



SAAB

Annual General Meeting of Saab AB on 10 April 2025

Agenda item 13

BOARD OF DIRECTORS' REMUNERATION REPORT 2024

Introduction

This remuneration report provides an outline of how Saab Aktiebolag's (reg. no 556036-0793) ("Saab") guidelines for remuneration and other terms of employment for senior executives (the "remuneration guidelines"), adopted by the Annual General Meeting 2021, have been applied in 2024. The report also provides details on the remuneration of Saab's CEO and deputy CEOs. In addition, the report contains a summary of Saab's outstanding long-term incentive programs. The report has been prepared in compliance with Chapter 8, Sections 53 a and 53 b of the Swedish Companies Act (2005:551) and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes issued by the Swedish Stock Market Self-Regulating Committee (1 January 2021).

Information required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554) is available in note 8 on p. 169 - 174 in the company's Annual Report for 2024 (the "Annual Report 2024").

Information on the work of the Remuneration Committee in 2024 is set out in the corporate governance report, which is available on p. 51 - 57 in the Annual Report 2024.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note 8 on p. 169 - 174 in the Annual Report 2024.

Developments 2024

The CEO summarises Saab's overall performance in 2024 in the statement on p. 10 in the Annual Report 2024.

Remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of Saab's business strategy and safeguarding of Saab's long-term interests, including its sustainability, is that Saab 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 Saab's development and situation, which the remuneration guidelines enable. To the greatest extent possible, remuneration structures shall be characterised by predictability with respect to both the cost for Saab 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. Under the remuneration guidelines, remuneration to senior executives may consist of fixed cash salary, other benefits and pension benefits. Saab does not normally offer any short-term variable cash remuneration to the CEO or other members of the group management, including the deputy CEOs. Instead, the variable remuneration consists of long-term share based incentive programs, which are adopted by the shareholders' meeting and not subject to the remuneration guidelines.

The remuneration guidelines are available on p. 63 - 65 in the Annual Report 2024. During 2024, Saab has complied with the applicable remuneration guidelines adopted by the Annual General Meeting 2021 and no derogations or deviations have been made from the remuneration guidelines or from the decision-making process, which pursuant to the guidelines, is to be applied in order to set remuneration. The auditor's report regarding whether the company has complied with the remuneration guidelines is available on the company's website www.saab.com/agm. No remuneration has been reclaimed.

Remuneration Committee evaluation

The Remuneration Committee has evaluated the remuneration to the senior executives of Saab, including long-term variable remuneration, the application of the remuneration guidelines adopted by the Annual General Meeting 2021, as well as the current remuneration structures and remuneration levels in the company.

The Remuneration Committee is of the opinion that the remuneration guidelines adopted in 2021 achieve their purposes to facilitate the recruitment and retention of senior executives. No material changes are proposed to the remuneration guidelines, with regard to pensions, it is proposed that the statement of retirement age be removed, as well as certain other editorial adjustments.

The Remuneration Committee has reviewed an external market analysis and is of the opinion that the remuneration to senior executives generally is in line with the applicable levels in industries and markets comparable to Saab.

The Remuneration Committee has recommended the Board of Directors to propose to the Annual General Meeting 2025 to resolve on a long-term incentive program 2026 (LTI 2026), consisting of a Share Matching Plan (SMP) 2026, a Performance Share Plan (PSP) 2026 and a Special Projects Incentive (SPI) 2026. LTI 2026 is proposed to have corresponding terms and conditions as the Long-Term Incentive program adopted by the Annual General Meeting 2024.

Overall, the Remuneration Committee is of the opinion that the current remuneration structure and the remuneration levels in the company are in line with market competitive levels.

Total remuneration

Below table sets out total remuneration paid to Saab's CEO and deputy CEOs during 2024 (SEK).

Name of Director, position	Fixed remuneration		Variable remuneration	Pension expense ⁴	Total remuneration	Proportion of fixed and variable remuneration
	Base salary ¹	Other benefits ²	Multi-year variable ³			
Micael Johansson, CEO	16,130,265	219,131	33,257,458	5,964,641	55,571,495	40% / 60%
Anders Carp, deputy CEO	6,619,143	161,939	10,325,550	2,300,311	19,406,943	47% / 53%
Christian Luiga, deputy CEO ⁵	7,592,477	90,298	12,843,627	2,980,999	23,507,401	45% / 55%

Share based remuneration

Background share and share-price related incentive programs

Saab's Annual General Meetings have adopted long-term incentive programs ("LTI") that currently are ongoing. Each of the four long-term incentive programs adopted in 2021-2024 consists of three parts, a Share Matching Plan, a Performance Share Plan and a Special Projects Incentive⁶. The respective Share Matching Plan is for all employees, whereas the respective Performance Share Plan and the respective Special Projects Incentive are for senior executives and other key employees.

¹ The base salary includes monthly salary, holiday pay and compensation for the additional tax cost of certain benefits.

² Other benefits includes benefits such as company car, health insurance, housing, travels, tax assistance and taxable allowances.

³ Multi-year variable consists of shares that vested under the long-term incentive programs during 2024, based on the current share price at the time of respective vesting during the year.

⁴ Pension expenses according to collective agreements, the Saab-plan and the New Saab-plan for senior executives. The long-term incentive programmes do not qualify for pension benefits.

⁵ Christian Luiga, deputy CEO, left his position as deputy CEO on September 16, 2024. Christian has received multi-year variable remuneration consisting of shares that vested under the long-term incentive programs up to and including August 2024.

⁶ LTI 2025 was adopted by the Annual General Meeting 2024; LTI 2024 was adopted by the Annual General Meeting 2023; LTI 2023 was adopted by the Annual General Meeting 2022; and LTI 2022 was adopted by the Annual General Meeting 2021.

Taking into account the outcome of the performance conditions and the number of remaining participants in each plan, the number of shares that may vest in all ongoing long-term incentive programs amounts to 5,821,000 per 31 December, 2024. LTI 2025 started in January 2025 and comprises 4,400,000 shares.

The long-term incentive program LTI 2021, adopted by the Annual General Meeting 2020, was completed in February 2025 and consisted of a Share Matching Plan, a Performance Share Plan and a Special Projects Incentive.

Share Matching Plans

Employees who participate in a Share Matching Plan may during a twelve-month period save up to a maximum of 5 per cent of the cash base salary for the purchase of shares of series B. If the purchased shares are retained by the employee for three years from the date of investment and employment within the Saab Group has not been terminated during the entire three-year period, the employee will be allocated a corresponding number of shares of series B free of consideration.

Performance Share Plans

Employees who participate in a Performance Share Plan may during a twelve-month period save up to a maximum of 7.5 per cent of the cash base salary for the purchase of shares of series B. If the purchased shares are retained by the employee for three years from the date of investment and employment within the Saab Group has not been terminated during the entire three-year period, the employee will be entitled to matching of performance shares, free of consideration, as set out below.

- The CEO may be entitled to a performance match of up to seven shares for each purchased share;
- the deputy CEOs may be entitled to a performance match of up to five shares for each purchased share; and
- other employees may be entitled to a performance match of up to four or five shares for each purchased share.

The conditions for the performance matching in Performance Share Plan (PSP)

Program	Performance targets	Relative apportionment between the targets
PSP 2021 and 2022	Based on three independent targets; <ul style="list-style-type: none"> • Organic sales growth • EBIT margin • Free cash flow 	<ul style="list-style-type: none"> • 30 per cent • 30 per cent • 40 per cent
PSP 2023	Based on four independent targets; <ul style="list-style-type: none"> • Organic sales growth • EBIT margin • Free cash flow • CO₂ reduction 	<ul style="list-style-type: none"> • 30 per cent • 30 per cent • 30 per cent • 10 per cent
PSP 2024	Based on four independent targets; <ul style="list-style-type: none"> • Organic sales growth • EBIT margin • Free cash flow • CO₂ reduction 	<ul style="list-style-type: none"> • 20 per cent • 30 per cent • 40 per cent • 10 per cent
PSP 2025	Based on five independent targets; <ul style="list-style-type: none"> • Organic sales growth • EBIT margin • Operational cash flow • CO₂ reduction • Increase of the percentage of female employees in the Saab Group <p>The financial performance targets comprises a maximum allotment of 90 per cent during the financial year 2025 and the two non-financial performance targets an allotment of 10 per cent (5 per cent CO₂ reduction during the financial years 2025-2027 and 5 per cent increase of the percentage of female employees in the Saab Group by the end of the financial year 2027).</p>	<ul style="list-style-type: none"> • 20-40 per cent • 20-40 per cent • 20-40 per cent • 5 per cent • 5 per cent

Background Special Projects Incentives

Participation in each Special Projects Incentive presupposes savings under the Performance Share Plan for the relevant year or under the Share Matching Plan for the relevant year for purchasing shares of series B. For the CEO and the deputy CEOs, allotment of performance shares under each Special Projects Incentive requires savings by an amount equivalent to 7.5 per cent of the cash base salary under the Performance Share Plan for the relevant year (i.e. maximum saving). Participants in the Special Projects Incentive will be entitled to allotment of performance shares, free of consideration, as set out below.

- The CEO may be entitled to allotment of performance shares corresponding to up to 52.5 per cent of the cash base salary for the relevant financial year;
- the deputy CEOs may be entitled to allotment of performance shares corresponding to up to 37.5 per cent of the cash base salary for the relevant financial year; and
- other employees may be entitled to allotment of performance shares corresponding to up to 37.5 or 15 per cent of the cash base salary for the relevant financial year.

The total value of allotted performance shares under the Performance Share Plan and the Special Projects Incentive for each year may not exceed 75 per cent for the CEO and 60 per cent for the respective deputy CEO of the cash base salary for the relevant financial year. This so called cap has been applied to SPI 2021, SPI 2022 and SPI 2023 which has reduced the number of allotted shares.

Eventual performance shares are allotted after three years based on the achievement of performance targets for each program

Financial year	Performance targets
SPI 2021 – 2023	Ten equally weighted performance targets, consisting of operational targets and milestones in special projects within Saab's product areas Gripen, airborne radar systems (AEW&C), submarines, missiles, combat management systems and advanced pilot training systems.
SPI 2024	Ten equally weighted performance targets, consisting of operational targets and milestones in special projects within Saab's product areas Gripen, airborne radar systems (AEW&C), submarines, advanced weapon systems, combat management systems and advanced pilot training systems.
SPI 2025	A minimum of ten and a maximum of fifteen equally weighted performance targets, consisting of operational targets and milestones in special projects within Saab's core areas fighter systems, command and control systems, underwater systems, advanced weapon systems and sensors. Special projects can be linked to both the existing backlog and the development of future capabilities, including digitalization, within each of the defined core areas.

MAIN CONDITIONS SHARE-BASED INCENTIVES						INFORMATION CURRENT YEAR					
Name of Director, position	Performance period	Performance period starts ⁷	Performance period ends	Programme	Performance outcome	OPENING	CURRENT YEAR				CLOSING
						Share rights January 1, 2024	Number of vested shares	Value of vested shares (KSEK) ⁸	Number of awarded share rights ⁹	Value of awarded share rights (KSEK) ¹⁰	Allocated share rights not vested December 31, 2024
Micael Johansson, CEO	2020	May 2020	Feb 2024	SMP 2020	-	1 794	1 794	349	-	-	-
				PSP 2020	38%	7 159	7 159	1 393	-	-	-
				SPI 2020	-	-	-	-	-	-	-
	2021	May 2021	Feb 2025	SMP 2021	-	9 847	8 070	1 910	-	-	1 777
				PSP 2021	100%	103 397	84 738	20 054	-	-	18 659
				SPI 2021	50%	49 096	49 096	9 552	-	-	0
	2022	May 2022	Feb 2026	SMP 2022	-	6 246	-	-	-	-	6 246
				PSP 2022	81%	53 123	-	-	-	-	53 123
				SPI 2022	70%	30 572	-	-	-	-	30 572
	2023	May 2023	Feb 2027	SMP 2023	-	4 354	-	-	-	-	4 354
				PSP 2023	84%	38 405	-	-	-	-	38 405
				SPI 2023	80%	20 980	-	-	-	-	20 980
	2024	May 2024	Feb 2028	SMP 2024	-	-	-	-	3 078	750	3 078
				PSP 2024	85%	-	-	-	27 471	6 694	27 471
SPI 2024				50%	-	-	-	14 758	3 937	14 758	
						324 975	150 858	33 257	45 307	11 381	219 423
Anders Carp, Deputy CEO	2020	May 2020	Feb 2024	SMP 2020	-	655	655	127	-	-	-
				PSP 2020	38%	1 867	1 867	363	-	-	-
				SPI 2020	-	-	-	-	-	-	-
	2021	May 2021	Feb 2025	SMP 2021	-	4 003	3 281	776	-	-	722
				PSP 2021	100%	30 022	24 604	5 823	-	-	5 418
				SPI 2021	50%	16 632	16 632	3 236	-	-	0
	2022	May 2022	Feb 2026	SMP 2022	-	2 582	-	-	-	-	2 582
				PSP 2022	81%	15 686	-	-	-	-	15 686
				SPI 2022	70%	10 212	-	-	-	-	10 212
	2023	May 2023	Feb 2027	SMP 2023	-	1 835	-	-	-	-	1 835
				PSP 2023	84%	11 558	-	-	-	-	11 558
				SPI 2023	80%	8 152	-	-	-	-	8 152
	2024	May 2024	Feb 2028	SMP 2024	-	-	-	-	1 279	312	1 279
				PSP 2024	85%	-	-	-	8 153	1 987	8 153
SPI 2024				50%	-	-	-	4 380	1 169	4 380	
						103 204	47 038	10 326	13 812	3 467	69 977
Christian Luiga, Deputy CEO ¹¹	2020	May 2020	Feb 2024	SMP 2020	-	1 121	1 121	218	-	-	-
				PSP 2020	38%	3 196	3 196	622	-	-	-
				SPI 2020	-	-	-	-	-	-	-
	2021	May 2021	Feb 2025	SMP 2021	-	6 130	3 493	829	-	-	0
				PSP 2021	100%	45 978	26 195	6 219	-	-	0
				SPI 2021	50%	25 472	25 472	4 956	-	-	0
	2022	May 2022	Feb 2026	SMP 2022	-	3 838	-	-	-	-	0
				PSP 2022	81%	23 318	-	-	-	-	0
				SPI 2022	70%	15 344	-	-	-	-	0
	2023	May 2023	Feb 2027	SMP 2023	-	2 525	-	-	-	-	0
				PSP 2023	84%	15 906	-	-	-	-	0
				SPI 2023	80%	11 992	-	-	-	-	0
	2024	May 2024	Feb 2028	SMP 2024	-	-	-	-	0	0	0
				PSP 2024	85%	-	-	-	0	0	0
SPI 2024				50%	-	-	-	0	0	0	
						154 820	59 477	12 844	0	0	0

Application of performance criteria during 2024

After the end of the one-year performance period for the PSP 2024 and SPI 2024, on 31 December 2024, the Board decided on the outcome of the performance matching as follows. The retention period

⁷ Allotment of matching and performance shares for SMP and PSP occurs in May, August, November and February during the first year of the retention period. Allotment of performance shares for SPI occurs in February during the first year of the retention period.

⁸ Based on the current share price at the time of respective vesting during the year. Share price and number of shares recalculated with account taken to the share split 4:1.

⁹ Matching and performance shares for SMP and PSP will be awarded in May, August, November and February provided that the purchased shares are retained by the employee and employment within the Saab Group has not been terminated. Performance shares for SPI will be awarded in February. After the end of the financial year 2024, the Board resolved in February 2025, on allocation of performance shares for PSP and SPI.

¹⁰ Based on the actual share price at the time of respective award.

¹¹ Christian Luiga left his position as deputy CEO on September 16, 2024. Christian has received multi-year variable remuneration consisting of shares that vested under the long-term incentive programs up to and including August 2024. Christian participated in the 2024 long-term incentive program until August but awarded share rights were forfeited at end of employment. All other unvested shares from previous programs were also forfeited.

is still running for below programs and the awarded shares will be vested in 2027 - 2028, provided that the participants remain employed by the Saab group.

MAIN CONDITIONS SHARE-BASED INCENTIVES					INFORMATION CURRENT YEAR					
Programme	Performance targets	Weighted	Outcome	Outcome	Micael Johansson, CEO		Anders Carp, Deputy CEO		Christian Luiga, Deputy CEO	
					Awarded share rights	Value of awarded share rights, KSEK	Awarded share rights	Value of awarded share rights, KSEK	Awarded share rights	Value of awarded share rights, KSEK
PSP 2024	Organic sales growth	20%	23%	100%	6 464	1 575	1 918	467	0	0
	EBIT margin	30%	8,8%	50%	4 848	1 181	1 439	351	0	0
	Free cash flow	40%	1 259 MSEK	100%	12 928	3 150	3 837	935	0	0
	CO2 emissions	10%	-6,4%	100%	3 232	787	959	234	0	0
	Total			85%	27 471	6 694	8 153	1 987	0	0
SPI 2024	10 operating targets and milestones related to Saab's products	10% each	5 of 10 targets fulfilled	50%	14 758	3 937	4 380	1 169	0	0
	Total				14 758	3 937	4 380	1 169	0	0

The ten performance targets in the Special Projects Incentive 2024, were operating targets and milestones in special projects within Saab's product areas Gripen, airborne radar systems (AEW&C), submarines, advanced weapon systems, combat management systems and advanced pilot training systems. The performance targets may be related to e.g. product design review, customer design review, partial deliveries or system implementation. Each performance target represents 10 per cent of the total performance target. The performance targets in previous SPI programmes have been of a similar nature as in SPI 2024. Due to the nature of the defence industry, further information on the individual performance targets cannot be provided. All participants will be allotted performance shares based on the achievement of the same performance targets.

Comparative information on the change of remuneration and company performance

Change of remuneration and company performance over the last five reported financial years

Annual change	2020 compared to 2019	2021 compared to 2020	2022 compared to 2021	2023 compared to 2022	2024 compared to 2023	2024
Directors remuneration (SEK)						
Micael Johansson, CEO	-4,555,226 (-19 %)	+1,208,901 (+6 %)	+1,565,187 (+8 %)	+14,661,481 (+66%)	+18,692,722 (+51%)	55,571,495
Anders Carp, deputy CEO	-1,540,408 (-18 %)	+1,730,127 (+25 %)	+1,046,775 (+12 %)	+2,564,519 (+26%)	+7,064,182 (+57%)	19,406,943
Christian Luiga, deputy CEO ¹²	+2,182,664 (+25 %)	+337,466 (+3 %)	+442,669 (+4 %)	+2,324,814 (+20%)	+9,547,329 (+68%)	23,507,401
Company's performance						
Operating Profit	-1,622 MSEK (-55 %)	+1,573 MSEK (+120%)	+386 MSEK (+13%)	+998 MSEK (+30%)	+1,390 (+33%)	5,662 MSEK
Average remuneration on a full-time equivalent basis of employees (SEK)						
Employees ¹³ of the company, i.e. Saab Aktiebolag	-8,000 (-1.2 %)	+27,000 (+4.1%)	+20,000 (+3%)	+22,000 (+3.1%)	+34,000 (+4.7%)	761,000

Linköping in March 2025

The Board of Directors in Saab Aktiebolag (publ)

¹² Christian Luiga, deputy CEO, left his position as deputy CEO on September 16, 2024. Christian has received multi-year variable remuneration consisting of shares that vested under the long-term incentive programs up to and including August 2024.

¹³ Excluding members of the Group Management.