relating to procurement, production and product development.

Legislation on chemicals is constantly changing, Therefore managing this topic with urgency and care is pertinent to ensure the resilience of Saab's business strategy. Disruptions can be costly and lead to inability to deliver the company's products to its customers. Therefore Saab, backed by its environmental policy, has established roadmaps for identified substances to address risks and impacts and a way forward in a systematic manner.

E2-1 Policies related to pollution

Environmental Policy

Saab's Environmental Policy is the guiding document for pollution. The key contents, related to pollution, of Saab's Environmental Policy include:

- the identification and minimisation of environmental risks associated with products and operations,
- minimising the use and emissions of substances and materials of concern,
- and full compliance with applicable environmental laws and regulations

The Environmental policy does not explicitly address how SoC and SVHC are to be substituted or minimised, rather this is addressed through the long-term and short term ambitions set within Saab's sustainability strategy and detailed in individual roadmaps for substances of concern. The direction to minimise the use of substances set in the policy and associated details in the roadmaps are important for minimising the risk of interruptions. If Saab can successfully phase out the use of SoC and SVHC, it will be less vulnerable to changing regulations.

Saab's Environmental policy does not include provisions such as avoiding incidents or emergency situations. Internally there is documentation and instructions about how to act and proceed at emergency situations involving environmental impacts or accidents.

Read more about Saab's Environmental Policy on page 87.

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E2-2 Actions and resources related to pollution

To ensure compliance with current and future environmental laws, customer needs, and the company's 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 SCIP database, managed by the European Chemicals Agency (ECHA). Saab has established reporting processes and controls to ensure compliance with this directive and submits notifications unless a national military exemption applies.

In the area of chemicals and substances, there are continuous consultations linked to new proposed substance restrictions. Saab often contributes with data to stakeholder surveys regarding the consultations and participates directly in consultations and contributes to answers that are submitted jointly through trade associations. During the year, Saab participated in stakeholder dialogues linked to discussions on future chemicals legislation. Together with one of its trade organisations, Saab met with the Swedish Ministry of Environment and Climate to discuss challenges regarding chemical management within the aerospace, security and defence sector.

In 2025, Saab established new processes to continue to reduce the amount and usage of cadmium and hexavalent chromate in its operations. In collaboration with the trade association IAEG, Saab has started a co-operation project on alternatives for specific uses of PFAS for certain types of applications.

Additionally in 2025, Saab commenced a project where the objective is to review and set up new conceptual solutions on how to manage the company's IT systems regarding external collection of data and handling of environmental and sustainable foundation data for products and chemical products.

Saab is currently unable to disclose measurable reductions of hazardous substances for 2025. Work is underway to set a framework and rules for measuring reductions of SoC for the coming years, with the aim to share quantitative data on this topic going forward.

Saab is introducing a more detailed work on substance mapping and phase-out roadmaps in 2026. Each business area is developing phase-out roadmaps, including short- and long-term substitution plans. The roadmaps describe the substitution needs for substances of concern due to legal and customer requirements.

In continuing to phase out substances, a first step is to implement a new version of Saab's Hazardous Substance List next year, which will have updated substance requirements. The list will be expanded with additional substances to achieve a broader international perspective. The requirements describe substances that should be avoided and also substances which must be declared and reported. The second milestone will take effect around 2027-2028 when Saab will introduce a new harmonised way of data collection from supply chain.

Saab actively avoids Substances of Very High Concern during the company's approval process of new chemicals and has rejected several applications in favour of alternatives with less environmental and health effects.

Each business area has committed to phase-out plans in line with Saab's Environmental Policy. These plans prioritise eliminating substances facing upcoming restrictions or posing unacceptable risks, and product data systems are continuously updated to improve traceability.

Several of the aforementioned actions extend to the value chain, as suppliers must comply with Saab's Hazardous Substances list, and updated requirements will apply upstream in procurement as well as downstream in product maintenance. These actions aim to deliver positive effects such as increased transparency in the value chain of the use of substances (SVHC and SoC) and improved risk management, from both a legal and commercial obsolescence perspective for Saab's supply chain and for the company's customers.

Currently, actions are not broken down geographically, though different business areas are developing their own plans. Saab has not yet disclosed time horizons for completion of these actions, nor the allocation of financial resources, such as OpEx/CapEx, to support them.

E2-3 Targets related to pollution

Saab has an overall ambition to reduce environmental and health risks, while maintaining product performance and safety, by transitioning away from substances of concern that are targeted for phase-out globally. Although removing these substances can be complex, it will ultimately help the company reduce its reliance on substances, processes, and articles that may face future restrictions, disruption in the supply chain or cost increases. The process for doing this is documented in a roadmap, which is compiled per business area and, where relevant, business unit. The roadmaps are generally based on legal requirements, but can also include customer requirements and other parameters, such as obsolescence. As the assessment work is currently ongoing, Saab has not yet set any measurable targets for substances of concern.

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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. Saab is dependent on information from its value chain to accurately assess and measure the types and amounts of substances within products and materials. Because of challenges obtaining this data, Saab is reporting the information that is available at this time. See the information below for number of substances currently in use. No external body other than the assurance provider has provided validation of the metrics.

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

Saab's products consist of purchased components, subsystems, and chemical products. For the 2025 report, Saab applies the phase-in provisions introduced in appendix C of ESRS 1. Saab reports the unique number of identified substances of very high concern (SVHCs) present in procured chemical products, and in sold products. Saab reports no information on substances of concern.

Substances of very high concern in chemical products

For substances of very high concern in chemical products procured, Saab has identified 63 unique substances.

Accounting principles
Saab's SVHC-reporting process is based on annual extraction of chemical product and substance data, followed by manual matching and consolidation across Business Areas, with supplier safety data sheets serving as the primary source for SVHC classifications. Substance weight data is missing and system integrations are limited.

For the implementation in 2025, Saab applies the phase-in provisions introduced in appendix C of ESRS 1. Saab reports the number of SVHC substances handled in operations, broken down by hazard class, for purchased chemical products. Data collection is estimated based on the 12 month period October 2024-September 2025. Saab does not report the total weight of SVHCs, nor the weight of substances leaving facilities as products, emissions, or waste. No weight-based data is reported.

Substances of very high concern in sold products

During the year, the products delivered by Saab contained 286 unique substances of very high concern.

Accounting principles
For the 2025 report, Saab applies the phase-in provisions introduced in appendix C of ESRS 1. Saab reports the number of unique SVHC substances in products delivered in the 12-month period October 2024-September 2025. Saab does not report the total weight of substances of concern or SVHCs, nor the weight of substances leaving facilities as products, emissions, or waste. No weight-based data is reported.

Data collection was conducted across the business areas. Due to variations in information systems and the completeness of underlying information, units applied different methods for compiling information and clarifying missing data. CAS numbers were translated into relevant hazard information according to harmonised or notified substance classifications. The diversity of delivered items, from complex systems to minor spare parts, resulted in varying levels of detail and traceability.

The assessment focused on identifying delivered products and determining whether any components contained substances of very high concern (SVHCs) in accordance with the REACH article 57.
Several limitations remain, including restricted access to certain product information, variability in the quality and completeness of underlying documentation and resource constraints.

Information about Substances of concern and substances of very high concern continue in Appendix Substances of Very High Concern per hazard statement, see page 147.

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Resource use and circular economy

Material impacts, risks and opportunities	
Actual negative impact	Resource depletion of the materials used for Saab's products and services and waste generated.
Financial risk	Risk of increased prices and low availability of critical raw materials due to geopolitical tensions and high demand.
Financial opportunity	Increased long-term business relationships due to circular manufacturing process and increased product life-cycle.

Material impacts, risks and opportunities and their interaction with strategy and business model

Saab's business model involves the sale of products in which Saab utilises substantial quantities of materials to meet the high delivery demands of the company's customers. The depletion of materials, as well as the waste generated throughout the product life cycle, has an impact on the environment. Similarly, Saab is dependent on certain critical raw materials. Should the availability of these materials become constrained, or their costs increase significantly, the likelihood of financial risk for Saab increases. Saab does not procure critical raw materials directly, these purchases are instead made by subcontractors further down the value chain. The identified risk therefore affects both Saab's value chain and decision-making, particularly with regard to developing and implementing measures to manage and mitigate both the identified risk and the identified environmental impact arising from material use and the waste generated.

With increased circular flows, Saab perceives an opportunity to strengthen long-term business relationships. By extending the product life cycle, collaboration between Saab and its customers can continue over a longer period. If Saab takes back products at the end of their life (rather than leaving disposal to the customer), it can reutilise components, products, and materials for new products or maintenance. Expanding Saab's offering of lifetime extensions and refurbishments also represents a significant opportunity.

E5-1 Policies related to resource use and circular economy

Environmental Policy
Saab's Environmental Policy serves as the primary framework for managing impacts, risks and opportunities related to resource use and circular economy. It guides Saab's strategic actions and target-setting to address material impacts, risks and opportunities associated with resource use.

The policy states that Saab shall work to minimise its environmental impacts from production sites, products, and services, and to identify and reduce environmental risks associated with both its products and operations. The policy also emphasises the importance of making more efficient use of energy and natural resources, through measures that support the reduction of virgin resources and enhance resource efficiency, in line with identified opportunityies. Saab is committed to working proactively to reduce its own environmental impact, as well as those throughout its value chain. The focus on resource efficiency and minimising environmental risks in the Environmental Policy sustains responsible procurement practices and encourages the use of renewable resources.

Read more about Saab's Environmental Policy on page 87.

Code of Conduct
Saab's Code of Conduct further emphasises that life cycle and circular economy perspectives are to be applied in the decisions Saab makes in professional roles. The Code of Conduct is available to those working for Saab via Saab's global intranet, through training, and on Saab's website. For more information about Saab's Code of Conduct, see pages 111, 127, 130.

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Supplier Code of Conduct
Saab's Supplier Code of Conduct clearly states that Saab is committed to working closely with its suppliers to ensure that raw materials used in its products are sourced responsibly. The Supplier Code of Conduct outlines the requirements that Saab places on its suppliers regarding the responsible sourcing of raw materials. For information about how Saab's Supplier Code of Conduct manages environmental matters in the value chain, see pages 87-88.

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

During the year, Saab has increased its understanding and advanced its work in managing product-level environmental impacts, resource efficiency, and eco-design in line with ESRS E5. Several studies were carried out across business areas to strengthen life-cycle data, methodologies, and integration of circular-economy principles into product development. The studies were primarily carried out within Saab, but applied a life-cycle perspective, which considers upstream and downstream stages conceptually, even though limited data is available from external stakeholders due to the nature of Saab's products.

Within Saab's Business Area Surveillance, two Life Cycle Assessments (LCAs) of airborne and surface radar systems were conducted in accordance with ISO 14040/14044. Both studies confirmed that the use phase is the dominant contributor to total impacts, primarily due to fuel consumption, while highlighting high-impact materials. The results guide ongoing actions to improve data quality, enable material substitutions, and embed life cycle perspectives in design processes.

Ongoing work to develop a structured methodology for environmentally conscious design was evaluated in a study within Saab's Business Area Kockums. The study focused on how the principles can be operationalised in the early stages of naval ship development. The evaluation highlighted the need for clearer processes, consistent terminology, and improved data availability. This will contribute to improvement in environmental considerations in design decisions and support the integration of sustainability into established engineering practices.

Within Saab's Business Area Dynamics, a methodology for Material Flow Analysis (MFA) was developed and tested on the AT4 system to assess its applicability for corporate use. The results showed that improved internal data quality and collaboration between stakeholders are key to reliable MFA implementation and that the method can support circular strategies when aligned with ESRS E5 key performance indicators.

Together, these initiatives enhance Saab's ability to identify environmental hot spots, improve resource-flow data, and integrate sustainability considerations into product design and development.

In 2025, Saab increased the volume of reused IT equipment by 38 per cent compared with 2024, while also strengthening security standards for second-hand IT equipment. Building on these results, Saab continues its collaboration with Inrego in 2026 to further expand circular IT practices and promote reduced e-waste across the sector through the Circular Electronics Award initiative.

Saab advanced its goal of operating with circular processes by 2030 through replacing single-use packaging for one of its products with a closed-loop solution. The initiative originated from recurring damage to units during transport, which prompted a review of how products were protected throughout their full journey from supplier to customer. By analysing the complete flow together with production and logistics teams, Saab developed a reusable and custom-designed packaging concept that provides consistent protection from early manufacturing steps to final delivery. The packaging is designed to withstand multiple cycles, be easy to handle in production, and maintain electrostatic discharge (ESD) protection without the need for repacking. The same packaging now circulates within the logistics chain, being collected and reused multiple times. This closed-loop system reduces waste, minimises time-consuming repacking, lowers material and disposal costs, and supports efficient production by ensuring that sensitive units are reliably protected at every stage.

The likelihood of the risk of increased prices and low availability of critical raw materials, driven by geopolitical tensions and high demand, has increased during 2025. To manage the risk, Saab strives to ensure that it has access to the systems and components required to fulfil its contractual obligations as early as possible. Saab is assessing the issue in light of the new situation to establish a long-term sustainable supply of critical raw materials. Saab does not procure critical raw materials itself, this is done by suppliers within the value chain. Consequently, a long-term sustainable supply of critical raw material will require cross-functional coordination within Saab, as well as enhanced cooperation at the national, NATO- and EU-level.

During 2025, Saab has developed product design criteria with the purpose to integrate critical raw material considerations in the product development processes. The plan for 2026 is to test these criteria in a number of pilot projects in order to calibrate them and ultimately implement them across all processes related to product development within the organisation.

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E5-3 Targets related to resource use and circular economy

Saab's 2030 target, which address Saab's policy objectives, is to operate with circular industrial processes and develop circular products in line with definitions from the EU Circular Economy Action Plan (EU CEAP). This objective addresses Saab's identified impact and opportunity.

Saab also has a target to increase the percentage of waste prepared for recycling to 75 per cent by 2030, moving towards circular flows. This target is aligned with the 'Recycle' tier of the waste hierarchy, thereby advancing circular material flows and supporting a more sustainable approach to resource management. The measurable target was adopted in 2025. Results will be reported externally starting with the 2026 sustainability statement.

Waste prepared for recycling

The scope of the targets covers a global arena and the company's own business and its value chain upstream and downstream. The targets relate to the increase of circular product design, to the increase of circular material use rate, to the minimisation of primary raw material and to waste management. The targets are voluntary and not required by legislation. These targets do not specify a baseline year against which progress is measured. The targets are not based on conclusive scientific evidence; however, linking the target to operating in line with the definitions set out in the EU Circular Economy Action Plan (CEAP) contributes to strengthening the knowledge base on which the target is founded.

In developing Saab's circularity target, internal subject matter experts within the environmental function were involved, both at Group level and within the business areas. The process included discussions to assess feasibility and ensure alignment with existing processes as well as with Saab's broader sustainability objectives. The target was based on the assumption that the definitions and ambitions set out in the EU Circular Economy Action Plan (EU CEAP) provide a relevant and robust reference point for strengthening circularity in Saab's products and operations. Stakeholder input was used to confirm methodological needs, validate assumptions and ensure that the target reflects operational realities across the organisation.

The target has an indirect connection to sustainable sourcing and the efficient use of renewable resources, with a focus on resource efficiency, waste reduction, and extended product lifespan – in line with the intentions of the cascading principle. Renewable resources are used to a limited extent in Saab's products, and therefore the cascading principle is not central to target management. However, Saab's focus on a life cycle perspective, material efficiency, and waste minimisation aligns with the principle's core idea: to maximise the value of each resource over time and reduce the need for primary raw materials.

In developing Saab's waste target, internal subject matter experts were involved, including representatives from each business area. The objective was based on the assumption that identifying an appropriate target for the business areas is a step towards improving waste management in line with the waste hierarchy.

Due to a lack of available data, Saab is currently unable to quantitatively monitor progress towards the company's objective to operate with circular industrial processes and develop circular products in line with definitions from the EU Circular Economy Action Plan (EU CEAP). Qualitative follow-up is carried out through the projects and initiatives underway to generate improved insights in this area and to enhance data availability. Saab is in the process of establishing targets for material aspects of resource use and circularity and is currently in the process of comprehensive data collection and analysis. Saab is focusing on achieving more circular flows through increasing the lifespan of resources. This is done through re-use, where possible, and trough optimised waste management. As part of this work, Saab is gathering target proposals from all parts of the organisation that will then be translated into company-wide targets, roadmaps and strategic plans. Current focus is on the collection of historical data and training for increased knowledge and understanding within the organisation. This is viewed as a prerequisite for intelligent and ambitious target setting.

Saab does not have time-bound targets related increased long-term business relationships due to circular manufacturing process and increased product life-cycle. The effectiveness of Saab's policies and actions is monitored through dialogue with customers, as well as through Saab's efforts to integrate sustainability criteria into its products, services and core operations.

Saab does not have time-bound targets related to the risk of increased prices and low availability of critical raw materials due to geopolitical tensions and high demand. Due to the significance of this matter, Saab is actively engaged in monitoring and responding to developments in the new geopolitical situation, which influences the company's long-term approach to this issue.

Metrics

Saab employs established internal and external metrics to assess performance and effectiveness concerning material impacts, risks, and opportunities for resource use and circular economy. External metrics are those disclosed in the sustainability statement, while internal metrics include, among others, waste prepared for recycling in relation to total amount of waste, reduction of material use and recycled and reused content rate. No external body other than the assurance provider has provided validation of the metrics.

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E5-4 Resource inflows

Saab's material inflows mainly consist of broad material categories such as metals, plastics and polymers, composites, electronic components, chemicals and packaging materials. Saab currently lacks information from the value chain regarding the breakdown of resource inflows into technical and biological materials, as well as their renewable or non-renewable origin. Work is ongoing to establish the necessary data requirements and supplier information to enable the mandatory categorisation in the coming years, with the aim of providing quantitative data in this area going forward.

Resource Inflows	2025
Number of unique articles with known weight (thousands)	20
Number of unique articles (thousands)	141
Share of articles with known weight (%)	14%
Total known weight (tonnes)	1,538

Accounting Principles
Data on purchased articles for the reporting year has been compiled from procurement documentation, identifying nearly 141,000 unique articles purchased and received during 2025. Of these, only 20,300 articles contained available information on weight. The reported data covers only the Parent Company; certain business areas and international operations are excluded from the scope of this report.

Calculations are performed manually by multiplying the unit weight provided by suppliers with the corresponding purchased quantity. The total known weight is calculated by aggregating all items for which weight information is available.

In line with current reporting principles, the company does not apply estimations or assumptions to compensate for missing information. Weight data is reported only where supplier-provided information exists. Saab applies phase-in provisions according to ESRS 1 Appendix C for metrics under E5-4, as access to data on resource inflows is constrained by limited availability of value-chain information. A significant share of purchased items lacks supplier-provided weight data, resulting in material data gaps.

The company does not disclose comparative information for data point E5-4, in accordance with ESRS 1 section 7.1, as prior-period data were not collected at the required granularity.

E5-5 Resource outflows

Saab will expand its reporting on resource outflows by describing the key products and materials stemming from its production processes. This disclosure will highlight the types of outputs that are most relevant to Saab's operations and their potential environmental impact.

Saab's main production outflows originate from the manufacturing and assembly of aerospace, defence and security systems.

Saab integrates repairability and long service life into product design across its business areas. Products are built from components that can be individually replaced or upgraded to ensure high repairability. Detailed maintenance documentation and spare-part logistics enable efficient repair and overhaul throughout the life cycle. While Saab's products do not carry formal repairability scores, high maintainability and long life cycles are part of the company's DNA and an inherent requirement in the defence and aerospace industry, where reliability and repairability is essential. These design and maintenance practices extend product life well beyond 20 years and substantially reduce material outflows and resource use.

In the defence industry, the ability to track products through their full life cycle and end-of-life phase is inherently limited due to product ownership structures, operational security requirements, and export control regulations. Once delivered, Saab's products are typically owned, operated, and maintained by national authorities or defence customers, who retain responsibility for disposal and recycling. This means that Saab has restricted visibility and influence over end-of-life management, including material recovery and waste treatment.

Nevertheless, Saab supports its customers by providing end-of-life support services that cover decommissioning analysis, phase-out planning, and environmentally compliant disposal or recycling when requested. These services aim to ensure that products reaching the end of service life are handled safely, cost-efficiently, and in accordance with regulatory and environmental requirements.

Based on indicative calculations for a limited number of products with available data, recyclability rates are estimated to range between approximately 63% and 91%.

Saab uses existing disposal plans to estimate product recyclability. These plans describe end-of-life handling and specify which materials and components should be recycled. The information contained in these plans serves as the primary data source.Depending on the level of detail available, the recyclability rate is calculated either as a share of the product's total weight, as a share of the total number of components, or as an aggregated recyclability rate based on material data for subsystems. Only products with available and verifiable documentation have been included.

The reporting under ESRS E5-5 is based on disposal plans for a limited number of products and should be regarded as indicative. The scope and level of detail vary between plans, which affects calculation methods and the precision of results. The information may be revised as more harmonised and complete data becomes available. Saab is continuously working to improve data traceability and quality to strengthen future reporting.

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Total waste generated

Waste, *tonnes*	2025	2024
Total Waste generated	**8,905**	**8,343**
Total weight diverted from disposal	**6,987**	**6,805**
Hazardous waste	1,032	1,236
-Preparation for reuse	16	12
-Recycling	143	38
-Other recovery operations	873	1,186
Non-hazardous waste	5,955	5,569
-Preparation for reuse	0	0
-Recycling	2,226	2 ,174
-Other recovery operations	3,729	3,395
Total weight directed to disposal	**1,918**	**1,538**
Hazardous waste directed to disposal	1,524	1,007
-Incineration without energy recovery	643	39
-Land-filling	45	78
-Other disposal operations	836	890
Non-hazardous waste directed to disposal	394	531
-Incineration without energy recovery	120	196
-Land-filling	258	332
-Other disposal operations	16	3
Share directed to disposal of total weight generated (%)	*22%*	*18%*
Total amount of hazardous waste	2,556	2,243
Total amount of radioactive waste	0	0

Accounting Principles
Operational waste is generated at Saab's production sites and offices and managed by approved waste contractors in accordance with the waste hierarchy, prioritizing prevention, reuse, and recycling before disposal. Sites with more than 70 FTEs are included in the scope.

The total reported waste generated include 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.

Saab provides updated figures for 2024, in accordance with internal routines for backtracking.
Total waste generated increased by 375 tonnes, amounting to 8,343 tonnes (7,968).The majority of the table entries for 2024 have been affected by this update.

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. Key material categories are not mapped yet. This work will begin in 2026.The change between 2024 and 2025 is due to increased production and that premises and warehouses have been cleared and taken into use in order to establish expanded operations.

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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 calibre 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 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, even though these operations 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. Other subsidiaries have operations subject to notification requirements: N. Sundin Dockstavarvet AB in Kramfors municipality, Muskövarvet AB on the island of Muskö in Haninge municipality and Deform in Degerfors municipality.

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EU Taxonomy

In accordance with the Taxonomy Regulation (EU 2020/852), Saab reports the percentage of its economic activities considered environmentally sustainable, related to the three KPIs: Turnover, CapEx, and OpEx. 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 included. As the company primarily operates in the defence sector, with few financially material activities within the scope of the regulation, eligibility and alignment remain limited.

Assessment of Eligibility

A group-wide process is applied to determine whether activities fall within the scope of the EU Taxonomy. The process is based on the previous year's reporting. Information is reviewed and updated by specialists from each business area and corporate function, and any new activities requiring further analysis are identified. All six environmental objectives set out in the Taxonomy framework are included in the assessment.

Turnover

Saab has identified eligible turnover under Taxonomy activity 8.2 "Data-driven solutions for GHG emissions reductions", contributing to the environmental objective Climate Change Mitigation. The product Aerobahn Departure Manager is a data-driven traffic flow management system used by airport operators, air navigation service providers, and airlines to optimise departure sequencing.

Capital Expenditures "CapEx"

Saab has identified three activities relating to the objective "Climate Change Mitigation":

• 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles", investments in company vehicles.

• 7.1 "Construction of new buildings", ongoing construction projects with energy-efficient designs and solutions.

• 7.6 "Installation, maintenance and repair of renewable energy technologies", installation of energy-efficient heat pumps.

Saab has also made investments under activity 3.1 "Construction of new buildings", related to the objective "Transition to a Circular Economy", supporting circularity through reuse of materials, waste handling, and design/construction. The figures are reported within activity 7.1 Construction of new buildings.

Operating Expenses "OpEx"

Saab has identified eligible operating expenditures under activity 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles", related to the objective Climate Change Mitigation. Expenses are related to company vehicles.

Assessment of Alignment

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

Aerobahn has been assessed against the technical screening criteria in activity 8.2 of Commission Delegated Regulation (EU) 2021/2139 and was found to contribute to environmental objective (1) "Climate Change Mitigation". The activity fulfils the substantial contribution criteria, being an Information and Communication Technology (ICT) solution that enables substantial greenhouse gas emission reductions. By improving predictability and coordination of ground movements, the system reduces aircraft taxi times and increases runway throughput, resulting in lower fuel consumption and measurable reductions in carbon emissions. Activity 8.2 contains "Do No Significant Harm" (DNSH) criteria for the environmental objectives 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 is a software tool, it does not significantly harm the transition to a circular economy. When hardware is part of the delivery of Aerobahn CDM Suite, it could be decommissioned and recycled as electronic waste.

The installation of energy-efficient heat pumps has been assessed against the technical screening criteria for activity 7.6 "Installation, maintenance and repair of renewable energy technologies". The investment does not significantly harm climate change adaptation, based on Saab's TCFD analysis.

Activity 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles" relates to low- and zero-emission light-duty vehicles (CapEx and OpEx). Saab policy stipulates only electric vehicles for all new purchases, with few exceptions. During 2025, 693 of 707 new vehicles met the criterion of CO_2 emissions lower than 50 g/km. Saab has assumed that tyres are not replaced with any dimension other than approved sizes, ensuring compliance with noise requirements.

Minimum Safeguards

The assessment of compliance with the minimum safeguard criteria laid down in Article 18 of Regulation (EU) 2020/852 is based on the "Final Report on Minimum Safeguards" published by the 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. The Australian National Contact Point for the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct issued a Final Statement during 2025 on the complaint filed against Saab Australia and Saab in 2021. Saab was found not to have caused or contributed to the adverse human rights impacts referred to in the complaint. Saab will take the Final Statement's recommendations into account in the continued development of Saab's policies and processes. Saab was not convicted in court during 2025.

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Non-material Activities

Saab has identified turnover within activities 3.6 Manufacture of other low-carbon technologies, 3.21 Manufacturing of aircraft, 14.1 Emergency services, and 2.6 Depollution and dismantling of end-of-life products. These include electric and autonomous underwater systems (e.g., Sabertooth AUV, Saab Seaeye robotics, AUV62), C-LeanShip cleaning solutions, civil aviation components for the Saab 2000 and Saab 340, firefighting services for the Swedish Civil Defence and Resilience Agency, and metal recycling of aluminium and iron. The turnover for these activities falls below the materiality threshold for reporting.

Saab has also identified Taxonomy-eligible capital expenditures within activities 7.2 Renovation of existing buildings, 7.3 Installation and repair of energy-efficiency equipment, 3.2 Renovation for circularity, 3.3 Demolition and wrecking, and 3.4 Maintenance of roads and motorways. These include improved building insulation, energy-efficient lighting and HVAC upgrades, circularity-oriented facility improvements, property measures in Arboga, and investments related to runway maintenance. Saab has also identified capital expenditures within 4.24 Production of heat/cool from bioenergy, related to installation of a biogas plant in Gamleby.These expenditures are eligible but immaterial relative to total investments and therefore fall below the reporting materiality threshold.

Additionally, Saab has identified Taxonomy-eligible operating expenses within activities 3.6 Manufacture of other low-carbon technologies, 3.21 Manufacturing of aircraft, 9.1 Close-to-market R&D and innovation, and 3.4 Maintenance of roads and motorways. These relate to maritime communication systems (e.g., AIS/VDES R6 Supreme/R60), production of civil aircraft components, R&D for autonomous underwater technologies reaching Technology Readiness Level 6, and runway maintenance. As with turnover and CapEx, the eligible OpEx falls below the de minimis threshold introduced in the updated Taxonomy regulation.

Accounting Principles EU Taxonomy

Basis for preparation
EU Taxonomy disclosures are prepared in line with Regulation (EU) 2020/852 and relevant Delegated Acts, covering the financial year 2025. Saab applies the simplified delegated act (EU) 2026/73 for 2025. The report covers the consolidated group; activities outside the European Union are included. Taxonomy-eligible and taxonomy-aligned activities are defined using the technical screening criteria in the Taxonomy regulation and the related FAQs published by the European Commission. NACE codes are used for reference. Some data limitations exist, especially in supply chain and emissions classification. Conservative estimates were applied. Double counting was avoided by collecting underlying information at a granular level and further disaggregating it when a common denominator was identified, ensuring each amount was reported only once. Saab reports no capital expenditure plans that aim to expand or upgrade activities to meet EU Taxonomy alignment criteria.

Key Performance Indicators
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.

Turnover
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).

Capital Expenditure
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. Investments via business combinations are included. For reference regarding investments included in the denominator; see line item "Internally Developed Assets" in table "Capitalised Development Costs" and line items "Investments" and "Business Combinations" in table "Other Intangible Assets" in note 15; line items "Investments" and "Business Combinations" 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.

Operating Expenditure
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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Key elements of change during reporting period
Saab applies the updated version of the Taxonomy Regulation for the first time in 2025, which means that several activities previously reported as in scope now fall below the materiality thresholds. This results in a reduced share of Taxonomy-covered activities across all key performance indicators compared with the previous year.

The share of Taxonomy-eligible and Taxonomy-aligned turnover amounts to 0.3 per cent (3.2). The share of Taxonomy-aligned turnover is 0.3 per cent (0.4), corresponding to MSEK 261.7.

The share of Taxonomy-eligible and Taxonomy-aligned capital expenditures amounts to 9.2 per cent (18.7). The share of Taxonomy-aligned capital expenditures is 1.4 per cent (2.3), corresponding to MSEK 139.6.

The share of Taxonomy-eligible and Taxonomy-aligned operating expenditures amounts to 1.7 per cent (3.7). The share of Taxonomy-aligned operating expenditures is 1.4 per cent (1.8), corresponding to MSEK 53.7.

Financial year 2025															
KPI (1)	Total (2)	Proportion of Taxonomy eligible activi-ties (3)	Taxonomy aligned activities (4)	Proportion of Taxonomy align-ed activities (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered non-material (14)	Taxonomy aligned activities in previous financial year (2024) (15)	Proportion of Taxonomy aligned activities in previous financial year (2024) (16)
	MSEK	%													
Turnover	79,146	0.3%	261.7	0.3%	0.3%	-	-	-	-	-	0.3%	0.0%	2.5%	267.2	0.4%
CapEx	10,084	9.2%	139.6	1.4%	1.4%	-	-	-	-	-	0.0%	1.4%	5.0%	131.3	2.3%
OpEx	3,791	1.7%	53.7	1.4%	1.4%	-	-	-	-	-	0.1%	1.3%	0.9%	50.1	1.8%

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Turnover

Financial year 2025													
					Environmental objective of Taxonomy aligned activities								
Economic activities (1)	Code (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover) (3)	Taxonomy aligned KPI (monetary value of Turnover) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover) (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
		%	MSEK								*(E where applicable)*	*(T where applicable)*	%
Data-driven solutions for GHG emissions reductions	CCM 8.2	0.3%	261.7	0.3%	0.3%	-	-	-	-	-	E	-	100.0%
Sum of alignment per objective					0.3%	-	-	-	-	-			
Total KPI (Turnover)		0.3%	261.7	0.3%	0.3%	-	-	-	-	-	0.3%	-	100.0%

CAPEX

Financial year 2025													
					Environmental objective of Taxonomy aligned activities								
Economic activities (1)	Code (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible CapEx) (3)	Taxonomy aligned KPI (monetary value of CapEx) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned CapEx) (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
		%	MSEK								*(E where applicable)*	*(T where applicable)*	%
Construction of new buildings	CCM 7,1, CE 3.1	7.8%	-	-	-	-	-	-	-	-	-	-	-
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1.4%	135.6	1.4%	1.4%	-	-	-	-	-	-	T	96.7%
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.0%	4.0	0.0%	0.0%	-	-	-	-	-	E	-	100.0%
Sum of alignment per objective					1.4%	-	-	-	-	-			
Total KPI (Capex)		9.2%	139.6	1.4%	1.4%	-	-	-	-	-	0.0%	1.4%	15.1%

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OPEX

Financial year 2025													
					Environmental objective of Taxonomy aligned activities								
Economic activities (1)	Code (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible OpEx) (3)	Taxonomy aligned KPI (monetary value of OpEx) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned OpEx) (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
		%	MSEK								*(E where applicable)*	*(T where applicable)*	%
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1.5%	48.3	1.3%	1.3%	-	-	-	-	-	-	T	83.2%
Data-driven solutions for GHG emissions reductions	CCM 8.2	0.1%	5.4	0.1%	0.1%	-	-	-	-	-	E	-	100.0%
Sum of alignment per objective					1.4%	-	-	-	-	-			
Total KPI (Opex)		1.7%	53.7	1.4%	1.4%	-	-	-	-	-	0.1%	1.3%	84.7%

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Own workforce

Material impacts, risks and opportunities	
Actual negative impact	Physical harm due to work-related accident.
Actual negative impact	Unequal pay practices disadvantages affected employees.
Potential negative impact	High delivery pressures and business growth can lead to stress-related ill health.
Financial opportunity	A healthy and innovative workplace where employees have the right skills, conditions and motivation to perform.

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

The material impacts and opportunity on Saab's Own Workforce includes permanent employees, fixed-term employees, part-time employees, and contracted personnel. Most contracted personnel at Saab are provided through third-party companies.

The material impact consists of physical work-related injuries linked to specific activities within the business model, such as manufacturing and technical maintenance. The risk of physical injuries typically increase in these environments. By conducting continuous risk assessments, safety tours and analysing statistics on reported accidents, Saab has developed an understanding of where the risks for physical work-related injuries occur and work with risk mitigation connected to this field. The high demand for Saab's products and services also increases the risk of increased workload, which may cause a risk for stress-related health issues among the workforce. Preventive actions are implemented throughout the organisation to mitigate this risk. Unequal pay practices have been identified as a material negative impact. This is demonstrated through the data reported on the gender pay gap.

Saab depends on a qualified and engaged workforce, where the company's ability to attract, develop, and retain talent is crucial for its growth. The high demand for Saab's products and services requires the workforce to balance developing more efficient ways of working while maintaining or improving quality, as well as onboarding new employees and ensuring effective contribution at an early stage. If Saab's personnel can successfully manage this situation, the company has the opportunity to strengthen its position. Saab therefore strives to create a healthy and innovative workplace where employees have the right skills, conditions, and motivation to perform, with a particular focus on fostering diversity and inclusion as well as supporting continuous learning and development. This approach aligns with Saab's business strategy to enable an empowered workforce, reflecting the belief that diversity enhances creativity and drives innovation, and that an inclusive culture increases engagement, enabling every employee to perform at their best. This is central to securing the competencies required to fulfil Saab's strategic objectives and contributes to the success of the business.

S1-1 Policies related to own workforce

Human Rights
Saab's Code of Conduct ("Our Code") forms the foundation of all activities and outlines the standards and principles that guide every employee in making responsible decisions. Our Code is based on the ten principles of the UN Global Compact concerning human rights, labour rights, environment, and anti-corruption. It is also grounded in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

At Saab, ethical behaviour and responsible business practices are of outmost importance. Our Code applies to all individuals working at Saab, who are expected to always uphold the commitments described. Training on Saab's Code of Conduct is mandatory.

The company also adheres to the OECD due diligence guidelines and holds global ISO 45001 certification for occupational health and safety. Information about the scope of the certification is available at Saab.com.

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For information about Saab's general approach to engagement with people in its own workforce, see section Processes for engaging with own workers and workers' representatives about impacts, page 113.

For information about Saab's general approach related to measures to provide and/or enable remedy for human rights impacts, see section Processes to remediate negative impacts and channels for own workforce to raise concerns, page 113.

Work environment and safety

Saab's Occupational Health and Safety Policy aims to ensure a safe and secure work environment. This is achieved by:

- Focusing on occupational health and safety to promote good health, and identify and manage workplace risk
- Preventing accidents, ill health, and work-related injuries both in the short- and long-term
- Engaging and involving employees in occupational health and safety efforts
- Encouraging employees to maintain a work-life balance and to safeguard their own and others' health
- Enforcing zero tolerance towards any form of harassment, retaliation, bullying, or other physical or verbal acts of an offensive nature

Saab's commitment to occupational health and safety is integrated into Saab's Global Management System (GMS). The process amongst other includes:

- Identifying and evaluating applicable legal requirements related to workplace safety
- Conducting risk/opportunity assessments to prevent and address potential hazards

Saab's Place of Work Policy states that wherever Saab operates, Saab must ensure a safe and secure work environment. Most Saab employees have their workplace at a Saab office, but Saab is open to remote work/working from home, if and when possible. This is ensured by having procedures in place to report, investigate, and learn from incidents and risk observations related to occupational health and safety. Also conducting routine safety tours to identify and mitigate potential risks.

Diversity and inclusion

Saab's Diversity and Inclusion Policy emphasises the importance of employees recognising the value of diversity, treating one another with respect, and actively preventing discrimination. All employees shall have equal perceived opportunities throughout the company, regardless of who they are. Saab never accepts discrimination in any form. Grounds for discrimination are determined through legal review, with Saab complying with applicable national legislation.

In Saab's Code of Conduct, Saab clarifies what employees can expect from the company regarding diversity, inclusion and respect, including its responsibility to work towards becoming a more diverse and equal company at all levels and to never accept discrimination in any form. The Code also describes how Saab expects employees to act to promote a culture of inclusion and respect.

Saab's work to prevent and mitigate the impact of discrimination is implemented in practice through processes and procedures. These can vary depending on national law and practices. Potential signals indicating risks of discrimination may be brought to Saab's attention through multiple channels, including but not limited to the company's the whistleblowing system, or directly from employees via Human Resources or line management. Saab handles such reports in compliance with applicable national legislation and relevant regulatory requirements.

Learning and development

An empowered workforce forms part of Saab's Strategic Business Plan (SBP). The SBP emphasises the importance of employee learning and development in enabling Saab's long-term value creation. Saab's Strategic Business Plan is approved by the Board of Directors.

Scope and responsibility

All policies apply to all individuals working on Saab premises, including Saab's own employees and external parties under Saab's control). Saab's policies do not include specific policy commitments for particularly vulnerable groups. Responsibility for policy implementation is anchored at the highest level. The CEO authorises and signs policies, while the Board of Directors adopts the Code of Conduct.

Accessibility and transparency are key to Saab's approach. Saab's policies are made available to employees through various channels, including onboarding programmes and recurring mandatory training sessions.

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

Saab prioritises keeping its employees informed and engaged, recognising their crucial role in achieving the company's goals. Saab has a structure for trade union information and negotiations that cascades down through the organisation from the company's senior management to first line management.

The work environment management within Saab is conducted in consultation with employees and their representatives, i.e. safety representatives, and there is an overall body that is involved with development and monitoring of objectives within the occupational health and safety domain. Safety representative are also involved in the OHS-committees at Saab's workplaces.

Through global employee engagement surveys and open dialogue, Saab fosters a culture of transparent communication. Saab utilises diverse communication channels, such as regular meetings, decision forums, and the global intranet to ensure transparency.

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

Saab promotes a culture of transparency and accountability where employees are encouraged to report suspected violations of the company's Code of Conduct. Reporting can be done through regular line reporting channels or via Saab's whistleblowing hotline, which is operated by an external party. The hotline allows for anonymous reporting online or by phone, providing a safe and secure way to report for both employees and external parties. It can also be used for Code of Conduct questions and feedback regarding investigations. Awareness of the hotline and other reporting channels is ensured by training and through ongoing communication efforts.

If reports are substantiated, there is a process in place to ensure remediation through corrective actions. Recommended actions are directed to the relevant internal organisation and reported to the Ethics and Compliance Board. All handling of reports and investigations is conducted confidentially and with respect for the privacy of the individuals involved.Reporters are kept informed about the status and expected timelines of investigations.

The company has a dedicated investigation team with representatives from Ethics and Compliance, HR, Internal Audit and Security. The investigation team reviews incoming reports, conducts investigations and keeps reporters informed about status and expected timelines. The investigation team also seeks to assess effective remediation and non-retaliation through follow-up.

To ensure that employees are aware of Saab's structures and processes for raising concerns and needs, Saab communicates this information through the Code of Conduct, trainings and via publications on the intranet. Saab also gauges employees' trust in the company's management of Code of Conduct violations through regular surveys.

For more information on the governance of the Whistleblower System, see page 132.

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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

Work environment and safety
In 2025, Saab continued to develop its occupational health and safety (OHS) performance in alignment with the Group's ISO 45001-certified management system. Some key actions are described below.

Methodologies for internal control and trend analysis, were refined and implemented globally to improve data quality, support informed decision-making, and drive long-term improvements.

Saab's incident management system, available to the majority of the organisation, was upgraded in 2025 to improve user experience, streamline workflows for selected incident types and supporting a strong reporting culture. New dashboard and advanced search features were also added to enhance data accessibility and trend monitoring.

The global OHS KPI reporting system was also updated, featuring a redesigned interface and improved capabilities to further enable the organisation in their analysis of the KPI results.

OHS requirements for suppliers providing services and products have been clarified and updated in the Supplier Code of Conduct in order to ensure a safe and healthy work environment wherever Saab conducts operations. This work will continue in 2026, with a particular focus on contractor-specific requirements.

Employee wellbeing is a key priority and a positive trend related to this area that was identified during 2025 compared with 2024. A new method was introduced globally to support managers in one-to-one dialogues regarding work life balance, and a global activity were carried out to further promote awareness around work-life balance.

Resources
To ensure effective governance and continuous improvement of occupational health, safety and overall work environment Saab allocates organisational resources, including personnel, systems, and management oversights. Saab had no significant expenses, beyond costs for ongoing operational activities, during 2025.

A healthy and innovative workplace where employees have the right skills, conditions and motivation to perform

Diversity and inclusion
Saab believes that diversity among employees increases creativity and innovation, whilst an inclusive culture drives engagement, wellbeing and performance. Saab is convinced that this contributes to Saab reaching its targets and success.

Attracting talent is key to this strategy. In the 2025 Universum Career Survey, Saab was ranked as the most attractive employer among Swedish engineering students, with top rankings also among professionals. Saab was further recognised as the number one employer of choice by Ny Teknik in the Engineers' Choice survey for 2025 and as a top-three employer for female engineering students and young professionals by the Swedish Karriärföretagen.

Diversity principles are integrated into recruitment practices, job advertisements and interview processes, supported by training for managers and recruiters on inclusive hiring.

Saab's diversity and inclusion work is incorporated into initiatives at both corporate and business area levels.

To manage Saab's impact on unequal pay practices, Saab conducts an annual pay mapping in accordance with national or regional legislation. The work is coordinated at group level. Any unjustified pay discrepancies are addressed within the framework of a time-bound action plan.

Learning and development
To secure the right competencies based on needs for the organisation, competency-based recruitment and effective onboarding, talent management, and skills development programmes are central to Saab. The company places a strong focus on structured learning planning to ensure that competence development is proactive, supporting both business needs and employees' long-term growth. This is achieved through a defined learning planning approach that can be applied across the organisation, with primary focus on selected competence areas, key projects and specific business areas. Through this approach, teams identify critical competence gaps, set priorities and translate them into concrete learning actions with measurable indicators such as planned versus delivered activities and the number of employees reached. A supporting Learning Planning Forum helps maintain momentum and follow-up to ensure progress and alignment with business priorities.

In Saab's Code of Conduct, the company clearly emphasises the connection between learning and development, as well as being an attractive employer. The Code of Conduct encourages its employees to continuously learn new skills, develop themselves, and explore their full potential. Saab strives to ensure that all employees achieve their full potential through clear individual goals, followed up in the Annual Performance Review, and works towards technical leadership through innovation, collaboration, and a constant drive to explore. All employees are made aware of this commitment

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in the global onboarding process, through mandatory training on the company's Code of Conduct, which includes periodic refresher requirements, as well as mandatory training on Sustainability when joining the company. These recurring activities, together with measurable elements such as completed mandatory training, individual goal setting and participation in the Annual Performance Review, ensure ongoing reinforcement of the companys expectations and support continuous development across the organisation.

Saab's Global Management System (GMS) includes clear process descriptions and responsibility allocations for how employee development and performance management should be conducted to ensure that both individuals and the organisation have the right competencies based on needs. These processes drive, facilitate, support and monitor individual development performance. The processes are ongoing processes aiming to create 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. Saab does so by advocating for a continuous dialogue between managers and employees throughout the year with recurrent check-ins and performance reviews. Support materials on how managers can support employee performance throughout the year, as well as ensuring that employees can drive their own development by clarifying development opportunities, are available for all managers.

Saab invests in the development of employees and managers through training, leadership programmes, coaching, mentorship, networks, gig jobs, knowledge exchanges, and career development. Employees have access to Saab's own learning portal, enabling the development of both skills and knowledge.

To measure the result of learning, Saab monitors the metric "Average Learning Hours per Employee", on a quarterly basis. The data is based on learning activities that employees have completed in Saab's Learning Management System, Workday Learning. Once a year, the individual performance is consolidated and evaluated in the Annual Performance Review. Saab continuously monitors several metrics related to the performance management process at the Group level, such as the percentage of employees with finalised performance reviews in Saab's Human Resources system, Workday.

Ensuring responsible workforce practices

To ensure that Saab's internal procedures do not cause or contribute to significant adverse effects on its personnel, the company complies with applicable legislation.

Within Occupational Health and Safety, risk assessments are carried out both on a yearly basis in accordance to Saab's yearly wheel and when needed in compliance with applicable legislation.

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

Saab has established targets to manage material impacts and opportunities related to its own workforce. Saab engages with safety representatives when setting targets and tracking performace, read more on page 113. Feedback from employee surveys, among other sources, is incorporated into the target-setting process to ensure that the targets are relevant.

Injury frequency rate

Injury frequency rate target 2025	Target	Result
TRIFR*	<4.38	3.20

*Number of recordable injuries / total hours worked x 1,000,000

Share of women among employees and managers

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All external targets apply globally.

The baseline for Saab's long-term safety target is the 2025 TRIFR, against which the 15 per cent reduction goal for 2030 is measured.

Saab's long-term wellbeing target is to reach the top 25th percentile benchmark value in work-life balance by 2030. This target is monitored internally and serves as the reference point to which progress will be measured.

To measure the result of learning, Saab internally monitors 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 Saab's human resource system Workday Learning.

Saab's ongoing efforts to address unequal pay practices align with the ambition set out in Saab's Code of Conduct: to make Saab a more diverse and equal company at all levels, and to never accept any form of discrimination. Progress is monitored through the coordination work carried out at group level, see page 114.

Metrics

Saab employs established internal and external metrics to assess performance and effectiveness concerning material impacts, risks, and opportunities affecting its workforce.

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S1-6 Characteristics of the undertaking's employees

Number of Employees (Head count)	2025	2024
Men	21,149	18,783
Women	7,944	6,673
Other	-	-
Not reported	-	-
Total	**29,093**	**25,456**

Number of Employees (Head count)	2025	2024
Sweden	23,553	20,455
United States	1,152	1,062
Australia	1,040	1,045
United Kingdom	528	524
Germany	620	488
South Africa	470	419
Finland	347	276
Denmark	331	259
United Arab Emirates	172	168
Brazil	161	147
Switzerland	146	127
India	155	103
Czech Republic	83	79
Netherlands	64	61
Other	271	243
Total	**29,093**	**25,456**

Number of Employees (Head count)	2025 Men	2025 Women	2025 Total	2024 Men	2024 Women	2024 Total
Number of employees	21,149	7,944	29,093	18,783	6,673	25,456
Permanent employees	20,279	7,559	27,838	18,100	6,381	24,481
Temporary employees	853	377	1,230	663	286	949
Non-guarantees hours employees	17	8	25	20	6	26

Accounting principles
The company's systems currently recognise only female and male genders and therefore do not capture data for other gender identities. Reported figures are based on head count at the close of business on 31 December 2025. In Saab's financial statement, average number of employees are calculated as an average of the number of Full Time Equivalents (FTE). See note 8 of the financial statement, page 170.

S1-7 Characteristics of Non-employee workers in the undertaking's own workforce

Fulltime Equivalent (FTE)	2025	2024
Number of non-employees in own workforce	4,637	4,307

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.

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S1-14 Health and Safety metrics

Saab's occupational health and safety management system covers all employees and non-employees working under Saab's management.

	Employees		Non-employees		Total Workforce	
	2025	2024	2025	2024	2025	2024
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	0	-	0	-	0	-
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)	157	186	14	15	171	201
Frequency rate of recordable work-related accidents for own workforce (TRIFR)	3.51	4.76	1.61	2.19	3.20	4.38

Accounting Principles
Reporting covers operations with ≥20 FTEs. Number of recordable work-related accidents include all TRI:s, independent if they are related to work related injuries or work related ill-health.
Ratio of Total Recordable Injuries is calculated by dividing total number of number of recordable injuries by total number of hours worked, multiplied by 1.000.000 to represent cases per million hours worked.
Number of hours worked for Saab employees were 44,696,849, and for non-employees 8,673,170, totalling 53,370,019 hours for the total workforce.
Saab no longer maintains targets for Lost Time Injuries (LTI) or the number of reported incidents. Consequently, these metrics are no longer included in external reporting.
Saab applies phase in relief according to ESRS 1 Appendix C regarding Number of days lost and Number of cases of recordable work-related ill health of employees.

No work-related fatalities occurred during the reporting period.
The Total Recordable Injury Frequency Rate (TRIFR) decreased by 1.18 across the total workforce, -1.25 for employees and 0.58 for non-employees. These reductions reflect ongoing initiatives to strengthen occupational health and safety, including improved incident prevention, a stronger safety and reporting culture, and enhanced reporting processes and digital tools. Preventive actions are guided by insights from incidents, risk assessments, safety tours, and structured OHS activities such as annual follow-ups; management reviews, legal compliance evaluations, and psychosocial work environment assessments.

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S1-9 Diversity metrics

Gender distribution at top management level (head count)	2025 Women	2025 Men	2024 Women	2024 Men
Gender distribution in number of employees at top management level	4	9	4	10
Gender distribution in percentage of employees at top management level	31%	69%	29%	71%

Accounting principles
Top management defined as Group Management.

All employees (head count)	2025 Total	2024 Total	2025 (%)	2024 (%)
Under 30 years	5,576	4,342	19%	17%
30-50 years	13,360	11,671	46%	46%
Over 50 years	10,157	9,443	35%	37%
Total	**29,093**	**25,456**	**100%**	**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.

S1-16 Remuneration metrics

	2025	2024	2023
Gender pay gap	8	9	10
Annual total remuneration ratio	27	27	24

Accounting Principles
Calculations include employees with Regular contracts and International Assignments, measured as FTE per month. Temporary staff, consultants, seasonal workers, hourly employees and master's students are excluded. Hourly gross pay is calculated from monthly base salary converted to FTE. Only base salary is included, all other compensation components are excluded.
For 2025, the reporting covers 95% of employees with Regular contracts or International Assignments in the HR-system. Only countries with complete and up-to-date salary data in the HRM system are included.

Impact on the gender pay gap
The exclusion of temporary, seasonal and hourly employees, groups that generally earn less, is expected to have only limited impact on the gender pay gap. Using FTE-normalised base salary may influence results slightly, but not materially. Expanding the number of included countries is not expected to significantly change the overall gender pay gap, although full data to verify this is not yet available.

Impact on the ratio to the highest-paid employee
Annual total remuneration ratio illustrates the disparity between the highest-paid individual and the median compensation of the other employees. Since all compensation except base salary is excluded from the calculations, the ratio to the highest-paid employee is understated. Saab is working on improving the methodology to include additional types of compensation in the future. For more information about remuneration, see Financials, note 8, page 170.

S1-17 Incidents, complaints and severe human rights impacts

Saab's process for systematically collecting information related to discrimination and harassment is based on reports submitted through the whistleblowing channel.
In 2025, 20 of the reports filed concerned matters of diversity, inclusion, and respect, resulting in disciplinary action against two individuals. In addition, seven reports were filed under the category "Working Conditions and Human Rights", none of which required any disciplinary actions. No reports or cases of severe violations of human rights occurred. The company was not subject to any sanctions for violations during the reporting year, and no significant monetary penalties were imposed.

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Workers in the value chain

Saab has chosen to apply the European Commission's "EU quick fix," which provides temporary phase-in relief for this year's sustainability statement. This includes the standard ESRS S2 – Workers in the Value Chain. Saab reports on this standard in accordance with ESRS 2 BP-2-17.

Material impacts, risks and opportunities	
Potential negative impact	Potential violations of Human Rights in connection to extraction and refinery of metals and minerals, as well as production and assembling of electronic products.
Potential negative impact	Increased demand can lead to increased overtime work and work-related stress.

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 per cent 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, according to the EcoVadis Country Risk Classification. Therefore, potential adverse human rights impacts in Saab's supply chain are more likely to occur beyond tier 1, where a small share of Saab's spend, mainly related to standard products and raw materials, have their origin from geographies with a higher risk profile due to market availability.

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.

Due to the growing demand for Saab's products, the pressure on both Saab and its suppliers has increased and will continue to increase over the next five years. This might, in turn, cause a rise in stress-related health issues due to overtime. Saab is committed, through its sustainability strategy and Supplier Code of Conduct, to address these challenges in cooperation with suppliers. The Supplier Code of Conduct clearly sets out expectations and provides frameworks for continuous improvement in the areas of occupational health and safety and human rights.

Policies related to workers in the value chain

Saab's human rights commitments are outlined in several key policy documents.

Supplier Code of Conduct
In September 2025, Saab launched an updated Supplier Code of Conduct. The purpose of the update is to better align expectations on business partners with Saab's sustainability strategy and ensure that Saab promotes responsible business conduct throughout its supply chain. The Supplier Code of Conduct 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 trade unions, and discrimination. The new code also requires suppliers to conduct sustainability due diligence across their value-chain and develop appropriate management systems including whistleblowing hotline mechanisms. Saab conveys the updated Supplier Code of Conduct in connection with the signing or revision of supplier agreements/contracts. For more information about Saab's Supplier Code of Conduct, see pages 87-88, 100.

Human Rights Due Diligence Policy
To further enhance human rights management, Saab developed and adopted a Human Rights Due Diligence Policy in 2025, which will be implemented in 2026. This policy mandates risk-based human rights due diligence in accordance with international standards. It is accompanied by an internal guideline specifying when human rights risk screening and due diligence should be conducted across multiple key processes.

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Modern Slavery Policy
The Policy states that all forms of modern slavery are strictly prohibited for employees, suppliers, and business partners, including specific activities e.g., forced labour, illegal recruitment, debt bondage, and sex trafficking. The policy also describes measures to counteract these risks, such as training, supplier requirements, risk assessments, reporting channels, and disciplinary sanctions for violations.

Conflict Minerals Policy
The Policy describes how Saab works to ensure that minerals used in products do not come from conflict-affected areas where mining finances armed groups. It sets requirements for suppliers to use conflict-free sourcing and promotes transparency in the supply chain. The policy also lists specific risk activities, such as forced labour, illegal recruitment, debt bondage, and sex trafficking. It describes measures to counteract these risks, such as training, supplier requirements, risk assessments, reporting channels, and disciplinary sanctions for violations.

Code of Conduct
Read about Saab's Code of Conduct on pages 99, 111, 127, 130.

Responsible Sales Policy
Read about Saab's Responsible Sales Policy on pages 123-124.

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 action

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 must 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.

Saab's Group Procurement leads a Responsible Sourcing team, comprising representatives from all business areas. This team provides expertise on sustainability throughout the procurement process, ensuring that sustainability risks are effectively managed in alignment with Saab's established processes.

A team dedicated to supporting Saab's purchasing organisations is operationalised to help manage and evaluate supplier risk profiles in relation to sanctions control and sustainability, and to further enhance supplier sustainability performance.

Saab expects all suppliers to adhere to the Supplier Code of Conduct and to extend sustainability requirements to their own supply chains. Suppliers who do not meet Saab's sustainability expectations will be encouraged to improve their performance.

Saab integrates sustainability considerations into its supplier qualification process. A questionnaire, which includes an assessment of sustainability performance, is being used to evaluate potential new suppliers. This process, combined with sustainability assessments conducted by Saab's partner EcoVadis, helps Saab identify and manage impacts, risks, and opportunities within the supply chain.

For supplier sustainability risk profiling Saab uses its general supplier classification and a specific sustainability risk filter. To identify strategic relevance, Saab classifies its suppliers on a scale from 1-4 according to its management system. Suppliers classified as 1 or 2 are considered "strategic suppliers" based on material impact on Saab. Main factors that are taken into consideration to determine material impact on Saab include spend, complexity and resilience. In addition, Saab uses EcoVadis to identify supplier sustainability risks. EcoVadis classifies suppliers in six levels ranging from "very low" to" very high" based on supplier industry and region. Suppliers identified by EcoVadis as "high risk" or "very high risk" are subject to monitoring.

EcoVadis

Saab cooperates with EcoVadis, a leading global provider of sustainability ratings, through membership in IAEG's common sector initiative for sustainability in the supply chain, 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. This way of working aims to create long-term value in terms of improved conditions for workers in the supply chain, and allows Saab to focus efforts on following progress with suppliers that have the most significant room for improvement.

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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 for human rights in the supplier's operations. Saab 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 the existence of robust controls to prevent sanctioned ownership interests, both within their own organisations and throughout their supply chains. 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.

During 2025, Saab has developed product design criteria with the purpose to integrate human rights considerations in the product development processes. The plan for 2026 is to test these criteria in a number of pilot projects in order to calibrate them and ultimately implement them across all processes related to product development within the organisation.

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 the company's 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.

The procedure for grievance management is publicly available on Saab's website and is handled in accordance with Saab's whistleblowing policy. Any reports relating to workers in the value chain that require remedial actions are 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. Remediation plans are developed based on the nature of the grievance and Saab's instructions for corrective actions. Read more about Saab's whistleblowing policy and protection of whistleblowers on pages 130, 132.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Since 2023, Saab has monitored the annual target to have at least 70 per cent of its strategic suppliers assessed, either through EcoVadis desktop audits or by committing to undergo evaluation. In addition to strategic suppliers, high risk suppliers have been addressed. Due to the roll out of a new digital platform in 2025, that enables improved monitoring of supply chain sustainability performance, this target is now only monitored internally. The results for strategic suppliers assessed through EcoVadis have fluctuated around the 70 per cent goal, with certain years exceeding it and other years falling slightly below. The focus has gradually shifted towards analysing the assessments and actively engaging with suppliers demonstrating weaker sustainability performance. Suppliers that fall below a predetermined threshold are contacted by Saab to initiate a dialogue and encourage improvements. Saab is working on developing new targets to present externally.

Metrics

Saab has decided to discontinue external reporting of the share of suppliers assessed through EcoVadis, which has been measured and reported since 2022. With the rollout of a new digital platform, Saab is now working on developing a more robust and improved metric to better measure supply chain sustainability performance. Because Saab relies on value chain data that is not yet available, no new metrics will be published in 2025, in accordance with the phase-in provisions laid out in ESRS 1 Appendix C. Work is ongoing to refine the methodology for future reporting.

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Affected communities

Saab has chosen to apply the European Commission's "EU quick fix," which provides temporary phase-in relief for this year's sustainability statement. This includes the standard ESRS S3 – Affected Communities. Saab reports on this standard in accordance with ESRS 2 BP-2-17.

Material impacts, risks and opportunities	
Potential negative impact	Potential violations of Human Rights in case of improper or unintentional use of military equipment.

Material impacts, risks and opportunities and their interaction with strategy and business model

'Affected Communities' refers to the communities and individuals who may potentially be negatively impacted by improper or unintentional use of military equipment. 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 this may result in stakeholders losing confidence in Saab's strategy and business.

Policies related to affected communities

Saab is committed to respecting human rights throughout its value chain in alignment with the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This commitment is outlined in several key policy documents.

Responsible Sales Policy
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.

Code of Conduct
Read about Saab's Code of Conduct on pages 99, 111, 127, 130.

Human Rights Due Diligence Policy
Read about Saab's Human Rights Due Diligence Policy on page 120.

Supplier Code of Conduct
Read about Saab's Supplier Code of Conduct on pages 87-88, 100, 120.

Modern Slavery Policy
Read about Saab's Modern Slavery Policy on page 121.

Conflict Minerals Policy
Read about Saab's Conflict Minerals Policy on page 121.

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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

Responsible Sales: screening

Saab Responsible Sales Index

If opportunity is not flagged, regular sales process continues

Process for flagged opportunities

Responsible Sales: risk assessment

Identification of risks

Input to risk assessment:

Country risk
Product risk

Recommendations on risk management

Output of risk assessment:

Responsible Sales risk assessment

Input to sales process

Informed decision by business area

Continued sales process and risk management

Business Areas can escalate decisions to the Group Ethics and Compliance Board for further guidance

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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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 implemented a downstream due diligence process, in accordance with the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Saab's Business and Human Rights function, within Group Sustainability, is responsible for implementing the Responsible Sales Policy and supporting business areas throughout the sales process. The function provides expertise, conducts Responsible Sales Risk Assessments for flagged sales leads, and trains employees in human rights risk management. A key part of this responsibility is to ensure that stakeholder interests and human rights considerations are integrated at every stage of the Responsible Sales process.

Stakeholder perspectives are incorporated in several ways. Saab's Responsible Sales Index, which combines five internationally recognised democracy and human rights indices, is used to screen business opportunities for human rights risks. When conducting the assessments, Saab draws on authoritative human rights reports from government bodies, international organisations and non-governmental organisations. Saab also engages directly with relevant stakeholder groups, including civil society organisations, policy exports and industry initiatives, to gather insights on emerging human rights and geopolitical risks to consider in the due diligence processes. In addition, national export control authorities independently consider stakeholder and public interest when assessing export licence applications. For further information on export control, see page 131.

Saab ensures compliance with the Responsible Sales Policy through the Customer Relationship Management (CRM) system, which integrates human rights screening into the early stages of every new sales opportunity. Sales leads are flagged for 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 a detailed assessment of potential human rights risks related to product end-use and the feasibility of mitigating or avoiding such risks (see illustration on previous page). Based on this due diligence, an informed decision is taken by the business area, with the option to escalate complex cases to the Ethics and Compliance Board for further guidance. Outcomes of due diligence activities are reported to the Board of Directors.

Saab promotes a culture of transparency and accountability. Employees and external stakeholders are encouraged to report any suspected or actual breaches of the Responsible Sales Policy through line management channels or via Saab's confidential Whistleblowing Hotline. For further information about governance of the Whistleblower Hotline, see page 132.

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 per cent of sales leads that are flagged as high risk in Saab's CRM-system.

Target **100%** → Result **100%**

Proportion of high-risk business opportunities that have undergone Responsible sales due diligence.

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Metrics

Saab 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.

	2025	2024	Target
Proportion of high-risk business opportunities that have undergone Responsible sales due diligence	100%	100%	100%
Number of risk assessments produced	8	16	-

Accounting Principles
All of Saab's global business opportunities are screened for Responsible Sales risks. Opportunities classified as high risk under Saab's screening model are subject to an extended risk assessment. An opportunity is flagged if any of the following criteria are met:

1. the customer's Responsible Sales Index score falls below the defined threshold;
2. the product is classified as military equipment; or
3. the opportunity is not a follow-on delivery (e.g., spare parts).

Target achievement is calculated at a defined decision point, at which each flagged opportunity must have been assessed. For reporting purposes, Saab determines the number and proportion of flagged opportunities that have undergone due diligence. If new, material information arises that may affect prior conclusions, the assessment may be re-opened for further review. Responsible Sales assessments may not be older than 12 months at the time of sales closure. Where 12 months or more have elapsed since completion, the assessment must be updated prior to closing.

Saab's reporting target is to conduct in-depth due diligence for 100% of sales leads classified as high risk in Saab's CRM system. In 2025, this target was fully achieved.

To support stakeholders' assessment of the scope of Saab's due diligence activities and exposure to high-risk markets, Saab also reports the number of high-risk leads subjected to in-depth due diligence during the year. The number of assessments carried out depends on how many business opportunities reach the specific decision point, and therefore fluctuates from year to year due to market dynamics.

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Consumers and end-users

Saab has chosen to apply the European Commission's "EU quick fix," which provides temporary phase-in relief for this year's sustainability statement. This includes the standard ESRS S4 – Consumers and end-users. Saab reports on this standard in accordance with ESRS 2 BP-2-17.

Material impacts, risks and opportunities	
Potential negative impact	Negative effect on users should a product fault occur.
Financial risk	Safety incidents could pose significant reputation and financial risks for the company as safety is key competitiveness factor within the aerospace and defence industry.

Material impacts, risks and opportunities and their interaction with strategy and business model

With a product portfolio ranging from advanced aircraft systems to submarines, it is imperative that Saab's products and systems are safe to use and handle in all relevant life-cycle phases (e.g. operation, maintenance, transport and disposal. Negative impacts may include health risks associated with products that do not meet essential quality standards. Occupational hazards for users of these products are also within the scope of product safety, encompassing exposure to loud explosions, harmful fumes from gunpowder, and similar dangers.

The brand risk is significant if any of Saab's products were involved in or contributed to an accident. Furthermore, there is a risk that contractual agreements may be affected in the event of such an incident. Both of these risks can have a material financial impact on Saab.

Product and system safety is essential for Saab to remain a relevant actor within the defence sector. Efforts to ensure safety are embedded within Saab's structures and processes. From the perspective of Saab's business strategy, product safety is a fundamental prerequisite for growth in strategic markets, investment in future capabilities, and driving innovation.

Policies related to consumers and end-users

Code of Conduct
Product quality and safety is addressed in a dedicated section of Saab's Code of Conduct, which clarifies the company's responsibility to ensure the quality and safety of its products. At the same time, employees' responsibility to adhere to the processes and procedures implemented by Saab is emphasised. For more information about Saab's Code of Conduct, see pages 99, 111, 130.

System Safety Policy
Saab's System Safety Policy further stresses the importance of complying with these processes, role descriptions, procedures, and system maintenance that support the objective of delivering safe products and systems. Additionally, it highlights that unacceptable risks must not be taken, and that all relevant personnel must be provided with appropriate training and information. The policy can be found on Saab's website.

System Safety Handbook
Saab adheres to the company's System Safety Handbook, which addresses management of potential accident risks with consequences for people, property and the environment. This handbook is applicable across all of Saab's business units and is founded on well-established standards. The System Safety Handbook is integrated into Saab's global enterprise management system (GMS).

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Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end users, and effectiveness of those actions

Saab manages product and system safety through clear policies, processes, procedures, as well as well-defined mandates and roles.

A key element in this framework is risk analysis, where roles with specific expertise relevant to the task identify potential hazards in products or systems, assess the likelihood of associated accident risks materialising, and evaluate their consequences. All accident risks are reduced to a point where they are as low as reasonable practicable.

Product and system safety is approached from a life cycle perspective, ensuring that safety considerations are integrated throughout all stages of the product or system life cycle; from design and manufacturing to operation, maintenance, and decommissioning. Products and systems are engineered to minimise the likelihood of accidents. Providing end-users with appropriate training is also an important measure to ensure safe operation. Saab contributes to this in accordance with the relevant contracts and agreements with each customer

Since Saab was founded, the company has prioritised product and system safety. This long-standing commitment has fostered a robust safety culture within the organisation, which is regarded as an important strength and a key factor in maintaining the delivery of safe products and systems.

Safety and Reliability is one of five Sustainability Design Criteria Areas in Saab's strategy for proactive and integrated sustainability in innovation and product development. This means that systems safety activities are not only driven by regulations and customer requirements, but also as part of Saab's ambition to consider and assess all sustainability design criteria, including safety and reliability, in all products through their life-span.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Saab's customers rely on the company's products to keep people and society safe. Saab must never compromise on quality and safety. This means that Saab systematically assesses hazards and failure modes to mitigate safety risks to achieve a safety level that meet relevant laws, regulations, international standards and best practices. This is a continuous work as products and systems evolve and feedback from operational use is received. Within System and Product Safety, Saab does not externally report measurable, time-bound targets.

Metrics

Saab monitors its product safety efforts internally, in collaboration with customers. Saab does not currently report any external metrics in this area within its sustainability reporting, with reference to ESRS 2 BP-2, page 68.

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Business conduct

Material impacts, risks and opportunities	
Risk	Failure to prevent incidents of bribery and/or corruption can result in loss of trust in Saab as a business partner.
Risk	Failure to adhere to compliance mechanisms within corporate culture, such as industry specific export compliance and information security expectations, can lead to business interruptions, and loss of trust.
Potential negative impact	Lack of coverage and handling of Saab's whistleblower function increases the risk of the occurrence of irregularities, which can adversely affect and people and the environment.
Opportunity	Political engagement to proactively promote and advocate Saab's positions and long-term business interests.

Material impacts, risks and opportunities and their interaction with strategy and business model

The material impacts, risks and opportunities identified within Corporate Governance span the entire value chain. Saab has a zero tolerance policy for corruption and bribery, and failure to prevent incidents at any level of the value chain can result in a loss of trust in Saab as a business partner, employer, or supplier. Therefore, Saab takes utmost responsibility for ensuring a well functioning whistleblowing tool to reduce the risk of irregularies, which can adversely affect people and the environment. Another risk for Saab is the failure to adhere to expectations relating to its corporate culture, for example, within export compliance and information security, therefore the company works actively to develop policies and routines to foster ethical behaviour and support employees in making the right choices in their day to day roles. Proactively managing these risks and impacts is important to ensuring resilience of Saab's strategy and business model. The company's stakeholders expect Saab to be a responsible and ethical business partner and employer and any incidents can affect the resilience of the company's long term plan. Saab further utilises political engagement to proactively promote and advocate Saab's positions and long-term business interests and promote resilience. During 2025, no material current financial affects have been identified.

G1-1 Business conduct policies and corporate culture

Code of Conduct
Saab has implemented a Group-wide Code of Conduct, which serves as the foundation for the company's corporate culture. It sets forth the ethical principles, standards of integrity, and expected behaviours of all employees, contractors, and the company's Board of Directors in carrying out Saab's mission. The Code of Conduct is adopted by the Board of Directors. In addition to the Code of Conduct, Saab has established a set of policies that address business ethical conduct. These are the Anti-Bribery and Corruption (ABC) Policy, the Whistleblowing Policy, the Interacting with Governments Policy, the Responsible Sales Policy (see pages 123-124), and the Supplier Code of Conduct (see pages 87-88, 100, 120). These policies are adopeted and signed by Group Management.

Anti-bribery and Corruption (ABC) Policy
The policy sets out Saab's zero-tolerance against bribery and corruption and ensures that operations are conducted free from any form of bribery and corruption. The ABC policy is consistent with the United Nations Convention against Corruption.

Whistleblowing Policy
The policy sets out the direction for fostering a culture where people feel comfortable to speak up and report actual or suspected violations of the Code of Conduct. The policy provides instructions for setting up channels for reporting, managing reports, corrective actions, as well as protection of whistleblowers.

Interacting with Governments Policy
The policy sets forth how Saab engages with governments and policy makers in all its markets as a part of the company's mission to keep people and society safe together with customers, end-users in the armed forces, and other government organisations.

The aforementioned policies are applicable to all Saab employees, published in the Global Management System, made available on Saab's intranet and external website, and communicated through trainings and via leadership.

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Corporate culture

Saab's corporate culture is influenced by the company's business model and underpinned by a commitment to responsible practices throughout the value chain, including taking care of Saab's people, protecting Saab's assets, doing business with integrity, operating with excellence and transparent reporting and communication. To support and promote this culture across the organisation, Saab provides structured onboarding, continuous learning opportunities, and consistent communication on critical topics including anti-corruption and whistleblowing. Saab continuously evaluates its corporate culture by drawing on insights from annual employee surveys and reports submitted through its whistleblowing channels.

Information security and export compliance are especially important aspects of Saab's operations, and processes within each area ensure that Saab can conduct business with integrity and protect its assets and people. Expectations and regulations related to these topics frame how employees perform their day to day jobs and how Saab operates as a business. Failure to adhere to compliance mechanisms relating to export control and information secrurity can lead to business interruptions and loss of trust. The group functions for Export Control and Information Security have developed robust processes to ensure compliance, monitor changes, and follow up on actions within the respective areas. Saab has further established a Responsible Sales Policy to complement the requirements of export compliance and further drive how the company promotes sustainability practices within its business opportunities. Read more about Responsible Sales Policy on pages 123-124.

Saab's ambition for its corporate culture is that business is conducted ethically and responsibly in accordance with the principles outlined in the Code of Conduct. The effectiveness of Saab's corporate culture is monitored through training provided and performed, as well as reports of breaches of its contents. Saab does not have additional specific time-bound targets relating to corporate culture.

Export control

Export control regulates the export of goods, services, and technology. All exports of defence equipment from Sweden and other countries where Saab has operations are subject to applicable laws and regulations. Consequently, a major part of Saab's products, services and technologies are regulated by Swedish export control legislation. Export permission can be granted if there are security and defence policy reasons for the export and if it is compatible with Swedish foreign policy interests. Export should not conflict with any of Sweden's international commitments or obligations. Decisions on export authorisations are made on a case-by-case basis by the Inspectorate of Strategic Products (ISP), which considers a number of criteria in its overall assessment, including the situation regarding respect for human rights and international humanitarian law in the intended recipient country. ISP also considers the type of product the decision applies to. Saab's subsidiaries in other countries adhere to the export control regulations of the respective country in question.

To facilitate compliance with export control regulations that apply to its products, technologies, and operations, Saab has formulated its Export Control Policy. The Head of Export Compliance is responsible for the company's overarching policy, directives, and governing policy documents, as well as for providing advice to the businesses on operational issues and monitoring compliance within the company. In addition, each business area has its own Export Control organisation to manage the work at an operational level. To facilitate collaboration and priority needs, Saab also has an Export Control Council with representatives from business areas. Saab internally monitors progress against its long-term ambition relating to Export Control on a quarterly basis.

Information security

As a Security and defense company, the mishandling of information can have serious security implications for Saab's customers, and thereby it can also have negative impact on national, regional and global security. Hence, a strong security position and systematic way of working with security will ultimately ensure safety, security and the trustworthiness of Saab. Saab abides by regulations scaled to protect the confidentiality, integrity, availability and traceability of assets, both physical and digital. Saab's company assets – whether financial, physical, or intellectual – are critical to its ongoing operations and long-term business success. Saab has implemented a global security organisation, which works in accordance with Saab's Security Policy and Management System for Security. The management system is in line with ISO27001 and ensures governance and security management throughout the company. Saab's Security Policy and Data Privacy Policy, both authorised and signed by the CEO, are implemented through a combination of work with organisation and administration, technology, people and sites. The Security Policy describes how Saab protects its personnel and assets from qualified threats. The Data Privacy Policy sets out how Saab addresses and corrects business practices that may lead to violations of individuals' privacy and breaches of applicable data protection and privacy laws. Saab internally monitors progress against its long-term ambition relating to Information Security on a quarterly basis.

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Protection of whistleblowers
Mechanisms for identifying, reporting and investigating concerns regarding unlawful behaviour or violations of Saab's Code of Conduct include a whistleblowing hotline. The hotline is accessible to employees via Saab's intranet and to external stakeholders, including customers and suppliers, via Saab's external website. The whistleblowing hotline is managed by a third-party provider to ensure objectivity and anonymity. Additionally, the investigation team is separate from the chain of management involved in the matter. These layers are implemented to ensure necessary coverage of the whistleblowing function, in order to reduce the risk of irregularities which could adversely impact people and the environment. Whistleblowing reports are handled in accordance with Saab's Whistleblowing Policy and internal investigation instructions. The whistleblowing policy complies with Directive (EU) 2019/1937, and provides for internal reporting channels, a designated investigation team, training for recipients of reports, and no-retaliation protocols. Saab protects whistleblowers through secure reporting channels, including anonymous options, and strict confidential handling. Reporters at risk receive dedicated follow-up, and Saab's zero-tolerance policy against retaliation provides protections beyond legal requirements. During the year one retaliation case was reported, however 0 cases were confirmed. The effectiveness of the whistleblowing channel and outcomes of investigations are reviewed regularly and reported to the Ethics and Compliance Board and the Audit Committee.

Number of reports to the Whistleblowing Hotline

Issue types	2025	2024
Bribery and corruption	5	3
Competition law and anti-trust	-	-
Conflict of interest	8	11
Diversity, inclusion and respect	20	18
Environment	-	-
Export controls and trade sanctions	-	1
Finance and accounting	-	-
Health and safety	4	2
Product quality and safety	1	1
Security - IT, personal and physical	1	2
Sensitive information and personal data	5	2
Stock market and inside information	-	-
Use of company assets	4	6
Working conditions and human rights	7	3
Other suspected misconduct or breach of law	9	4
Inquiry	10	6
Total:	**74**	**59**

Number of individuals subject to disciplinary action 2025: 7

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ABC Training

Saab's ABC training strategy outlines Saab's process for business conduct training. While business conduct training is given to all employees and the Board of Directors, the training approach and frequency is based on a risk classification (see table ABC Training Strategy). In general, functions such as marketing and sales, commercial, management, finance and procurement have been identified to be most at risk for bribery and corruption, which is reflected in the training strategy. Furthermore, Saab ensures that all employees receive training on the whistleblowing hotline through the Code of Conduct training, where Speak-Up is an integrated component. This training includes information on how and where to report, what is expected from employees, and which types of concerns should be raised. Regarding the training of staff who receive and manage reports, the company has a dedicated whistleblowing case management group. This group includes representatives from various group functions and a dedicated investigator. The group convenes on a quarterly basis to systematically review lessons learned from previous cases, exchange best practices, continuously improve procedures, and ensure that all members remain informed about relevant legal developments. This structured approach reinforces Saab's commitment to transparency, accountability, and responsible business conduct.

Training provided and performed

Training	Targeted Groups ABC training	Functions-at-risk ABC training	Introduction to Saab's anti-corruption programme	Code of Conduct Training
Participation- all employees	80%	100%	86%*	91%*
Participation- managers	90%	100%	88%	95%

Accounting principles:
The Participation rate for targeted groups ABC training is calculated as the number of employees that participated in face-to face training divided by the number of employees invited to training. The Participation rate for e-learning courses is calculated as the number of employees that completed training divided by the number of employees invited to training.

*consultants are included.

While all employees receive the mandatory e-learning on the Code of Conduct and basic ABC, functions-at-risk receive an additional mandatory e-learning, which is required on an annual basis. For functions in targeted groups facing high corruption risks, customised classroom anti-corruption training is provided at least every three years. The Board of Directors and Group Management also receive classroom anti-corruption training every three years, with the latest conducted in 2023. 100 per cent of functions-at-risk are covered by these training programmes.

ABC Training Strategy

Risk exposure level	Training groups	Categories	Type of training	Scope	Length	Frequency
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 3 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

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G1-3 Prevention and detection of corruption and bribery

Failure to prevent incidents of bribery and/or corruption can result in loss of trust in Saab as a business partner; therefore, it is imperative that Saab has a solid structure to identify and manage potential incidents. To prevent, detect and address any allegations or incidents of corruption and bribery, Saab employs a multi-layered anti-bribery and corruption programme, including risk mapping, policy making, third party due diligence, training, Speak Up and internal controls. The programme is integrated in the company's Global Management System (GMS) and managed by Group Ethics and Compliance under the supervision of the Ethics and Compliance Board and the Audit Committee. The Group Anti-Corruption and Bribery Policy outlines expected behaviours applicable to all employees. The Audit Committee has been specifically tasked to monitor the efficiency and the adequacy of Saab's Anti-bribery and Corruption (ABC) Programme. As part of this task, the Audit Committee reviews the annual ABC Programme report and quarterly whistleblowing statistics. See figure below for Saab's process for detecting, preventing and correcting incidents of corruption and bribery.

Corruption risk areas
Saab has identified a number of risk areas which are rated based on probability and impact that are monitored and evaluated on an ongoing basis within the ABC programme.

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		

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Scrutiny of business partners

Business partners, particularly those involved in marketing, sales, business development, or strategic planning (referred to as "business intermediaries"), can present legal and reputational risks in relation to corruption if not managed properly. To mitigate these risks, Saab has established dedicated resources and processes. Engagements with business intermediaries are governed by a centralised process that includes:

1. Assessing the intermediary's credentials and suitability through due diligence and background checks.
2. Training and binding the intermediary to Saab's anti-bribery and compliance standards via contractual commitments.
3. Monitoring and controlling the intermediary's performance and conduct.

The Ethics and Compliance Board approves high-risk engagements and reviews relevant statistics. Each engagement has a designated agreement monitor responsible for overseeing service performance, activity reporting, and payment processes.

Annually, Saab's internal auditors review selected business intermediaries to ensure compliance with Saab's values and contractual terms. Audit findings are presented to the Ethics and Compliance Board, and any necessary corrective actions are communicated and followed up with the intermediary. Significant issues that cannot be resolved may lead to the termination of the intermediary's engagement.

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	62	-	17	12	29	4
Resellers	16	-	4	3	9	-

G1-4 Incidents of corruption or bribery

During the 2025 reporting period, no incidents of corruption or bribery were identified within Saab's value chain, and no fines, sanctions, or actions were imposed.

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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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G1-5 Political influence and lobbying activities

Saab engages with government officials, regulatory authorities, industry associations, the EU, NATO, and other strategic partners to advocate for its business interests and policy positions. These activities are led by Group Government Affairs and fall under the oversight of Saab's governance bodies, as the Head of Group Government Affairs reports directly to the Deputy CEO. In turn, the Deputy CEO has a standing item on the Board of Directors agenda and has the responsibility to report activites carried out by the function.

In 2025, Saab engaged with governments and agencies in several countries including Canada, Poland, Thailand and Ukraine to support export opportunities for, among other things, Gripen aircraft, submarines, and GlobalEye systems. These engagements are carried out by Saab's local offices in each country, at times with support from Group and the Swedish state, in alignment with national defence interests.

Saab has advocated for a national defence industry strategy in Sweden, focusing on long-term supply security in key areas such as underwater defence and fighter aircraft. The company participated in policy dialogue through the Defence Innovation Council, promoting a triple-helix model for defence innovation.

Saab collaborates with the Swedish Security & Defence Industry Association (SOFF), and contributes to EU-level initiatives through the European Aerospace and Defence Industry Association (ASD) and the European Defence Fund (EDF). Saab has participated in the dialogue shaping key EU undertakings including the European Competitiveness Fund (ECF), and is actively engaged in the development of the EU Defence Industry Programme (EDIP).

During 2025 Saab's CEO Micael Johansson was elected as the President and Chairman of the Board of Directors for ASD, increasing Saab's responsibility and influence in strengthening European capabilities and competitiveness. Saab also has representation on the Board of Directors for SOFF and several colleagues are active within working groups for each association.

No political contributions were made during the fiscal year 2025.

No members of Saab's board of Directors nor Management Team have held any comparable postions in public administration in the two years preceding appointment.

Saab is registered in the EU transparency register with registration number: 86477889163-49.

Saab does not have time-bound targets related to political influence and lobbying activities. The effectiveness of Saab's policy and actions is monitored through export opportunities resulting from engagements, as well as observed influence within industry initiatives.

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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 Report 2025 and which data points are assessed as 'Not material'. Material data points not included for 2025 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	69
ESRS 2 GOV-1	Paragraph 21 (e)	Percentage of Board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		General	69
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	73
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	90
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	92

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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	92
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	92
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	93
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	95
ESRS E1-7	Paragraph 56	GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	Not material	-
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 material	-

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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	103
ESRS E5-5	Paragraph 39	Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex I				Environment	103
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	111
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	111
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	112

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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	113
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	118
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	119
ESRS S1-16	Paragraph 97 (b)	Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex I				Social	119
ESRS S1-17	Paragraph 103 (a)	Incidents of discrimination	Indicator number 7 Table #3 of Annex I				Social	119
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)"		Social	119
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	120
ESRS S2-1	Paragraph 18	Policies related to value chain workers	Indicator number 11 and n. 4 Table #3 of Annex I				Social	120
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	120
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	120
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	121
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	123
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	123
ESRS S3-4	Paragraph 36	Human rights issues and incidents	Indicator number 14 Table #3 of Annex I				Social	125

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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				Social	127
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)"		Social	127
ESRS S4-4	Paragraph 35	Human rights issues and incidents	Indicator number 14 Table #3 of Annex I				Social	128
ESRS G1-1	Paragraph 10 (b)	United Nations Convention against corruption	Indicator number 15 Table #3 of Annex I				Governance	130
ESRS G1-1	Paragraph 10 (d)	Protection of Whistleblowers	Indicator number 6 Table #3 of Annex I				Governance	130
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	135
ESRS G1-4	Paragraph 24 (b)	Standards of anti-corruption and anti-bribery	Indicator number 16 Table #3 of Annex I				Governance	135

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Scope 3 GHG emissions categories

List of Scope 3 GHG emissions categories not included in Saab's calculations.

Category	Name	Reported	Comment
3.3	Fuel-and-energy-related activities	No	Not included in SBTi commitment
3.5	Waste generated in operations	No	Not included in SBTi commitment
3.7	Employee commuting	No	Not included in SBTi commitment
3.8	Upstream leased assets	No	Not included in SBTi commitment Saab's reports emissions within Scope 2
3.9	Downstream transportation and distribution	No	Not included in SBTi commitment. Not relevant for Saab's business model
3.10	Processing of sold products	No	Not included in SBTi commitment. Products and services are not processed further upon sale
3.12	End of life treatment of sold products	No	Not included in SBTi commitment. 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	Not included in SBTi commitment. 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	No	Not included in SBTi commitment

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Substances of Very High Concern per hazard statement

Continuation of section E2-5

Number of unique SVHC in sold products per hazard statement	
H360	147
H350	140
H340	50
EUH441	15
EUH430	15
EUH380	7
EUH440	8

Each unique substance can be connected to more than one main hazard statement
Total number of unique SVHC in sold products amounts to 286.

Number of unique SVHC in purchased chemical products per hazard statement	
H360	29
H350	18
H340	8
EUH441	8
EUH440	6
EUH380	1
EUH430	5

Each unique substance can be connected to more than one hazard statement.

Total number of unique SVHC in sold chemical products amounts to 63.

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Order development
In 2025, Saab reported order bookings of SEK 168,519 million (96,798) an increase of 74%. The order backlog at the end of 2025 amounted to SEK 274,532 million (187,223), corresponding to an increase of 47% compared to the beginning of the year. In total, 66% (76) of order bookings was attributable to markets outside Sweden.

Sales and organic growth
Sales for the full year amounted to SEK 79,146 million (63,751) and corresponded to a sales growth of 24.1%, of which organic growth was 25.6%. All business areas and Combitech reported sales growth for the full year. Sales from international markets increased 24% and amounted to SEK 46,637 million (37,611), corresponding to 59% (59) of total sales.

Gross income
Gross income increased 26% to SEK 17,168 million (13,663), driven by the increased sales volumes and margin improvement. The gross margin increased to 21.7% (21.4) driven by higher margins in Aeronautics and Surveillance.

Operating income
Adjusted operating income increased 37% and amounted to SEK 7,730 million (5,662), with an adjusted operating margin of 9.8% (8.9). The operating income and improved margin was mainly driven by the sales growth, and the improvement was particularly strong in Dynamics and Surveillance. Items affecting comparability during the year included a capital gain from the divestment of Saab TransponderTech AB of SEK 336 million.

Financial net
Financial net amounted to SEK -47 million (-373) of which SEK 52 million (121) related to net interest items, SEK 258 million (-266) related to currency gains/losses and SEK -200 million (-159) related to lease liability interest. Financial net related to pensions amounted to SEK -38 million (-46) and other financial items amounted to SEK -119 million (-23) and consisted of realised and unrealised results from long- and short-term investments and derivatives as well as other currency effects.

Tax
The effective tax rate for 2025 was 20.7% (20.4) with current and deferred taxes amounting to SEK -1,663 million (-1,079). The increase of the effective tax rate was mainly a result of lower utilisation of previously unrecognised tax loss carry forwards in 2025 compared to 2024.

Net income
Net income for the year increased 51% to SEK 6,356 million (4,210), corresponding to SEK 11.70 (7.74) in earnings per share after dilution.

Financial position
At the end of December 2025, Saab had a net liquidity of SEK 3,989 million compared to SEK 2,211 million at year-end 2024. Net debt/EBITDA was -0.4 (-0.3) at the end of the period. The equity/assets ratio was 35.0% (35.9).

Cash flow
Operational cash flow in 2025 amounted to SEK 5,273 million (2,497) following customer milestones and advance payments, partly offset by increased investments and increased inventory levels.

Medium-term targets
Saab's medium-term targets (2023-2027) comprise a compounded annual organic sales growth target (CAGR), an operating income growth target and a cash conversion target:

- Organic sales growth of around 22% (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 adjusted operating income

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Consolidated income statement

MSEK	Note	2025	2024
Sales	4	79,146	63,751
Cost of goods sold	5	-61,978	-50,088
Gross income		**17,168**	**13,663**
Other operating income	6,41	538	301
Marketing expenses	5,41	-3,233	-3,099
Administrative expenses	5	-2,785	-2,416
Research and development costs	5	-3,623	-2,809
Other operating expenses	6	-135	-50
Share of income in associated companies and joint ventures	19,41	136	72
Operating income	**41**	**8,066**	**5,662**
Financial income		708	563
Financial expenses		-755	-936
Net financial items	11	**-47**	**-373**
Income before taxes		**8,019**	**5,289**
Taxes	13	-1,663	-1,079
Net income for the year		**6,356**	**4,210**
Attributable to:			
Parent Company's shareholders		6,314	4,171
Non-controlling interest		42	39
Earnings per share before dilution (SEK)	14	11.77	7.81
Earnings per share after dilution (SEK)	14	11.70	7.74

Orders

Order bookings for the full year amounted to SEK 168,519 million (96,798), corresponding to an increase of 74 per cent. Large orders increased 117 per cent and amounted to SEK 106,571 million (49,027), medium-sized orders increased 45 per cent and amounted to SEK 41,613 million (28,654), and small orders increased 6 per cent and amounted to SEK 20,335 million (19,117). Growth in order bookings was particularly strong in Aeronautics, Surveillance and Kockums during the year.

The order backlog amounted to SEK 274,532 million, an increase of 47 per cent compared to SEK 187,223 million at the beginning of the year. In total, 72 per cent (72) of the backlog is attributable to international markets.

Order backlog duration:
2026: SEK 74.8 billion
2027: SEK 77.8 billion
2028: SEK 53.0 billion
2029: SEK 33.2 billion
After 2029: SEK 35.7 billion

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Sales per region

MSEK	2025	2024
Sweden	32,509	26,140
Rest of Europe	20,392	15,829
North America	7,069	6,148
Latin America	3,439	4,556
Asia	5,856	5,329
Africa	485	165
Australia, etc.	3,038	3,375
Undisclosed country	6,358	2,209
Total	**79,146**	**63,751**

Sales per market segment

MSEK	2025	2024
Air	27,669	23,737
Land	25,309	18,476
Naval	20,839	16,854
Civil Security	2,403	2,395
Commercial Aeronautics	1,491	1,125
Other	1,435	1,164
Total	**79,146**	**63,751**

Sales growth

MSEK	2025	2024
Organic sales growth	25.6	23.4
Acquisitions and divestments	0.0	0.2
Currency effects regarding revaluation of foreign subsidiaries	-1.5	-0.1
Total sales growth	**24.1**	**23.5**

Sales

Sales for the full year amounted to SEK 79,146 million (63,751), corresponding to a growth of 24.1 per cent, of which organic growth was 25.6 per cent. All business areas and Combitech reported a double-digit growth.

Sales related to markets outside Sweden accounted for 59 per cent (59) of total sales. The defence business accounted for 93 per cent (92) of total sales.

Income, margin and profitability

Gross income increased 26 per cent and amounted to SEK 17,168 million (13,663) driven by sales volumes and margin improvement. The gross margin increased to 21.7 per cent (21.4) driven by higher margins in Aeronautics and Surveillance.

Total depreciation, amortisation and write-downs amounted to SEK 3,281 million (2,740). Depreciation of tangible fixed assets and right-of-use assets amounted to SEK 2,143 million (1,782). Total R&D expenditures, which comprise capitalised development expenditures, R&D costs and customer financed R&D expenditures, amounted to SEK 12,555 million (10,528) corresponding to 16 per cent (17) of sales. Amortisation and write-downs of intangible fixed assets amounted to SEK 1,138 million (958), of which amortisation of capitalised development expenditures amounted to SEK 725 million (634).

R&D costs amounted to SEK 3,623 million (2,809) following increases across most business areas.

Share of income in associated companies and joint ventures amounted to SEK 136 million (72). The increase was driven by a non-recurring contribution in the minority portfolio of SEK 105 million during the second quarter 2025.

EBITDA increased 35 per cent and amounted to SEK 11,347 million (8,402), with an EBITDA margin of 14.3 per cent (13.2). Operating income adjusted for items affecting comparability increased 37 per cent and amounted to SEK 7,730 (5,662) with an adjusted operating margin of 9.8 per cent (8.9). Operating income was SEK 8,066 million (5,662), with a margin of 10.2 per cent (8.9). The operating income and margin improved in all business areas and the improvement was particularly strong in Dynamics and Surveillance.

Current and deferred taxes amounted to SEK -1,663 million (-1,079) during 2025, corresponding to an effective tax rate of 20.7 (20.4) per cent. The increase of the effective tax rate was mainly a result of lower utilisation of previously unrecognised tax loss carry forwards in 2025 compared to 2024.

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Consolidated statement of comprehensive income

MSEK	2025	2024
Net income for the year	**6,356**	**4,210**
Other comprehensive income/loss:		
Items that will not be reversed in the income statement:		
Revaluation of net pension obligations	842	348
Tax attributable to revaluation of net pension obligations	-174	-72
Equity instruments classified as measured at fair value through other comprehensive income	-152	1,371
Tax attributable to equity instruments classified as measured at fair value through other comprehensive income	-	-8
Total	**516**	**1,639**
Items that may be reversed in the income statement:		
Translation differences	-1,081	486
Net gain/loss on cash flow hedges:		
Change in value	2,994	-1,737
Reversed through profit or loss	556	-623
Tax attributable to net gain/loss on cash flow hedges	-745	492
Interest-bearing investments classified as measured at fair value through other comprehensive income	20	2
Tax attributable to interest-bearing investments classified as measured at fair value through other comprehensive income	-4	-1
Total	**1,740**	**-1,381**
Other comprehensive income/loss for the year	**2,256**	**258**
Net comprehensive income/loss for the year	**8,612**	**4,468**
of which Parent Company's shareholders' interest	8,603	4,408
of which non-controlling interest	9	60

Financial net

MSEK	2025	2024
Financial net related to pensions	-38	-46
Net interest items	52	121
Currency gains/losses	258	-266
Lease liability interest	-200	-159
Other net financial items	-119	-23
Total	**-47**	**-373**

Other comprehensive income/loss

Revaluation of net pension obligations had a pre-tax effect of MSEK 842 (348) on net comprehensive income for the year, see note 30 for more information. Pre-tax gain/loss on cash flow hedges amounted to MSEK 3,550 (-2,360), see note 34 for more information. The pre-tax effect of -152 (1,371) on equity instruments was mainly related to revaluation of shares in Helsing GmbH.

Financial net

The financial net during the year amounted to SEK -47 million (-373). The improvement compared to last year was mainly due to SEK appreciation which had a favourable impact on currency hedges in the tender portfolio.

The financial net related to pensions is the financial cost for net pension obligations recognised in the balance sheet. See note 30 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.

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 long- and 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. The decrease in other financial items compared to 2024 was mainly an effect of a revaluation of shares in a financial investment, amounting to SEK -46 million, reported in the third quarter 2025 as well as currency effects.

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Consolidated statement of financial position

MSEK	Note	31-12-2025	31-12-2024
ASSETS			
Fixed assets:			
Intangible fixed assets	15	12,585	12,998
Tangible fixed assets	16	16,882	12,484
Biological assets	18	406	414
Right-of-use assets	17	4,764	2,881
Shares in associated companies and joint ventures	19	356	315
Financial investments	34	2,990	2,763
Long-term interest-bearing investments	34	3,321	1,610
Long-term receivables	23	410	435
Deferred tax assets	13	412	521
Total fixed assets		**42,126**	**34,421**
Current assets:			
Inventories	24	25,439	21,825
Derivatives	34	2,484	930
Tax receivables		247	250
Accounts receivable	25	13,713	11,334
Contract assets	4,25	18,475	14,323
Other receivables	23	5,194	3,259
Prepaid expenses and accrued income	26	1,668	1,740
Short-term investments	34	11,643	8,898
Liquid assets	27	3,715	2,843
Total current assets		**82,578**	**65,402**
TOTAL ASSETS		**124,704**	**99,823**

MSEK	Note	31-12-2025	31-12-2024
EQUITY AND LIABILITIES			
Equity	28		
Capital stock		2,174	2,174
Other capital contributions		6,099	6,099
Other reserves		1,952	195
Retained earnings		33,111	27,035
Equity attributable to Parent Company's shareholders		**43,336**	**35,503**
Non-controlling interest		**340**	**309**
Total equity		**43,676**	**35,812**
Liabilities			
Long-term liabilities:			
Long-term lease liabilities	17	4,198	2,337
Other long-term interest-bearing liabilities	29	8,475	7,128
Other liabilities	32	176	136
Provisions for pensions	30	383	1,387
Other provisions	31	2,035	2,238
Deferred tax liabilities	13	2,017	1,070
Total long-term liabilities		**17,284**	**14,296**
Current liabilities:			
Short-term lease liabilities	17	726	695
Other short-term interest-bearing liabilities	29	1,310	224
Contract liabilities	4	33,858	25,675
Accounts payable		10,140	8,215
Derivatives	34	559	2,444
Tax liabilities		1,080	536
Other liabilities	32	1,856	1,190
Accrued expenses and deferred income	33	12,197	9,700
Provisions	31	2,018	1,036
Total current liabilities		**63,744**	**49,715**
Total liabilities		**81,028**	**64,011**
TOTAL EQUITY AND LIABILITIES		**124,704**	**99,823**

For information on the Group's assets pledged and contingent liabilities, see note 35.

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Consolidated statement of financial position, cont.

MSEK	Note	31-12-2025	31-12-2024
NET LIQUIDITY/DEBT			
Assets			
Liquid assets	27	3,715	2,843
Short-term investments	34	11,643	8,898
Total liquid investments		**15,358**	**11,741**
Short-term interest-bearing receivables	23	68	73
Long-term interest-bearing receivables	23	218	241
Long-term receivables attributable to pensions	23	76	79
Long-term interest-bearing financial investments	34	3,321	1,610
Total interest-bearing assets		**19,041**	**13,744**
Liabilities			
Lease liabilities	17	4,924	3,032
Bonds and other debt instruments	29	9,668	7,193
Liabilities to associated companies and joint ventures	29	48	55
Other interest-bearing liabilities	29	69	104
Provisions for pensions[1)]	30	343	1,149
Total interest-bearing liabilities and provisions for pensions		**15,052**	**11,533**
Net liquidity (+) / debt (–)		**3,989**	**2,211**

1) Excluding provisions for pensions attributable to special employers' contribution.

The average net liquidity/debt during 2025 amounted to MSEK 1,552 (54). Net liquidity/debt excluding interest-bearing receivables, net pension obligations and lease liabilities amounted to MSEK 8,894 (5,999) on 31 December 2025.

Statement of financial position

At the end of December 2025, Saab had a net liquidity of SEK 3,989 million, an increase of SEK 1,778 million compared to SEK 2,211 million at year-end 2024. Net debt/EBITDA was -0.4 (-0.3) at the end of the year.

Cash flow from operating activities amounted to SEK 12,105 million (6,732).

Contract assets increased by SEK 4,152 million and contract liabilities increased by SEK 8,183 million compared to year-end 2024. Inventories increased by SEK 3,614 million during the year with increases mainly in Dynamics and Surveillance.

Net provisions for pensions, excluding special employer's contribution, amounted to SEK 267 million as of 31 December 2025, compared to SEK 1,070 million at year-end 2024. The effect on net debt of SEK 803 million was mainly a result of positive return on pension plan assets and increased discount rate. For further information on Saab's benefit pension plans, see note 30.

Tangible fixed assets amounted to SEK 16,882 million compared to 12,484 at the end of 2024. Right-of-use assets recognised in the balance sheet amounted to SEK 4,764 million compared to 2,881 million at the end of 2024.

Financial investments increased with SEK 227 million in the year and amounted to SEK 2,990 million, compared to SEK 2,763 million at year-end 2024. 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, which includes the cash flow effect from sale of tangible and intangible assets, in the year amounted to SEK 7,187 million (4,769). Investments in tangible fixed assets amounted to SEK 6,112 million (4,012). Investments in intangible fixed assets amounted to SEK 1,110 million (827), of which SEK 731 million (530) was related to capitalised R&D expenditures. The investments in capitalised R&D expenditures were mainly related to the development of Gripen E/F.

As of 31 December 2025, long- and short-term interest-bearing investments and liquid assets amounted to SEK 18,679 million, an increase of SEK 5,328 million compared to year-end 2024. In addition, the Group had an unutilised revolving credit facility amounting to SEK 6,000 million.

During the fourth quarter, Saab secured a new loan facility with the Nordic Investment Bank (NIB) amounting to SEK 1,200 million. Of this amount, SEK 600 million was drawn in December 2025, with the remaining SEK 600 million to be drawn in January 2026.

Capital employed increased by SEK 11,383 million from year-end 2024, to SEK 58,728 million at the end of the year. The return on capital employed was 16.5 per cent (13.6) and the return on equity was 16.0 per cent (12.4). During the year a dividend of MSEK 1,076 (856) 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 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**
Opening balance, 1 January 2025	2,174	6,099	-1,055	1,250	27,035	**35,503**	309	**35,812**
Net comprehensive income/loss for the year			2,805	-1,048	6,846	**8,603**	9	**8,612**
Transactions with shareholders:								
Dividend received on shares in equity swap					2	**2**		**2**
Share matching plan					304	**304**		**304**
Dividend					-1,076	**-1,076**	-51	**-1,127**
Acquisition and sale of non-controlling interest					-	**-**	73	**73**
Closing balance, 31 December 2025	**2,174**	**6,099**	**1,750**	**202**	**33,111**	**43,336**	**340**	**43,676**

For a definition of other reserves, see note 28.

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Consolidated statement of cash flows

MSEK	Note	2025	2024
Operating activities:			
Income after financial items		8,019	5,289
Adjustments for items not affecting cash flow	38	4,725	3,369
Dividend from associated companies and joint ventures		77	22
Income tax paid		-1,036	-945
Cash flow from operating activities before changes in working capital		**11,785**	**7,735**
Cash flow from changes in working capital:			
Contract assets and liabilities		3,800	7,218
Inventories		-3,811	-4,890
Other current receivables		-3,725	-5,464
Other current liabilities		4,860	3,589
Provisions		-804	-1,456
Cash flow from operating activities		**12,105**	**6,732**
Investing activities:			
Capitalised development costs		-731	-530
Investments in intangible fixed assets		-379	-297
Investments in tangible fixed assets		-6,112	-4,012
Sales and disposals of tangible and intangible fixed assets		35	70
Investments in and sale of short-term investments		-2,728	2,471
Investments in financial assets, associated companies and joint ventures		-2,207	-1,894
Investments in operations	39	-60	-15
Sale of subsidiaries and other operations	38, 39	539	25
Cash flow from investing activities		**-11,643**	**-4,182**
Financing activities:			
Repayment of loans		-173	-678
Amortisation of lease liabilities		-726	-690
Raising of loans		2,600	331
Dividend paid to Parent Company's shareholders		-1,076	-856
Dividend paid to non-controlling interests		-51	-41
Transactions with non-controlling interests		73	-
Cash flow from financing activities		**647**	**-1,934**
CASH FLOW FOR THE YEAR	38	**1,109**	**616**
Liquid assets at beginning of year		2,843	2,129
Exchange rate difference in liquid assets		-237	98
Liquid assets at year-end	27	**3,715**	**2,843**

Capital expenditures

The cash flow effect of capital expenditures in tangible fixed assets amounted to MSEK 6,112 (4,012).

Investments in intangible fixed assets amounted to MSEK 1,110 (827), of which MSEK 731 (530) was related to capitalised development costs and MSEK 379 (297) to other intangible fixed assets.

Cash flow

Cash flow from operating activities, excluding taxes and other financial items increased to SEK 12,460 million (7,266), see note 38.

Operational cash flow in 2025 amounted to SEK 5,273 million (2,497).

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 during the year amounted to SEK 4,206 million (993). The divestment of Saab TransponderTech AB had a positive impact on free cash flow of SEK 539 million. For more detailed information on cash flow, see note 38.

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Parent company income statement

MSEK	Note	2025	2024
Sales	4	42,966	36,291
Cost of goods sold		-35,955	-30,454
Gross income		**7,011**	**5,837**
Marketing expenses		-1,773	-1,628
Administrative expenses		-1,347	-1,057
Research and development costs		-2,136	-1,587
Other operating income	6	135	99
Other operating expenses	6	-22	-15
Operating income		**1,868**	**1,649**
Result from financial items:	11		
Result from shares in Group companies		1,950	2,333
Result from shares in associated companies and joint ventures		53	-80
Result from other securities and receivables held as fixed assets		228	40
Other interest income and similar items		544	571
Interest expenses and similar items		-441	-421
Income after financial items		**4,202**	**4,092**
Appropriations	12	-1,085	-824
Income before taxes		**3,117**	**3,268**
Taxes	13	-485	-703
Net income for the year		**2,632**	**2,565**

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	2025	2024
Net income for the year	**2,632**	**2,565**
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	**2,632**	**2,565**

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Parent company balance sheet

MSEK	Note	31-12-2025	31-12-2024
ASSETS			
Fixed assets:			
Intangible fixed assets	15	1,168	1,234
Tangible fixed assets	16	8,693	6,410
Financial fixed assets:			
Shares in Group companies	37	7,311	7,044
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	155	164
Other long-term securities holdings	22	5,129	3,038
Other long-term receivables	23	35	56
Deferred tax assets	13	705	479
Total financial fixed assets		**13,499**	**10,945**
Total fixed assets		**23,360**	**18,589**
Current assets:			
Inventories	24	14,536	12,530
Current receivables:			
Accounts receivable	25	6,288	3,788
Receivables from Group companies		6,320	6,550
Contract assets		16,059	10,454
Other receivables	23	832	1,134
Prepaid expenses and accrued income	26	2,563	3,449
Total current receivables		**32,062**	**25,375**
Short-term investments		11,597	8,852
Cash and bank balances	27	2,045	903
Total current assets		**60,240**	**47,660**
TOTAL ASSETS		**83,600**	**66,249**

MSEK	Note	31-12-2025	31-12-2024
EQUITY AND LIABILITIES			
Equity	28		
Restricted equity:			
Capital stock		2,174	2,174
Revaluation reserve		625	631
Statutory reserve		543	543
Unrestricted equity:			
Share premium reserve		5,557	5,557
Retained earnings		9,070	7,268
Net income for the year		2,632	2,565
Total equity		**20,601**	**18,738**
Untaxed reserves	12	**5,835**	**4,750**
Provisions			
Provisions for pensions and similar commitments	30	151	189
Other provisions	31	1,965	1,795
Total provisions		**2,116**	**1,984**
Liabilities			
Bonds and other debt instruments	29	9,664	7,187
Liabilities to Group companies		15,393	8,883
Contract liabilities	4	12,695	8,876
Accounts payable		6,169	5,509
Liabilities to associated companies and joint ventures		48	55
Tax liabilities		325	371
Other liabilities	32	1,418	1,340
Accrued expenses and deferred income	33	9,336	8,556
Total liabilities		**55,048**	**40,777**
TOTAL EQUITY AND LIABILITIES		**83,600**	**66,249**

Liquidity, financing, capital expenditures and number of permanent employees
The Parent Company's net debt amounted to SEK 2,243 million as of 31 December 2025 compared to a net liquidity of SEK 1,895 million at 31 December 2024.

Investments in tangible fixed assets amounted to SEK 3,106 million (1,712). Investments in intangible assets amounted to SEK 346 million (284). At the end of the period, the Parent Company had 13,959 employees compared to 12,250 at the beginning of the year.

For information on the Parent Company's assets pledged and contingent liabilities, see note 35.

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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 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**
Opening balance, 1 January 2025	2,174	631	543	5,557	9,833		**18,738**
Items reported directly in equity:							
Change in revaluation reserve		-6			6		**-**
Net comprehensive income/loss for the year						2,632	**2,632**
Transactions with shareholders:							
Dividend received on shares in equity swap					2		**2**
Dividend					-1,076		**-1,076**
Share matching plan					304		**304**
Closing balance, 31 December 2025	**2,174**	**625**	**543**	**5,557**	**9,070**	**2,632**	**20,601**

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Parent company statement of cash flows

MSEK	Note	2025	2024
Operating activities:			
Income after financial items		4,203	4,092
Adjustments for items not affecting cash flow	38	700	-545
Income tax paid		-757	-471
Cash flow from operating activities before changes in working capital		**4,146**	**3,076**
Cash flow from changes in working capital:			
Contract assets and -liabilities		-1,823	-647
Inventories		-2,117	-1,858
Other current receivables		-2,276	-1,317
Other current liabilities		2,115	2,919
Provisions		-455	-1,307
Cash flow from operating activities		**-410**	**866**
Investing activities:			
Shareholders' contributions paid/repaid		-500	-772
Investments in intangible fixed assets		-346	-284
Investments in tangible fixed assets		-3,104	-1,684
Sale of tangible fixed assets		8	20
Sale of and investments in short-term investments		-2,729	2,473
Investments in financial assets, associated companies and joint ventures		-2,148	-1,874
Investments in operations		-	-21
Sale of subsidiaries		233	61
Cash flow from investing activities		**-8,586**	**-2,081**
Financing activities:			
Change in receivables to/liabilities from Group companies		6,239	462
Raising of loans		2,600	7
Repayment of loans		-127	-400
Dividend paid to shareholders		-1,076	-856
Group contributions and dividends received		2,502	2,152
Cash flow from financing activities		**10,138**	**1,365**
CASH FLOW FOR THE YEAR		**1,142**	**150**
Liquid assets at beginning of year		903	753
Liquid assets at year-end	**27**	**2,045**	**903**

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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 other operations including UMS Skeldar and Saab's minority portfolio. The minority portfolio contains Saab's Venture portfolio. The operations in each business area and Combitech are described in note 3.

On 2 March 2026, 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 1 April 2026 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 and interpretations of 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 has during 2025 run a project evaluating the effects on presentation and disclosures. This includes presentation of the income statement where i.a. the definition of operating income might be changed. IFRS 18 introduces three new categories to the income statement; operating, investing and financing activities. Results from associated companies and joint ventures will be classified in the new investment category, rather than the operating, category under IFRS 18. Also, Finance net will to a large extent be divided between the new investing and financing categories.

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.

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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.

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.

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 new version of Gripen. During 2025, the capitalised devlopment cost related to the airborne early warning and control system GlobalEye, was fully amortised. Capitalised development costs amount to MSEK 5,972 (6,052). 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 5,289 (5,572). 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.

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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 10,876 (10,969). 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 2025, changes in actuarial assumptions regarding discount rate 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 30 for further information.

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.

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 2025, 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 28,787 million (22,795) corresponding to 36 per cent (36) 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	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
External order bookings	60 ,589	10,668	32,112	49,745	53,062	27,396	17,456	5,642	3,066	3,013	2,234	334	-	-	168,519	96,798
Internal order bookings	875	508	282	548	1,096	1,138	654	64	1,825	1,624	10	-	-4,742	-3,882	-	-
Total	**61,464**	**11,176**	**32,394**	**50,293**	**54,158**	**28,534**	**18,110**	**5,706**	**4,891**	**4,637**	**2,244**	**334**	**-4,742**	**-3,882**	**168,519**	**96,798**
External order backlog	82,515	40,981	89,714	78,401	76,315	51,291	22,418	14,212	1,405	1,595	2,165	743	-	-	274,532	187,223
Internal order backlog	1,268	520	381	485	1,676	1,434	495	148	440	332	8	-	-4,268	-2,919	-	-
Total	**83,783**	**41,501**	**90,095**	**78,886**	**77,991**	**52,725**	**22,913**	**14,360**	**1,845**	**1,927**	**2,173**	**743**	**-4,268**	**-2,919**	**274,532**	**187,223**
External sales	19,007	16,621	20,277	14,337	26,442	21,267	9,325	8,205	3,255	2,715	840	606	-	-	79,146	63,751
Internal sales	126	68	388	268	854	747	306	159	1,722	1,591	2	2	-3,398	-2,835	-	-
Total sales	**19,133**	**16,689**	**20,665**	**14,605**	**27,296**	**22,014**	**9,631**	**8,364**	**4,977**	**4,306**	**842**	**608**	**-3,398**	**-2,385**	**79,146**	**63,751**
Operating income before share of income in associated companies and joint ventures	1,177	977	3,697	2,503	3,056	1,991	764	639	478	442	-1,242	-962	-	-	7,930	5,590
Share of income in associated companies and joint ventures	-	-	38	62	-	-	-	-	-	-	98	10	-	-	136	72
Operating income	**1,177**	**977**	**3,735**	**2,565**	**3,056**	**1,991**	**764**	**639**	**478**	**442**	**-1,144**	**-952**	**-**	**-**	**8,066**	**5,662**
Financial income	9	10	92	29	46	58	58	91	6	27	1,173	1,059	-676	-711	708	563
Financial expenses	-326	-372	-23	-46	-198	-173	-15	-5	-6	-3	-863	-1,048	676	711	-755	-936
Income before taxes	**860**	**615**	**3,804**	**2,548**	**2,904**	**1,876**	**807**	**725**	**478**	**466**	**-834**	**-941**	**-**	**-**	**8,019**	**5,289**
Taxes[1]	-82	-111	-649	-50	152	16	-32	-9	-25	-24	-1,027	-901	-	-	-1,663	-1,079
Net income for the year	**778**	**504**	**3,155**	**2,498**	**3,056**	**1,892**	**775**	**716**	**453**	**442**	**-1,861**	**-1,842**	**-**	**-**	**6,356**	**4,210**
Assets	22,385	19,568	36,071	24,500	31,310	26,185	9,277	8,341	2,707	2,444	64,414	49,111	-41,460	-30,326	124,704	99,823
Of which shares in associated companies and joint ventures	-	-	195	208	4	4	-	-	-	-	157	103	-	-	356	315
Liabilities	16,921	14,601	30,326	21,086	20,156	15,159	7,736	7,084	1,679	1,481	37,846	27,101	-33,636	-22,501	81,028	64,011
Operational cash flow	-1,937	-712	7,643	2,798	110	1,333	763	289	388	532	-1,694	-1,743	-	-	5,273	2,497
Capital employed	14,974	12,136	6,719	5,342	14,718	12,142	4,111	3,622	1,427	1,348	16,779	12,755	-	-	58,728	47,345
Investments	1,172	652	2,263	1,097	919	1,323	224	148	22	21	2,622	1,598	-	-	7,222	4,839
Depreciation	489	253	175	128	833	952	73	51	17	16	1,480	1,245	-	-	3,067	2,645
Write-down	-	-	-	-	-	95	-	-	-	-	214	-	-	-	214	95

1) Current taxes in the Parent Company are reported in Corporate
2) Of which attributable to IFRS 16 adjustments, MSEK: Operating income 135 (140), Financial income 35 (-), Financial expense -194 (-184), Assets 5,703 (3,421), Liabilities 5,900 (3,602)

Geographical areas

Group	Sweden		Rest of Europe		North America		Latin America		Asia		Africa		Australia, etc.		Undisclosed country		Total	
MSEK	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
External sales	32,509	26,140	20,392	15,829	7,069	6,148	3,439	4,556	5,856	5,329	485	165	3,038	3,375	6,358	2,209	**79,146**	**63,751**
as % of sales	41	41	26	25	9[1]	10[1]	4[2]	7[2]	7	8	1	0	4	5	8	4	**100**	**100**
Fixed assets	35,039	27,945	2,704	1,890	2,820	2,796	154	167	371	346	344	373	694	904	-	-	**42,126**	**34,421**

1) Which of US represents 8 per cent (9) of the Group's total sales.
2) Which of Brazil represents 4 per cent (7) of the Group's total sales.

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Sales by operating segment

MSEK	Parent Company 2025	2024
Aeronautics	19,004	16,538
Dynamics	3,731	3,412
Surveillance	19,889	16,003
Combitech	229	95
Corporate	113	243
Total	**42,966**	**36,291**

Sales by geographical market

MSEK	Parent Company 2025	2024
Sweden	22,078	16,540
Rest of Europe	11,206	9,172
North America	2,328	2,413
Latin America	3,305	4,447
Asia	2,967	2,914
Africa	105	115
Australia, etc.	135	101
Undisclosed country	842	589
Total	**42,966**	**36,291**

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 2025 sales of defence materiel accounted for 93 per cent (92) 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 2025, 59 per cent (59) 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 (36) of Saab's sales in 2025.

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 2025 Long-term customer contracts accounted for 62 per cent (63) 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 2025 and 2024. Approximately 70-80 per cent 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 2025 and during recent years conducted several large customer projects in the development phase.

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During 2025, 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 2025 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 31 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	2025	2024
Within 1 year	74,831	57,869
Within 2 years	77,850	53,200
Within 3 years	52,957	43,596
Within 4 years	33,169	22,196
4 years and forward	35,725	10,362
Total	**274,532**	**187,223**

	Aeronautics		Dynamics		Surveillance		Kockums		Combitech		Corporate/ elimination		Group	
MSEK	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Sales per customer:														
Military customers	17,619	15,562	19,992	14,109	24,887	19,536	8,866	7,645	1,899	1,494	313	296	73,576	58,642
Civilian customers	1,388	1,059	285	228	1,555	1,731	459	560	1,356	1,221	527	310	5,570	5,109
Total external sales	**19,007**	**16,621**	**20,277**	**14,337**	**26,442**	**21,267**	**9,325**	**8,205**	**3,255**	**2,715**	**840**	**606**	**79,146**	**63,751**
Sales by significant source:														
Long-term customer contracts	17,873	14,563	7,326	5,321	18,378	15,136	5,555	4,951	-	1	204	259	49,336	40,231
Services	710	824	3,274	1,686	3,835	3,363	1,759	1,616	2,804	2,454	182	176	12,564	10,119
Products	424	1,234	9,677	7,330	4,229	2,768	2,011	1,638	451	260	454	171	17,246	13,401
Total external sales	**19,007**	**16,621**	**20,277**	**14,337**	**26,442**	**21,267**	**9,325**	**8,205**	**3,255**	**2,715**	**840**	**606**	**79,146**	**63,751**
Sales by domain:														
Air	17,353	15,289	696	382	9,323	7,981	-	-	40	40	257	45	27,669	23,737
Land	145	174	16,228	12,728	7,017	4,037	-	-	1,878	1,472	41	65	25,309	18,476
Naval	4	8	3,264	1,148	8,195	7,357	9,325	8,205	6	6	45	130	20,839	16,854
Civil Security	36	37	65	43	1,873	1,867	-	-	358	378	71	70	2,403	2,395
Commercial Aeronautics	1,467	1,097	-	-	4	6	-	-	7	7	13	15	1,491	1,125
Other	2	16	24	36	30	19	-	-	966	812	413	281	1,435	1,164
Total external sales	**19,007**	**16,621**	**20,277**	**14,337**	**26,442**	**21,267**	**9,325**	**8,205**	**3,255**	**2,715**	**840**	**606**	**79,146**	**63,751**
Sales recognition method:														
Over time	16,355	13,638	8,594	6,314	19,281	15,685	8,734	7,667	3,233	2,709	271	277	56,468	46,290
Point in time	2,652	2,983	11,683	8,023	7,161	5,582	591	538	22	6	569	329	22,678	17,461
Total external sales	**19,007**	**16,621**	**20,277**	**14,337**	**26,442**	**21,267**	**9,325**	**8,205**	**3,255**	**2,715**	**840**	**606**	**79,146**	**63,751**

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Sales by customer

MSEK	Parent Company 2025	2024
Military customers	41,373	34,694
Civilian customers	1,593	1,597
Total	**42,966**	**36,291**

Sales by significant source

MSEK	Parent Company 2025	2024
Long-term customer contracts	34,064	28,779
Services	4,107	3,831
Products	4,795	3,681
Total	**42,966**	**36,291**

Sales by domain

MSEK	Parent Company 2025	2024
Air	25,882	22,488
Land	9,801	6,854
Naval	5,442	5,140
Civil Security	275	535
Commercial Aeronautics	1,474	1,106
Other	92	168
Total	**42,966**	**36,291**

Sales recognition method

MSEK	Parent Company 2025	2024
Over time	33,740	27,582
Point in time	9,226	8,709
Total	**42,966**	**36,291**

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:

MSEK	Group 2025	2024
Materials and components	19,288	13,615
Purchased services	13,847	12,492
Personnel costs	25,640	22,114
Depreciation/amortisation and write-downs	3,407	2,863
Other external costs	9,437	7,328
Total	**71,619**	**58,412**

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	**2025**	**2024**	**2025**	**2024**
Gain on sale of Group companies[1]	336	18	-	-
Government grants	78	59	53	48
Exchange rate gains on operating receivables/liabilities and change in value of derivatives	30	10	68	-
Gain on sale of tangible fixed assets	19	7	2	-
Gain from other operating activities	11	14	-	-
Insurance and similar compensations	11	1	-	-
Remeasurement of contingent consideration payable	-	145	-	-
Gain on sale of associated companies/joint ventures	-	1	-	-
Results from intangible assets	-	-	-	50
Other	53	46	12	1
Total	**538**	**301**	**135**	**99**

1) See note 39 and note 41.

Other operating expenses

	Group		Parent Company	
MSEK	**2025**	**2024**	**2025**	**2024**
Write-downs of other receivables	-44	-	-	-
Loss on sale and disposal of tangible fixed assets	-25	-17	-21	-12
Exchange rate gains on operating receivables/liabilities and change in value of derivatives	-11	-28	-	-3
Change in fair value of biological assets	-8	0	-	-
Loss from other operating activities	-2	-2	-	-
Other	-45	-3	-1	-
Total	**-135**	**-50**	**-22**	**-15**

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 2025, MSEK 282 (232) was received in project-related support.

MSEK 308 (273) 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 179 (205) 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 2025 amounted to 26,507 (23,375), of whom 74 per cent (75) were men.

Average number of employees[1)]

	2025	of whom men	2024	of whom men
Parent company				
Sweden	13,054	73%	11,579	74%
Rest of Europe	8	84%	17	86%
Latin America	29	81%	32	87%
Asia	1	100%	3	100%
Parent company, total	**13,092**	**73%**	**11,631**	**74%**
Group companies				
Sweden	8,182	72%	7,114	73%
Rest of Europe	2,040	82%	1,779	84%
North America	1,134	74%	1,013	76%
Latin America	148	69%	127	70%
Asia	440	79%	314	79%
Africa	456	68%	410	70%
Australia, etc	1,015	76%	987	78%
Group companies, total	**13,415**	**74%**	**11,744**	**75%**
Group, total	**26,507**	**74%**	**23,375**	**75%**

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	**2025**	**2024**
Board of Directors [1)]	30	30
Other senior executives	31	29

1) Of the Board members elected by the shareholders' meeting, and not employed by the company.

Salaries, other remuneration and social security expenses

	2025		2024	
MSEK	**Salaries and other remuneration**	**Social security expenses**	**Salaries and other remuneration**	**Social security expenses**
Parent company	9,015	4,303	7,743	3,719
of which pension costs[1)]		1,400		1,233
Group companies	9,665	2,657	8,294	2,358
of which pension costs[2)]		815		819
Group, total	**18,680**	**6,960**	**16,037**	**6,077**
of which pension costs[3)]		2,215		2,052

1) Of the Parent Company's pension costs, MSEK 9 (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 30 for more information.
3) Of the Group's pension costs, MSEK 25 (26) referred to the Group's and Group companies' Boards and Presidents. The Group's outstanding pension obligations for these individuals amounted to MSEK 12 (12), 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

	2025		2024	
MSEK	**Board, President and Executive Vice Presidents**	**Other employees**	**Board, President and Executive Vice Presidents**	**Other employees**
Parent company	35	8,980	41	7,702
Group companies	108	9,557	109	8,185
Group, total	**143**	**18,537**	**150**	**15,887**

Of the salaries and remuneration paid to other employees in the Group, MSEK 49 (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 172 includes information about share-based payments.

For information on post-employment benefits, see note 30.

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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 2025 – April 2026, amount to KSEK 9,855 (9,020), consisting of KSEK 2,450 (2,250) to the Chairman, KSEK 925 (850) to the Deputy Chairman and KSEK 810 (740) 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 2025 – April 2026, committee chairman Joakim Westh also received a fee of KSEK 375 (360) and committee members Erika Söderberg Johnson and Sebastian Tham each received a fee of KSEK 240 (230).

For remuneration committee work, during the term April 2025 – April 2026, committee chairman Johan Menckel also received a fee of KSEK 205 (195) and committee members Marcus Wallenberg and Bert Nordberg each received a fee of KSEK 120 (115).

Remuneration to Board members and committee members recognised as cost for fiscal year 2025 is shown in the table on page 172.

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 2025, the cost for salary and other benefits to President and CEO Micael Johansson amounted in total to KSEK 28,576 (27,571), of which other benefits, including share related plans, amounted to KSEK 11,347 (10,935). Micael Johansson has participated in ongoing Share Matching plan 2022-2025, in Performance Share Plan 2022-2025 and in Special Projects Incentive 2022-2025. For more detailed information regarding Saab's long-term incentive programmes, see pages 172-175.

Pension terms

The retirement age for the President is 67 (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 67 (65). To this is added the cost of pension premiums according to the ITP plan. The pension commitment is vested.

For 2025 the cost of President Micael Johansson's pension including ITP, was KSEK 6,203 (5,965).

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 12 (13) individuals at 31 December 2025: the Executive Vice President, the Heads of the Business Areas and the Heads of Group Staff Functions. At 31 December 2025 Group Management was comprised of Micael Johansson (President), Anna Wijkander, Anders Carp, Mikael Adelsberg, Annika Bäremo, Lena Eliasson, Viktor Wallström, Eva Karlsson, Marcus Wandt, Carl-Johan Bergholm, Görgen Johansson, Lars Tossman and Mats Wicksell. 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 2022-2025, Share Matching Plan 2022-2025 and Special Projects Incentive 2022-2025.

In 2025, the cost for salaries and other benefits to other senior executives totalled KSEK 82,502 (85,303), of which other benefits, including share related plans, amounted to KSEK 26,697 (26,055). For more detailed information regarding Saab's long-term incentive programmes, see pages 172-175.

Pension terms

The retirement age for other senior executives is at least 62 years.

In addition to ITP, 4 (5) members of the group are affiliated with the Saab plan and 8 (7) 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 2025, pension costs for other senior executives, including ITP and its equivalent, amounted to KSEK 18,232 (19,506). 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 (12) 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

KSEK	2025 Base salary/ Board and committee fee	2025 Share related plans[2]	2025 Other benefits[1]	2025 Pension cost	2025 Total	2024 Base salary/ Board and committee fee	2024 Share related plans[2]	2024 Other benefits[1]	2024 Pension cost	2024 Total
Chairman of the Board										
Marcus Wallenberg	2,519				2,519	2,334				2,334
Deputy Chairman										
Bert Nordberg	1,025				1,025	944				944
Other Board members										
Sara Mazur	-				-	175				175
Lena Erixon	793				793	730				730
Joakim Westh	1,164				1,164	1,074				1,074
Danica Kragic Jensfelt	793				793	730				730
Erika Söderberg Johnson	1,030				1,030	950				950
Johan Menckel	995				995	918				918
Henrik Henriksson	793				793	730				730
Sebastian Tham	1,030				1,030	950				950
Anders Ynnerman	793				793	555				555
President and CEO Micael Johansson	17,229	11,122	225	6,203	34,779	16,636	10,576	359	5,965	33,536
Other senior executives	55,805	24,158	2,539	18,232	100,734	59,248	23,300	2,755	19,506	104,809
Total	**83,969**	**35,280**	**2,764**	**24,435**	**146,448**	**85,974**	**33,876**	**3,114**	**25,471**	**148,435**

Guidelines for remuneration and other benefits for senior executives are described in the administration report.

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.

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 or 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.

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Share-settled programs

Long-term incentive programme
The Annual General Meeting of Saab has for a number of years resolved 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 2025 resolves to adopt long-term incentive programme 2026 (LTI 2026), consisting of Share Matching Plan 2026, Performance Share Plan 2026 and Special Projects Incentive 2026. The Annual General Meeting resolved in accordance with the Board's proposal. The Board of Directors decided in October 2025 to propose a revised long-term incentive programme 2026 (Revised LTI 2026) to the Annual General Meeting 2026 that will replace the previously resolved LTI 2026. Until LTI 2023, 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 4,400,000 in LTI 2025 to 1,466,000 in Revised LTI 2026.

Ongoing incentive programmes[1) 3)]	Maximum number of shares	Maximum number of participants[2)]
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	
Share Matching Plan 2026	918,000	
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
Performance Share Plan 2026	372,000	400
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
Special Projects Incentive 2026	176,000	200

1) Share Matching Plan 2022-2026, Performance Share Plan 2022-2026, and Special Projects Incentive 2022-2026 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.
3) Share Matching Plan 2026, Performance Share Plan 2026, and Special Projects Incentive 2026 are based on the Revised LTI 2026 that will be proposed to the Annual General Meeting 2026 and replace the previously resolved LTI 2026.

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 2022–2026 are ongoing.

In the Share Matching Plan 2022, shares have been matched three times in 2025 and once in February 2026. In Share Matching Plan 2023, shares will be matched three times in 2026 and once in February 2027.

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, 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, provided that they also participate in the Share Matching Plan with a maximum of 5 per cent of base salary. From 2024 to 2025, 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. As from 2026, the Performance Share Plan has been amended from a performance share matching program to a performance allotment program with no savings requirement for purchase of B-shares. This means that delivery of performance shares to the participants shall be based on the achievement of the performance targets and continued employment within the Saab Group during the entire three-year period of the plan. The level of allotment of performance shares is 30-50 per cent of the annual cash base salary. Performance Share Plan 2026 is subject to the approval of the Revised LTI 2026 by the Annual General Meeting.

The number of performance shares is linked to the performance targets established by the Board of Directors. 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 [1)], EBIT margin [2)], operational cash flow [3)], CO2 reduction [4)] and number of female employees [5)]. 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. 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 2022-2026 are ongoing.

In Performance Share Plan 2022, performance matching has occured three times in 2025 and once in February 2026. In Performance Share Plan 2023, performance matching will take place three times in 2026 and once in February 2027.

After the end of the one-year performance period for the Performance Share Plan 2025, on 31 December 2025, it was determined that the targets had been achieved and the Board of Directors approved performance matching as follows. Performance matching will take place seven times in 2028 and once in February 2029.

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, and any other extraordinary or non-recurring items.
5) Adjusted for acquisitions and divestments, regulatory changes and other extraordinary events.

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Performance Share Plan

2025	Outcome	Outcome performance targets, %	Weighted, %	Allotment, %
Organic sales growth	26%	100	20	20
EBIT margin	9.8%	100	30	30
Operational cash flow	MSEK 5,273	100	40	40
CO2 reduction[1)]	-1.6%	38	5	2
Female employee increase[1)]	27.2%	72	5	3
Total allotment				**95**

1) Final outcome is based on a three-year performance period and will be approved after year-end 2027.

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**

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. Until 2025, 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 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 ten equally weighted performance targets in SPI 2022-2024. As of SPI 2025, the programme is based on ten to fifteen equally weighted performance targets.

As of 2026, participation in Special Projects Incentive programme shall no longer presuppose savings under the Performance Share Plan 2026 or the Share Matching Plan 2026. The level of allotment of performance shares is 20-50 percent of the annual cash base salary depending on group belonging. The total value of performance shares under Performance Share Plan 2026 and Special Projects Incentive can not exceed 100 per cent of the cash base salary for the President and 80 per cent of the cash base salary for the members of the Group Management. Special Projects Incentive 2026 is subject to the approval of the Revised LTI 2026 by the Annual General Meeting.

After the end of the one-year performance period for the SPI 2025, on 31 December 2025, it was determined that eleven of fifteen performance targets had been met. The fifteen performance targets in SPI 2025 were 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. The performance targets may be related to e.g. product design review, customer design review, partial deliveries or system implementation. Each performance target represents 6.67 per cent of the total performance targets. The performance targets in previous SPI programmes have been of a similar nature as in SPI 2025. 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 2025 will be allotted in February 2028. In 2025, a total of 169,036 shares have been allotted in SPI 2022.

Number of Series B shares purchased and number of participants, Share Matching Plans, 2022–2025

Year	Number of shares	Number of participants
2022	1,894,948	8,112
2023	1,396,356	8,857
2024	936,643	11,043
2025	674,237	13,874

Number of Series B shares purchased and number of participants, Performance Share Plans, 2022–2025

Year	Number of shares	Number of participants
2022	185,080	194
2023	145,040	199
2024	86,072	199
2025	64,310	291

Share Matching Plan

Thousands	2022	2023	2024	2025	Total
Number of matching shares eligible at beginning of the year	1,628	1,286	914	-	3,828
Allotted during the year (purchased shares)	-	-	178	674	852
Early share matching	-	-36	-25	-6	-67
Ordinary share matching	-1,328	-	-	-	-1,328
Forfeited	-26	-39	-45	-14	-124
Number of matching shares eligible at year-end	**274**	**1,211**	**1,022**	**654**	**3,161**
Average remaining maturity, years	-	0.8	1.8	2.8	

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Performance Share Plan

Thousands	2022	2023	2024	2025	Total
Number of matching shares eligible at beginning of the year	171	136	84	-	391
Allotted during the year (purchased shares)	-	-	12	64	76
Early share matching	-	-7	-3	-	-10
Ordinary share matching	-147	-	-	-	-147
Forfeited	-	-	-	-	-
Number of matching shares eligible at year-end	**24**	**129**	**93**	**64**	**310**
Average remaining maturity, years		0.8	1.8	2.8	

Total number of shares eligible at year-end

Thousands	2022	2023	2024	2025	Total
Share Matching Plan	274	1,211	1,022	654	3,161
Performance Share Plan	24	129	93	64	310
Less: Shares included in both plans	-24	-129	-93	-64	-310
Total	**274**	**1,211**	**1,022**	**654**	**3,161**

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. During 2025, the first vesting period under the Key Employee Plan 2023 occurred, during which 223,145 synthetic shares vested and were paid out, corresponding to a total amount of MSEK 60.

Number of outstanding synthetic shares and number of participants, Key Employee Plan, as per 2025-12-31

Year	Number of outstanding synthetic shares	Number of participants
2023	218,284	740
2024	720,550	1,355
2025	572,623	1,416

Recognised expense for above-mentioned plans, including social security expenses

MSEK	2025	2024
Share-settled programs		
Share Matching Plan 2021	-	168
Share Matching Plan 2022	270	99
Share Matching Plan 2023	138	93
Share Matching Plan 2024	138	36
Share Matching Plan 2025	60	-
Performance Share Plan 2021	-	45
Performance Share Plan 2022	64	20
Performance Share Plan 2023	31	22
Performance Share Plan 2024	42	11
Performance Share Plan 2025	23	-
Special Projects Incentive 2022	-	14
Special Projects Incentive 2023	29	14
Special Projects Incentive 2024	11	9
Special Projects Incentive 2025	17	-
Total share-settled programs	**823**	**531**
Cash-settled programs		
Key Employee Plan 2023	61	74
Key Employee Plan 2024	188	74
Key Employee Plan 2025	127	-
Total cash-settled programs	**376**	**148**
Total recognised expense	**1,199**	**679**

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, 2025 the accrued expense for cash-settled programs was MSEK 473 (172). During 2025, the first vesting period under the Key Employee Plan 2023 occurred, during which synthetic shares vested and were paid out. Administrative expenses for the share-based compensation programs amounted to MSEK 8 (10) in 2025.

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Note 9. Auditors' fees and compensation

	Group		Parent Company	
MSEK	**2025**	**2024**	**2025**	**2024**
PwC				
Audit assignments	28	25	15	14
where of PwC Sweden	*20*	*19*		
Audit work in excess of the audit assignment	3	1	3	1
where of PwC Sweden	*3*	*1*		
Tax advice	0	0	0	0
Other services	1	3	1	2
where of PwC Sweden	*1*	*3*		
Other audit firms				
Audit assignments	4	4	-	-
Total	**36**	**33**	**19**	**17**
where of PwC Sweden	*25*	*22*		

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 2025, a statutory limited review of Saab's sustainability report is also included in the audit work in excess of the audit assignment.

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		Parent Company	
MSEK	**2025**	**2024**	**2025**	**2024**
Depreciation/amortisation				
Goodwill	-	-	-40	-40
Capitalised development costs	-725	-634	-	-
Other intangible fixed assets	-199	-230	-156	-160
Operating properties	-137	-131	-	-
Buildings	-	-	-73	-70
Plant and machinery	-557	-414	-317	-235
Equipment, tools and installations	-638	-539	-406	-337
Right-of-use assets	-811	-697	-	-
Total	**-3,067**	**-2,645**	**-992**	**-842**
Write-downs				
Other intangible fixed assets	-214	-95	-214	-
Total	**-214**	**-95**	**-214**	-

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Note 11. Financial income and expenses

	Group	
MSEK	2025	2024
Interest income on interest-bearing investments and other loans receivable	422	521
Financial income from revaluation and disposal of financial assets and liabilities measured at fair value through profit or loss	279	18
Other financial income	7	24
Financial income	**708**	**563**
Interest expenses on bonds and other financial liabilities	-370	-400
Interest expenses on lease liabilities	-200	-159
Financial expenses from revaluation and disposal of financial assets and liabilities measured at fair value through profit or loss	-	-284
Financial expenses related to pensions	-38	-46
Other financial expenses	-147	-47
Financial expenses	**-755**	**-936**
Net financial income and expenses	**-47**	**-373**

	Parent Company			
	Result from shares in Group companies		Result from shares in associated companies/ joint ventures	
MSEK	2025	2024	2025	2024
Dividends	604	337	53	-
Group contributions received	859	2,180	-	-
Capital gain on sale of shares	481	0	-	-
Write-downs/reversal of write-downs	7	-183	-	-80
Other	-1	-1	-	-
Total	**1,950**	**2,333**	**53**	**-80**

	Parent Company			
	Result from other securities and receivables held as fixed assets		Other interest income and similar profit/loss items	
MSEK	2025	2024	2025	2024
Interest income, Group companies	-	-	178	142
Other interest income	-	-	366	429
Exchange rate differences	5	12	-	-
Net change in value from revaluation and disposal of financial assets/liabilities	378	59	-	-
Write-downs of financial assets	-112	-6	-	-
Other	-43	-25	-	-
Total	**228**	**40**	**544**	**571**

	Parent Company	
	Interest expenses and similar profit/loss items	
MSEK	2025	2024
Interest expenses, Group companies	-151	-160
Other interest expenses	-290	-261
Total	**-441**	**-421**

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Note 12. Appropriations and untaxed reserves

Appropriations

	Parent Company	
MSEK	2025	2024
Plant and machinery as well as equipment, tools and installations	-345	-264
Total difference between tax depreciation and depreciation according to plan	**-345**	**-264**
Net change in tax allocation reserves	-740	-560
Total	**-1,085**	**-824**

Untaxed reserves

	Parent Company	
MSEK	2025	2024
Tax allocation reserve:		
Opening balance, 1 January	3,357	2,797
Allocation for the year	1,100	1,090
Dissolution for the year	-360	-530
Closing balance, 31 December	**4,097**	**3,357**
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	1,393	1,129
Accelerated depreciation for the year	345	264
Closing balance, 31 December	**1,738**	**1,393**
Total untaxed reserves, 31 December	**5,835**	**4,750**

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		Parent Company	
MSEK	2025	2024	2025	2024
Current tax expense (–)/tax income (+)				
Taxes for the year	-1,572	-1,056	-710	-725
Adjustment for taxes related to previous years	14	1	-1	-3
Total	**-1,558**	**-1,055**	**-711**	**-728**
Deferred tax expense (–)/tax income (+)				
Deferred tax related to temporary differences	-192	-43	226	25
Deferred tax related to value of tax loss carry forwards capitalised during the year	151	60	-	-
Deferred tax expense due to utilisation of previously capitalised tax value in tax loss carry forwards	-65	-46	-	-
Deferred tax related to previous years	1	5	-	-
Total	**-105**	**-24**	**226**	**25**
Total recognised tax	**-1,663**	**-1,079**	**-485**	**-703**

The Group's total deferred tax amounted to MSEK -105 (-24) and current tax expense for the year amounted to MSEK -1,558 (-1,055), leading to a total recognised tax of MSEK -1,663 (-1,079) 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.

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Reconciliation of effective tax

	Group			
MSEK	2025 (%)	2025	2024 (%)	2024
Income before taxes		8,019		5,289
Tax according to current tax rate for the Parent Company	-20.6	-1,652	-20.6	-1,089
Effect of other tax rates for foreign operations	-0.7	-55	-1.1	-57
Non-deductible expenses	-1.1	-86	-1.3	-70
Tax-exempt income	1.2	100	1.3	68
Tax on additional non-capitalised tax loss carry forwards	-0.6	-51	-0.4	-20
Utilisation of previously non-capitalised tax loss carry forwards	0.5	38	0.9	45
Effect from tax deductions and other similar items	0.2	14	0.4	22
Tax related to previous years	0.2	15	0.1	6
Effect on tax from associated companies	0.3	28	0.3	15
Pillar II tax	-0.0	-3	-	-
Other	-0.1	-11	0.0	1
Reported effective tax	**-20.7**	**-1,663**	**-20.4**	**-1,079**

Current and deferred taxes amounted to MSEK -1,663 (-1,079), equivalent to an effective tax rate of 20.7 per cent (20.4). The increase in the effective tax rate was mainly a result of the change in effect on tax from non-capitalised loss carry forwards.

	Parent Company			
MSEK	2025 (%)	2025	2024 (%)	2024
Income before taxes		3,117		3,268
Tax according to current tax rate for the Parent Company	-20.6	-642	-20.6	-673
Tax allocated to foreign operations	-0.0	-1	-0.2	-5
Non-deductible expenses	-2.6	-82	-3.0	-97
Tax-exempt income	7.6	241	2.3	75
Tax related to previous years	-0.0	-1	-0.0	-3
Reported effective tax	**-15.6**	**-485**	**-21.5**	**-703**

Tax items recognised directly against other comprehensive income

	Group	
MSEK	2025	2024
Provisions for pensions	-174	-72
Cash flow hedges	-745	492
Equity instruments classified as measured at fair value through other comprehensive income	-	-8
Interest-bearing investments measured at fair value through other comprehensive income	-4	-1
Total	**-923**	**411**

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	1,119	584
2026	-	95
2027	-	66
2028	-	111
2029	-	232
2030	-	1,249
2031	-	2
2032	-	0
Total tax loss carry forwards	**1,119**	**2,339**
Recognised deferred tax asset	**265**	**-**

At the close of 2025, the Saab Group's unrecognised tax loss carryforwards amounted to MSEK 2,339 (2,261).

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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 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
Opening balance 1 Jan 2025	**-1,226**	**-591**	**-578**	**657**	**626**	**395**	**538**	**-709**	**199**	**140**	**-549**		**-549**
Recognised in the income statement	14	-213	-401	76	405	-24	84	-153	86	21	-105		-105
Recognised in other comprehensive income	-	-	-	-	-	-174	-	-	-	-749	-923		-923
Acquired/divested operations	-2	-	-	-	-	-	-	-1	-	-	-3		-3
Translation differences	10	2	11	-30	-12	-	-7	-	-20	21	-25		-25
Closing balance 31 Dec 2025	**-1,204**	**-802**	**-968**	**703**	**1,019**	**197**	**615**	**-863**	**265**	**-567**	**-1,605**		**-1,605**
Of which, deferred tax assets	26	39	-	703	1,019	197	615	-	265	655	3,519	-3,107	412
Of which, deferred tax liabilities	-1,230	-841	-968	-	-	-	-	-863	-	-1,222	-5,124	3,107	-2,017

The Group's total deferred tax expense in the 2025 income statement amounted to MSEK -105 (-24). The Group's total deferred tax income/expense in the statement of other comprehensive income amounted to MSEK -923 (411).

The net closing balance on 31 December 2025, MSEK -1,605 (-549), consisted of deferred tax assets of MSEK 412 (521) and deferred tax liabilities of MSEK -2,017 (-1,070).

The net change in the year's tax loss carry forwards, excluding translation differences, amounted to MSEK 86 (14) , which is the amount of deferred tax on capitalised tax value in tax loss carry forwards, MSEK 151 (60), and deferred tax expense due to utilisation of previously capitalised tax value in tax loss carry forwards, MSEK -65 (-46).

Other amounts in the "Recognised in the income statement" row in the table above amounted to MSEK -191 (-38), 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 relate to the divestment of the Saab TransponderTech AB and the acquisition of Deform, see note 39.

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MSEK	Parent Company Deferred tax assets 31-12-2025	Deferred tax liabilities 31-12-2025	Net
Tangible fixed assets	-	-188	-188
Inventories	195	-	195
Accounts receivable	3	-	3
Provisions for pensions	121	-	121
Other provisions	338	-	338
Long-term liabilities	3	-	3
Accrued expenses and deferred income	100	-	100
Other	133	-	133
Tax assets/liabilities, total	**893**	**-188**	**705**
Set-off	-188	188	-
Tax assets/liabilities, net	**705**	**-**	**705**

MSEK	Parent Company Deferred tax assets 31-12-2024	Deferred tax liabilities 31-12-2024	Net
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**

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	456	4
Deferred tax assets expected to be recovered after one year	3,063	889

Estimated utilisation dates of recognised deferred tax liabilities

MSEK	Group	Parent Company
Deferred tax liabilities due for payment within one year	-722	-11
Deferred tax liabilities due for payment after one year	-4,402	-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 2025, the Group has performed preliminary calculations in accordance with the transitional Safe Harbour rules for all jurisdictions where the group operates. This, to evaluate whether the treshold of 16 per cent effective tax rate, calulated in accordance with the transitional Safe Harbour rules, in 2025 is met. Based on these calculations, no additional tax according to Pillar II has been idenitified apart from MSEK -3 related to one jurisdiction. The final impact of Pillar II is yet to be determined but is expected to be very limited.

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	2025	2024
Net income for the year attributable to Parent Company's shareholders (MSEK)	6,314	4,171
Weighted average number of common shares outstanding:		
before dilution (thousands)	536,594	534,008
after dilution (thousands)	539,792	539,218
Earnings per share, before dilution (SEK)	11.77	7.81
Earnings per share, after dilution (SEK)	11.70	7.74

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	**31-12-2025**	**31-12-2024**	**31-12-2025**	**31-12-2024**
Goodwill	5,289	5,572	13	53
Capitalised development costs	5,972	6,052	-	-
Other intangible assets	1,324	1,374	1,155	1,181
Total	**12,585**	**12,998**	**1,168**	**1,234**

Goodwill

	Group		Parent Company	
MSEK	**2025**	**2024**	**2025**	**2024**
Acquisition value				
Opening balance, 1 January	6,269	6,121	784	784
Business combinations	36	5	-	-
Disposals and reclassifications	-68	-4	-	-
Translation differences	-251	147	-	-
Closing balance, 31 December	**5,986**	**6,269**	**784**	**784**
Amortisation and write-downs				
Opening balance, 1 January	-697	-697	-731	-691
Amortisation for the year	-	-	-40	-40
Closing balance, 31 December	**-697**	**-697**	**-771**	**-731**
Carrying amount, 31 December	**5,289**	**5,572**	**13**	**53**

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Capitalised development costs

MSEK	Group 2025	Group 2024	Parent Company 2025	Parent Company 2024
Acquisition value				
Opening balance, 1 January	14,625	14,017	2,000	2,000
Internally developed assets	731	530	-	-
Business combinations	-	35	-	-
Disposals and reclassifications	-141	-	-	-
Translation differences	-80	43	-	-
Closing balance, 31 December	**15,135**	**14,625**	**2,000**	**2,000**
Amortisation and write-downs				
Opening balance, 1 January	-8,573	-7,911	-2,000	-2,000
Amortisation for the year	-725	-634	-	-
Disposals and reclassifications	86	-	-	-
Translation differences	49	-28	-	-
Closing balance, 31 December	**-9,163**	**-8,573**	**-2,000**	**-2,000**
Carrying amount, 31 December	**5,972**	**6,052**	**-**	**-**

Other intangible assets

MSEK	Group 2025	Group 2024	Parent Company 2025	Parent Company 2024
Acquisition value				
Opening balance, 1 January	4,234	3,946	3,207	2,975
Investments	379	297	346	284
Business combinations	8	5	-	-
Disposals and reclassifications	-330	-74	-323	-52
Translation differences	-98	60	-	-
Closing balance, 31 December	**4,193**	**4,234**	**3,230**	**3,207**
Amortisation and write-downs				
Opening balance, 1 January	-2,860	-2,535	-2,026	-1,894
Amortisation for the year	-199	-230	-156	-160
Write-downs for the year	-214	-95	-214	-
Disposals and reclassifications	323	38	321	28
Translation differences	81	-38	-	-
Closing balance, 31 December	**-2,869**	**-2,860**	**-2,075**	**-2,026**
Carrying amount, 31 December	**1,324**	**1,374**	**1,155**	**1,181**

Amortisation is included in the following lines in the income statement

MSEK	Group 2025	Group 2024	Parent Company 2025	Parent Company 2024
Cost of goods sold	401	205	410	200
Marketing expenses	12	120	-	-
Research and development costs	725	634	-	-

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	31-12-2025	31-12-2024
Aeronautics	119	119
Dynamics	623	623
Surveillance	3,765	4,064
Kockums	398	373
Combitech	345	351
Corporate	39	42
Total goodwill	**5,289**	**5,572**

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 2025, 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 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 2025 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	**31-12-2025**	**31-12-2024**	**31-12-2025**	**31-12-2024**
Operating properties/ buildings and land[1]	4,040	3,271	1,869	1,690
Plant and machinery	4,623	3,439	2,440	1,966
Equipment, tools and installations	2,593	2,106	1,480	1,232
Construction in progress	5,626	3,668	2,904	1,522
Total	**16,882**	**12,484**	**8,693**	**6,410**

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	**2025**	**2024**	**2025**	**2024**
Acquisition value				
Opening balance, 1 January	6,715	6,413	2,755	2,689
Investments	591	255	266	100
Business combinations	21	-	-	-
Reclassifications	386	35	-	-
Divestments and disposals	-165	-38	-150	-34
Translation differences	-109	50	-	-
Closing balance, 31 December	**7,439**	**6,715**	**2,871**	**2,755**
Depreciation and write-downs				
Opening balance, 1 January	-3,444	-3,320	-1,962	-1,915
Depreciation for the year	-137	-131	-73	-70
Business combinations	-5	-	-	-
Divestments and disposals	148	25	136	23
Translation differences	39	-18	-	-
Closing balance, 31 December	**-3,399**	**-3,444**	**-1,899**	**-1,962**
Revaluations				
Opening balance, 1 January	-	-	897	897
Closing balance, 31 December	**-**	**-**	**897**	**897**
Carrying amount, 31 December	**4,040**	**3,271**	**1,869**	**1,690**

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	**2025**	**2024**	**2025**	**2024**
Acquisition value				
Opening balance, 1 January	8,025	6,608	4,807	4,001
Investments	1,731	1,495	665	928
Business combinations	31	6	-	-
Reclassifications	181	85	133	-
Divestments and disposals	-314	-278	-298	-122
Translation differences	-277	109	-	-
Closing balance, 31 December	**9,377**	**8,025**	**5,307**	**4,807**
Depreciation and write-downs				
Opening balance, 1 January	-4,586	-4,293	-2,841	-2,710
Depreciation for the year	-557	-414	-317	-235
Business combinations	-28	-	-	-
Reclassifications	-	-31	-	-
Divestments and disposals	305	216	291	104
Translation differences	112	-64	-	-
Closing balance, 31 December	**-4,754**	**-4,586**	**-2,867**	**-2,841**
Carrying amount, 31 December	**4,623**	**3,439**	**2,440**	**1,966**

Equipment, tools and installations

	Group		Parent Company	
MSEK	**2025**	**2024**	**2025**	**2024**
Acquisition value				
Opening balance, 1 January	5,669	4,792	3,598	3,109
Investments	1,290	974	791	558
Business combinations	10	-	-	-
Reclassifications	-96	-25	-133	-5
Divestments and disposals	-192	-100	-153	-64
Translation differences	-125	28	-	-
Closing balance, 31 December	**6,556**	**5,669**	**4,103**	**3,598**
Depreciation and write-downs				
Opening balance, 1 January	-3,563	-3,136	-2,366	-2,090
Depreciation for the year	-638	-539	-406	-337
Business combinations	-9	-	-	-
Reclassifications	-	34	-	-
Divestments and disposals	179	96	149	61
Translation differences	68	-18	-	-
Closing balance, 31 December	**-3,963**	**-3,563**	**-2,623**	**-2,366**
Carrying amount, 31 December	**2,593**	**2,106**	**1,480**	**1,232**

Construction in progress

	Group		Parent Company	
MSEK	**2025**	**2024**	**2025**	**2024**
Acquisition value				
Opening balance, 1 January	3,668	2,437	1,522	1,395
Investments	2,500	1,288	1,382	98
Reclassifications	-475	-59	-	29
Translation differences	-67	2	-	-
Carrying amount, 31 December	**5,626**	**3,668**	**2,904**	**1,522**

Investments in construction in progress refer to a net of new investments and reclassifications to other asset classes in the parent company.

Collateral
On 31 December 2025 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 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**
Opening balance, 1 January 2025	2,434	447	2,881
New leases	2,582	210	2,792
Depreciation	-639	-172	-811
Revaluation [1]	122	-158	-36
Translation differences	-51	-11	-62
Closing balance, 31 December 2025	**4,448**	**316**	**4,764**

1) Revaluation primarily refers to extensions of existing contracts but also indexation and early termination of contracts.

Lease liabilities

	Group	
MSEK	2025	2024
Opening balance lease liabilities, 1 January	3,032	2,675
of which long-term leases	*2,337*	*2,078*
of which short-term leases	*695*	*597*
New leases	2,759	721
Expensed interest	200	159
Lease fees paid	-926	-849
Revaluation [1]	-70	269
Translation differences	-71	57
Closing balance, 31 December	**4,924**	**3,032**
of which long-term leases	*4,198*	*2,337*
of which short-term leases	*726*	*695*

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 907 (775), MSEK 1,912 (1,390) in the range from one to three years and MSEK 3,934 (1,370) 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 2,343 (1,781). 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 a few leases on properties and premises with estimated access during the first half year 2026. The rental terms are between one and twelve years and generate a total rental commitment of approximately SEK 0.5 billion.

Result from leases that are not recognised as right-of-use assets and lease liabilities

	Group	
MSEK	**2025**	**2024**
Costs for short-term leases	51	34
Costs for leases for assets of low-value	23	5
Total	**74**	**39**

Lease fees paid for leases that are not recognised as right-of-use assets and lease liabilities amounted to MSEK 74 (39) whereby the Group paid total lease fees of MSEK 1,000 (888). Contractual obligations for short-term leases amounted to MSEK 16 (9) as of 31 December 2025.

The following table provide the result of lease contracts for the Parent Company.

	2025		2024	
MSEK	**Buildings and land**	**Plant and machinery**	**Buildings and land**	**Plant and machinery**
Expensed lease fees	537	106	457	101
of which variable lease fees	-	-	-	-
Contracted lease fees				
Within 1 year	616	86	461	92
1 to 3 years	1,524	82	970	77
Later than three years	3,875	-	1,132	4
Total contracted	**6,015**	**168**	**2,563**	**173**

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	**2025**	**2024**
Living forest		
Carrying amount, 1 January	414	414
Investments	-	-
Divestments	-	-
Change in fair value	15	34
Less fair value logging	-23	-34
Carrying amount, 31 December	**406**	**414**
Of which fixed assets	406	414

On 31 December 2025, biological assets consisted of approximately 385,000 m³sk of spruce, 811,000 m³sk of pine and 94,000 m³sk of hardwood. Forest growth is estimated at 37,000 m³sk per year. During the year, approximately 31,000 m³sk of timber was felled, which had a fair value in the Group, after deduction of selling expenses, of MSEK 23 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	**2025**	**2024**
Carrying amount, 1 January	315	253
Acquisition of associated companies and joint ventures	0	-
Share of income in associated companies and joint ventures [1]	136	72
New share issues/infusion of capital	9	12
Translation differences	-27	-
Dividends	-77	-22
Carrying amount, 31 December	**356**	**315**

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. Saab owns 49.0% of the shares in FFV Services Private Limited (India), 33.0% of the shares in Taurus Systems GmbH (Germany), 27.2% of the shares in Wah Nobel (Pvt) Ltd (Pakistan) and other associated companies, mainly in the Ventures portfolio.

Aggregate net income for Saab's associated companies and joint ventures amounted to MSEK 608 (220).

Saab's share of income in associated companies and joint ventures amounts to MSEK 136 (72).

Shares in associated companies and joint ventures as of 31 December 2025 include goodwill of MSEK 16 (19).

Note 20. Parent company's shares in associated companies and joint ventures

	Parent Company	
MSEK	**2025**	**2024**
Accumulated acquisition value		
Opening balance, 1 January	74	74
Acquisitions	-	-
Divestments	-	-
Write-downs	-	-
Closing balance, 31 December	**74**	**74**
Carrying amount, 31 December	**74**	**74**

Specification of Parent Company's (co-owner's) directly owned holdings of shares in associated companies and joint ventures

	2025		2024	
MSEK	**% of votes and capital**	**Carrying amount**	**% of votes and capital**	**Carrying amount**
Associated companies				
Kedtech Holding AB, 556945-3748, Stockholm	23.0	0	23.0	0
Skill Scandinavia AB, 556060-5478, Linköping	40.2	2	40.2	2
AVIA SATCOM Co Ltd, Thailand	25.1	0	25.1	0
Combient AB, 556985-1560, Järfälla	24.9	35	24.9	35
Joint ventures				
Järfälla-Veddesta Holdings AB, 559025-4024, Linköping	35.0	37	35.0	37
Total		**74**		**74**

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Note 21. Receivables from group companies

	Parent Company			
	Long-term receivables from Group companies		Long-term receivables from associated companies and joint ventures	
MSEK	**2025**	**2024**	**2025**	**2024**
Accumulated acquisition value				
Opening balance, 1 January	90	90	164	238
Change in reserve for excepted credit losses	-	-	0	0
Realised loss on receivables	-	-	-	-81
Settled receivables	-	-	-9	-10
Additional receivables	-	-	-	0
Translation differences	-	-	-	17
Closing balance, 31 December	**90**	**90**	**155**	**164**

Note 22. Other long-term securities holdings

	Parent Company	
MSEK	**2025**	**2024**
Accumulated acquisition value		
Opening balance, 1 January	3,055	1,159
Acquisition of shares	107	286
Acquisition of convertible loans	344	-
Acquisition of interest-bearing investments	1,711	1,610
Closing balance, 31 December	**5,217**	**3,055**
Accumulated write-downs		
Opening balance, 1 January	-17	-17
Write-downs for the year	-71	-
Closing balance, 31 December	**-88**	**-17**
Carrying amount, 31 December	**5,129**	**3,038**

Acquisition of shares in 2025 refers to Pythom Global AG, Sferical AI Holding AB and Helsing GmbH.
Acquisition of convertible loans in 2025 refers to High Thor Capital LLP and Helsing GmbH.

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Note 23. Long-term receivables and other receivables

MSEK	Group 31-12-2025	Group 31-12-2024
Long-term receivables held as fixed assets		
Receivables from associated companies, interest-bearing	36	28
Receivables from joint ventures, interest-bearing	154	164
Other interest-bearing receivables	28	49
Receivables attributable to pensions, interest-bearing	76	79
Other non interest-bearing receivables	116	115
Total	**410**	**435**

MSEK	Group 31-12-2025	Group 31-12-2024
Other receivables held as current assets		
Receivables from joint ventures, non interest-bearing	17	20
Advance payments to suppliers	3,579	2,154
Other interest-bearing receivables	68	73
Other non interest-bearing receivables	1,530	1,012
Total	**5,194**	**3,259**

MSEK	Parent Company 31-12-2025	Parent Company 31-12-2024
Other long-term receivables		
Interest-bearing receivables	27	48
Non interest-bearing receivables	8	8
Total	**35**	**56**

MSEK	Parent Company 31-12-2025	Parent Company 31-12-2024
Other receivables held as current assets		
Positive market value related to FX forwards	178	561
Other non interest-bearing receivables	654	573
Total	**832**	**1,134**

MSEK	Parent Company 31-12-2025	Parent Company 31-12-2024
Long-term receivables		
Accumulated acquisition value		
Opening balance, 1 January	56	59
Additional receivables	17	13
Settled receivables	-	-16
Write-downs	-38	-
Closing balance, 31 December	**35**	**56**

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.

MSEK	Group 31-12-2025	Group 31-12-2024	Parent Company 31-12-2025	Parent Company 31-12-2024
Raw materials and consumables	15,408	11,751	8,019	5,626
Work in progress	8,868	8,698	5,094	5,120
Finished goods and goods for resale	1,163	1,376	852	1,102
Advance payments to suppliers [1]	-	-	571	682
Total	**25,439**	**21,825**	**14,536**	**12,530**

1) Advance payments to suppliers are reported as other receivables in the Group.

The Group's cost of goods sold includes inventory write-downs of MSEK 287 (149). The reversal of previous write-downs amounted to MSEK 161 (26).

Cost of goods sold for the Parent company includes inventory write-downs of MSEK 214 (110) and reversals of previous write-downs of MSEK 157 (18).

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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 2025 the Group's outstanding accounts receivable amounted to MSEK 13,713 (11,334) of which MSEK 12,651 (10,434) were attributable to defense-related operations. Contract assets amounted to MSEK 18,475 (14,323) of which 18,006 (13,534) were attributable to defence-related operations.

Defence-related sales accounted for 93 per cent (92) 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 64 per cent (55) 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 59 (68) as of 31 December 2025, corresponding to 0.4 per cent (0.6) of total accounts receivable. Write-downs are entirely attributable to accounts receivable. MSEK 40 (49) of the write-down is attributable to defence-related operations and MSEK 19 (19) to civil operations.

Accounts receivable in the Parent Company amounted to MSEK 6,288 (3,788). During the year, receivables were written down with MSEK 0 (5). Reversals of previous write-downs amounted to MSEK 0 (2).

Write-downs of accounts receivable, Group

	2025		
MSEK	Defence related operations	Civil operations	Total
Write-downs, 1 January	-49	-19	-68
Write-downs for calculated losses	-10	0	-10
Reversal of previous write-downs	1	0	1
Actual credit losses	17	0	17
Translation differences	1	0	1
Write-downs, 31 December	**-40**	**-19**	**-59**

	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**

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Age analysis of the Group's overdue receivables

MSEK	2025 Defence related operations	2025 Civil operations	2025 Total
<30 days	2,997	132	3,129
30 to 90 days	250	19	269
91 to 180 days	36	2	38
>181 days	195	9	204
Accounts receivable overdue	**3,478**	**162**	**3,640**
Accounts receivable not overdue	9,173	900	10,073
Total accounts receivable	**12,651**	**1,062**	**13,713**

MSEK	2024 Defence related operations	2024 Civil operations	2024 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**

Note 26. Prepaid expenses and accrued income

	Group		Parent Company	
MSEK	31-12-2025	31-12-2024	31-12-2025	31-12-2024
Prepaid expenses	1,110	1,026	961	948
Deferred realised losses from cash flow hedges	-	-	1,255	1,963
Accured service income	135	208	25	116
Other accrued income	423	506	322	422
Total	**1,668**	**1,740**	**2,563**	**3,449**

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		Parent Company	
MSEK	31-12-2025	31-12-2024	31-12-2025	31-12-2024
Cash and bank balances	2,015	2,543	345	603
Bank deposits	1,700	300	1,700	300
Total according to statement of financial position	**3,715**	**2,843**	**2,045**	**903**
Total according to statement of cash flows	**3,715**	**2,843**	**2,045**	**903**

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 86 (96) at year-end. With regard to the Group's other loan facilities, refer to notes 29 and 34.

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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 2025	Number of shares	Number of shares, %	Number of votes, %
Series A shares	9,535,612	1.8%	15.3%
Series B shares	528,233,502	98.2%	84.7%
Total	**537,769,114**	**100%**	**100%**

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%**

Change in number of outstanding shares

2025	Series A	Series B	Total
Number of outstanding shares at 1 January	9,535,612	525,735,356	535,270,968
Matching and allotment in long-term incentive programmes		2,498,146	2,498,146
Number of outstanding shares at 31 December	**9,535,612**	**528,233,502**	**537,769,114**

In 2024 Saab 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 1,174,274 (1,196,802) shares. Number of outstanding shares as of 31 December 2025, without reduction for shares in equity swap, was 538,943,388. In 2025, 2,498,146 shares were matched or alloted in Saab's long-term incentive programmes. Transferred shares correspond to 0.5 per cent of the share capital. No shares were repurchased during the year. The dividend to shareholders during the year amounted to MSEK 1,076 (856), or SEK 2.00 (1.60) per share.

Proposed disposition of earnings 2025
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	9,070,440,629
Share premium reserve	5,557,130,127
Net income for the year	2,632,408,370
Total	**17,259,979,126**

be disposed as follows:	
To the shareholders, a dividend of SEK 2.40 per share	1,293,464,131
To share premium reserve	5,557,130,127
Funds to be carried forward	10,409,384,868
Total	**17,259,979,126**

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 202 (1,250). During 2025 MSEK 0 (2) 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, bonds, and other debt instruments

Interest-bearing liabilities

	Group	
MSEK	**31-12-2025**	**31-12-2024**
Long-term liabilities		
Bonds and other debt instruments	8,418	7,079
Other interest-bearing liabilities	57	49
Total	**8,475**	**7,128**
Current liabilities		
Bonds and other debt instruments	1,250	114
Liabilities to associated companies and joint ventures	48	55
Other interest-bearing liabilities	12	55
Total	**1,310**	**224**
Total interest-bearing liabilities	**9,785**	**7,352**

Terms and repayment schedules

Collateral for loans amounts to MSEK 0 (0). Of the long-term liabilities, MSEK 4,892 (4,484) falls due between one and five years of the closing day and MSEK 3,583 (2,644) 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 2,544 (1,732), MSEK 1,836 (3,198) between three and five years and MSEK 3,287 (3,506) 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 34.

The fair value of MTN loans and liability related to equity swap agreement is MSEK 62 (233) 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.

Bonds and other debt instruments

	Parent company	
MSEK	**31-12-2025**	**31-12-2024**
Current liabilities		
Overdraft facilities: Available credit/limit	31	37
Short-term portion of bank loans: Unutilised portion	-31	-37
Utilised credit amount	**-**	**-**
Credit facility: Medium Term Notes (MTN)	1,250	114
Total	**1,250**	**114**
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)	7,505	6,756
Loans from credit institutions	600	-
Liability related to equity swap agreement	309	317
Total	**8,414**	**7,073**
Total bonds and other debt instruments	**9,664**	**7,187**

Saab has a Medium Term Note (MTN) programme with a framework of MSEK 15,000 enabling the issuance of long-term loans on the capital market. The program was established in 2009 and has been increased in three steps. During the second quarter 2025, the framework was increased from MSEK 10,000 to MSEK 15,000. During the year bonds amounting to MSEK 114 expired and new bonds were issued to an amount of MSEK 2,000. In the fourth quarter Saab secured a new loan facility with the Nordic Investment Bank (NIB) to refinance two existing loans. MSEK 1,000 maturing in the first quarter and MSEK 250 maturing in the second quarter 2026. The new loan amounts to MSEK 1,200, maturing in 2035. Of this amount, MSEK 600 was drawn in the fourth quarter 2025, with the remaining MSEK 600 to be drawn in the first quarter 2026. Outstanding loans under the MTN programme totaled MSEK 8,755 (6,869) with a corresponding carrying value of MSEK 8,755 (6,870) and the loan agreement with NIB amounted to MSEK 600 with a corresponding carrying value of MSEK 600. 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 June 2025, Saab signed a new revolving credit facility of MSEK 6,000 maturing 2030 with two one- year extension options replacing the SEK 4,000 million and SEK 2,000 million revolving credit facilities signed in 2021. No credit facility has been utilised during the year.

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Note 30. 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. When calculating financial income on assets under management, the discount rate at the beginning of the year is used.

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 earlier 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 10,041 (9,346) as of 31 December 2025, compared to an obligation of MSEK 10,207 (10,326), calculated according to IAS 19, which means that the solvency margin amounted to 98 per cent (91).

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.

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 survivors' 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 as one below.

Disclosures regarding defined-benefit plans

	Group			
31-12-2025, MSEK	**Sweden**	**Switzerland**	**Other**	**Total**
Wholly or partially funded obligations				
Present value of defined-benefit obligations	10,358	470	48	10,876
Fair value of assets under management	-10,047	-546	-16	-10,609
Total net obligation	**311**	**-76**	**32**	**267**
Impact of asset ceiling	-	-	-	-
Recognised value net obligation	**311**	**-76**	**32**	**267**
Share funded	97%	116%		
Average duration of pension obligation	15	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)	311	-	32	343
Provisions for pensions (related to special employer's contribution)	40	-	-	40
Long-term receivables	-	76	-	76

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	Group			
31-12-2024, MSEK	**Sweden**	**Switzerland**	**Other**	**Total**
Wholly or partially funded obligations				
Present value of defined-benefit obligations	10,483	440	46	10,969
Fair value of assets under management	-9,360	-519	-20	-9,899
Total net obligation	**1,123**	**-79**	**26**	**1,070**
Impact of asset ceiling	-	-	-	-
Recognised value net obligation	**1,123**	**-79**	**26**	**1,070**
Share funded	89%	118%		
Average duration of pension obligation	16	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)	1,123	-	26	1,149
Provisions for pensions (related to special employer's contribution)	238	-	-	238
Long-term receivables	-	79	-	79

Cost reported in the income statement

	Group			
2025, MSEK	**Sweden**	**Switzerland**	**Other**	**Total**
Current service costs	200	15	-	215
Settlements	1	-	-	1
Net interest expense	39	-1	0	38
Cost of defined-benefit plans in the income statement	**240**	**14**	**0**	**254**
Cost of defined-contribution plans				1,573
Special employer's contribution				388
Total cost of post-employment benefits				**2,215**

	Group			
2024, MSEK	**Sweden**	**Switzerland**	**Other**	**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**	**11**	**1**	**244**
Cost of defined-contribution plans				1,447
Special employer's contribution				361
Total cost of post-employment benefits				**2,052**

Items included in the statement of cash flow

	Group			
2025, MSEK	**Sweden**	**Switzerland**	**Other**	**Total**
Deposits to pension fund and other funding	-	-12		-12
Payments	-377	-	-3	-380
Withdrawals	-	-	2	2
Total impact on cash flow	**-377**	**-12**	**-1**	**-390**

	Group			
2024, MSEK	**Sweden**	**Switzerland**	**Other**	**Total**
Deposits to pension fund and other funding	-	-19	-	-19
Payments	-366	-1	-2	-369
Withdrawals	-	8	2	10
Total impact on cash flow	**-366**	**-12**	**0**	**-378**

Estimated payments during 2026 amount to approximately MSEK 420.

Actuarial gains and losses are reported in other comprehensive income. Actuarial losses related to pensions amounted to MSEK 842 net in 2025 primarily due to the following:

The net of revised assumptions related to discount rate amounted to a gain of MSEK 386. The gain mainly relate to the Swedish pension plans for which the assumed discount rate has increased by 25 basis points, from 3.75% to 4.00%. The inflation assumption was unchanged during 2025 at 1.75%.

Negative experience adjustment, has resulted in an actuarial loss of MSEK 64.

Actuarial gain related to special employer's contribution amounted to MSEK 167. The return on assets under management produced an actuarial gain of MSEK 353.

Changes in net obligation for defined-benefit plans reported in the statement of financial position

	Group	
MSEK	**2025**	**2024**
Net obligation for defined-benefit plans, 1 January	1,070	1,490
Compensation paid	-380	-369
Deposits to pension fund and other funding	-12	-19
Cost reported in the income statement	254	244
Income (-) /cost (+) reported in other comprehensive income	-675	-285
Withdrawals from pension funds	2	10
Settlement/translation differences	8	-1
Net obligation for defined-benefit plans, 31 December	**267**	**1,070**

Change in pension obligation

	Group	
MSEK	**2025**	**2024**
Fair value, 1 January	10,969	10,749
Benefits vested during the year	215	196
Interest expense	395	340
Pension disbursements	-380	-369
Deposited	28	-
Settlement	-7	-3
Actuarial gain (-)/loss (+)	-322	40
Translation differences	-22	16
Fair value, 31 December	**10,876**	**10,969**

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Change in assets under management

MSEK	Group 2025	Group 2024
Fair value, 1 January	9,899	9,259
Financial income	357	294
Withdrawals	-2	-10
Settlement	-8	-5
Contributions	40	19
Actuarial gain (+)/loss (-)	353	297
Actuarial gain (+)/loss (-) related to asset ceiling	-	27
Translation differences	-30	18
Fair value, 31 December	**10,609**	**9,899**

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)

MSEK	Group Change	Group Change in obligation
Discount rate	+0.25%	-385
	-0.25%	407
Inflation	+0.25%	437
	-0.25%	-410
Salaries	+0.25%	90
	-0.25%	-82
Life span	1 year	358

Return on assets under management

MSEK	Group 2025	Group 2024
Actual return on assets under management	710	591
Financial income on assets under management	-357	-294
Actuarial result from assets under management during the year	**353**	**297**

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

Per cent	Group 2025	Group of which listed on an active market	Group 2024	Group of which listed on an active market
Interest-bearing assets	32	100	27	100
Share-related assets	27	100	28	100
Alternative investments	17	-	19	-
Property	22	-	24	-
Liquid assets	2	-	2	-
Total assets	**100**	**59**	**100**	**56**

Assumptions for defined-benefit obligations

Per cent	Group 2025	Group 2024	Group 2023	Group 2022	Group 2021
Significant actuarial assumptions as of closing day (expressed as weighted averages)[1]					
Discount rate, 31 December	4.00	3.75	3.25	3.75	1.50
Future salary increase	2.75	2.75	2.50	2.75	3.25
Future increase in pensions	1.75	1.75	1.50	1.75	2.25
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 2025, 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.

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	31-12-2025	31-12-2024
Pension obligations ITP 2	7,125	7,055
Less funds secured in pension fund	-7,125	-7,033
Total ITP 2 and the book reserve method	**0**	**22**
Other pensions	55	53
Other provisions for pensions	96	114
Total	**151**	**189**
Of which credit guarantees in PRI Pensionsgaranti	42	53

MSEK	2025	2024
Amount related to pension obligations ITP 2 expected to be settled within 12 months	289	279

Note 31. 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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MSEK	Group 31-12-2025	Group 31-12-2024
Provisions that are long-term liabilities		
Incremental costs for industrial cooperations	0	608
Onerous contracts	864	464
Guarantees	193	84
Expenditures for restructuring measures	3	6
Other	975	1,076
Total	**2,035**	**2,238**
Provisions that are current liabilities		
Incremental costs for industrial cooperations	905	1
Onerous contracts	420	331
Guarantees	452	379
Expenditures for restructuring measures	19	28
Other	222	297
Total	**2,018**	**1,036**

MSEK	Parent Company 31-12-2025	Parent Company 31-12-2024
Incremental costs for industrial cooperations	957	669
Onerous contracts	203	157
Guarantees	247	294
Expenditures for restructuring measures	20	13
Other	538	662
Total	**1,965**	**1,795**

Incremental costs for industrial cooperations

MSEK	Group	Parent Company
Opening balance, 1 January 2025	609	669
Provisions allocated during the year	341	333
Amount utilised during the year	-45	-45
Closing balance, 31 December 2025	**905**	**957**

Onerous contracts

MSEK	Group	Parent Company
Opening balance, 1 January 2025	795	157
Provisions allocated during the year	989	243
Amount utilised during the year	-460	-197
Reversal of unutilised amount	-102	-
Reclassification	90	-
Translation differences and other	-28	-
Closing balance, 31 December 2025	**1,284**	**203**

Guarantees

MSEK	Group	Parent Company
Opening balance, 1 January 2025	463	294
Provisions allocated during the year	369	88
Amount utilised during the year	-169	-125
Reversal of unutilised amount	-1	-1
Reclassification	-10	-9
Translation differences and other	-7	-
Closing balance, 31 December 2025	**645**	**247**

Expenditures for restructuring measures

MSEK	Group	Parent Company
Opening balance, 1 January 2025	34	13
Provisions allocated during the year	21	21
Amount utilised during the year	-33	-14
Closing balance, 31 December 2025	**22**	**20**

Other provisions

MSEK	Group	Parent Company
Opening balance, 1 January 2025	1,373	662
Provisions allocated during the year	75	27
Amount utilised during the year	-139	-139
Reversal of unutilised amount	-10	-
Reclassification	-99	-12
Translation differences and other	-3	-
Closing balance, 31 December 2025	**1,197**	**538**

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Total provisions

MSEK	Group	Parent Company
Opening balance, 1 January 2025	3,274	1,795
Provisions allocated during the year	1,795	712
Amount utilised during the year	-846	-520
Reversal of unutilised amount	-113	-1
Reclassification	-19	-21
Translation differences and other	-38	-
Closing balance, 31 December 2025	**4,053**	**1,965**

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 2025 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 32. Other liabilities

	Group	
MSEK	31-12-2025	31-12-2024
Other long-term liabilities		
Liabilities related to employees	51	36
Other	125	100
Total	**176**	**136**
Of which liabilities due for payment more than five years after closing day	15	27
Other current liabilities		
Value-added tax	967	692
Employee withholding taxes	496	418
Liabilities to associated companies and joint ventures	3	5
Other	390	75
Total	**1,856**	**1,190**

	Parent Company	
MSEK	31-12-2025	31-12-2024
Value-added tax	673	499
Employee withholding taxes	291	241
Negative market value related to financial instruments	12	70
Negative market value of FX forwards	204	504
Other	238	26
Total	**1,418**	**1,340**
Of which liabilities due for payment more than five years after closing day	10	6

Saab considers that there is no significant difference between book and fair value.

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Note 33. Accrued expenses and deferred income

	Group		Parent Company	
MSEK	**31-12-2025**	**31-12-2024**	**31-12-2025**	**31-12-2024**
Accrued expenses				
Accrued project costs	5,066	3,946	3,700	3,222
Vacation pay liability	2,026	1,831	1,243	1,093
Social security expenses	1,791	1,415	1,328	1,029
Expected invoices	1,171	731	559	463
Personnel liabilities	973	706	516	337
Other	343	342	189	170
Total accrued expenses	**11,370**	**8,971**	**7,535**	**6,314**
Deferred income				
Deferred realised gains from cash flow hedges	-	-	1,423	1,829
Government grants	179	205	123	159
Other	648	524	255	254
Total deferred income	**827**	**729**	**1,801**	**2,242**
Total	**12,197**	**9,700**	**9,336**	**8,556**

Saab considers that there is no significant difference between book and fair value.

Note 34. 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 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 other comprehensive income. For these instruments, transaction costs attribuatble to the acquisition are expensed at initial recognition. 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, four 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 3,300 and bonds with STIBOR as base rate, MSEK 7,305. STIBOR linked interest-bearing securities in the investment portfolio amounted to MSEK 6,342 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	**31-12-2025**	**31-12-2024**
Financial assets		
Valued at amortised cost[4)]:		
Accounts receivable, contract assets and other receivables	34,370	27,482
Liquid assets	3,715	2,843
Long-term receivables	334	356
Valued at fair value through profit and loss[3)]:		
Short-term investments	11,572	8,898
Derivatives for trading	107	17
Financial investments	509	237
Valued at fair value through other comprehensive income[3)]:		
Derivatives identified as hedges	2,377	913
Equity investments elected to be classified as fair value through other comprehensive income	2,481	2,526
Long-term interest-bearing investments	3,392	1,610
Total financial assets	**58,857**	**44,882**
Financial liabilities		
Valued at amortised cost:		
Interest-bearing liabilities[1)]	14,709	10,384
Other liabilities[4)]	18,250	15,977
Valued at fair value through profit and loss[3)]:		
Contingent consideration payable	14	19
Derivatives for trading	12	64
Valued at fair value through other comprehensive income[3)]:		
Derivatives identified as hedges	547	2,380
Total financial liabilities	**33,532**	**28,824**
1) Fair value	14,771	10,617

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 551 (709).
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 2025, the Group had the following financial assets and liabilities at fair value:

Assets at fair value

MSEK	2025	Level 1	Level 2	Level 3
Bonds and interest-bearing securities	14,964	14,964	-	-
FX forwards	2,339	-	2,339	-
Currency options	4	-	4	-
Interest rate swaps	136	-	136	-
Electricity derivatives	5	5	-	-
Shares, participations and long-term receivables	2,990	-	-	2,990
Total	**20,438**	**14,969**	**2,479**	**2,990**

Liabilities at fair value

MSEK	2025	Level 1	Level 2	Level 3
FX forwards	543	-	543	-
Currency options	1	-	1	-
Interest rate swaps	6	-	6	-
Electricity derivatives	9	9	-	-
Contingent consideration payable	14	-	-	14
Total	**573**	**9**	**550**	**14**

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Movements in the group's Level 3 financial instruments were as follows:

MSEK	Unlisted shares and participations	Contingent consideration payable
Opening balance, 1 January 2025	2,763	19
Acquisitions	452	-
Payments	-	-3
Gains/losses recognised in the income statement	-73	-
Gains/losses recognised in other complehensive income	-152	-
Foreign currency translation	-	-2
Closing balance, 31 December 2025	**2,990**	**14**

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 2025, countries outside Sweden accounted for 59 per cent (59) 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 1,704 (-1,626). 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 2025 by +/- MSEK 3,417 (3,055). The ineffectiveness in cash flow hedges that affected net income for the year amounted to MSEK 6 (-4).

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**
2026	-1,665	2,040	**375**	-180	131	**-49**	-623	1,885	**1,262**
2027	-131	1,041	**910**	-65	26	**-39**	-91	441	**350**
2028	-99	627	**528**	-61	3	**-58**	-61	488	**427**
2029	-28	48	**20**	-23	-	**-23**	-49	36	**-13**
2030	-15	2	**-13**	-6	-	**-6**	-11	-	**-11**
2031 and forward	-3	2	**-1**	-	-	**-**	-	-	**-**
Total flows 2025	**-1,941**	**3,760**	**1,819**	**-335**	**160**	**-175**	**-835**	**2,850**	**2,015**
Total flows 2024	**-1,016**	**1,342**	**326**	**-286**	**169**	**-117**	**-1,070**	**3,793**	**2,723**

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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	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
USD	-45	-208	-	-	-45	-208
EUR	-163	-41	-40	-10	-203	-51
GBP	-15	-1	-	-	-15	-1

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, meaning 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 2025 a VaR limit of MSEK 35 was allocated to the tender portfolio, and at year-end VaR amounted to MSEK 7.2 (7.9). 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 2025 was MSEK 258 (-266).

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 8,655 (8,227) at year-end; see the following table.

Net assets translated to SEK

MSEK	31-12-2025	31-12-2024
USD	3,779	4,079
EUR	1,074	585
AUD	979	1,120
ZAR	798	749
GBP	658	462
DKK	307	260
BRL	196	206
Other currencies	864	766
Total	**8,655**	**8,227**

The effect on net assets as of 31 December 2025 of a change in exchange rates of +/– 10 per cent would be a change in value of MSEK 866 (823).

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 2025			2024	
Million	**Currency**	**Local currency**	**Asset SEK**	**Liability SEK**	**Net**	**Local currency**	**Net**
Maturity up to 1 year	EUR	-1,385	439	149	290	-94	-4
	GBP	74	34	40	-6	72	83
	USD	-1,463	835	100	735	-1,699	-992
	Other		49	33	16		-5
Subtotal			**1,357**	**322**	**1,035**		**-918**
Maturity 1 to 3 years	EUR	-432	208	61	147	-231	-17
	GBP	97	10	43	-33	8	-2
	USD	-781	739	87	652	-946	-569
	Other		14	17	-3		-1
Subtotal			**971**	**208**	**763**		**-589**
Maturity 3 to 5 years	EUR	-7	10	8	2	9	8
	GBP	29	0	4	-4	-	-
	USD	24	5	2	3	-371	-175
	Other				0		1
Subtotal			**15**	**14**	**1**		**-166**
Maturity over 5 years	EUR	1	-	-	-		-
	GBP	-	-	-	-		-
	USD	-	-	-	-		-
Subtotal			**-**	**-**	**-**		**-**
Currency derivatives, total[1]			**2,343**	**544**	**1,799**		**-1,673**

1) Of which derivatives used as cash flow hedge MSEK -1,598 (-1,554).

The Parent Company's outstanding derivatives

Currency derivatives			Fair value 2025			2024	
Million	**Currency**	**Local currency**	**Asset SEK**	**Liability SEK**	**Net**	**Local currency**	**Net**
	EUR	-1,202	1,040	670	370	-119	150
	GBP	35	104	115	-11	-39	-47
	USD	-258	1,689	2,022	-333	-298	-184
	Other		78	61	17		-27
Currency derivatives, Parent Company total			**2,911**	**2,868**	**43**		**-108**

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- and long-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

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covered by Saab or 10 per cent of annual total sales exceeds MSEK 5,000, then shall the adjusted value of liquid assets and short- and long-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 2025 the average maturity was 51 months (53). 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 a revolving credit facilities of MSEK 6,000 maturing 2030, with eleven 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 15,000 (10,000). As of 31 December 2025, MSEK 0 (0) commercial paper and MSEK 8,755 (6,869) MTN were issued. None of the existing credit facilities or capital market programmes are restricted by financial covenants.

Saab Funding facilities

MSEK	Facility	Utilised	Unutilised
Revolving credit facility (Maturity 2030)	6,000		6,000
Overdraft facility (Maturity 2025)	86	-	86
Total committed credit facilities	**6,086**	**-**	**6,086**
Commercial paper	5,000	-	5,000
Medium Term Notes (MTN)	15,000	8,755	6,245
Total capital market programs	**26,086**	**8,755**	**17,331**

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 26 months (34).

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 net 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 -3 (-7). 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 +/- 206 MSEK (197) based on the loan portfolio as of 31 December 2025.

Financing (refers to utilised credit facilities)

MSEK (Nom) Maturities	Fixed interest	Of which effect from derivative agreements entered	Tied-up capital
1 year	4,405	-2,900	1,250
2 years	100	100	300
3 years	1,500	450	1,875
4 years	275	275	725
5 years and forward	3,075	2,075	5,205
Total	**9,355**	**-**	**9,355**

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 5 months (6).

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 72 MSEK (50). A corresponding decrease in market interest rates of 1.00 per cent units would positively affect financial income by 72 MSEK (50) based on the investment portfolio as of 31 December 2025.

Investments in interest-bearing securities and bank deposits

MSEK (Nom) Maturities	Fixed interest[1)]	Tied-up capital
1 year	14,962	10,288
2 years	700	2,703
3 years	430	1,691
4 years	434	1,744
5 years and forward	400	500
Total	**16,926**	**16,926**

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 1,000 (120) and MUSD 69 (-) 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 2025			2024	
Million	Currency	Local currency	Asset SEK	Liability SEK	Net	Local currency	Net
Maturity up to 1 year	SEK	600	6	6	0	500	3
Subtotal			**6**	**6**	**0**		**3**
Maturity 1 to 3 years	SEK	550	21	-	21	700	17
Subtotal			**21**	**-**	**21**		**17**
Maturity 3 to 5 years	SEK	550	39	-	39	725	53
Subtotal			**39**	**-**	**39**		**53**
Maturity over 5 years	SEK	1,600	70	-	70	1,875	105
Subtotal			**70**	**-**	**70**		**105**
Interest derivatives, total[1)2)]			**136**	**6**	**130**		**178**

1) Market value includes accrued interest of MSEK -8 (-4).
2) Of which derivatives used for cash flow hedges MSEK 133 (173).

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 -4 (-19). 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 2025			2024	
	Mega-watt	Asset MSEK	Liability MSEK	Net	Mega-watt	Net
Maturity up to 1 year	15	4	9	-5	15	-15
Subtotal		**4**	**9**	**-5**		**-15**
Maturity 1 to 3 years	11	1	-	1	11	-4
Subtotal		**1**	**-**	**1**		**-4**
Electricity derivatives, total[1)]		**5**	**9**	**-4**		**-19**

1) Of which derivatives used for cash flow hedges MSEK -4 (-19).

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 2025, the Group had paid advances to suppliers of MSEK 3,579 (2,154).

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

2025 MSEK	Gross amount	Set-off	Net amount in balance sheet	Master netting arrangements	Collateral received/as-sets pledged	Net amount
Currency derivatives	2,343	-	2,343	-540	-	1,803
Interest rate derivatives	136	-	136	-6	-	130
Electricity derivatives	5	-	5	-5	-	-
Assets	**2,484**	**-**	**2,484**	**-551**	**-**	**1,933**
Currency derivatives	544	-	544	-540	-	4
Interest rate derivatives	6	-	6	-6	-	-
Electricity derivatives	9	-	9	-5	-	4
Liabilities	**559**	**-**	**559**	**-551**	**-**	**8**

2024 MSEK	Gross amount	Set-off	Net amount in balance sheet	Master netting arrangements	Collateral received/as-sets 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**

The exposure towards banks, mortgage institutions, corporates and the Swedish state as of 31 December 2025 amounted to MSEK 18,279 (9,003). The exposure is calculated using the market value of assets with each counterparty.

Hedge reserve

The hedge reserve before tax amounted to MSEK 2,203 (-1,335), of which the unrealised value of derivatives was MSEK 1,727 (-1,431) and the realised effects arising from rollovers of derivatives was MSEK 476 (96). 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 5 (-7).

Change in the hedge reserve per derivative*

2025 (2024) MSEK	Currency derivatives	Interest rate derivatives	Electricity derivatives	Total
Reversed through profit or loss	543 (-619)	-2 (-6)	15 (2)	556 (-623)
Change in value of existing derivatives	2,103 (-850)	-37 (-39)	-2 (-7)	2,064 (-896)
Change in value of new derivatives	435 (-1,113)	- (-4)	2 (2)	437 (-1,115)
Change due to rollover	493 (274)	- (-)	-(-)	493 (274)
Total	**3,574 (-2,308)**	**-39 (-49)**	**15 (-3)**	**3,550 (-2,360)**

Effects in the hedge reserve per derivative

2025, MSEK	Currency derivatives	Interest rate derivatives	Electricity derivatives
Recognised amount in hedge reserve	2,074	133	-4
Nominal amount	35,357	3,300	25[1]
Maturity date	2026-2032	2026-2033	2026-2027
Hedge ratio	1:1	1:1	1:1
Change in value of derivatives outstansding since 1 January	3,087	-45	15
Change in value of hedged item to determine effectiveness	-3,087	40	-15

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, 12.5-100 per cent interest-bearing products and 0-30 per cent real assets. Investments are made in interest-bearing securities from issuers with a credit rating of no lower than Investment grade according to Standard & Poor's and Moody's.

Of the fund's capital at year-end 35 per cent (29) was invested in interest-bearing assets, 21 per cent (23) real assets investments, 27 per cent (28) in equity and 17 per cent (20) in alternative investments. The market value of the fund's assets as of 31 December 2025 was MSEK 10,041 (9,346) and the annual return was +7.4 per cent (+6). In 2025, the fund was capitalised by MSEK 10 (43) and MSEK -10 (-43) in refunds was paid.

The table below shows the solvency margin for the pension fund.

MSEK	31-12-2025	31-12-2024	31-12-2023	31-12-2022
Fair value of assets under management	10,041	9,346	8,802	8,120
Present value of defined-benefit obligations[1]	10,181	10,301	10,128	8,995
Solvency margin	99%	91%	87%	90%
Pension obligation according to PRI	9,414	9,273	8,581	7,681
Solvency margin	107%	101%	103%	106%

1) Refers to the pension obligation that the assets under management are designed to cover.

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Note 35. Assets Pledged and Contingent Liabilities

	Group		Parent Company	
MSEK	**31-12-2025**	**31-12-2024**	**31-12-2025**	**31-12-2024**
Contingent liabilities				
Guarantees to insurance company, PRI Pensionsgaranti	189	186	189	186
Guarantees for Group companies' commitments to customers	-	-	10,657	8,346
Sureties for joint ventures	12	12	-	-
Sureties for associated companies	13	15	2	4
Total	**214**	**213**	**10,848**	**8,536**

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 31. 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 any wrongdoings by Saab.

The Group has issued bank guarantees related primarily to advance payments and fulfilment of MSEK 20,548 (19,111). 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 36. 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. No significant transactions with related parties have occurred during 2025.

During the fourth quarter 2025, a new lease for office premises in Lund, Sweden commenced. The lessor is Fastighets AB Brunnshög, an indirect wholly-owned subsidiary of Investor AB. The rental cost was MSEK 6.

Of the Parent Company's sales, 10 (10) per cent referred to sales to Group companies, while 19 (21) 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 346 (66) and MSEK 402 (414), respectively. For information on receivables from and liabilities to associated companies and joint ventures, see notes 23 and 32.

Note 37. Group Companies

Significant Group company holdings

		Ownership share, per cent	
Group company	**Group company's registered office, country**	**2025**	**2024**
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 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 340 (309). No non-controlling interests are considered material.

	Parent Company	
MSEK	**2025**	**2024**
Accumulated acquisition value		
Opening balance, 1 January	20,128	19,398
New issues/shareholders' contributions	500	771
Acquisitions	-	21
Sales and liquidations	-233	-62
Closing balance, 31 December	**20,395**	**20,128**
Accumulated write-downs		
Opening balance, 1 January	-13,084	-12,901
Write-downs for the year	-	-183
Closing balance, 31 December	**-13,084**	**-13,084**
Carrying amount, 31 December	**7,311**	**7,044**

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Specification of Parent Company's holdings of shares in Group companies

31-12-2025	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%	306
Saab Airport AB, 556366-8333, Linköping, Sweden	5,000	100.0%	9
Saab Asia Pacific Co. Ltd, Thailand	1,000	99.8%	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 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
Saab International AB, 556267-8994, Stockholm, Sweden	50,000	100.0%	64
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 UK LTD, UK	100,000	100.0%	589
Saab Ventures AB, 556757-5211, Linköping, Sweden	1,000	100.0%	0
UMS Skeldar AB, 556829-2949, Linköping, Sweden	500	100.0%	12
UMS Skeldar AG, Switzerland	-	100.0%	20
UMS Skeldar Sweden AB, 559006-2245, Linköping, Sweden	500	100.0%	369
Dormant companies etc.	-	-	81
Carrying amount at year-end			**7,311**

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Note 38. 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	**2025**	**2024**
Cash flow from operating activities before changes in working capital, excluding taxes and other financial items[1)]	**12,140**	**8,269**
Cash flow from changes in working capital:		
Contract assets and liabilities	3,800	7,218
Inventories	-3,811	-4,890
Other current receivables	-3,725	-5,464
Other current liabilities	4,860	3,589
Provisions	-804	-1,456
Change in working capital	**320**	**-1,003**
Cash flow from operating activities, excluding taxes and other financial items	**12,460**	**7,266**
Investing activities:		
Investments in intangible fixed assets	-1,110	-827
Investments in tangible fixed assets	-6,112	-4,012
Sales and disposals of tangible and intangible fixed assets	35	70
Cash flow from investing activities[2)]	**-7,187**	**-4,769**
Operational cash flow	**5,273**	**2,497**
Taxes and other financial items	-1,082	-1,224
Sale of and investments in financial assets	-464	-290
Investments in operations	-60	-15
Sale of subsidiaries and other operations	539	25
Free cash flow	**4,206**	**993**

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.

Free cash flow versus cash flow for the year in statement of cash flows

MSEK	**2025**	**2024**
Free cash flow	4,206	993
Investing activities – interest-bearing:		
Short-term investments	-2,728	2,471
Other financial investments and receivables	-1,742	-1,604
Financing activities:		
Repayment of loans	-173	-678
Raising of loans	2,600	331
Dividend paid to the Parent Company's shareholders	-1,076	-856
Dividend paid to non-controlling interest	-51	-41
Transactions with non-controlling interest	73	-
Cash flow for the year	**1,109**	**616**

Supplemental information on statement of cash flows

For components included in liquid assets, see note 27.

Interest and dividend

	Group		Parent Company	
MSEK	**2025**	**2024**	**2025**	**2024**
Dividends received	77	22	49	129
Interest received	312	390	456	469
Interest paid	-500	-465	-443	-476
Total	**-111**	**-53**	**62**	**122**

Adjustments for items not affecting cash flow

	Group		Parent Company	
MSEK	**2025**	**2024**	**2025**	**2024**
Depreciation and amortisation	3,067	2,645	992	842
Provisions	1,422	787	586	615
Write-downs	214	95	323	183
Capital gains/losses from sales of Group companies, associated companies and joint ventures	-336	-18	-	-
Share of income in associated companies and joint ventures	-136	-72	-	80
Unrealized change in fair value biological assets	8	0	-	-
Dividends and Group contributions from/to Group companies	-	-	-1,463	-2,517
Other	486	-68	262	252
Total	**4,725**	**3,369**	**700**	**-545**

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Reconciliation of cash flows arising from liabilities in financing activities

Group, MSEK	31-12-2024	Cash flows[1]	Non-cash changes: Foreign exchange movement	Non-cash changes: New contracts/ Revaluation	31-12-2025
Interest-bearing liabilities					
Bonds and other debt instruments	7,193	2,486	-11	-	9,668
Liabilities to associated companies and joint ventures	55	-7	-	-	48
Lease liabilities	3,032	-726	-71	2,689	4,924
Other interest-bearing liabilities	104	-52	17	-	69
Total interest-bearing liabilities	**10,384**	**1,701**	**-65**	**2,689**	**14,709**

Group, MSEK	31-12-2023	Cash flows[1]	Non-cash changes: Foreign exchange movement	Non-cash changes: 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**

Parent company, MSEK	31-12-2024	Cash flows[1]	Non-cash changes: Foreign exchange movement	Non-cash changes: New contracts/ Revaluation	31-12-2025
Interest-bearing liabilities, external					
Bonds and other debt instruments	7,193	2,480	-9	-	9,664
Liabilities to associated companies and joint ventures	55	-7	-	-	48
Total interest-bearing liabilities, external	**7,248**	**2,473**	**-9**	**-**	**9,712**

Parent company, MSEK	31-12-2023	Cash flows[1]	Non-cash changes: Foreign exchange movement	Non-cash changes: 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**

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 2025	Group 2024
Divested assets and liabilities		
Intangible fixed assets	124	4
Tangible fixed assets	3	1
Deferred tax assets	1	-
Current receivables	116	7
Liquid assets	36	2
Total assets	**280**	**14**
Deferred tax liabilities	0	-
Current liabilities	44	8
Total liabilities	**44**	**8**
Sales price	590	27
Purchase price received	**575**	**27**
Less: Liquid assets in divested operations	-36	-2
Effect on the Group's liquid assets	**539**	**25**

During 2025, Saab TransponderTech AB was divested. The cash flow effect was 539 MSEK.
During 2024, divestments relate to Combitech's Norwegian operations. The cash flow effect was 25 MSEK.

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Note 39. Business combinations

During 2025, Saab acquired 100 per cent of the shares in Deform AB (Deform) for approximately SEK 60 million. Deform is a forming company located in Degerfors, Sweden with four main business areas: pressure vessels, protection, heavy fabrication and heavy equipment. The company specialises in hot and cold forming of various types of metallic materials. At the time of acquisition, Deform had 37 employees.

Deform has a long and close relationship with Saab as a supplier of speciality parts for Saab's submarine production and is an important part of Kockums' supply chain. The acquisition strengthens the security of supply for the Swedish defence industry and ensures continued close cooperation between the two companies.

The net assets of the acquired operations are comprised of the following; fair value of intangible fixed assets amounted to SEK 9 million and is related to an acquired order backlog. Tangible fixed assets amounted to SEK 20 million and current assets to SEK 19 million, resulting in total identifiable assets of SEK 48 million. Total liabilities amounted to SEK 24 million.

Accordingly, total identifiable net assets at fair value amounted to SEK 24 million and recognised goodwill amounted to SEK 36 million. The goodwill comprises the value of expected synergies through the consolidation of the operations of Saab and Deform arising from the acquisition. None of the acquired goodwill is expected to be deductible for income tax purposes. The total of the identified net assets and goodwill equals the purchase price of SEK 60 million.

From the date of the acquisition, Deform has contributed to the consolidated accounts of the group with SEK 23 million to sales and SEK 1.6 million to income before taxes. Transaction costs of SEK 4 million have been expensed and are included in administrative expenses (included in cash flows from operating activities).

On August 28 2025, Saab announced the divestment of Saab TransponderTech AB. The divestment was completed during the fourth quarter and resulted in a capital gain of SEK 336 million with an effect on free cash flow of SEK 539 million. The capital gain from the divestment is reported as an item affecting comparability in Business Area Surveillance and the Group in the fourth quarter and full year results 2025.

Note 40. 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 2025 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 41. Items affecting comparability

Item affecting comparability	Business Area	Line item	2025	2024
Non-recurring contribution from minority portfolio	Corporate	Share of income in associated companies and joint ventures	105	-
Capital gain from divestment of Saab TransponderTech AB	Surveillance	Other operating income	336	-
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
Total			**441**	**58**

Operating income adjusted for items affecting comparability is reported for the Saab Group for the full year 2025 where the capital gain related to the divestment of Saab TransponderTech AB is treated as an item affecting comparability. All other items affecting comparability in the table above are not classified as items affecting comparability at Group level but are presented above as they are classified as items affecting comparability on segment area reporting level.

Note 42. Exchange Rates used in Financial Statements

			Year-end rate		Average rate	
Country			**2025**	**2024**	**2025**	**2024**
Australia	AUD	1	6.15	6.84	6.33	6.98
Brazil	BRL	1	1.65	1.78	1.76	1.97
Denmark	DKK	100	144.81	153.88	148.34	153.30
Euro	EUR	1	10.82	11.48	11.07	11.43
India	INR	100	10.23	12.87	11.29	12.63
Canada	CAD	1	6.72	7.65	7.02	7.72
Norway	NOK	100	91.45	96.93	94.49	98.34
Switzerland	CHF	1	11.64	12.22	11.81	12.00
UK	GBP	1	12.40	13.81	12.93	13.51
South Africa	ZAR	100	55.19	58.79	54.90	57.68
Czech Republic	CZK	100	44.55	45.55	44.83	45.52
USA	USD	1	9.19	11.00	9.83	10.56

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Note 43. 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 Sales adjusted for items affecting comparability.
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 and shares in equity swap, 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 Sales adjusted for items affecting comparability.
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- and long-term interest-bearing 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 (EBIT) 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 Sales adjusted for items affecting comparability.
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 received but not yet recognised as sales 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 44. Significant events after the conclusion of the period in the Financial Statements

On 9 January 2026, Saab announced that it has received an order from the Swedish Defence Materiel Administration (FMV) for the Trackfire Remote Weapon Station (RWS). The order value is approximately SEK 1.5 billion and deliveries will take place 2026-2028. The order was booked in Q4 2025.

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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 1,293 (1,076), an increase of 20 per cent, corresponding to SEK 2.40 (2.00) per share.

Saab AB's unrestricted equity amounts to MSEK 17,259 and profit carried forward in the Group before the dividend is paid amounts to MSEK 33,111.

Net income for the year attributable to the Parent Company's shareholders amounted to MSEK 6,314 for the Group and MSEK 2,632 for the Parent Company.

After paying the dividend to the shareholders, the Group's equity/assets ratio amounts to 34.3 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 35.0 per cent.

Saab's gross capital expenditure in 2025 amounted to MSEK 6,112. Investments are also made in research and development, which in 2025 amounted to MSEK 3,630, of which MSEK 731 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 lease liabilities and provisions for pensions, amounting to MSEK 3,989.

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 2025

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	9,070,440,629
Share premium reserve	5,557,130,127
Net comprehensive income for the year	2,632,408,370
Total	**17,259,979,126**

be disposed as follows:	
To the shareholders, a dividend of SEK 2.40 per share	1,293,464,131
To share premium reserve	5,557,130,127
Funds to be carried forward	10,409,384,868
Total	**17,259,979,126**

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	624,906,006
Share premium reserve	5,557,130,127
Retained earnings	10,409,384,868
Total	**19,307,425,688**

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 and CEO propose that MSEK 1,293 (1,076), or SEK 2.40 (2.00) per share be issued as a dividend. This has been calculated based on the amount of shares outstanding, without reduction for shares in equity swap, on 31 December 2025, of 538,943,388 (536,467,770). Saab's equity/assets ratio is currently 35.0 per cent (35.9) and after the proposed disposition of earnings will be 34.3 per cent (35.2).

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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.

The Sustainability Statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) as required by the Swedish Annual Accounts Act and Article 8 of the EU Taxonomy Regulation.

The Annual Report was approved by the Board of Directors and dated 2 March 2026.

Linköping 2 March 2026

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

Göran Andersson
Board member

Magnus Gustafsson
Board member

Tina Mikkelsen
Board member

Micael Johansson
President and Chief Executive Officer (CEO)
and board member

We submitted our audit report and review report for the Sustainability Statement on 2 March 2026.
Öhrlings 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, corporate identity number 556036-0793

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of Saab AB for the year 2025 except for the corporate governance statement and the statutory sustainability report on pages 50-64 and 65-147, respectively. The annual accounts and consolidated accounts of the company are included on pages 44-217 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 parent company as of 31 December 2025 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 2025 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. Our opinions do not cover the corporate governance statement and the statutory sustainability report on pages 50-64 and 65-147, respectively. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and 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/EU) 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/EU) 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 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 the Board of Directors and the Managing Director 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 consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

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

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

In our audit we have focused on the operations in the parent company Saab AB and the subsidiaries Saab Dynamics AB, Saab Kockums AB 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 judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. 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. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key audit matter

Long term customer contracts

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

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

The financial reporting risk in the financial reporting is that revenue and income recognised, 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 48 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 48.

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 1-43, 225-230 as well as the statutory sustainability report on page 65 to 147. The other information also consists of the remuneration report 2025, 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 intend 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 Directors 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 Swedish Inspectorate of Auditors' 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 for the year 2025 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' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to 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 profit or loss are not in accordance with the Companies Act.

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A further description of our responsibility for the audit of the administration is available on Swedish Inspectorate of Auditors' 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 2025.

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 the preparation of the Esef report 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 obtain 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 firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable 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 audit 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 XHMTL 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 have 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 that the corporate governance statement on pages 50-64 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.

Öhrlings PricewaterhouseCoopers AB, Stockholm, was appointed auditor of Saab AB (publ) by the general meeting of the shareholders on the 10 April 2025 And previously, PricewaterhouseCoopers AB has been the company's auditor since April 7, 2011.

Stockholm 2 March 2026
Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant
Auditor in charge

Camilla Samuelsson
Authorised Public Accountant

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Auditor's limited assurance report

of Saab AB [publ]'s statutory sustainability statement

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

Conclusion
We have conducted a limited assurance engagement of the sustainability statement for Saab AB (publ) for the financial year 2025. The sustainability report is included on pages 65–147 in this document.

Based on our limited assurance engagement, as described in the section Auditor's Responsibility, nothing has come to our attention that causes us to believe that the sustainability report does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act, which includes: whether the sustainability report meets the requirements of ESRS,

- whether the process the company has carried out to identify reported sustainability information has been conducted as described in the sustainability statement, and
- compliance with the reporting requirements of the EU Taxonomy Regulation, Article 8.

Basis for conclusion
We have conducted the limited assurance engagment in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lgstadgade hållbarhetsrapporten. Our responsibilities according to this recommendation are further described in the Auditor's Responsibility section.

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

Other Information
The sustainability statement for the previous financial year has not been subject to a limited assurance engagment, and no review of comparative figures in the sustainability statement for the year 2025 has therefore been performed.

Other Information than the Sustainability Report
This document also contains other information than the sustainability statement and is found on pages 1-64, 148-217 and 225-230. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information, and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement.

In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement 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 sustainability statement in accordance with Chapter 6, Sections 12–12f §§ of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determines necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express a conclusion on whether the sustainability report has been prepared in accordance with Chapter 6, Sections 12–12f §§ of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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.

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepare the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily

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of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

The review procedures primarily include:

Our procedures regarding the process that the company has implemented to identify sustainability information to be reported included, but were not limited to, the following:

- Obtaining an understanding of the process by:
  - Making inquiries to understand the sources of information used by management (e.g., stakeholder dialogues, business plans, and strategy documents); and
  - Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our actions regarding the process implemented by the company is consistent with the description of the process in the sustainability statement.

Our procedures regarding the sustainability report included, but were not limited to, the following:

- Through inquiries, obtain a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluate whether the information identified by the Process is included in the sustainability statement;
- Evaluate whether the structure and the presentation of the sustainability statement is in accordance with the ESRS.
- Perform inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement.
- Perform substantive assurance procedures on selected information in the sustainability statement.
- Through inquiries and analytical procedures, evaluate supporting evidence to the methods, assumptions and data for developing significant estimates and forward-looking information.
- Obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement.
- The review of taxonomy disclosures included but was not limited to:
  - Analytical procedures and inquiries of relevant personnel.
  - Perform substantive assurance procedures on selected information in the sustainability statement regarding EU Green Taxonomy

Limitations

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Saab AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Saab AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Stockholm 2 March 2026

Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
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Auditor's report from a reasonable assurance engagement

of Saab AB's selected sustainability information regarding carbon dioxide emissions (CO2) concerning scope 1 and 2

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

Opinion
We have been engaged by the Board of Directors and the Managing Director to conduct a reasonable assurance engagement of selected sustainability information, consisting of the climate disclosures relating to carbon dioxide (CO2) emissions regarding Scope 1 and 2 ("the sustainability information") for Saab AB (publ) for the financial year 2025. The sustainability information is included on page 93 in the Sustainability report.

Based on our reasonable assurance as described in the section Auditor's Responsibility, the sustainability information has been prepared, in accordance with the greenhouse gas emissions calculation standards issued by the GHGP (Greenhouse Gas Protocol) applicable for the preparation of the sustainability information.

Basis for opinion
We have conducted the reasonable assurance in accordance with ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. Our responsibility under this standard is further described in the section Auditor's Responsibility. We believe that the evidence we have obtained is sufficient and appropriate as a basis for our opinion.

Responsibilities of the Board of Directors and Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the sustainability information in accordance with the applicable criteria, as described on page 93 of the sustainability report. The applicable criteria consist of the greenhouse gas emissions calculation standards issued by the GHGP (Greenhouse Gas Protocol). This responsibility also includes the internal controls which the Board of Directors and the Managing Director determine is necessary to enable the preparation of sustainability information that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the sustainability information based on our reasonable assurance. The engagement has been conducted in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform our procedures to obtain reasonable assurance that the sustainability information is prepared in accordance with the criteria outlined in the section Responsibilities of the Board of Directors and Managing Director.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement, and operate a system of quality management, including 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) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The assurance engagement involves performing procedures to obtain sufficient appropriate evidence to support the sustainability information. The auditor selects which procedures to perform, including assessing the risks of material misstatements in the sustainability information, whether due to fraud or error. In this risk assessments, the auditor considers the parts of internal control that are relevant to how the Board of Directors and Managing Director prepare the sustainability information, in order to design procedures that are appropriate to the circumstances, but not for the purpose of providing an opinion on the effectiveness of the company's internal control.

The reasonable assurance engagement has covered the following:
- CO2 Scope 1 and 2 for the year 2025

Our reasonable assurance is based on the criteria chosen by the Board of Directors and the Managing Director, as defined above.

Stockholm 2 March 2026

Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
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Multi-year overview

MSEK. unless otherwise indicated	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Order bookings	168,519	96,798	77,811	63,116	43,569	42,328	27,216	27,975	30,841	21,828
Order backlog 31 December	274,532	187,223	153,409	127,676	105,177	99,816	93,293	102,184	107,233	107,606
Sales	**79,146**	**63,751**	**51,609**	**42,006**	**39,154**	**35,431**	**35,433**	**33,156**	**31,666**	**28,631**
Foreign market sales, %	59	59	58	58	62	64	63	59	58	57
Defence sales, %	93	92	90	89	90	88	85	85	84	83
Operating income before depreciation/amortisation and write-downs (EBITDA)	11,347	8,402	6,558	5,401	4,826	2,833	4,305	3,182	3,089	2,743
EBITDA margin, %	14.3	13.2	12.7	12.9	12.3	8.0	12.1	9.6	9.8	9.6
Operating income (EBIT)	**8,066**	**5,662**	**4,272**	**3,274**	**2,888**	**1,315**	**2,937**	**2,266**	**2,250**	**1,797**
Operating margin, %	10.2	8.9	8.3	7.8	7.4	3.7	8.3	6.8	7.1	6.3
Financial income	708	563	782	194	124	230	190	193	121	90
Financial expenses	-755	-936	-636	-649	-435	-433	-520	-663	-272	-276
Income after financial items	8,019	5,289	4,418	2,819	2,577	1,112	2,607	1,796	2,099	1,611
Net income for the year	**6,356**	**4,210**	**3,443**	**2,283**	**2,025**	**1,092**	**2,025**	**1,366**	**1,508**	**1,175**
Net income attributable to Parent Company's shareholders	6,314	4,171	3,381	2,195	1,926	1,073	1,983	1,313	1,477	1,133
Total assets	124,704	99,823	82,759	72,365	65,039	60,568	59,858	56,128	44,998	41,211
– of which total equity	43,676	35,812	32,362	29,876	23,249	21,644	20,809	19,633	14,285	13,301
– of which equity attributable to Parent Company's shareholders	43,336	35,503	32,035	29,486	22,976	21,466	20,535	19,412	14,097	13,156
Equity per share, SEK[1) 7)]	80,58	66.33	60.11	55.64	43.58	40.58	38.62	36.36	30.47	28.54
Net liquidity/debt excluding lease liabilities, interest-bearing receivables and net provisions for pensions	8,894	5,999	6,102	5,663	4,669	2,918	-354	2,190	344	28
Net liquidity/debt[6)]	3,989	2,211	2,343	2,432	-2,125	-4,273	-7,069	-1,460	-1,834	-1,836
Cash flow from operating activities	12,105	6,732	6,462	4,654	5,713	5,800	1,194	-490	3,164	4,154
Free cash flow[6)]	**4,206**	**993**	**1,566**	**1,871**	**2,737**	**3,753**	**-2,036**	**-3,195**	**852**	**2,359**
Free cash flow per share after dilution, SEK[3) 7)]	7.79	1.84	2.91	3.50	5.13	7.01	-3.80	-6.82	1.83	5.10
Average capital employed	53,037	45,650	42,453	39,364	37,243	36,338	34,485	28,151	22,495	21,135
Average equity	39,744	34,087	31,119	26,563	22,447	21,227	20,221	16,959	13,793	13,107
Return on capital employed, %	16.5	13.6	11.9	8.8	8.1	4.3	9.1	8.7	10.5	8.9
Return on equity, %	16.0	12.4	11.1	8.6	9.0	5.1	10.0	8.1	10.9	9.0
Profit margin, %	11.09	9.76	9.79	8.26	7.69	4.36	8.83	7.42	7.49	6.59
Capital turnover rate, multiple	1.49	1.40	1.22	1.07	1.05	0.98	1.03	1.18	1.41	1.35
Equity/assets ratio, %	35.0	35.9	39.1	41.3	35.7	35.7	34.8	35.0	31.7	32.3
Interest coverage ratio, multiple	11.62	6.65	7.95	5.34	6.92	3.57	6.01	3.71	8.72	6.84
Earnings per share before dilution, SEK[2) 5) 7)]	11.77	7.81	6.36	4.15	3.64	2.02	3.72	2.82	3.20	2.46
Earnings per share after dilution, SEK[3) 5) 7)]	11.70	7.74	6.29	4.10	3.61	2.00	3.70	2.80	3.18	2.45
Dividend, SEK[7)]	**2.40[4]**	**2.00**	**1.60**	**1.33**	**1.23**	**1.18**	**0.00**	**1.12**	**1.38**	**1.31**
Gross capital expenditures for tangible fixed assets	6,112	4,012	2,507	1,624	1,223	1,269	1,213	1,481	1,093	807
Total R&D expenditures	12,555	10,528	8,899	7,637	6,897	7,440	7,643	7,562	7,348	7,421
Number of permanent employees at year-end	**27,838**	**24,481**	**21,479**	**19,002**	**18,153**	**18,073**	**17,420**	**17,096**	**16,427**	**15,465**
FTEs	**27,865**	**24,523**	**21,610**	**19,121**	**18,011**	**17,985**	**17,299**	**16,759**	**16,171**	**15,474**

1) Number of shares, excluding treasury shares and shares in equity swap, as of 31 December 2025: 537,769,114; 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
2) Average number of shares before dilution 2025: 536,594,461; 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
3) Average number of shares after dilution 2025: 539,791,904; 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
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 2017-2016 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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Significant events 2025

17 January
Saab provided a Q4 update and commented 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%.

29 January
Saab announced that Jonas Hjelm, Senior Vice President and Head of Government Affairs, left his position and the Group Management team to become Senior Advisor at Saab.

31 January
Saab announced that Eva Karlsson was appointed Senior Vice President, Chief Operating Officer (COO) and became a member of Saab's Group Management team. Charlotta Björklund, the Senior Vice President, Operational Excellence, left the Group Management team as of 1 March 2025 and subsequently reported to the COO.

10 April
Saab held its Annual General Meeting in Linköping, Sweden and the AGM decided on a dividend of SEK 2.00 per share to be paid out in two equal installments. Read more on www.saab.com/agm.

17 June
Saab announced that it has signed a new SEK 6 billion revolving credit facility agreement with a group of 11 relationship banks. The facility has a tenor of five years with two one-year extension options.

25 August
Saab received an order for four Gripen E/F fighter aircraft from from the Swedish Defence Materiel Administration (FMV) for the Kingdom of Thailand. The order value is approximately SEK 5.3 billion and deliveries will take place 2025-2030.

10 October
Saab and the Swedish Armed Forces extended an existing contract and Saab received an order for support- and maintenance services for Gripen C/D and E. The order value is approximately SEK 4 billion and deliveries will take place 2026 to 2027.

13 October
Saab received an order from the Swedish Defence Materiel Administration (FMV) for the last phase of the production as well as additional scope for material and services for the two Blekinge-class (A26) submarines previously ordered by Sweden. The order value is approximately SEK 9.6 billion with the vast majority of deliveries taking place in the period 2026-2032.

14 October
Saab received an order from the Swedish Defence Materiel Administration (FMV) regarding continued conceptual studies for future fighter systems. The order value amounts to approximately SEK 2.6 billion. The contract period is 2025-2027.

22 October
Sweden and Ukraine signed a letter of intent regarding cooperation in the field of air capabilities. This is a step towards a possible export deal regarding Gripen to Ukraine. Saab has not signed a contract, nor received an order related to this.

23 October
Saab's Board of Directors proposed changes to the Long-term Incentive Program 2026 to the Annual General Meeting 2026.

24 October
Saab announced that Marcus Wandt has been appointed Senior Vice President and head of the new group function Group Strategy and Technology and a member of Saab's Group Management team.

14 November
Saab received two orders from Airbus Defence and Space for the Arexis Electronic Warfare (EW) sensor suite to equip German Eurofighters. The total order value is approximately EUR 549 million. The delivery period is 2025-2028.

15 November
Saab received an order for 17 Gripen E/F fighter aircraft from the Colombian Government. The order value is EUR 3.1 billion and deliveries will take place 2026-2032.

30 December
Saab received an order for two GlobalEye Early Warning and Control (AEW&C) aircraft from France, including ground equipment, training and support. The order value is approximately SEK 12.3 billion and deliveries will take place 2029-2032.

31 December
Saab received an order for RBS 70 Bolide missiles from the Lithuanian Ministry of National Defence. The order value is SEK 3 billion and deliveries are expected to take place 2028-2032.

Events after conclusion of the period

9 January 2026
Saab announced that it has received an order from the Swedish Defence Materiel Administration (FMV) for the Trackfire Remote Weapon Station (RWS). The order value is approximately SEK 1,5 billion and deliveries will take place 2026-2028. The order was booked in Q4 2025.

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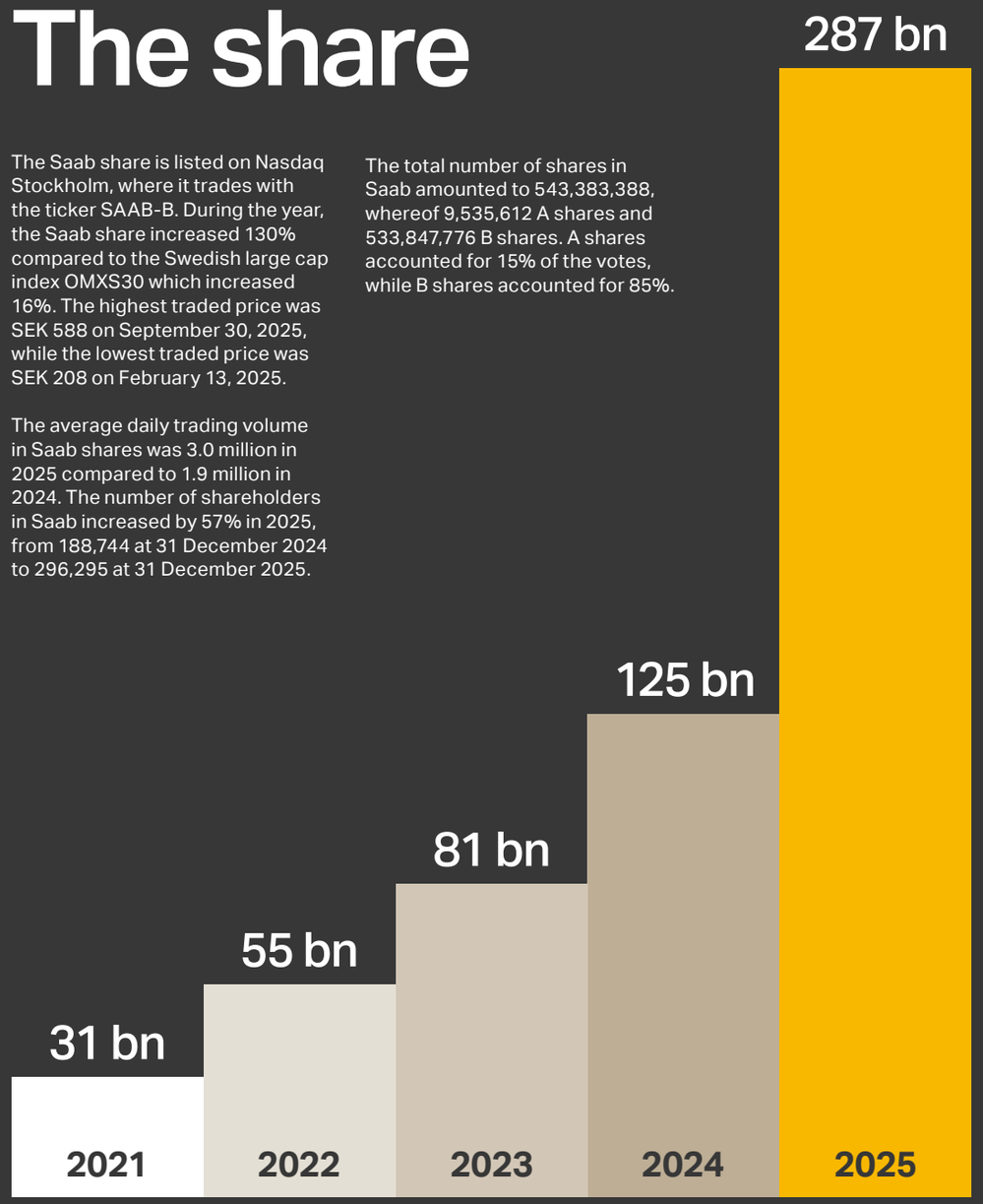
The share

The Saab share is listed on Nasdaq Stockholm, where it trades with the ticker SAAB-B. During the year, the Saab share increased 130% compared to the Swedish large cap index OMXS30 which increased 16%. The highest traded price was SEK 588 on September 30, 2025, while the lowest traded price was SEK 208 on February 13, 2025.

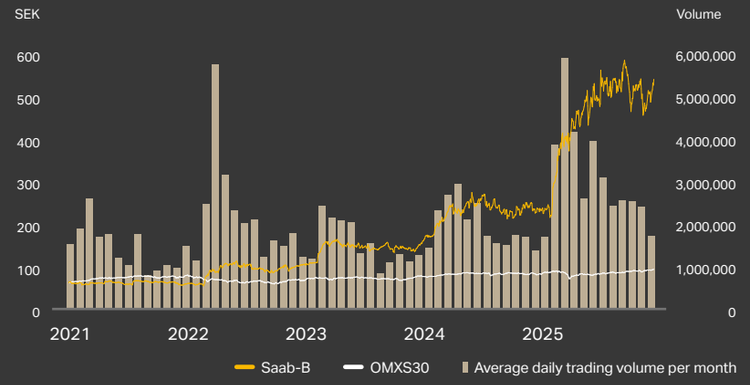
The average daily trading volume in Saab shares was 3.0 million in 2025 compared to 1.9 million in 2024. The number of shareholders in Saab increased by 57% in 2025, from 188,744 at 31 December 2024 to 296,295 at 31 December 2025.

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%.

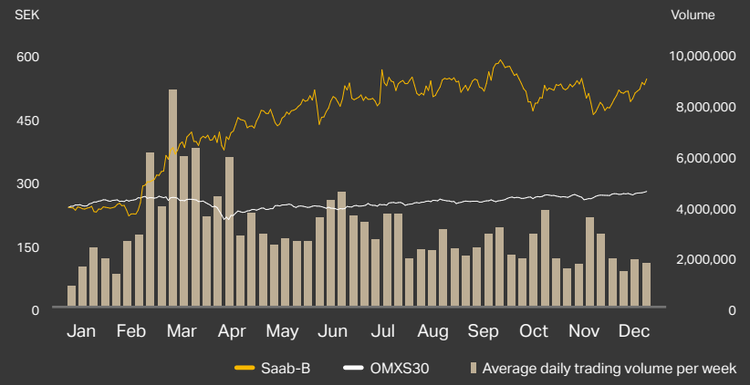


Saab's market capitalisation, SEK

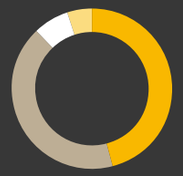
Saab-B total shareholder return in the last 5 years



Saab-B share price performance in 2025



Trading per marketplace



- Nasdaq **46%**
- Cboe Global Markets **42%**
- London Stock Exchange Group **7%**
- Other **5%**

Ownership distribution

- Swedish institutional owners **48%**
- Foreign institutional owners **26%**
- Swedish private individuals **12%**
- Other **14%**

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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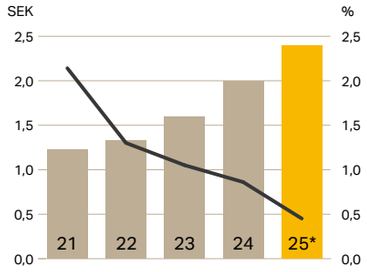
Authorisation for repurchase

The Annual General Meeting in 2025 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 2025, the Board of Directors is proposing a dividend of SEK 2.40 per share (2.00). The proposed dividend corresponds to 20% (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 7 April 2026 and 6 October 2026. The dividend is expected to be paid out on 10 April 2026 and 9 October 2026.



Dividend per share, SEK
Dividend yield at year-end, %
*Proposed dividend

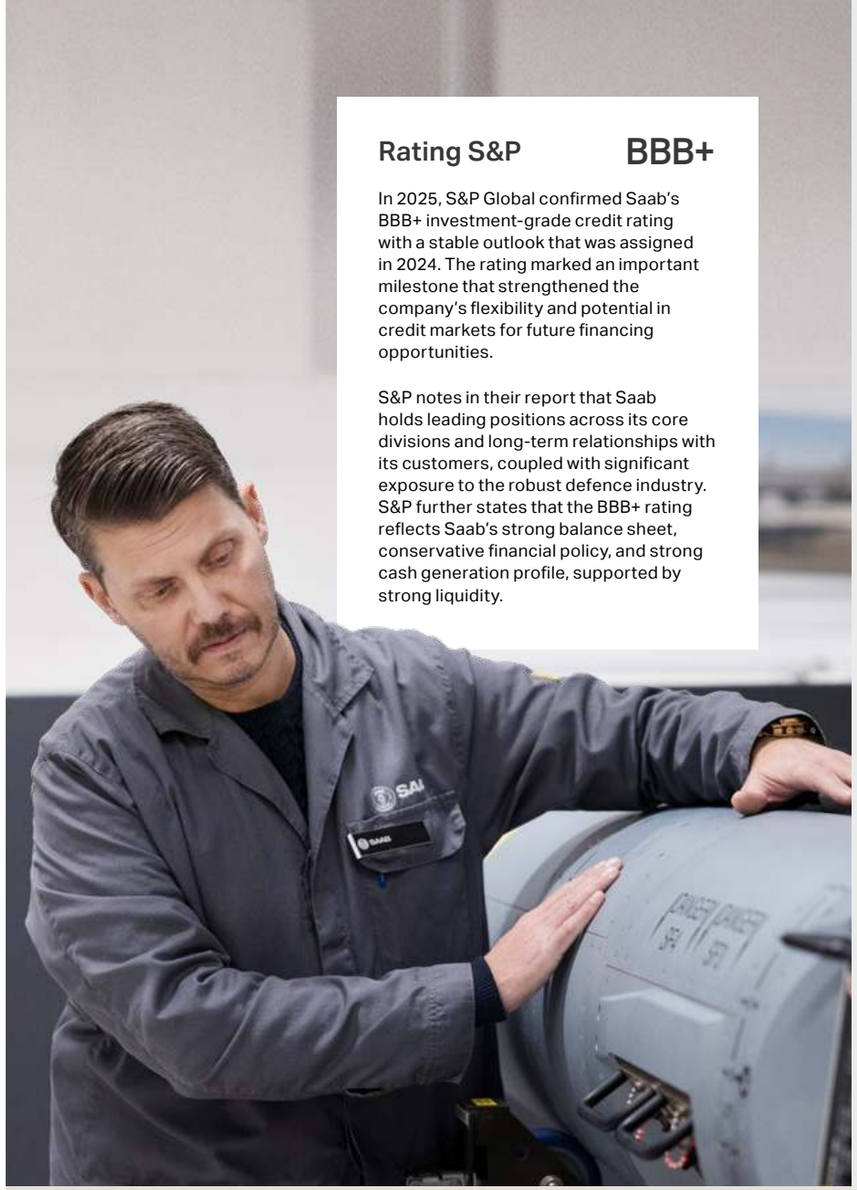
Historical numbers have been divided by 4 to reflect the share split implemented in 2024

Saab's largest shareholders, 31 December 2025

Owner	Number of shares	% of capital	% of votes[1)]
Investor	154 354 876	30.2	40.0
Wallenberg Investments	47 343 500	8.7	7.6
BlackRock	22 856 004	4.2	3.7
Vanguard	15 412 332	2.8	2.5
Capital Group	9 265 246	1.7	1.5
Norges Bank Investment Management	8 060 605	1.5	1.3
Swedbank Robur Fonder	8 039 995	1.5	1.3
VanEck	7 446 944	1.4	1.2
WisdomTree Asset Management	5 318 808	1.0	0.9
Avanza Fonder	4 998 916	0.9	0.8
10 largest shareholders	**283 097 226**	**53.9**	**60.6**
Other shareholders	246 310 550	45.3	39.4
Repurchased shares	4 440 000	0.8	
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 2025.

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 2025, S&P Global confirmed Saab's BBB+ investment-grade credit rating with a stable outlook that was assigned in 2024. The rating marked an important milestone that strengthened 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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Annual General Meeting

1 April 2026

Q1 report

23 April 2026

Q2 report

17 July 2026

Q3 report

23 October 2026

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Annual General Meeting 2026
The Annual General Meeting will be held on Wednesday, 1 April 2026 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.

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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