ank=20250623;20250626608878

Styrelsen och verkställande direktören för

Scania Real Estate Services AB

Org nr 556593-3024

får härmed avge

Årsredovisning

för räkenskapsåret 1 januari - 31 december 2024

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Undertecknad styrelseledamot i Scania Real Estate Services AB intygar, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkning fastställts på årsstämma den 2025-06-17. Stämman beslöt även att godkänna styrelsens förslag till disposition av det uppkomna resultatet.

Södertälje den 2025-06-17 -

Yves Thépaut

ank=20250625608879

Förvaltningsberättelse

Allmänt om verksamheten

Scania Real Estate Services AB (nedan också kallat bolaget) äger och förvaltar, via dotterbolag, fastigheter i ett flertal marknader där Scaniakoncernen bedriver verksamhet. Historiskt utförde bolaget även tjänster som projektledning och projektering i samband med ny- och ombyggnationer, samt övriga konsultuppdrag förenliga med huvudverksamheten, dessa tjänster utförs nu av andra avdelningar inom Scania

Bolaget har i uppdrag från moderbolaget, Scania CV AB, att ansvara för alla frågor som gäller kommersiella fastigheter, samt delar av investeringsprocessen för dessa.

Scania Real Estate Services AB driver ett antal projekt som alla syftar till att effektivisera de processer som ligger till grund för beslut om ny- och ombyggnationer av serviceanläggningar.

Väsentliga händelser under 2024

Under 2024 har Scania Real Estate Services AB startat upp ett fusionsprojekt gällande bolagets svenska fastighetsbestånd i syfte att ytterligare effekivisera drift och administration i verksamheten.

I övrigt har inga väsentliga händelser ägt rum under 2024.

Förväntningar avseende den framtida utvecklingen

Scania Real Estate Services AB och dess dotterbolag kommer under de kommande åren att fortsätta att utveckla fastighetsbeståndet i kommersiella fastigheter. Detta sker dels genom ytterligare omstrukturering av befintliga fastighetstillgångar inom koncernen, exempelvis nätverksbaserade avyttringar, och dels genom expansion i form av förvärv och nyproduktion.

Strategiska risker

Alla enheter inom företaget har att arbeta enligt ett väl dokumenterat ledningssystem som uppfyller Scania Real Estate Services krav och riktlinjer. Snabb spridning av ändamålsenlig information säkerställs via bolagets ledningsstrukturer och ledningsprocesser. Ledningssystemen förbättras kontinuerligt bland annat genom regelbunden översyn, såväl intern som utförd av tredje part. Uppföljning sker genom kontrollsystem, rapporterings- och åtgärdsrutiner. Scanias Blue Rating program är en standardiserad metod för att genomföra riskbesiktningar med fokus på fysiska risker.

Personal- och kompetensförsörjning

Bolaget har inga anställda. Tjänster för bolagets räkning utförs av andra avdelningar inom Scania.

Miljörisker

Inom Scania Real Estate Services AB finns rutiner för att fortlöpande och systematiskt identifiera och bedöma miljörisker..En miljömässig "due diligence" görs innan några större investeringar görs. Miljöriskhanteringen koordineras med övrig riskhantering.

Finansiella risker

Med den fortsatt stora osäkerheten av inflationsutvecklingen och framtida räntenivåer är detta något som ledni och kommer hålla noggrann uppsikt över.

Förändring av eget kapital

	Aktie-kapital	*Reserv-fond*	*Balanserad vinst*	*Årets resultat*	*Totalt*
Belopp vid årets ingång	100	20	1 183 312	25 148	1 208 580
Disp av fg års resultat	0	0	25 148	-25 148	0
Aktieägartillskott	0	0	4 250	0	4 250
Årets resultat	0	0	0	23 039	23 039
Belopp vid årets utgång	100	20	1 212 710	23 039	1 235 869

ank=20250625:20250627608380

Flerårsöversikt, tkr

	2024	2023	2022	2021	2020
Nettoomsättning		0	0	1 625	19 698
Rörelseresultat	-8 705	-1 450	-656	16	-645
Res.e.finans.poster	18 275	5 248	249 737	59 642	71 251
Soliditet	100%	90%	99%	99%	91%
Medeltal anställda	0	0	0	0	8

Förslag till vinstdisposition

Till årsstämmans förfogande står följande (kr):

Balanserad vinst		1 187 562 102
Årets resultat		23 038 840
	Summa	1 210 600 941
I ny räkning överförs		1 210 600 941
	Summa	1 210 600 941

Vad beträffar företagets resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkning samt noter med redovisnings- och värderingsprinciper.

ank=20250625608881

Resultaträkning

Belopp i tkr	*Not*	*2024*	*2023*
Övriga rörelseintäkter		2 338	-521
Övriga externa kostnader	2	-11 043	-929
Rörelseresultat		-8 705	-1 450
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	3	31 947	11 057
Ränteintäkter och liknande resultatposter	4	12 224	11 052
Räntekostnader och liknande resultatposter	5	-17 191	-15 411
Resultat efter finansiella poster		18 275	5 248
Bokslutsdispositioner			
Bokslutsdispositioner, erhållet koncernbidrag		8 590	19 900
Resultat före skatt		26 865	25 148
Skatt på årets resultat	7	-3 826	
Årets resultat		23 039	25 148

ank=20250625;20250626608882

Balansräkning

Belopp i tkr	*Not*	*2024-12-31*	*2023-12-31*
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	6	1 107 635	1 103 385
Fordringar hos koncernföretag			
		1 107 635	1 103 385
Summa anläggningstillgångar		1 107 635	1 103 385
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		8 590	19 900
Fordringar hos Moderbolag		4 250	–
Skattefordringar			6
Övriga fordringar		307 024	296 967
		319 864	316 873
Summa omsättningstillgångar		319 864	316 873
SUMMA TILLGÅNGAR		**1 427 499**	**1 420 258**

Transaktion 09222115557547856845 Signerat DYK, YT, JMÖ, MGG, OAR

20250625;20250626008883

Balansräkning

Belopp i tkr	*Not*	*2024-12-31*	*2023-12-31*
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital (1 000 aktier)		100	100
Reservfond		20	20
		120	120
Fritt eget kapital			
Balanserad vinst eller förlust		1 212 710	1 183 312
Årets resultat		23 039	25 148
		1 235 749	1 208 460
Summa eget kapital		1 235 869	1 208 580
Kortfristiga skulder			
Leverantörskulder		2 090	305
Skulder till koncernföretag		185 609	211 325
Skatteskulder		3 826	-
Upplupna kostnader och förutbetalda intäkter	8	105	48
		191 630	211 678
SUMMA EGET KAPITAL OCH SKULDER		**1 427 499**	**1 420 258**

ank=20250526;20250526088884

Noter

Belopp i tkr om inget annat anges

Not 1 Redovisnings- och värderingsprinciper

Allmänna redovisningsprinciper
Scania Real Estate Services AB:s årsredovisning har upprättats enligt Årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3). Redovisningsprinciperna är oförändrade jämfört med föregående år

Värderingsprinciper m m
Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.
Undantaget är kapitalförsäkringar där värdering skett till marknadsvärde. Uppgift om marknadsvärde erhålls kvartalsvis från respektive försäkringsbolag.

Fordringar
Fordringar har efter individuell värdering upptagits till belopp varmed de beräknas inflyta.

Avskrivningsprinciper för anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde med avdrag för ackumulerade avskrivningar och eventuella nedskrivningar. Avskrivningar enligt plan baseras på ursprungliga anskaffningsvärden och beräknad ekonomisk livslängd.

Följande avskrivningstider tillämpas:

Aktiverade programvaror	5 år
Maskiner och inventarier	5 eller 10 år

Redovisning av intäkter
Intäkter har upptagits till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Avsättningar
Avsättningar redovisas i balansräkningen när bolaget har en förpliktelse (legal eller informell) på grund av en inträffad händelse och då det är sannolikt att ett utflöde av resurser som är förknippade med ekonomiska fördelar kommer att krävas för att uppfylla förpliktelsen och beloppet kan beräknas på ett tillförlitligt sätt.

Koncernuppgifter
Scania Real Estate Services AB, organisationsnummer 556593-3024, upprättar med stöd av 7 kap 2§ ÅRL ingen koncernårsredovisning. Anledningen är att företaget tillsammans med sina dotterföretag omfattas av koncernredovisningen i det överordnade moderföretaget Scania CV AB, organisationsnummer 556084-0976 med säte i Södertälje.

Av totala inköp mätt i kronor avser 60% (30%) av inköpen andra företag inom företagsgruppen som bolaget tillhör.

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ank=20230625;20230626608885

Not 2 Arvode och kostnadsersättning till revisorer

	2024	*2023*
Ernst & Young AB		
Revisionsarvode	105	48

Not 3 Resultat från andelar i koncernföretag

	2024	*2023*
Utdelning erhållen	31 947	29 617
Förlust vid likvidation av dotterbolag	0	0
Förlust vid fusion av dotterbolag	0	0
Vinst vid avyttring av dotterbolag		
Nedskrivning andelar i dotterbolag	0	-18 560
	31 947	11 057

Not 4 Ränteintäkter och liknande resultatposter

	2024	*2023*
Ränteintäkter, koncernföretag	12 224	11 052
	12 224	11 052

Not 5 Räntekostnader och liknande resultatposter

	2024	*2023*
Räntekostnader, koncernföretag	-17 191	-15 411
	-17 191	-15 411

Not 6 Andelar i koncernföretag

	2024	*2023*
Ackumulerade anskaffningsvärden		
Vid årets början	1 103 385	1 049 515
Aktieägartillskott	4 250	
Omklassificiering		53 870
Utgående värde	1 107 635	1 103 385

	Säte	*Org.nr*	*Antal andelar*	*Kapital-andel*	*Bokfört värde*
Scania Investimentos Imobilários, S.A	Sta Iria de Azóia Portugal	508 948 118	10 000	100%	8 363
Fastighets AB Flygmotorn	Södertälje	556528-9112	150 000	100%	23 417
Fastighets AB Hjulnavet	Södertälje	556084-1198	100 000	100%	45 603
Fastighets AB Vindbron	Södertälje	556040-0938	80 000	100%	52 880
Scania Real Estate Schweiz AG	Zürich Schweiz	CH-020.3. 035.714-4	1 000	100%	7 051
Norsk Scania Eiendom AS	Oslo Norge	996036545	30 000	100%	34 888

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ank=20230623;20230626008886

Scania Danmark Ejendom ApS	Köpenhamn Danmark	33 156 332	80 000	100%	73 660
Scania Real Estate the Netherlands BV	Breda Nederländerna	506 872 921	180	100%	79 558
Scania Real Estate Romania SRL	Bukarest Rumänien	28 936 367	10	100%	6 098
Scania Real Estate Belgium BV	N-O Heembeek Belgien	0423.251.481	9 433	100%	97 722
Scania Real Estate Bulgaria EOOD	Sofia Bulgarien	201 589 120	2 000	100%	386
Scania Real Estate Österreich GmbH	Wien Österrike	FN 95419y	84 150	99%	68 508
Scania Real Estate Czech Republic s.r.o.	Prag Tjeckien	24 196 746	1	100%	46 874
Scania Real Estate Hispania S.L	Pontevedra Spanien	ESB36682003	150	100%	9 145
Scania Real Estate UK Limited	Milton Keynes Storbritannien	7 648 886	5 400 000	100%	60 744
Scania Real Estate France s.a.s.	Angers Frankrike	789 612 413 00011	3 000	100%	26 045
SRE Holding Sarl	Munsbach Luxemburg	B 160795	990	99%	62 855
Scania Real Estate Polska Sp. Z.o.o.	Nadarzyn Polen	435 941	640 000	100%	66 694
Scania Real Estate Deutschland Holding	Koblenz Tyskland	HRB 23798	25 000	90%	107 544
Metrobus	Södertälje	556328-8165	1 000	100%	19 911
Uppsala Danmark Säby	Södertälje	556763-6880	1 000	100%	27 905
Bilmetro Lastbilar i Hudviksvall	Södertälje	556564-2377	1 000	100%	1 689
Kai Tak Holding AB	Södertälje	556548-4739	1 000	100%	120
Scania Real Estate Kenya Ltd.	Nairobi Kenya	PVT-XYUME96	2 000 000	100%	0
Fastighetsbolaget Bärgningsbilen 2 Örebro AB	Örebro	556600-6416	1 000	100%	82 347
Vita Gjuteriets Fastighetsbolag AB	Katrineholm	559348-5773	50 000	100%	4 822
Stop 134 AB	Eskilstuna	559129-4516	50 000	100%	7 491
Fastighetsbolaget Gilltuna Västerås AB	Västerås	556810-1942	100 000	100%	
Fastighetsbolaget Fluoret AB	Norrköping	559072-7698	50 000	100%	10 286
Scania Real Estate New Zealand	Auckland New Zealand	NZBN 9429051425609	11 600 000	100%	75 028
					1 107 635

ank=20250625;20250626088887

Not 7 Skattekostnad

	2024-12-31	*2023-12-31*
Skatt	*3 826*	-
Resultat	26 865	25 148
Skatt beräknad med svensk skattesats	-5 534	-5 180
Ej skattepliktiga utdelningar	6 581	6 101
Ej skattepliktiga intäkter	7	
Ej avdragsgilla kostnader	-24	-
Ej bokförda ej avdragsgilla kostnader	-1 030	-921
Skatt från föregående år	-3 826	-
	-3 826	**0**

Not 8 Upplupna kostnader och förutbetalda intäkter

	2024-12-31	*2023-12-31*
Upplupet revisionsarvode	105	48

Not 9 Väsentliga händelser efter räkenskapsåret

Inga väsentliga händelser har identifierats

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ank=20230623;20230626088888

Södertälje den dag som framgår av vår elektroniska underskrift

Do Young Kim
Ordförande

Magnus Öhlén
Styrelseledamot

Yves Thépaut
Verkställande direktör

Mats Gunnarsson
Styrelseledamot

Vår revisionsberättelse har lämnats den dag som framgår av min elektroniska underskrift
Ernst & Young AB

Oskar Rosenkvist
Auktoriserad revisor

ank=20250623;20250626086889

Verifikat

Transaktion 09222115557547856845

Dokument

Årsredovisning_0048_2024
Huvuddokument
11 sidor
Startades 2025-05-27 10:09:31 CEST (+0200) av Jonathan Halef (JH)
Färdigställt 2025-06-12 11:53:15 CEST (+0200)

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BankID

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Signerade 2025-05-30 10:49:43 CEST (+0200)

ank=20250625-20250626080890

Verifikat

Transaktion 09222115557547856845

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oskar.rosenkvist@se.ey.com

BankID

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EY

Revisionsberättelse

Till bolagsstämman i Scania Real Estate Services Aktiebolag, org.nr 556593-3024

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Scania Real Estate Services Aktiebolag för räkenskapsåret 2024-01-01 – 2024-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Scania Real Estate Services Aktiebolags finansiella ställning per den 31 december 2024 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Scania Real Estate Services Aktiebolag enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehålle i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Penneo dokumentnyckel: PAMUV-DSP9T-419MU-2DM89-OVCTG-6I95L

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av Scania Real Estate Services Aktiebolag för räkenskapsåret 2024-01-01 – 2024-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Scania Real Estate Services Aktiebolag enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Jönköping den dag som framgår av min elektroniska signatur

Ernst & Young AB

Oskar Rosenkvist
Auktoriserad revisor

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OSKAR ROSENKVIST (SSN-validerad)

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Scania CV AB (publ.)

Swedish corporate identity number 556084-0976

Annual and Sustainability Report 2024

SCANIA

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The Financial statements encompass pages 38–94 and were prepared in compliance with IFRS Accounting Standards.

The Report of the Directors encompasses pages 3–22 and 94.

REPORT OF DIRECTORS

In a world with a high degree of uncertainty due to the unstable global macroeconomic and geopolitical situation, the demand for Scania's products and services stayed strong.

REPORT OF THE DIRECTORS

Scania CV AB (publ.) is a public company (as defined by the Swedish Companies Act) with head office and domicile in Södertälje, Sweden. The address for the company is Scania CV AB, SE-151 87 Södertälje. Scania CV AB is the parent company of the Scania CV Group (Scania), which consists of Scania's production, marketing and other companies. Scania CV AB is a subsidiary of Scania AB (publ.), (Swedish corporate identity number 556184-8564, registered office Södertälje).

Scania's operations in general

The Scania way

Being at the forefront of the transport industry for more than a century, Scania has developed key competitive advantages that will help us deal with future challenges. With a corporate culture that stands solid on our core values, flow thinking firmly rooted in our way of working and with employees continuously challenging and improving the order of things, Scania is well equipped to drive the transformation of the transport system.

Our core values

Our core values form the basis for all we do at Scania. They have been firmly anchored and integrated in Scania's operations for generations. Our core values reflect and embody our thinking, our way of carrying out work and how we relate to each other and to others we meet outside the company – customers, suppliers, partners and society at large. The core values guide our actions, support us in creating value for the company's stakeholders and ultimately, in the aim to be a leader in the shift towards a sustainable transport system. Based on the core values and the main principles, the management system (our common way of working) together with the Thinking model (our common way of thinking) form the basis of our corporate culture – "The Scania Way".

Scania's core values are Customer first, Respect for the individual, Elimination of waste, Determination, Team spirit and Integrity.

Scania's business model

Scania's core value 'Customer First' is the point of departure for our own profitability. Our success is built on our ability to provide our customers with profitable and sustainable transport solutions that enable the success of their businesses. Scania's business model, our principles, working methods and approach to sustainable transport will continue to be the platform for how we create value for our stakeholders, now and in the future.

Activities subject to permission

Scania CV AB conducts activities that require permission in those places where manufacturing is conducted. The activities for which permission is required is affecting the environment through emissions to air and water, noise and use of energy. Scania CV AB holds all the necessary permits and is constantly reviewing them.

MARKET TRENDS AND PERFORMANCE 2024

Scania saw robust demand for its products and services throughout the year and delivered a strong financial performance in 2024.

Vehicles and services

Scania achieved record delivery levels in 2024, surpassing 100,000 vehicles. Many of the supply chain issues that have hindered production in recent years were resolved, resulting in a more stabilised production flow.

Scania's vehicle deliveries increased by 6 percent in 2024 compared to 2023. Truck deliveries increased by 5 percent to a total of 96,443 units. Bus deliveries increased by 11 percent to 5,626 units. Power solutions deliveries decreased by 19 percent to 11,170 units. Service sales increased by 3 percent to SEK 43,886 m.

The truck market

In 2024, the European truck market experienced a slowdown overall compared to 2023. In contrast, demand in Latin America remained strong, particularly in Brazil, due to positive economic developments. In Asia demand was affected by the economic slowdown in China, and in the Middle East by war and unrest.

Scania's total truck order intake decreased by 5 percent, but deliveries increased, particularly in Brazil. Europe also experienced strong deliveries, driven by an order book accumulated in 2023.

Scania continued developing the battery electric vehicle offering in 2024, introducing more electric machines, axle configurations and cab alternatives, plus a number of power take-off solutions.

Among other truck business highlights, Scania won the Green Truck Award 2024 – the seventh time the business has won the award out of the last eight years.

An important milestone in 2024, was when Scania made autonomous vehicles commercially available for the first time. Scania and Australian services provider Regroup will launch the world's first fleet of autonomous in-pit mining trucks at the Butcherbird mine in Pilbara, Western Australia, in 2025.

Europe

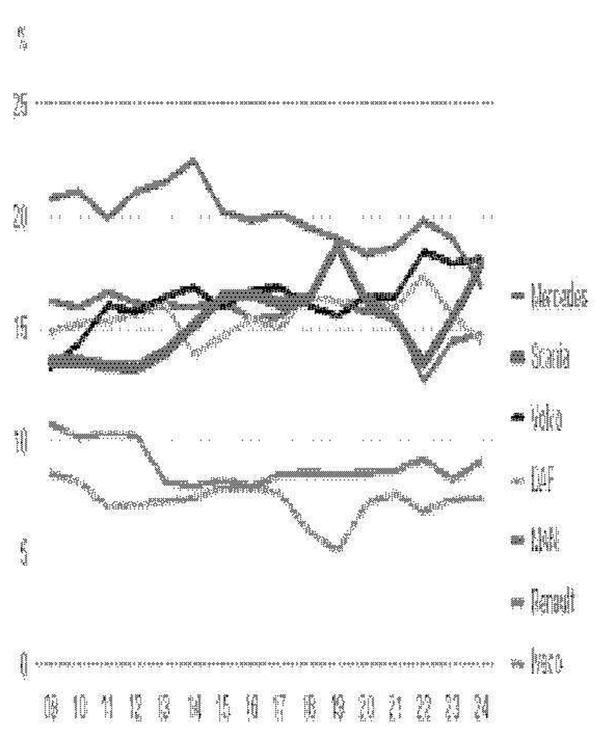
In 2024, European demand was more cautious compared to 2023. While there was still replacement demand, it was lower than in 2023, and investment decisions were impacted by high inflation rates. Order intake for the full year 2024 in Europe increased by 3 percent to 41,705 (40,658) trucks, with increases primarily related to the Netherlands and Belgium. Deliveries decreased by 4 percent to 54,787 (57,092) trucks, mainly related to United Kingdom and France.

European production flows experienced deviations as Scania introduced updates to its new software platform to meet new cybersecurity legislation and increase customer value and functionality. Complexity and quality issues in the software implementation meant that many customers experienced delivery delays.

Electric trucks were not delivered as planned due partly to issues with components from suppliers, resulting in delayed volume ramp-up. Overall, underlying customer demand for electric trucks is growing in Europe and globally, but the pace of growth is lower than anticipated in last year's forecasts. Transport buyers' CO_2 ambitions in sectors such as Fast-Moving Consumer Goods, Construction, Automotive and Municipalities have begun to influence the mega fleets, encouraging the largest transport companies to transition more quickly than in previous years.

The total market for heavy trucks in 27 of the EU member countries (all EU countries except Malta) plus Norway, Great Britain, Switzerland and Iceland decreased by around 8 percent to about 315,100 (342,000) units during 2024. Despite this, the increased deliveries and Super driveline excellence improved Scania's position in Europe and generated a market share of 17.8 (15.4) percent.

Heavy trucks market share, above 16 tonnes EU27*



*Except Malta, including Norway, Switzerland, Great Britain and Iceland.

MARKET TRENDS AND PERFORMANCE 2024

Latin America

In Latin America, truck demand was driven primarily by positive economic momentum in Brazil. In Argentina, despite political changes and an unstable exchange rate, truck demand developed positively due to improvements in the country's economy and market needs.

Scania's order intake in Latin America decreased by 7 percent to 21,500 (23,003) trucks, with decreases in primarily Brazil. Deliveries increased by 45 percent to 25,513 (17,590) trucks, mainly related to Brazil.

The business also achieved a milestone by reaching half a million trucks produced in Brazil since Scania started the production there in 1957.

Eurasia, Asia, Africa and Oceania

In Asia, the slowing growth of China's economy and a longer replacement cycle for Heavy Duty Transports (HDT) stabilised domestic retail sales at a lower level. The Middle East saw a significant reduction in demand due to war and unrest in the region. In the Middle East, Turkey remains the largest market in terms of market size and Scania sales. In Africa, business activity in South Africa stabilised after the general elections, and deliveries continued to be strong in 2024. However, order intake reduced significantly. In Oceania, total markets declined.

Order intake in Eurasia decreased by 18 percent to 770 (936) trucks, with decreases primarily related to Kazakhstan. Deliveries were flat at 1,154 (1,159) trucks, mainly related to Georgia. As Scania is no longer selling trucks in Russia, the Eurasia region is significantly smaller and dominated by sales to Ukraine and Kazakhstan.

Order intake in Asia increased by 1 percent to 8,233 (8,139) trucks, with increases primarily related to United Arab Emirates. Deliveries decreased by 7 percent to 8,913 (9,549) trucks, mainly related to Israel.

Order intake in Africa and Oceania decreased by 55 percent to 2, 717 (6,063) trucks, with decreases primarily related to South Africa and Australia. Deliveries decreased by 3 percent to 6,076 (6,262) trucks, mainly related to Australia and South Africa.

The bus and coach market

Scania's bus business continued to recover strongly in 2024, with the European market back to pre-Covid levels, and a strong development in Latin America.

In 2024, order intake for buses and coaches increased by 15 percent to 6,087 (5,281) units with strong improvement in all regions. In Europe, order intake increased to 1,590 (1,469). In Latin America, order intake increased to 3,141 (2,887), primarily related to Brazil, Peru and Argentina. Order intake in Asia increased to 672 (395), mainly related to Malaysia. Order intake in Africa and Oceania increased to 682 (530), mainly related to Kenya.

Deliveries increased by 11 percent in 2024 to 5,626 (5,075) units. In Europe, where Scania's main markets are Spain, Italy, Great Britain, Sweden, France and Germany, deliveries totalled 1,669 (1,750) units. Given the introduction of the new cybersecurity legislation and the discontinuation of the Scania range, this is a minor decrease demonstrating the strength and resilience of this region.

In Latin America, deliveries increased by 28 percent to 2,807 (2,186) units, mainly driven by Brazil, Mexico, and Colombia. This reaffirms Scania's position in the region, supported by the strong performance of Scania's New Bus Generation products.

In Asia, deliveries decreased by 21 percent to 498 (631) units, primarily due to lower demand in Israel during the first half of the year. Deliveries to Africa and Oceania increased by 28 percent to 652 (508) units, primarily related to Australia and South Africa.

Bus product launch highlights during the year included the introduction of the LBG/LNG variant of our Scania Touring coach, offering the power and range of a diesel-powered equivalent with significantly reduced operating costs and carbon emissions.

During 2024, Scania successfully completed restructuring its bus business and implemented a new strategy where Scania continues to offer complete bus solutions, but focuses its own production on the chassis. Scania's bus bodies are now manufactured and distributed collaboratively, through strategic global partnerships. Scania continues to provide solutions integrated in the Scania modular system and supported by Scania's exceptional global service network, which ensures high uptime and reliability.

This new strategy has already delivered outstanding results and reinforces Scania's promise to be a globally trusted partner for complete solutions.

Scania is investing in adapting its production line for the local production of electric buses in Latin America, set to start in the second half of 2025. This move reaffirms Scania's commitment to the global production of electric buses while continuing to offer a wide range of sustainable powertrains such as LBG, CBG, Biogas and Hybrids, to meet the needs of customers across regions.

MARKET TRENDS AND PERFORMANCE 2024

Scania was awarded the Sustainable Bus Award in the coach category for the gas-driven Scania Touring LBG/LNG, demonstrating Scania's continued dedication to sustainability across all bus and coach segments.

The Power Solutions market

Demand in the Power Solutions segment improved in 2024, resulting in a 9 percent increase in total order intake, at 8,492 (7,818) engines. However, deliveries in 2024 decreased by 19 percent and reached 11,170 (13,871) engines.

Demand was strong in Latin America, driven by Brazil and significant demand for gensets to power plants due to low water levels in reservoirs. In Europe, demand picked up by the end of the year. Lead times have now returned to more normal levels. In particular, the Power Generation segment faced challenges due to high stock levels and continued low market demand. The Marine business remained strong, with Norway, the biggest marine market, delivering an all-time high. In Asia, order intake significantly decreased, particularly in the construction equipment segment. This decrease is linked to China, due to the declining domestic market there.

Services

Scania's service business continued to grow in 2024. Service revenue amounted to SEK 43,886 m. (42,424) during the year, an increase of 3 percent. Higher volumes impacted revenue positively. In local currency, revenue increased by 4 percent.

In Europe, service revenue increased by 5 percent to SEK 30,517 m. (29,098). In America, revenue increased by 1 percent to SEK 6,587 m. (6,508) and service revenue in Eurasia decreased by 11 percent to SEK 148 m. (166). Revenue in Asia decreased by 2 percent to SEK 3,506 m. (3,579). In Africa and Oceania revenue increased by 2 percent to SEK 3,128 m. (3,073).

We continued to develop our outstanding service offering. This included the introduction of Service 360, a uniform modular service portfolio across Europe, as well as the launch of ProDriver, a driver training app using gamification to encourage sustainable, fuel-efficient driving habits.

Our employees

Scania's employees totalled 58,845 (58,163) people at the end of 2024. Scania is dedicated to fostering a diverse, inclusive, and safe working environment, with a focus on promoting well-being and continuous skill development. The business measures employee satisfaction regularly to ensure it is delivering on its people strategy.
For more information see pages 46–52 in Scania AB's Annual and Sustainability Report 2024 and Note 23.

Production

In 2024, sustainability remained at the forefront with significant progress across environmental and social dimensions:

- **Sustainability Training:** Continued integrating sustainability into The Scania Way, focusing on both planetary and people-centred goals.
- **Enhanced Metrics Tracking:** Improved internal monitoring of CO_2, energy, waste, water, and land transport emissions, shifting from quarterly to monthly reporting to align with EU regulatory requirements.
- **Circular Economy Initiatives:** Successfully trial-assembled gearboxes and engines using reused components, showcasing our innovation and commitment to sustainable practices.

Scania continued to establish its third industrial hub, its largest investment in industrial operations since moving into Latin America. Located northwest of Shanghai in Rugao in China, and spanning 800,000 square metres, the plant will deliver Scania products to customers in China and the wider Asia market. The plant is expected to be ready during 2025. Having production near customers in the region makes Scania more competitive, as it will be able to deliver with shorter lead times, reduced costs, and improved tailor-made specifications to meet customer needs. The plant will be powered by renewable energy.

Research and development

The aim of Scania's research and development organisation is to develop sustainable solutions that enhance productivity and profitability in customer operations by focusing on low fuel and energy consumption, high vehicle uptime and low service costs, combined with excellent performance. In total, Scania invested SEK 15.5 billion (12.8) in research and development in 2024, with R&D expenses corresponding to 7 percent of net sales.

As part of the TRATON GROUP, Scania benefits from access to a pool of technical expertise, fostering innovation and driving cost efficiency. Scania focuses on optimising the global TRATON Group R&D organisation by establishing a common setup, steering, mindset, and collaborative ways of working. Scania is taking a key role in developing and implementing the TRATON Modular System, a cross-brand platform based on Scania's own modular system. The new system will bring the design, production and cost benefits of

MARKET TRENDS AND PERFORMANCE 2024

modularisation to brands across the Group.

Scania R&D 2024 highlights:

- Advancing autonomy:
  - Transitioned from research to the sales phase of autonomous mining trucks, paving the way for safer, more efficient, and sustainable mining operations.
- Next-generation electrical architecture:
  - Introduced an innovative system designed for enhanced safety, scalability, and functionality, meeting stringent new cybersecurity regulations.
  - Addressed compliance with the new EU road safety directive, the General Safety Regulation (GSR).
- Collaborative innovation:
  - Conducted several public research tests and deepened our partnership with the Integrated Transport Research Lab (ITRL) at KTH, Sweden, to shape the future of sustainable transport.
- Expanding battery electric truck offerings
  - Continued to expand Scania's electric truck offerings by introducing more electric machines, axle configurations, cab alternatives, and power take-off solutions.

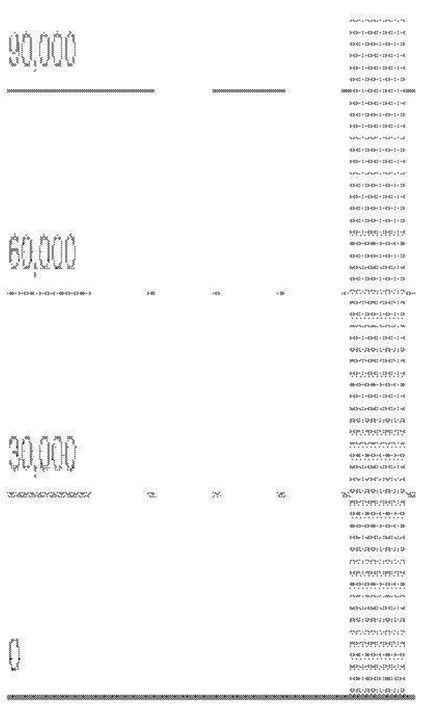


MARKET TRENDS AND PERFORMANCE 2024

SUSTAINABILITY REPORT STATEMENT

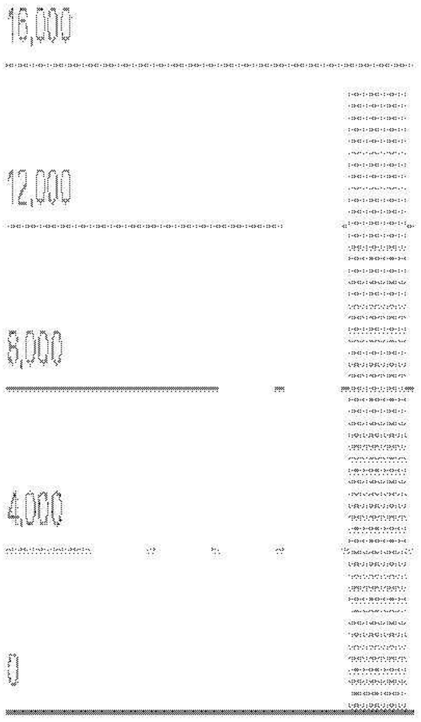
Vehicles produced

During 2024, Scania produced 101,648 vehicles (102,283).



R&D Investments

Scania maintains a high level of investment to strengthen the product portfolio in the coming years.



In accordance with the Swedish Annual Accounts Act 6 Chapter 11§, the Parent Company Scania AB has chosen to draw up the sustainability report as a report separated from the Annual Report. The extent of the sustainability report can be found on page 62 in the Annual and Sustainability Report 2024 for Scania AB.

GROUP FINANCIAL REVIEW

All time high vehicle deliveries 2024 and a good utilization in the production system contributed to a strong financial result in a macroeconomic and geopolitical challenging situation. The truck order-to-delivery flow improved during the year which previously hampered us. Despite this, our customers experienced delays in receiving their vehicles due to challenges in updating our next-generation software platform to comply with new cybersecurity legislation. Demand for trucks remained on a good level despite a cautious European market, and by the end of the year, order intake saw an increase.

As part of the ongoing transformation of the TRATON GROUP the lending portfolio towards TRATON Financial Services (formerly Scania Financial Services) was sold to TRATON Treasury AB in 2024.

Deliveries

During 2024 Scania CV Group delivered 96,443 (91,652) trucks, an increase of 5.2 percent. Bus deliveries increased by 10.9 percent to 5,626 (5,075) units. Power solutions deliveries decreased by 19.5 percent to 11,170 (13,871) units.

Vehicles delivered, units	2024	2023
Vehicles and services		
Trucks	96,443	91,652
Buses	5,626	5,075
Total new vehicles	**102,069**	**96,727**
Used vehicles	16,837	15,908
Power solutions	11,170	13,871
Total units delivered	**130,076**	**126,506**

Revenue

The sales revenue of the Scania CV Group, in the Vehicles and Services segment, increased by 5.4 percent to SEK 216,129 m. (205,066). New vehicle sales revenue increased by 9.7 percent. Sales were positively impacted by volume, price and product mix, and negatively by currency effects. Service revenue increased by 3.4 percent and amounted to SEK 43,886 m. (42,424). Increased volumes in parts and services had a positive effect. Power solutions sales revenue decreased by 14.4 percent due to decreased volumes.

Revenue by product, SEK m.	2024	2023
Trucks	136,584	125,149
Buses	10,466	8,652
Power Solutions	3,669	4,308
Services	43,886	42,424
Used vehicles	9,151	10,010
Miscellaneous	5,034	8,141
Lease income	7,308	8,182
Total revenue Vehicles and Services	**216,129**	**205,066**
Elimination	-	-940
Scania CV Group total	**216,129**	**204,126**

Income

Scania CV Group's operating income in Vehicles and Services amounted to SEK 29,206 m. (24,813) during 2024. The operating margin amounted to 13.5 (12.2) percent. The operating income for 2024 was negatively affected by items affecting comparability amounting to SEK -1,243 m., mainly related to expenses for civil claims from customers. Adjusted for items affecting comparability operating income for 2024 amounted to SEK 30,449 m.

Increased truck and bus volumes had a favourable effect on operating income. The truck margin was positively impacted by price and product mix.

Scania CV Group's research and development expenditure amounted to SEK 15,446 m. (12,780). After adjusting for SEK 5,607 m. (2,808) in capitalised expenditure and SEK 1,814 m. (1,264) in depreciation of previously capitalised expenditures, recognised expenses increased to SEK 11,654 m. (11,236). The total currency effect on operating income amounted to SEK -1,006 m.

Income per segment, SEK m.	2024	2023
Vehicles and services		
Operating income	29,206	24,813
Operating margin, %	13.5	12.1
Scania CV Group		
Operating income	29,206	24,807
Operating margin, %	13.5	12.2
Income before taxes	**27,102**	**23,152**
Taxes	-4,604	-7,385
Net income from continuing operations	**22,498**	**15,767**
Net income from discontinued operations	**-**	**1,448**
Net income for the Group	**22,498**	**17,215**

Scania CV Group's net financial items amounted to SEK -2,104 m. (-1,555) including net income from associated companies and joint ventures amounting to SEK -64 m. (4). Net interest items amounted to SEK 1,063 m. (1,973). The interest net was negatively impacted by decreased loan volume to TRATON Financial Services due to sale of Treasury lending portfolio during 2024.

GROUP FINANCIAL REVIEW

Other financial income and expenses amounted to SEK –3,103 m. (–3,632). These included SEK 188 m. (–793) in valuation effects related to financial instruments where hedge accounting was not applied.

Income before taxes amounted to SEK 27,102 m. (23,152). The Scania CV Group's income tax expense for 2024 was equivalent to 17,0 percent (31.8) of income before taxes. The lower effective tax rate in 2024 can mainly be explained by FX-effects and by an activated deferred tax asset on carry forward negative interest net in Sweden.

Net income from continuing operations amounted to SEK 22,498 m. (15,767). Net income from discontinued operations amounted to SEK 0 m. (1,448).

Cash flow

The cash flow after investing activities attributable to operating activities in Vehicles and Services amounted to SEK 15,790 m. (25,754). Last year was positively impacted by the sale of the Financial Services segment. Net investments amounted to SEK –16,538 m. (–1,888), including SEK –5,607 m. (–2,808) in capitalisation of development expenditure. At the end of 2024, the net cash position in Vehicles and Services amounted to SEK 28,265 m. (27,423).

Financial position

Financial ratios related to the balance sheet	2024	2023
Equity/assets (E/A) ratio, Scania CV group, %	36.2	26.6
E/A ratio, Vehicles and Services, %	41.4	39.1
Return on capital employed, Vehicles and Services, %	31.8	32.5
Net debt/equity ratio, Vehicles and Services [1]	0.31	0.35

1 The calculation is based on average capital employed for the 13 most recent months.
2 Net cash (-) / Net debt (+).

During 2024, the equity of the Scania CV Group increased by SEK 14,536 m. and totalled SEK 92,703 m. (78,167) at year-end. Net income added SEK 22,498 m. (17,215). Dividend decreased equity with SEK –6,000 m (–9,600). Equity decreased by SEK –372 m. (539) because of exchange rate differences that arose when translating net assets outside Sweden. In addition, equity increased by SEK 184 m. (–1,317) because of actuarial gains/losses on pension liabilities and decreased by SEK –863 m. (13) due to fair value adjustment on equity instruments. Group contribution to TRATON companies decreased equity by SEK –990 m. (–1,445). Taxes attributable to items reported under "Other comprehensive income" totalled SEK 83 m. (279). The non-controlling interest decreased during the year with SEK –15 m. (–7).

The Parent Company

The Parent Company, Scania CV AB, is a public company. Scania CV AB is the parent company of the group, which consists of the Treasury operations and all of the production and commercial entities within the Scania CV Group. Scania CV Group manufactures trucks, buses, industrial and marine engines and offers vehicle rentals, insurance as well as financing via TRATON Financial Services.

Invoicing during the year amounted to SEK 128,418 m. (129,925) and the operating profit after depreciation to SEK –324 m. (2,525). The parent company's, Scania CV AB, invoicing referred to sales amounted to 89 percent (91) within Scania CV group while 18 percent (19) of the material purchases were from subsidiaries. On 1 April 2023, the former Financial Services segment was sold to TRATON. The financial net amounted to SEK 16,007 m. (20,233), appropriations SEK 1,036 m. (826) and the annual tax SEK 303 m. (–844) which resulted in a net profit of SEK 17,022 m. (22,740). The gross investments in intangible fixed assets amounted to SEK 22m. (56) and for tangible fixed assets the gross investment amounted to SEK 3,788 m. (4,569).

Owner and shareholders

The sole shareholder of Scania CV AB is Scania AB who owns and controls 100 percent of the shares in Scania. Scania AB is a subsidiary of TRATON SE which in turn is a subsidiary of Volkswagen AG and is listed on the Frankfurt Stock Exchange and the Nasdaq Stockholm Stock Exchange. Both Scania and TRATON are members of the Volkswagen Group.

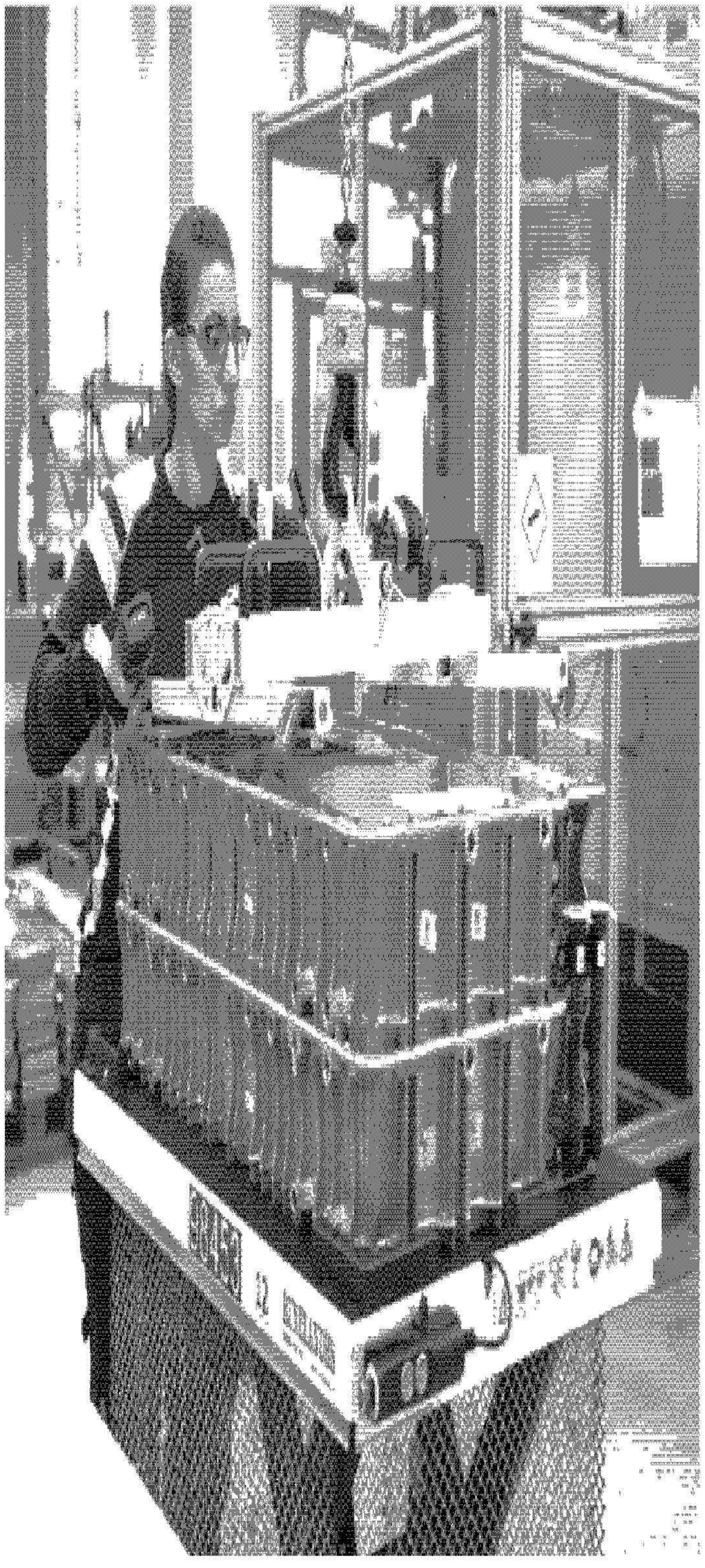
RISK OVERVIEW

Scania's risk overview is characterised by an increasingly complex and challenging business environment that is changing fast and where managing high uncertainty is the new normal. Scania is adapting to this new business environment, managing risks relating to, for example, new business models, expanding production capacity, finding sustainable solutions for sourcing, reliable supply chains, and the technology shift relating to climate change.

The business environment during 2024 has been characterised by the increased tensions between regions in the world, which are seen in increased number of armed conflicts, sanctions and trade barriers. This will prompt companies to increasingly review their supply chains, re-assess market presence and technology strategy in order to manage risk exposure and build resilience. Political alliances and changed trade patterns has slowly led to a more regionalised world. Global free trade cannot be taken for granted any longer as event-driven geopolitical risks might arise quickly. This raises concerns regarding general market access and development, inflation and interest rate trends, the development of the global economy and the effect this will have on Scania as well as on our customers, suppliers and partners.

Scania continues to monitor the impact political uncertainty could have on the macroeconomic outlook and, more specifically, on operations and the markets in which Scania operates or sourcing from. During the year Scania has seen risks materialise with respect to lack of materials and components, disturbances in production and logistics flows and sales networks. With the ongoing establishment of Scania's industrial presence in China, the diverse risk landscape is monitored and managed closely to achieve the strategic objectives for a long-term market and industrial presence in China.

There are several risks that will continue to have a potential impact on Scania. The most relevant of these risks as well as management actions are presented in a table on the following pages. The table also shows a mapping of the corporate objectives that could be impacted if the related risk materialises. Scania's rigorous and proactive risk management supports the accomplishment of our corporate objectives.



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Improvement of flows | People and planet | Innovate and scale | Profitable and satisfied customers | Best performing company | Proud and satisfied employees

The corporate objectives are mapped to risk categories to illustrate potential impact.

Risk category	Corporate objectives	Context/Potential impact	Management actions/Mitigation
Climate transition risks		With a central role in the ecosystem of transport and as a global player, Scania is exposed to risks stemming from the transition towards a net zero economy. Scania's strategic direction is directly linked to the opportunities as well as the risks stemming from climate change and its related implications. Transition risks identified by Scania include risks relevant to the technology shift, electric vehicles, the cost of the transition to zero-emission technologies, customer demands and expectations, and availability of components and raw materials. Transition risks also include risks related to policy enforcements such as CO_2-emission legislation, carbon pricing, development of enabling factors (including charging infrastructure, renewable energy supply and availability of biofuels) and other climate regulations do not fully support technology developments, as well as social risks. All these risks have potential effect on Scania's revenue streams in both the short and medium term.	Scania's strategic direction is Driving the Shift towards a sustainable transport system. This builds on the opportunities and risks related to climate change and is a direct response so we can be a resilient and profitable company both now and in the future. Consequences of climate change and related mitigating actions on legislation, business and technology have a profound impact on Scania's overall strategy, business processes, and sustainability focus. The annual strategic planning process established by Scania includes scenario analysis as a key element in testing the strategy's robustness for different future developments and identifying new risks and opportunities. This is further facilitated by Scania's corporate risk process. One of Scania's key strategic actions has been to set carbon emission reduction targets in line with what science says is needed to reach the Paris Agreement and accomplish the strategy and targets related to supply chain, decarbonisation, and digitalisation. Proactive monitoring, understanding and engagement with the technology, industry, market and legislative development has been a priority in the strategy review process to achieve the corporate targets. Moreover, Scania forges partnerships with relevant stakeholders in the market to ensure that we can meet the demands of Scania customers and our target market.
Business development risks		The transport industry is in a highly disruptive environment with rapid changes in technology, business models, competitors, and global trends. These are driving the transformation of Scania from being a manufacturer of heavy commercial vehicles into a provider of transport and logistical solutions. Hence, there is a risk in the ability to respond to specific customer needs with tailored products and services, as well as to capture an important position in the growing industry trend towards autonomous and connected electric transport vehicles.	Risks associated with business development and long-term planning are mainly managed through a structured collaboration among Scania's and TRATON's cross-functional departments to jointly make strategic and tactical decisions. Another way of managing development risks is through the annual process established by Scania for strategic planning where external and internal considerations are discussed and challenged throughout the company, across different units and organisational levels. A vital part of The Scania Way is promoting integrity and psychological safety to create an environment where questions and ambiguities can be discussed openly. Getting the buy-in across the different levels of the company allows for the strategy and business development to be executed in a productive and efficient way. In addition, Scania's annual strategy process continuously explores new areas that could push future developments in the ecosystem of transport and logistics. Research and Development projects are subjected to constant iterations based on their technological and commercial relevance.

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Business model and strategy related risks		Scania's business model and strategy must continually be updated and adjusted to respond to the ever-changing business context. Scania's value proposition must be attractive and competitive for our stakeholders. The company's responses to the changing conditions must be met in a timely manner in order for Scania to stay competitive and relevant.	Scania is regularly monitoring, evaluating and challenging our business model and strategy in order to ensure that Scania is achieving the ambition to drive the shift towards a sustainable transport system and our commitment to the Paris Agreement. A proper handling of uncertainty, complexity, and volatility is important to stay relevant to the society, customer, capital market and other stakeholders today and in the future. Scania has methods and processes to elevate important critical issues that need a cross-functional focus and effort to be addressed. For further information on Scania's strategy process and use of scenarios see pages 19–23 in the Annual and Sustainability Report of Scania AB.
Corporate governance and policy-related risks		Scania operates worldwide in volatile contexts and we see a trend towards deglobalization arising from the growing complexity in the policy landscape. It is important to effectively manage and develop the business in the right direction, otherwise there is a risk of not achieving our ambition and targets.	The Executive Board has overall responsibility for managing corporate governance and policy-related risks. All units of the company work according to a management system that meets Scania's requirements, guidelines and policies, and maintain documentation. The management system is continuously improved, through daily work and through regular review, internally and by third parties. The central support function Group Legal and Compliance is in place to support both the Executive Board and the line managers in managing risks by providing knowledge in terms of governance, trainings and advice. For further information, see the Section on Corporate Governance report, starting at page 22.
Geopolitical risks		Geopolitical risk has been growing in importance with the rising political tensions in and between regions. As a global company, Scania operates in markets with political volatility, conflict and social unrest, which may impact Scania's ability to conduct business in these territories. Geopolitical tensions continue to increase risk exposure in a number of aspects, such as trade barriers including sanctions, supply chain interruptions, human rights violations, and security concerns. The heightened tensions between the global power blocs, which are evidenced by the increasing number of sanctions and export regulations, will prompt companies to de-risk the supply chains and minimise dependencies. New political alliances and changed trade patterns will potentially lead to a more regionalised world. From a procurement perspective, global free trade cannot be taken for granted any longer as event-driven geopolitical risks could arise quickly. The risk is further compounded by the complexity of having numerous layers in the supply chains and several counterparties that are extremely difficult to trace and monitor.	The annual corporate strategy review conducts scenario analyses to outline potential shifts and developments in the increasingly volatile geopolitical situation in Scania's business environments. Responsive actions to high-impact changes are integrated into strategy and execution. This includes the localisation of production facilities and supply sources of components. The information flow on political risks has also been reported through the corporate risk process to support the Executive Board and the business units in making well-informed decisions. Scania mobilises cross-functional business units to a unified approach in managing significant business events materialising from geopolitical risks. A good example of this is how Scania activated its crisis management process and cross-functional units to address what was initially assessed as a critical supply shortage of semiconductors and successfully bring it to a manageable and stable level. As part of Scania's practice of continuous improvement, the Procurement function continue to develop mitigation initiatives to secure supply. Due attention will be given to critical components and single source from certain regions that will be increasingly important to evaluate and manage. We have also formulated mitigation strategies and operating principles for a more diversified portfolio of Tier-1 supply chains. Trade policy is another area where Scania proactively engages via monitoring, assessing and advocating for free and rules-based international. This includes amplifying the importance of global product standards and effective free trade agreements.

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Trade barriers, export control and sanction risks		Changes in foreign trade policy and trade barriers, as well as governments or international bodies imposing sanctions on countries, goods and services, or persons, may limit our business opportunities. Failure to comply with sanctions could result in significant fines, penalties and trading restrictions. As a global company, Scania also needs to manage conflicting sanctions regulations and be more vigilant that we do not get involved with business transactions that may indirectly and ambiguously circumvent sanctions in the upstream and downstream operations. In addition to sanctions, our internal and external cross border trading may be financially impacted by increasing customs duties as a result of trade wars and changing foreign trade policy.	All entities within the Scania Group conduct their business in accordance with national and international laws and regulations, including, but not limited to, export control legislations and sanctions regulations of all relevant jurisdictions and regimes in which we operate, as well as in accordance with Scania's Code of Conduct. The current geopolitical situation with regularly evolving sanctions and trade barriers is vigilantly monitored. There is also a significant effort to continuously improve Scania Export Control programme where resources (central and local) and expertise evaluate changes in the regulations and sanctions landscape to ensure compliance. In relation to customs duties we are constantly monitoring changes in foreign trade policy and customs regulations to mitigate or plan for the consequences and financial impact any changes may have.
Contracts and intellectual property rights		Legal risks occur in the normal course of operations, administrating contracts and essential rights. Scania's operations include a wide variety of intangible licensing agreements, patents and other intellectual property rights. Scania also concludes numerous commercial and financial contracts, which is normal for a company of Scania's scale and type. Scania's operations are not dependent on any single commercial or financial contract, patent, licensing agreement or similar right.	Scania has specialised personnel, Group Legal and Compliance support with advisory and guidance in legal, commercial, patent, licensing and other matters. For further information, see Note 17.
Legal actions and administrative proceedings		Scania is affected by legal proceedings as a consequence of the company's operating activities. This includes alleged breaches of contract, non-delivery of goods or services, producer liability, patent infringement or infringements related to other intellectual property, or alleged violations of laws and regulations in force. Some of the associated risks may be of great importance. For further information, see Note 17.	Legal risk reporting has been integrated in the biannual corporate risk reporting for a more efficient and consolidated corporate reporting process. Then, at least once a year, a report on legal risks is submitted to the Audit Committee. Scania has a team of specialised personnel, Group Legal Affairs, to support with advisory and guidance on legal matters.
Business ethics and compliance risks		With a wide presence and operations in global markets, Scania is exposed to risks related to money laundering, fraud, embezzlement, corruption and non-compliance to applicable competition laws. Scania needs to address them all in a systematic and transparent way. Business ethics also includes privacy and data protection commitments and business and human rights that also need to be addressed. The growing reliance on digital technologies further highlights the importance of ethical data usage and the responsible application of artificial intelligence. See also the subsections on Data protection and privacy risks and Human rights risks. Scania's operations also include the provision of financing and insurance services, which must comply with the rules set out by financial supervisory authorities and other competent authorities.	The governing regulation structure starts with the Scania Code of Conduct. This contains a set of binding rules and guidance regarding responsible behaviours for all Scania Group employees. The Core Values and The Scania Way framework lay the foundation of responsible business behaviour and corporate culture that is strongly supported by the "tone from the top", Scania's Executive Board. This framework is complemented by Scania's internal regulations for a cohesive implementation across multiple business processes. Scania also deployed, both centrally and locally, specialised personnel to support the business in monitoring and managing the business ethics and compliance risks in this period of constantly changing environment. Group Compliance, Group Risk Management, Group Governance and Data Protection are the central functions that primarily support the businesses to achieve these corporate targets. A risk-based third-party due diligence is also an important part of the Compliance Management System and Group Internal Audit also supports in monitoring the effectiveness of the processes.

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Risks related to new and changed laws and regulation		We see new legislative requirements related to corporate governance in different jurisdictions. This increases the risk of not operating in full compliance with all relevant regulatory requirements. Different countries' legal systems and major changes in laws and regulations (e.g. technical regulations, environmental laws, safety standards, data privacy, artificial intelligence, trade laws, financial regulations sustainability due diligence, business and human rights, anti-corruption laws, anti-money laundering and terrorism financing laws, antitrust/ competition laws, and export control regulations with extraterritorial effect) may have aspects that conflict with regional regulations and could threaten Scania's comprehensive position. Incoming legislations focusing on value chain obligations (and extraterritorial implementation) create a risk of conflicting standards similar to that of sanctions and counter sanctions. There is a risk that Scania lacks capacity to efficiently conduct business, execute important transactions, enforce contractual agreements or complement specific strategies and activities. See also the subsection on Climate transition risks.	Scania monitors all markets continuously for legislative changes, which means that the company can make the necessary changes to its strategy or internal governance and compliance arrangements in a proactive manner. In addition, Scania's local and central specialist functions provide guidance and support regarding new and changed legislations to mitigate the risks. To proactively reduce risks related to new and changed laws and regulations, Scania engages in regulatory and governmental affairs activities on global, EU and national level. This work is being conducted independently as well as with partners and industry associations, like the European Automobile Manufacturers' Association (ACEA) and the International Organization of Motor Vehicle Manufacturers (OICA).
Data protection and privacy risks		Scania's products and services depends on a large amount of data during development and operation, of which personal data constitutes one part. There is a risk that Scania will fail to demonstrate compliance with privacy and data protection regulations, that could lead to significant regulatory fines and penalties, claims for damage and other liabilities, loss of customers as well as negative brand reputation.	One of Scania's core values is "Respect". This is the baseline in our direct interaction with colleagues, customers, partners, drivers, and other data subjects on how we manage general privacy and personal data protection. Scania's compliance with privacy and data protection regulations is the result of a proactive privacy mindset with personal data protection practices designed to be embedded in business operations. This is particularly important when entering into new markets or establishing new business models. Scania has a specialist function, Group Governance and Data Protection with central and regional data protection networks across the globe. They support the business in ensuring that personal data handling is compliant throughout its lifecycle. Nevertheless, the business units are ultimately responsible for fully implementing privacy and data protection as well as demonstrating compliance with applicable regulations.

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Human rights risks		Scania encounters human rights risks throughout the value chain and needs to work diligently to prevent adverse impact on people, internally and externally. Human rights risks increase in situations of social and economic volatilities and in conflict. Respect for human rights and international law is challenged when authoritarian governance is gaining ground and rule of law is weakened. Developments during the year in this direction are increasing human rights risk exposure. Legal expectations of human rights due diligence and other requirements create increased pressure on companies to manage human rights risks across the value chain and extraterritorially.	Responsible management of human rights risks requires integration of human rights due diligence into relevant decision making. During 2024, Scania has continued developing its framework for human rights management that connects existing due diligence programmes (such as the raw materials management system) with a risk-based approach at a corporate level through the Scania risk process. The framework also includes Scania's defined salient issues. Since 2023, Scania's cross-functional Human Rights Steering Committee monitor, address and advise on the implementation of obligations under the human rights laws and Scania's commitments in relation to human rights throughout the organisation. Moreover, impacts on human rights have been integrated in the risk management activities and implemented across the organisational units of Scania. Multiple trainings and workshops have been conducted to support the different organisational units within Scania to include human rights impacts into their business plans and budgets. More support to the organisational units is planned for an aggregate incremental maturity. Accordingly, the Risk Management Policy and guidelines were revised and formulated, respectively, to reflect this integration. Scania has implemented several policies to preserve and promote health, safety and well-being at work, as well as promote performance. Nevertheless, human and labour rights issues can be reported in the whistleblowing channels. In addition, Scania has a Supplier Code of Conduct covering, among others, human and labour rights, environment and ethics. There is also a Supply Chain Grievance Mechanism process in place to follow up reports regarding breach of the Supplier Code of Conduct and in relation to the supply chain. Moreover, Scania has an Independent Distributor Code of Conduct in place applicable to independent distributors and dealers, as well as a due diligence process in relation to independent distributors and dealers.

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People and competence		The technology shift will require a shift in competence and Scania must act proactively and identify future needs before they occur. Difficulties in attracting and retaining key personnel, both for ongoing activities and in the changing environment, could lead to challenges in delivering towards customer needs. It's also very important that there is sufficient follow-up of personnel, especially with the geopolitical conflicts and new ways of working that could affect safety and mental health.	To secure business-driven skills supply, Scania is continuously developing the area of people management. Currently, we are creating an even more efficient global human resources support. In 2024, we launched our global HR IT tool and it is now fully functional for all our employees. Scenario planning is also used to plan for future competence needs in parts of the organisation. The people perspective is key in driving the shift – both for the company and its employees. Therefore, Scania focuses on various reskilling programmes as well as entrepreneurial and innovation learning, e.g. Innovation Factory and Skill Capture, ensuring an inclusive corporate culture and diverse workforce. In order to manage the transformation/competence shift in a responsible way at the global level, we must ensure that there is meaningful social dialogue. Scania has a global standard for social dialogue and proactively addresses the challenge through the Global Deal initiative. Co-determination is crucial, not only for safeguarding workers' rights but also for maintaining business continuity and stability during times of transformation. Scania also continuously develops and monitors group-wide policies in the People area. Furthermore, Scania has structured well-established working methods for close cooperation with several universities and institutes of technology to create and recruit cutting-edge expertise. Scania runs various educational initiatives in our global structure. Scania continuously follow-up on the well-being and safety of all personnel, this is especially important during times of change with new ways of working and when increasing global tensions leading to conflicts in market where Scania has presence.
Supply chain risks		The uncertain global environment that Scania operates in today puts a lot of pressure on us as a company and our suppliers. Suppliers may be unable to fulfil delivery obligations due to, among other things, supply shortages, labour strikes, capacity allocation to other customers, or financial distress of the supplier. This could lead to Scania facing the risk of production downtime, increased production costs, delays and loss of customer confidence. Sourcing from a global supply chain and complying to regional legislations brings sustainability risks such as adverse effects on the environment, health and safety, human rights and business ethics in Scania's business operations. The risk is further compounded by the rising geopolitical tensions, technology trade restrictions and new sanctions impacting the flow in supply chains. See also the subsection on Geopolitical risks. Scania continues to work with improvements and has launched several product updates with more planned in the coming years. Although this will benefit our customers, it will also increase the risks, with changes in Scania's supply chains.	Scania has further started a variety of preventive initiatives to mitigate supply chain risks. One example is a more systematic way to follow-up supplier preventive risk cases internally. Scania has processes and dedicated teams in place to ensure the availability of components in the short-, mid and long term. There is focus on operational supply chain risks as well as geopolitical situations, natural disasters and other unexpected negative effects on our supply chains in order to prevent, mitigate and react to risk events. Suppliers undergo a pre-qualification process in meeting Scania's requirements on technology, quality, delivery, cost and sustainability before selection. This is regularly monitored and followed up within Scania Procurement and Logistics for all suppliers. Suppliers are required to comply with Scania's Supplier Code of Conduct. Scania assesses every sourcing nomination through a thorough due diligence process which includes Scania Sustainability Rating. On a monthly basis, Scania monitors the Sustainability and Financial risk ratings of suppliers. Moreover, Scania has proactively analysed trends of further deterioration in suppliers who have a weak financial rating. Close cooperation within Volkswagen and the TRATON GROUP and with our suppliers have been key to ensuring that we can adapt to changes and manage identified risks.

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Information risks		Scania relies on information technology for everyday business. Besides opportunities for improving efficiency and effectiveness of Scania's internal operations and customer offer, this might also give rise to various risks. Digital information, systems and infrastructure may be negatively impacted because of accidents, disasters, technical damage, outdated technology, cyber-attacks, etc. See also the subsection on Product cybersecurity risks. If not properly managed, Scania might be exposed to the risk of information being revealed to unauthorised person(s) or risk of information intentionally/unintentionally changed, corrupted or lost.	To ensure effective, reliable and relevant operations, Scania needs to constantly evaluate how to utilise the potential of data in our day-to-day business. To ensure the availability, integrity, and confidentiality of information, Scania uses a risk-based approach and an established Information Security Management System, as well as a combination of the latest technologies and effective IT organisational mechanisms. Scania also has a central specialist organisation for Information Security, which, among other things, is responsible for the introduction and follow-up on Scania's information security policy.
Product launch and Product liability risks		Introducing a new product to the market is a risk exposure of product quality deviation resulting from e.g. failure in design, product selection or manufacturing. Failure to ensure product quality could result in recalled products resulting to significant costs, compensation for indirect cost of customers, noncompliance and reputational damage.	This risk is managed by the development, verification and validation process at Scania. It is Scania's objective to develop products that are reliable and safe to the user, the general public and the environment. However, if a product should show signs of technical shortcomings that might be harmful to people, planet or property, that is dealt with by the Scania Product Liability Council. This body decides what technical solutions should be used in order to solve the problem and which marketing measures are needed. The Product Liability Council also conducts a review of the processes in question to ensure that the problem does not recur. Where applicable, Scania has a fair risk-sharing with our suppliers regarding product liability, which minimises the financial risk for Scania.
Market risks		The commercial vehicles industry is influenced by external impacts such as competition, price, political conditions and also potential financial downturns, which may result in both opportunities and risks regarding the demand for Scania's products. In addition, Scania delivers some of its vehicles with repurchase obligations, where Scania thus has residual value exposure. This also includes residual value risk for short-term rental vehicles. Further, a large proportion of Scania's sales of parts and workshop hours occurs through repair and service contracts. Selling a service contract involves a commitment by Scania to provide services to customers during the contractual period in exchange for a pre-determined fee.	Scania can partly address the fluctuation in the demand for our products by well-diversified sales in more than 100 countries, which limits the risk in relation to each individual customer and market. Furthermore, Scania continuously manages and oversees existing contractual obligations towards customers which otherwise could result in challenges to properly forecast future asset values of used vehicles. The cost of a contract is allocated over the contractual period according to estimated consumption of service, and actual divergences from this are recognised in the accounts during the period. From a portfolio perspective, Scania continuously estimates possible future divergences from the expected cost curve. Negative divergences result in a provision that affects earnings for the period.

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Climate risks including natural hazards		Scania operations and our suppliers are located worldwide, meaning that we cannot avoid physical risks resulting from extreme weather conditions, floods, extreme heat, water problems and other natural hazards that could damage physical assets such as buildings. These risks could disturb the logistics flow and supply chain leading to the unavailability of components. It is challenging to predict the frequency and impact of natural disasters for the relevant geographical locations. With the changing climate brought by global warming, extreme weather situations are occurring more frequently, and the weather patterns are changing in different areas. Dire situations can occur more frequently in the future and potentially result in certain resources becoming scarce. These risks could also affect Scania's access to comprehensive insurance coverage, without which our balance sheet could be impacted by the uninsured probable losses.	The physical climate risks and risks arising from other natural hazards are assessed and documented in the business continuity process. Some of the physical risks related to insurability are covered by the insurance process. The usage of predictions and scenario planning will include a more proactive climate modelling for 2025 and onwards. Scania has an environmental management system in line with ISO14001, to ensure that Scania operates according to the highest global standards in all relevant environmental areas.
Production risks		An unforeseen disruption at a production facility represents a risk and may be caused by a number of different incidents, for example, supply shortage, natural hazards, labour difficulties, and geopolitical issues. If overestimating the demand for our products, there might be a risk that the available capacity will be underutilised, while pessimistic forecasts could result in insufficient capacity to meet demand. Production risks also encompass challenges that Scania may face in logistics, delivering trucks after the production process is completed.	Scania has a business continuity programme which focuses on business continuity being owned, operated and embedded with local needs, resources and competences. The production capacity is closely monitored in cross-functional meetings and continuously adapted accordingly. This year, the work on the end to end (E2E) redesign programme has developed into a planning and execution phase. The focus of the programme is to improve the capability to manage an increased amount of external and internal variation, with the aim to stabilize and improve the flow performance within our E2E flow.
Product cybersecurity risks		Scania vehicles contain advanced computing and communication technologies and are connected, with a few exceptions. Our vehicles are a key part in our customers' business. Being heavy vehicles, they are also safety critical. Successful cyber-attacks therefore risk having an impact on road safety, our customer's business, and ultimately Scania's business.	Scania has implemented a systematic risk-based approach defining organisational processes, responsibilities, and governance to ensure that risks associated with cyber threats are managed throughout the entire life cycles of our products and services.

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Refinancing and Liquidity risks		Access to competitive funding is critical, and to a large extent relies on the issuer credit ratings of the owners TRATON SE and Volkswagen AG. The need for a solid and reliable ESG communication will continue to be important.	Liquidity at Scania is significant and is placed within TRATON GROUP. Refinancing and liquidity risks are managed in accordance with Scania's Treasury Policy, reviewed every year by the Audit Committee. As part of Scania's management of refinancing risk, there is a credit facility accessible to Scania which is maintained by TRATON SE. For further information, see Note 27.
Credit risks		If Scania's contract parties fail to meet their contractual obligations as a result of their own financial situation or due to the political environment, Scania could be exposed to financial loss.	Credit risks are managed in accordance with the Scania's policies on Credit Risk Governance and Treasury, reviewed every year by the Audit Committee. Transactions occur only within established limits and with selected, creditworthy counterparties. Scania's sales are distributed among a large number of end customers with a geographical dispersion, which limits the concentration of credit risk. For further information, see Note 27.
Currency and interest rate risks		Currency exposures result from the gap between the wide geographical spread of our product sales compared to the more geographically concentrated production operations. Currency and interest rate movements could negatively affect earnings and balance sheet items. For further information, see Note 27.	Currency and interest rate risks are managed in accordance with Scania's Treasury Policy, reviewed every year by the Audit Committee. To improve visibility and manageability, Scania generally concentrates currency exposures to its major industrial operations in Sweden and Brazil. Regarding the commercial currency flows, Scania works primarily with adjusting prices to compensate for exchange rate fluctuations. According to the Treasury Policy, Scania management may hedge future currency flows, but this option has historically been used to a limited extent. The net foreign assets of subsidiaries are normally not hedged. However, significant net monetary assets of a foreign subsidiary may be hedged. For further information, see Note 27.

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CORPORATE OBJECTIVES

Improvement of flows | People and planet | Innovate and scale | Profitable and satisfied customers | Best performing company | Proud and satisfied employees

The corporate objectives are mapped to risk categories to illustrate potential impact.

Risk category	Corporate objectives	Context/Potential impact	Management actions/Mitigation
Tax risks		Scania is subject to various taxes in multiple jurisdictions. A certain degree of judgement and estimation is required in determining Scania Group's provisions for income tax, sales and use tax, value-added tax, and other taxes. Additionally, Scania and its subsidiaries are involved in a number of tax audits and disputes. Nevertheless, none of these cases are deemed capable of resulting in a claim that would substantially affect Scania's financial position. For further information, see Note 17.	Scania has central and local resources that ensure compliance with current legislation and take an active part in tax-related issues, as well as assisting with tax expertise. Furthermore, in addition to statutory audits, Scania is regularly audited by tax authorities, who may disagree with Scania's tax treatments. Although Scania believes its tax estimates are correct, the final determination of tax audits or reviews could differ from our tax provisions and accruals. As a result, Scania may be subject to additional tax liabilities, interest, penalties, or any regulatory, administrative, or other sanctions relating thereto. Tax risks above a certain level are monitored and reported regularly to management. Once a year, a report is submitted to the Audit Committee.
Insurance risks		Scania is within its global operations exposed to various risks which could potentially have a financial impact, if not transferred to external insurers. Not all risks can be transferred but for selected insurable risks, we strive to minimise Scania's risk exposure.	Scania works continuously with the identification, analysis and administration of insurable risks, both at Group and local level. A central function is responsible for the Group's global insurance portfolio. Customary Group insurance policies to protect the Group's goods shipments, assets and obligations/liabilities are arranged in accordance with Scania's governing document. Local insurance policies are obtained in accordance with the laws and standards of the country in question. When necessary, Scania receives assistance from external insurance consultants on identifying and managing risks. Insurance is obtained only from reputable insurance companies, whose financial strength is continuously monitored. Risk inspections are performed yearly, mainly focusing on physical risks. Risk inspections are conducted according to the standardised Scania Blue Rating Fire Safety system , often, to all production units and a number of Scania-owned sales and services units/workshops.. This keeps a high level of loss prevention and a low incidence of claims.

GOVERNANCE REPORT

Putting trust and accountability at the heart of how we run our business.



CORPORATE GOVERNANCE

Corporate Governance is the framework used to direct and manage the company. It supports Scania's business model and strategy, and enables the organisation to achieve its objectives, while addressing risk and ensuring sustainable business practices.

Scania AB and its direct wholly-owned subsidiary Scania CV AB (together "Scania") maintain a high international standard of corporate governance through the clarity and simplicity of its management system and governing documents. Corporate governance at Scania is based on the Articles of Association, Swedish legislation, in particular the Swedish Companies Act, the Annual Accounts Act and internal governing documents. This Corporate Governance Report has been prepared in compliance with the Annual Accounts Act.

Additionally, Scania is preparing its Annual Report in accordance with the Non-Financial Reporting Directive (NFRD). Scania is also reporting EU taxonomy information (pages 72 in Scania AB's Annual and Sustainability Report) and is for 2024 including elements of the new Corporate Sustainability Reporting Directive (CSRD) requirements, while preparing for a fully CSRD aligned report in 2025 (read more on page 3 in Scania AB's Annual and Sustainability Report).

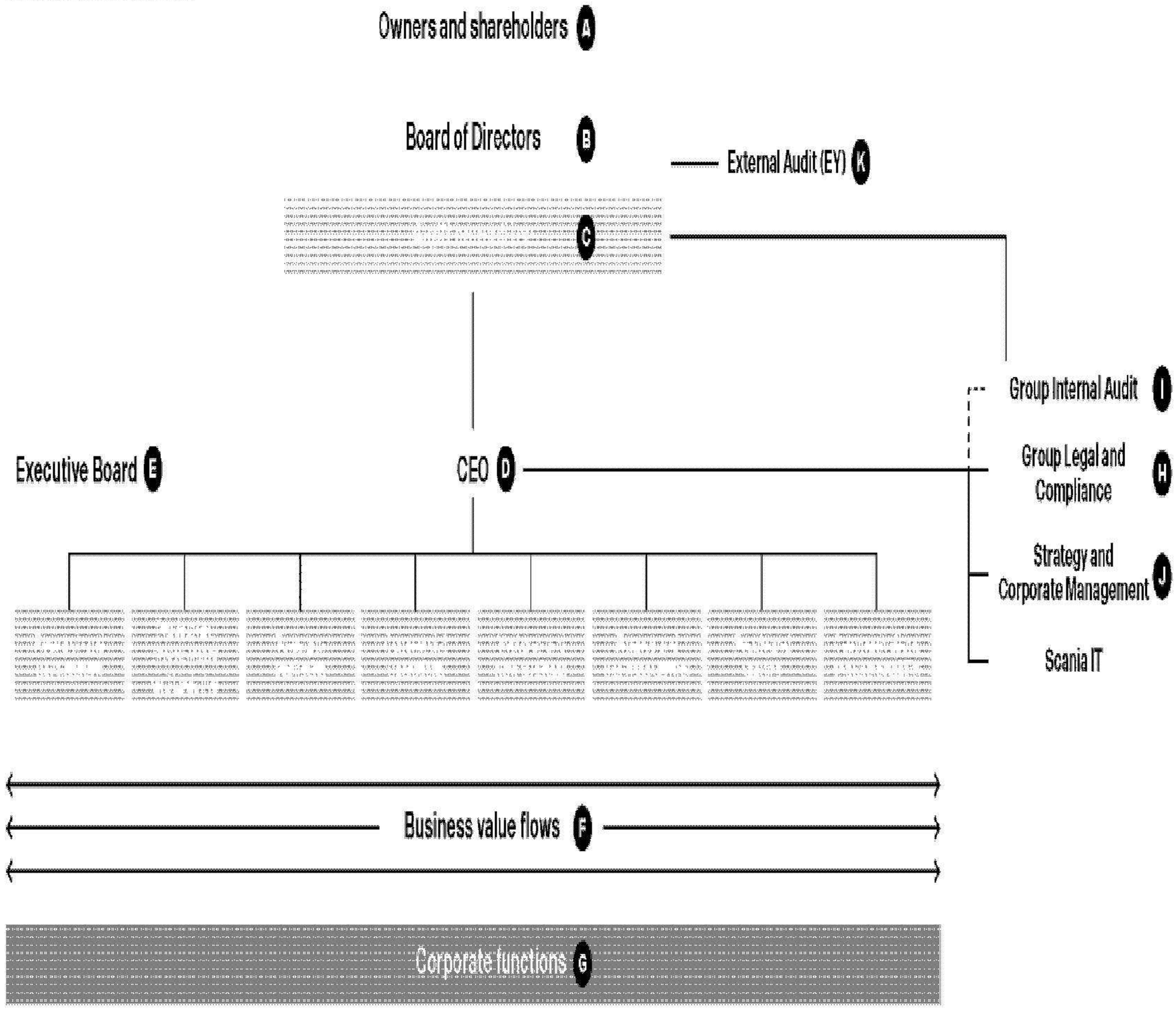
Scania's management of the company includes management systems like Quality Management System (ISO 9001), Environmental Management System (ISO 14001) and others.

Governance structure

The Board of Directors is responsible for determining Scania's overall strategy and goals. To fulfil the Board's responsibilities, it has appointed the President and CEO, who appoints the Executive Board. The Executive Board updates the Board of Directors regularly on topics that are of long-term and strategic nature.

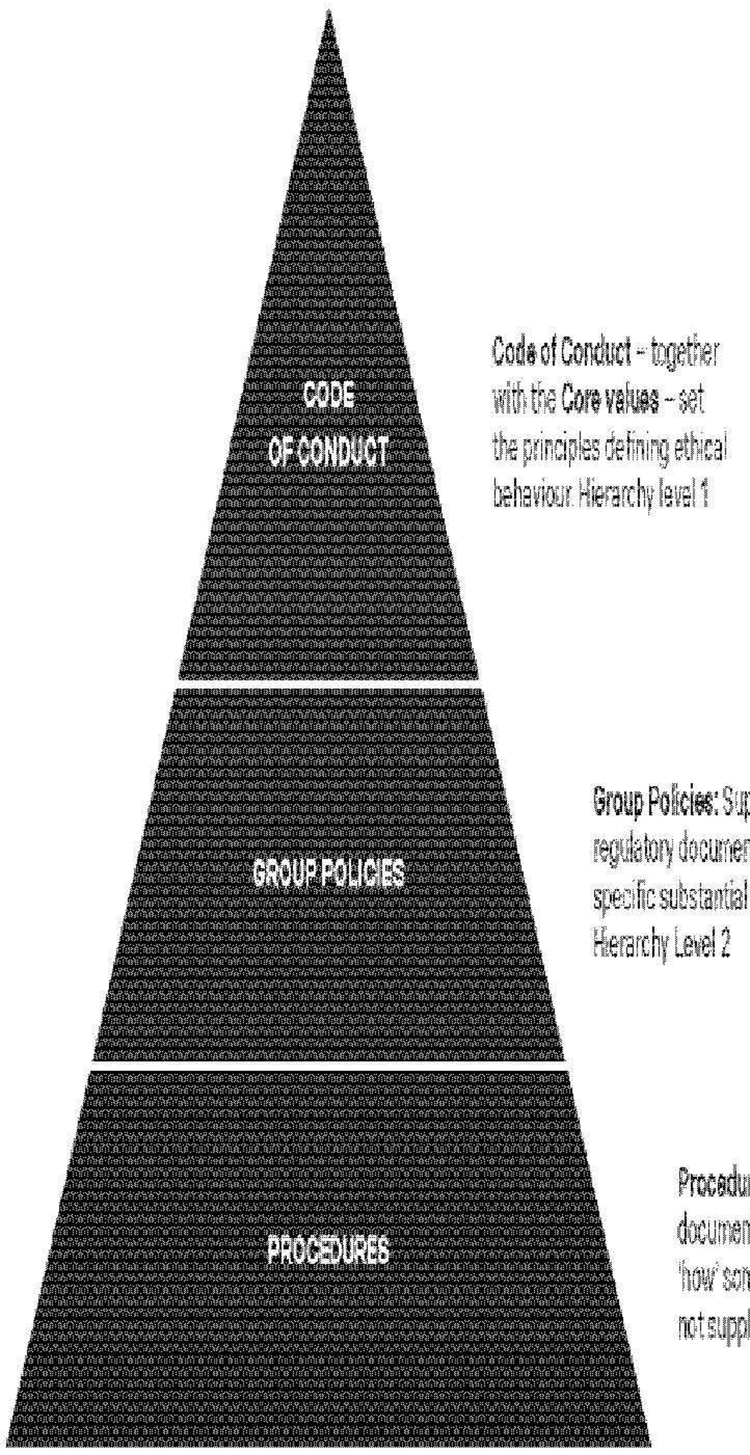
The Executive Board decides the strategic direction of the Scania Group. The members are jointly responsible for strategy and for maintaining a holistic view of the Scania Group when handling strategic issues for each specific area. The heads of corporate functions (G) are responsible for ensuring that the appropriate actions are taken in their respective fields of responsibility based on the strategies that have been decided. Each corporate function reports to one of the members of the Executive Board. Cross-functional groups, so called Business value tables, are empowered to take the necessary operational

Governance structure



CORPORATE GOVERNANCE

Hierarchy of governing documents within Scania



Code of Conduct – together with the **Core values** – set the principles defining ethical behaviour. Hierarchy level 1

Group Policies: Superior internal regulatory documents concerning specific substantial topics. Hierarchy Level 2

Procedures: Collective term for any internal, detailed document with or without binding effect. Describes 'how' something must or should be done. May or may not supplement a policy. Hierarchy level 3.

decisions within each Business value flow (B). The Business value flows are shaped around: Goods transport internal combustion engine, Goods transport e-mobility, People transport and Power solutions.

In the following sections, the roles and responsibilities as well as interactions between these parties are described in more detail.

Governance at Scania translates into the form of organisational structure, policies, guidelines, methods and practices that ensure transparency, responsiveness, empowerment, accountability and cross-functional participation. It is based on Scania's purpose, core values, and legal requirements from our key stakeholders. Scania's governance structure helps the organisation to reliably achieve the set objectives while addressing uncertainty and action with integrity.

Scania's governing regulation structure starts with the Scania Code of Conduct as shown in the picture opposite. The Code of Conduct is derived from our core values and The Scania Way and, together with Scania Group Policies, apply to all Scania employees and Scania entities globally. Scania has established a Supplier Code of Conduct for suppliers, as well as an Independent Distributor Code of Conduct for independent distributors, available externally to stakeholders through the corporate website.

All affected managers must ensure that the content of the respective Group Policy is implemented in their area of responsibility within the requested implementation period. Each operational unit confirms this in writing after a new policy is issued.

Owner and shareholders

The sole shareholder (A) of Scania CV AB is Scania AB, an indirectly fully owned subsidiary to TRATON Sweden AB and TRATON SE.

TRATON SE is a subsidiary of Volkswagen AG and is listed on the Frankfurt Stock Exchange and the Nasdaq Stockholm Stock Exchange. Both Scania and TRATON are part of the Volkswagen Group.

Annual General Meeting

The right of shareholders to make decisions on Scania's affairs is ultimately exercised at the Annual General Meeting (AGM). The AGM shall be held within six months of the expiry of each financial year.

The Notice convening the AGM shall be issued no earlier than six and no later than four weeks before the meeting. A Notice convening an Extraordinary General Meeting (EGM) shall be issued no earlier than six and no later than three weeks before the meeting. In accordance with the Swedish Companies Act and Scania's Articles of Association,

CORPORATE GOVERNANCE

the composition of the Board of Directors is decided by election.

At the AGM, the shareholders exercise their voting rights, for example to approve the Annual Report presented by the Board of Directors. Decisions at the AGM are usually made by simple majority. In some cases, such as an amendment to the Articles of Association, however, the Swedish Companies Act or the Articles of Association stipulates either a certain level of attendance in order to reach a quorum or a qualified majority of votes.

The Board of Directors

The Board of Directors is Scania's highest administrative body and is responsible for the management of the company's operations as well as the organisation. It is also overall responsible for Scania's long-term development and strategy (see Our strategy from page 19 in Scania AB's Annual and Sustainability Report). This includes overseeing climate and other sustainability issues relevant to reaching Scania's targets and objectives.

Scania's Board of Directors, which is identical for Scania AB and Scania CV AB, is elected by the sole shareholder at the AGM. The Board of Directors is the link between the shareholders and the company's management.

The Board of Directors shall comprise a minimum of three and a maximum of eleven members plus a maximum of two deputy members. Current composition includes ten elected Board members and no deputy members. In addition, pursuant to Swedish law, some members are appointed by a party other than the AGM. The trade unions at Scania have appointed four Board members and two deputy members. 44 percent of the members in whole are women. Independent Board members represent 19 percent of the Board of Directors, consisting of one man and two women. The members are elected each year for the period up to the end of the next AGM.

Board members are based in Germany, Austria, and Sweden, with experience spanning over various sectors, including the automotive industry, home appliances, real estate, information and communication technology, health, service industry, and retail and consumer sectors.

During 2024, there were no changes in the elected Board members or the Board members appointed by the trade unions.

The Board of Directors is called to a statutory meeting plus at least four regular meetings per year. The statutory meeting, which is held directly in conjunction with the AGM, approves Rules of Procedure and working mechanisms for the Board of Directors and rules of procedure for the Audit Committee.

The Rules of Procedure include regulations on the number of meetings during the year, the role of the Chairman of the Board of Directors, instructions regarding the division of labour between the Board of Directors and the President and CEO as well as instructions for financial reporting to the Board of Directors.

The Chairman of the Board of Directors pursues a regular dialogue with Board members to evaluate the work of the Board of Directors.

Scania's Board of Directors has established one working committee, the Audit Committee, to which the Board of Directors appoints the members from among its own members.

Remuneration of the Board of Directors is resolved at the AGM. Information on annual remuneration is in note 25 to the consolidated financial statements.

Read more about the Board of Directors on pages 34–36 →

The Audit Committee

The Audit Committee monitors effectiveness of governance, risk management and internal controls processes at Scania as well as matters related to administrative processes, refinancing and treasury operations. Its responsibilities also include: discussing and evaluating the company's application of important accounting issues and principles, the company's financial- and non-financial reporting, evaluating the auditors and approving the use of external auditors for non-auditing-related services. All risks related to internal and external statutory reporting as well as other risks reported to the owner are presented to the Audit Committee. The Audit Committee also receives reporting on and discusses possible issues concerning accounting, internal controls or auditing in the company. The Audit Committee is identical and common to Scania AB and Scania CV AB.

The President and CEO

Under the Board of Directors, the President and CEO is responsible for the day-to-day operations of the Scania Group. The President and CEO is responsible for the Group's fulfilment of its overall strategy and its financial and business controls, as well as the Group's financing, capital structure, risk management, internal control and acquisitions. The President and CEO is authorised to make decisions on matters that do not require Board of Directors approval. On matters requiring Board of Directors approval, the President and CEO produces the information and documentation needed to enable the Board of Directors to make well-informed decisions. The President and CEO of Scania CV AB is Christian Levin. Since 1 October, 2021 he is

CORPORATE GOVERNANCE

also the President and CEO of TRATON SE.

The Executive Board

The President and CEO is the Chairman of the Executive Board, which makes joint decisions in accordance with guidelines approved by the Board of Directors and the instruction on the division of labour between the Board of Directors and the President and CEO. Current composition includes nine members, out of which 33 percent are women and 67 percent men. Two members, both women, are non-executive members.

The Executive Board decides on matters of strategic and high-impact operational nature. This includes, but is not limited to, the fulfilment of Scania's overall strategy, sustainability goals, supply chain development, overall resource allocation, and financing of the company.

Information on the remuneration of the Executive Board is available in note 25 to the consolidated financial statements.

Read more about the Executive Board on page 37 →

Strategy

Scania's strategic direction is updated on an annual basis and communicated by the Executive Board at the Top Management Meeting in quarter two and serves as the foundation for Scania Group's business and operating plans. On behalf of the Executive Board, the central support function Strategy and Corporate Management is responsible for ensuring that the conditions are in place for the Corporate functions and Business value tables to be able to deploy the strategy. Scania's purpose, driving the shift towards a sustainable transport system, serves as the base for our strategic direction and is clarified through our corporate objectives.

There is no separate strategy for sustainability. Instead, sustainability is at the core of Scania's corporate strategy to align our business activities to sustainable development.

The annual strategy process can be described as a strategy process wheel where the current year strategy is executed. The next year's strategy is formulated and deployed in parallel.

During the strategy formulation phase, Scania's strategy is tested against future possible scenarios for the global transport ecosystem by 2040 – to strengthen the robustness of the strategy towards the different potential futures. The scenario-based approach to strategy, technology and competence planning and the assessment that has been carried out, including the effects of climate-related risks (such as rising temperatures), builds a deep and shared understanding of the changing business environment and conditions. It also strengthens the resilience of the strategy and the ability for fast and adaptive strategy deployment. Scania's corporate strategy is based on a stakeholder thinking, where Scania can add value and during the strategy process, input is sought for and gathered from the different stakeholder groups. Input to the strategy is coming from shareholders, customers, partners, society, and employees, among others.

During the deployment phase, the strategic ambition from the Executive Board and CEO is iterated with the organisation and broken down by the Business value tables, core processes and corporate functions with detailed plans on all levels.

The chairmen of the Business value tables and heads of corporate functions are responsible for ensuring that the appropriate actions are taken in their respective fields of responsibility based on the strategies decided. For Scania's subsidiaries this responsibility rests with the Board of each respective subsidiary and is carried out by the Managing Director and management team.

The successful execution of Scania's strategic direction in all parts of the Group is secured through our operational strategy – The Scania Way.

For Scania, diversity and inclusion continues to be a strategic necessity. By having employees with the widest possible range of skills, knowledge, backgrounds and experiences, we ensure that we have the right people and with an inclusive corporate culture this drives our business forward. We call this systemic approach Skill Capture, and it is a key element of our People Sustainability strategy for Scania's nearly 59 000 employees worldwide.

Operating model

To support our strategy, Scania has an operating model to ensure we harness new opportunities and continue to deliver value to our customers. The disruptive technological advances transforming our sector are bringing new business possibilities, and new competition.

Succeeding in this new business landscape requires us to be able to think and act fast, working with agility and flexibility, and adapting quickly to change. Our operating model is designed to support this business transformation. Through the operating model, our business is better positioned to develop and scale new technologies rapidly, accelerate business innovation and remove complexity for our customers. To support Scania's operating model, we are also adapting the way our organisation is structured and governed. Recent change has been to develop a value flow system of governance, with cross-functional teams with delegated mandate.

CORPORATE GOVERNANCE

As we transform and embrace new ways of working towards cross functional flows, explore new markets and develop new business models and solutions, The Scania Way continues to be the solid foundation we lean on.

Executive decision forums

Scania's executive decision structure is based on a number of executive decision forums that interconnect and form the basis for interaction between business areas as well as corporate functions. Decisions at executive decision meetings are assessed for integrity and compliance standards and in line with corporate environmental objectives. This ensures an integrated approach to strategic topics within Scania and that sustainability and climate, as well as compliance and integrity-related matters, are considered in all relevant decision-making.

The executive decision forums, such as the Scania Sustainability Board, the Sourcing Board, People Management Meetings and Product Quality Meetings are each chaired by a member from the Executive Board. In addition, there are Group functions within Scania, including Legal, Governance and Data Protection, Risk Management, Internal Controls, Compliance, Corporate Investigations, Export Controls, Intellectual Property and Security, which support the business in making responsible, balanced and profitable business decisions.

Corporate Governance Board

The Corporate Governance Board (CGB) is an executive decision forum which prepares decisions and activities related to Scania Group Policies for final decision at the Executive Board. The purpose of the CGB meeting is to ensure that the rules and regulations formalised in Scania Group Policies are established following a standard format.
In Autumn 2023, it was decided that CGB would expand its assignment to regularly monitor and decide on changes related to the internal control environment. CGB also decides on major changes in Scania Group Control Catalogue and on implementation plans for changes in the control environment. This includes but not limited to the approval of control release plan twice a year or when needed, and other ad hoc matters.

The CGB monitors the implementation of Scania Group Policies throughout the Scania Group, and reports on the status on implementation to the Executive Board and the Audit Committee. CGB also follows up on implementation and requests related to TRATON GROUP Policies and Volkswagen Group Policies and it has ten regular meetings per year.

The CGB is chaired by the Scania CFO, and is composed by central functions and business representatives.

Scania Sustainability Board

The Scania Sustainability Board (SSB) is Scania's forum for cross-functional coordination of sustainability, bringing together all parts of the company. The SSB is responsible for setting the sustainability direction, targets and initiatives, as well as ensuring cross-functional action on sustainability priorities. Read more about the SSB on page 26 in Scania AB's Annual and Sustainability Report.

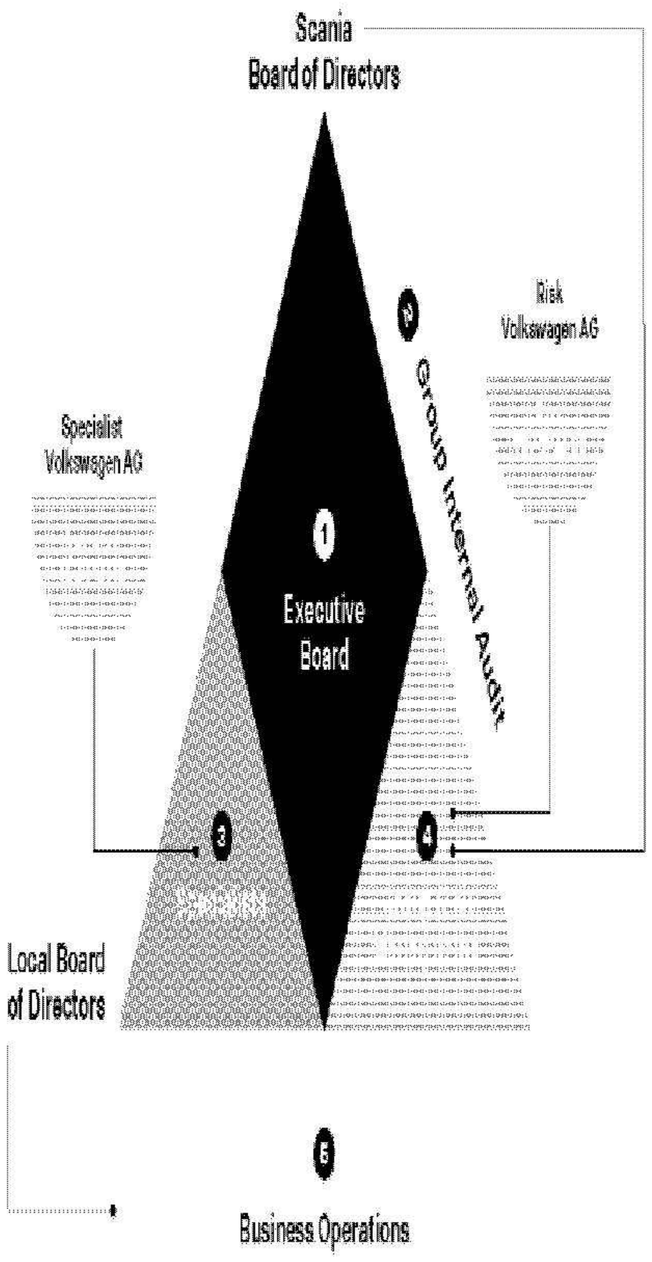
Risk management

From a governance perspective, the Scania Audit Committee/Board of Directors reviews the top Scania risks and countermeasures on a quarterly basis and acknowledges the risks for internal and external legal reporting. On behalf of Scania's Board of Directors, the Executive Board has the overall responsibility for risk management, including sustainability, for example climate and business human rights-related risks. The risk process ensures that Scania has a transparent, systematic and hands-on approach to risk management and the risk process at Scania is guided by Scania's strategy as described in the Strategy section (from page 19 in Scania AB's Annual and Sustainability Report).

For risk-related matters, Scania relies on an integrated approach to ensure that business opportunities and risks are considered in all relevant decision-making, to ensure a sound balance between risk and reward. Scania is continuously exposed to risks that, if not properly managed, may impact the opportunity to drive the shift towards a sustainable transport system, to execute its strategies and to achieve its objectives. Integrated into the risk process is also the management of adverse impacts on environment and people, including adverse impacts on human rights as a result of business activities and/or business relationships.

As part of our daily operation, Scania is exposed to risks, the negative impact of which, if properly managed, can be reduced or even eliminated. Risks may also turn into opportunities if managed strategically. The Code of Conduct, our policies, our strategy, our core values and our leadership principles all give us guidance in how to manage and act when facing situations with respect to risk. Risk awareness is an integrated part of the Scania Culture, The Scania Way. The Group Risk Management function supports management to govern business in a trustful and sustainable manner by helping stakeholders to identify, assess and manage risks with integrity and in the most

CORPORATE GOVERNANCE



Roles and responsibilities within Scania's risk management

1
- Propose a desirable risk culture
- Ratify key components of the group-wide risk management programme
- Discuss risks and assume ownership of significant group-wide risks
- Measure, assess, policy formulate, evaluate and address functional risks
- Evaluate and set strategies for managing group-wide and cross-functional risks that have been developed to reach acceptable risk levels

2
- Propose, assure and monitor the effectiveness of the risk management programme, risk control and risk response strategies
- Support the business areas and coordinate activities with respect to risk management

3
- Central risk expert area for risk management
- Responsible for group-wide risk reporting and communication and support in the organisation when applying the risk process

5
- Central risk and other risk management within the Scania Group
- Officers and directors operationally responsible for identifying and assessing risks and adverse impacts for managing material risks and adverse impacts and for providing and communicating to the Executive Board through Group Risk Management
- Manage risks in their area of responsibility and adverse impacts according to the risk process

competent and transparent way.

The risk management process supports the organisation in gaining a greater understanding of what the important risks are, and how such risks are to be managed. The purpose is also to establish a shared view of important short-, medium- and long-term risks throughout the Scania Group allowing the Executive Board to focus on the strategic risks.

The role of the Group Risk Management function 4 is to support that risk management is efficiently integrated into processes, and ensure that legal requirements, international governance, risk and compliance standards and owner requirements on risk management are fulfilled considering Scania-specific risk environment and culture. The function shall also support the organisation by providing knowledge in terms of policies, guidelines, training and advice.

The matters that pose risks to Scania may involve a broad range of topics, spanning from cyber-security to supplier capacity, climate, product launch and matters related to responsible business, e.g. environment, governance and social issues. Negative consequences can be avoided, or at least minimised, if they are proactively identified and properly managed. A sound risk management practice will support making the right decisions in order to maximise reward and business opportunities.

As the business operations are exposed to risks that need to be managed, they are responsible for identifying and assessing key risks, assuming risk ownership and managing risks, as well as periodically reporting risks to the Executive Board via the central support function Group Risk Management.

Scania promotes a risk awareness culture which is characterised by openness and encourages people throughout the organisation to speak up and discuss the risks the Group is facing. Transparency is fundamental for dealing effectively with risks and avoiding blind spots, i.e. risks which remain undetected and therefore are not addressed properly. As a principle, all management across the organisation is responsible for managing risks within its area of responsibility. One part of the Scania leadership model is "Dare to try – manage the risk", which works as a guiding star within Scania.

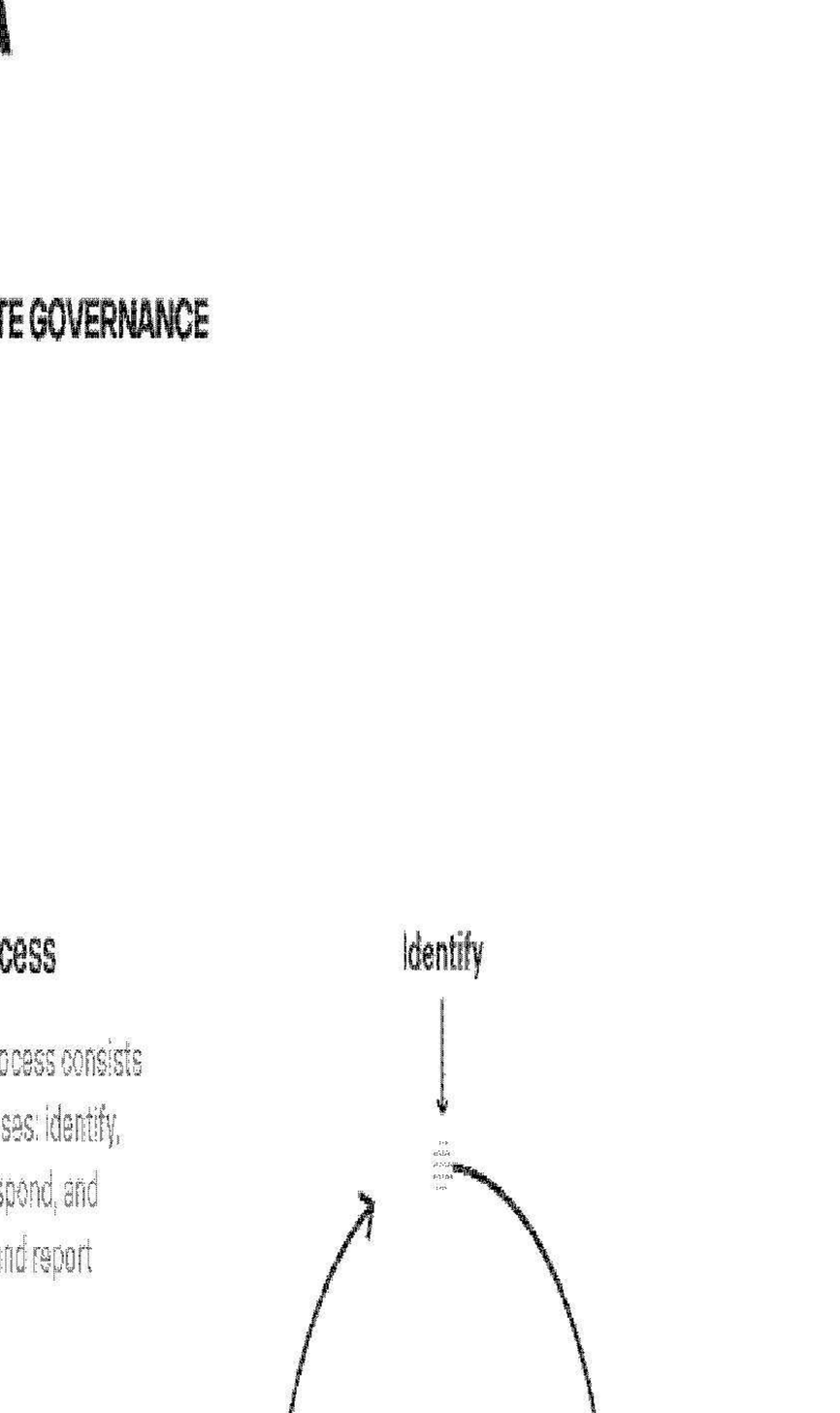
To ensure consistency in the assessment of the risks identified, risk categories (Strategic, Financial, Legal & Compliance and Business risks), sub-categories and risk assessment criteria are established.

The recurrent risk process consists of four phases: identify, assess, respond, and follow-up and report.

CORPORATE GOVERNANCE

Risk process

The risk process consists of four phases: identify, assess, respond, and follow-up and report



The first step, identify, involves identifying risks of targets not being achieved and emerging risks. Secondly, the identified risks shall be assessed in terms of probability of occurrence and potential financial, reputational and legal consequences in order for the appointed risk owner to be able to prioritise risks for further analysis. Adverse impact on environment and people is also assessed in this phase. The following analysis is the basis for evaluating response options as part of the third step, respond, as well as to design and implement risk response plans. The final step, follow-up and report, is to monitor the implementation and status of the risks to ensure that the risk responses are effective (see page 31, Internal control).

The process runs through an annual workshop and additionally updates and reports on a quarterly basis.

Business ethics and compliance management

The purpose of business ethics and compliance-related initiatives and activities at Scania is to identify, prevent, detect and respond to compliance risks that Scania's business may face worldwide. The key areas of business ethics and compliance are anti-corruption, anti-money laundering (AML), antitrust/competition law and business and human rights. Scania recognises the importance of addressing risks related to digital compliance and ethics, including but not limited to AI, data protection, and sustainability, ensuring a holistic approach to business ethics.

Scania has zero tolerance for corruption and unethical business practices. Wherever in the world Scania operates, we adhere to high ethical standards. The Scania Code of Conduct is applicable to all employees, laying down the overarching framework and providing guidance on expected behaviours. All new employees shall read the Code of Conduct and top managers declare their adherence to it on a yearly basis. The Code of Conduct is supplemented by several detailed Scania Group Policies applicable worldwide, covering compliance topics such as donations and sponsorships, benefits to and from business partners, the prohibition of facilitation payments, anti-money laundering and terrorism financing, antitrust/competition law, avoidance of conflicts of interest, due diligence of sales intermediaries and business and human rights.

Scania Group Compliance, a dedicated central function with regional reach, manages the compliance and business ethics programme, for example by advising on business ethics topics and providing training and support. Scania's compliance programme employs a risk-based approach and is implemented globally.

Scania also emphasises integrity and ethical business practices concerning business partners and society at large. Business partners are required to adhere to equally high ethical standards. For suppliers, these standards are outlined in the Scania Supplier Code of Conduct, and for independent members of Scania's authorised sales network, in the Scania Independent Distributor Code of Conduct.

Assessing and managing risks are integral to Scania's compliance work. Anti-corruption and other business ethics risks are covered by Scania's risk process (see page 28), which is conducted twice a year across all operations. Additionally, a more comprehensive and detailed risk assessment focusing on anti-corruption, anti-money laundering, antitrust/competition law and business and human rights, is performed regularly.

CORPORATE GOVERNANCE

Another cornerstone of Scania's business ethics efforts is the whistleblowing system, which provides several dedicated channels for reporting suspected violations of laws, regulations, internal company policies, and the Scania Code of Conduct. This system is available for both Scania's employees and external parties, empowering them to report in good faith without fear of retaliation. Scania has a well-established procedure for conducting internal investigations regarding reports made through the whistleblowing system, and the system is regularly reviewed to ensure its effectiveness.

Assurance and monitoring

The main objectives of Scania's assurance and monitoring activities are to provide Executive Management and the Board of Directors with information on the effectiveness of governance and internal control system, and to build trust and credibility with internal and external stakeholders.

Assurance is provided primarily via different types of testing and evaluations performed by external auditors, Group Internal Audit, Group Internal Control, and Third Party Certification bodies. Self-assessments are used in different areas by management to increase awareness about risks, controls and regulatory requirements, e.g., in relation to policy implementation. Remediation actions are monitored by the Executive Management and the Board of Directors via regular reporting. Industrial Operations, including Logistics, Production, Purchasing, Research and Development, are certified to ISO 9001 and ISO 14001. Commercial Operations, including Business Units and Dealers, are certified to ISO 9001 and ISO 14001 within markets that have a demand for certification from customers or other stakeholders.

Internal control

The cornerstones of Scania's internal control system consist of the control environment, developed based on international COSO standards: risk assessment, control activities, information and communication as well as monitoring. The internal control function coordinates and monitors the development and documentation of controls over disclosure requirements in scope in designated functions. The controls are documented in Scania's standardised control catalogue and system for the purpose of reporting and ongoing monitoring. Internal Control Management System (ICMS) is based on Scania Group Control Catalogue and key activities illustrated on the next page.

Control environment

Control environment at Scania builds upon annual procedures as well as strong leadership principles and culture based on the Code of Conduct and The Scania Way model. Attitudes and values of leaders and employees are important parts of driving the organisation towards the fulfilment of goals in an effective, sustainable and responsible way. The Internal control framework at Scania is based on decisions on organisational structure, mandates and procedures made by the Board of Directors. The Board of Directors' decisions are implemented into functional management and control systems by the Executive Board.

Organisational structure, decision-making procedures, mandates and responsibilities are documented and communicated in governing documents, such as Scania Group Policies, standards and other regulations. Scania Group Policies are issued for all main risk areas and are under revision according to decided frequency. Also included in the basis for internal control are group-wide accounting and reporting instructions, instructions regarding powers and authorisation rights as well as relevant manuals and process descriptions.

The Group reporting system for integrated reporting for financial and business information is another central element of the control environment and internal control.

Integrated reporting of financial and business information ensures that external financial reporting is based on business operations. In addition to information on final outcome figures, the reporting system also includes frequently updated forecast information. The Corporate Control function is responsible for continuous updating of accounting and reporting instructions, with due regard for external and internal legal requirements and standards.

Risk assessment and control activities

Scania's controller organisation follows the company's organisational and responsibility structure. Risk areas identified in financial reporting are handled and scrutinised via Scania's controller organisation. Controllers who closely examine business operations are found at all levels of the organisation.

Additionally, there is a comprehensive set of control activities established for key risk areas and processes: financial reporting, compliance and environmental risks summarised in Scania Group Control Catalogue, implemented in local control catalogues in major entities across Scania Group.

The Group Internal Control function runs annual risk assessments and activities related to the development, implementation and independent evaluation of internal controls within the Scania Group. Both self-assessment and sample testing of effectiveness of internal controls, designed to mitigate key risks in selected entities and processes, are conducted throughout the year according to the Annual Control Evaluation

CORPORATE GOVERNANCE

Plan approved by the Executive Management. All identified deviations are reported and regularly followed up for remediation by the Audit Committee, Executive Board and Senior Management.

Information and communication

Scania strives to ensure that activities to inform and communicate on risks, financial performance and new regulations for example, is effective throughout the whole organisation.

Reporting to management on all levels takes place regularly. In its task of compiling, verifying and analysing financial information, the corporate-level controller organisation has access to the figures and business-related comments of all operational units. In order to inform, instruct and coordinate financial as well as non-financial reporting, Scania has formal information and communication channels, e.g. specific fora, committees, management teams to the affected employees regarding policies, guidelines and reporting manuals. These formal information and communication channels are supplemented by frequent dialogue between Finance and Business Control, Risk, Internal Control and Compliance Functions and the individuals in charge of financial and non-financial reporting at operational units.

Scania holds internal seminars and conferences regularly, with a focus on quality assurance in financial reporting and governance models.

Monitoring

Group Internal Audit, Governance, Internal Control, Risk and Compliance Functions as well as Corporate Control are the main control functions involved in monitoring activities, providing management with relevant reporting related to the control environment, including suggestions of continuous improvements.

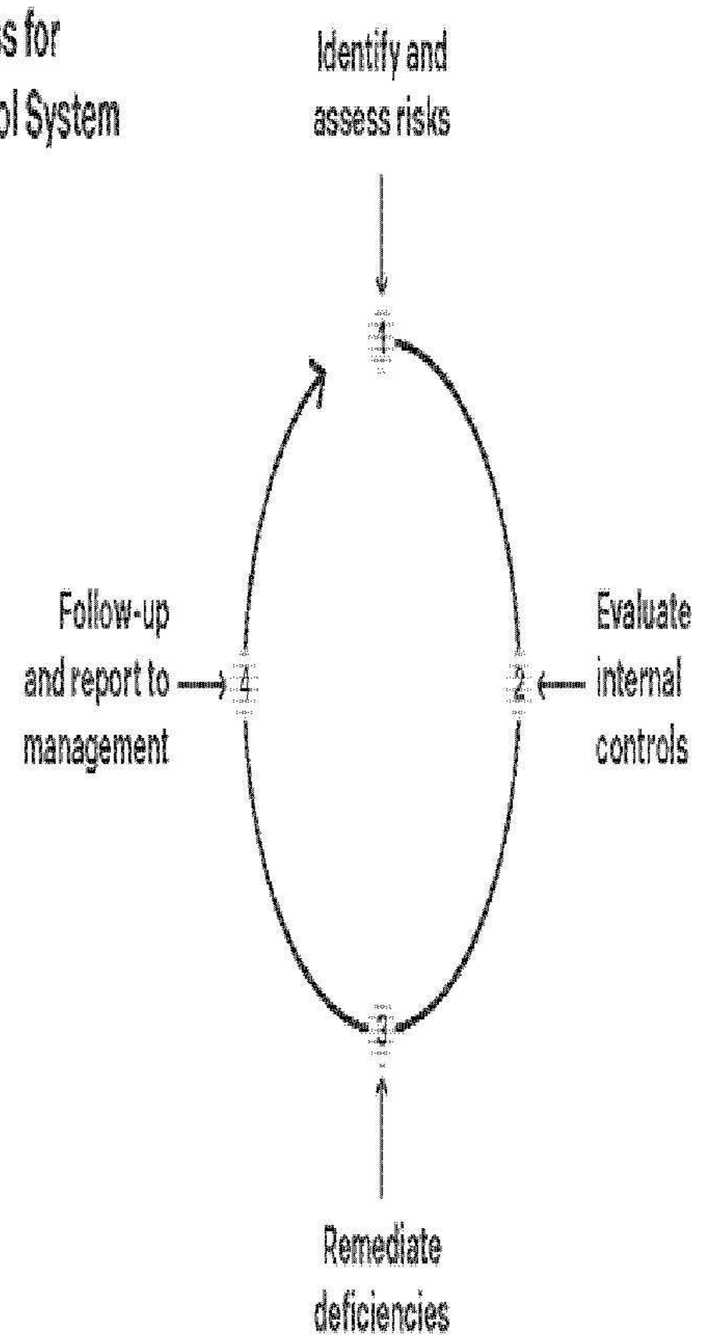
Scania monitors compliance with the governing documents and the effectiveness of the control structure through designated routines and system support.

Monitoring and evaluation of the Scania Group performance is carried out by the company's corporate controller departments in industrial operations, all sales and services companies.

The Board of Directors receives quarterly financial reports. This financial information increases in terms of the run-up to each interim report. The full year-end and half-year reports are approved by the Board of Directors.

The Audit Committee is also provided with information on the status of internal controls four times a year, through independent report from the Internal Control Function.

Annual process for Internal Control System



The company has a group-wide whistleblowing system, where all employees can report potential violations of laws and regulations, internal company policies and the Scania Code of Conduct. The system is also open for hints from external parties.

Scania is not aware of any circumstances that would indicate material weakness in risk management or the internal controls, however there is no absolute assurance that all relevant risks are identified in a timely manner and mitigated by suitable measures and controls.

CORPORATE GOVERNANCE

Internal audit

Scania Group Internal Audit 1 is an independent, objective assurance and consulting activity designed to add value and improve Scania's operations. The main task of internal audit is to independently perform risk-based and regulation required audits according to an annual audit plan. The responsibilities of Internal Audit also include monitoring and review of the internal control, risk management and governance. The results are reported to Scania's Audit Committee. All audit reports are also shared with the CEO and the Executive Board in order to get their commitment to implement the necessary mitigation actions.

The risk-based approach for 2024 was applied in a continuous risk assessment process, ensuring that the internal audit activities were directed to the most relevant and significant risks. Audit activities covered internal policies and external regulations related to each audit topic. Group Internal Audit reports functionally to the Audit Committee and administratively to the CEO.

External auditors

At Scania, the independent external auditors 16 are elected annually by the shareholders at the Annual General Meeting (AGM), for a period until the end of the next financial year's AGM. The audit firm EY currently serves as the external auditors of Scania. The external auditors report to the shareholders at the company's AGM. To ensure that the requirements concerning information and controls that are incumbent on the Board of Directors are being met, the external auditors report on a continuous basis to the Audit Committee on all substantial accounting related matters, as well as any errors and suspected irregularities. The external auditors also participate in at least one Board of Directors meeting per year and are invited, when needed, to participate in the meeting and report to the Board of Directors.

The external auditors have no assignments for the company that affect their independence as auditors for Scania. Information on auditor remuneration is provided in note 26.

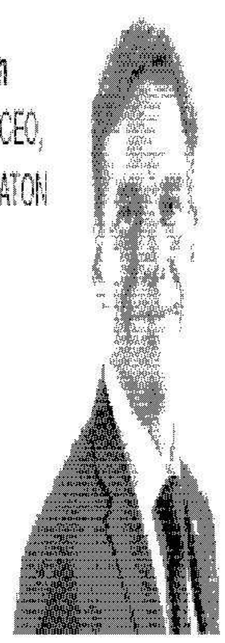


BOARD OF DIRECTORS

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Michael Jackstein
Chairman of the Board of Directors



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Christian Levin
President and CEO, Scania and TRATON GROUP



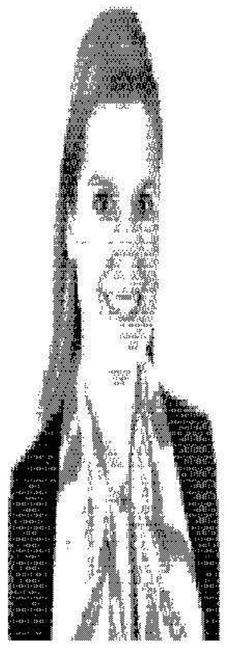
3
Lilian Fossum Biner



4
Gunnar Kilian



5
Julia Kuhn-Piëch



6
Nina Macpherson



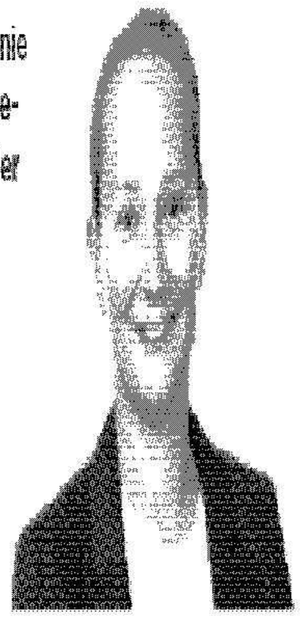
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Christian Porsche



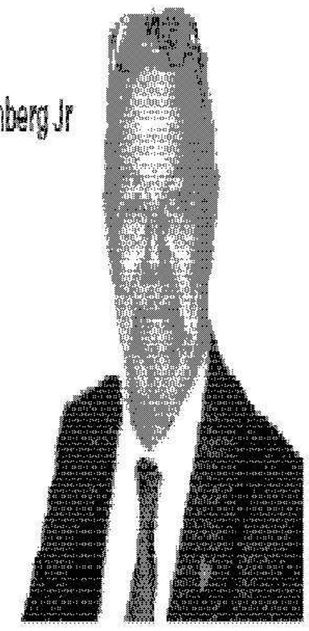
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Mark Philipp Porsche



9
Stephanie Porsche-Schröder



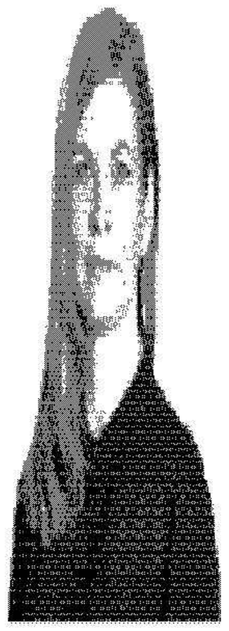
10
Peter Wallenberg Jr



11
Mari Carlquist



12
Lisa Lorentzon



13
Mikael Johansson



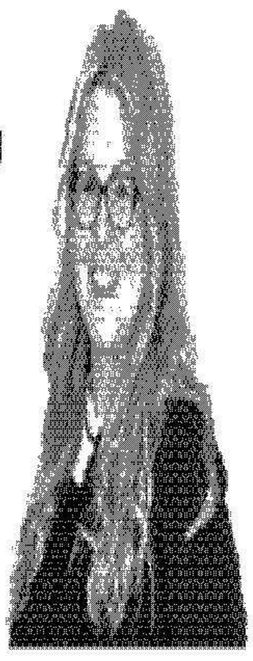
14
Michael Lyngsie



15
Bo Luthin



16
Maja Lundberg



BOARD OF DIRECTORS

1 Michael Jackstein

Chairman of the Board of Directors and the Audit Committee since 2023.

Born: 1977.

Education: Business Administration (Dipl.-Kfm.) and Economic Sciences (Dr. rer. pol.).

Other directorships: CFO & CHRO of TRATON SE. Member of the Supervisory Board of MAN Truck & Bus SE. Chairman of the Board of Directors of Scania CV AB. Chairman of the Board of Directors of Scania AB. Board member of Navistar International Corporation. Member of the Advisory Board of Volkswagen Truck & Bus Indústria e Comercio de Veículos Ltda. Chairman of the Board of Directors of TRATON Sweden AB. Member of the Board of Directors of TRATON AB. Member of the Board of Directors of TRATON Financial Services AB. Board Member of TRATON US, LLC. Member of the Supervisory Board of Volkswagen Middle East QFZ LLC.

Relevant work experience: Positions in brand and group finance at Volkswagen AG and recently was heading the office of the Chairman of the Supervisory Board of Volkswagen AG and TRATON SE.

2 Christian Levin

President and CEO. Member of the Board of Directors since 2021.

Born: 1967.

Education: Bachelor of Science in Business and Administration and a Master of Science in Mechanical Engineering.

Other directorships: Chairman of TRATON AB. Chairman of the Supervisory Board MAN Truck & Bus SE. Board member of Navistar International Corporation, Volkswagen Truck & Bus, Scania Growth Capital AB, Scania Growth Capital II AB, TRATON Financial Services AB, and Vattenfall AB (from April 29, 2024).

Relevant work experience: Various managerial positions at Scania and TRATON SE. President and CEO of Scania and CEO of TRATON SE since 2021. Member of the Stockholm Chamber of Commerce and the Finnish-Swedish Chamber of Commerce.

3 Lilian Fossum Biner

Member of the Board of Directors since 2019.
Member of the Audit Committee.

Born: 1962.

Education: Master of Science in Business Administration, MSc.

Other directorships: Board member of Carlsberg A/S, Alfa Laval AB, Pandora A/S and Röko AB.

Relevant work experience: Broad experience from retail and consumer companies and managerial positions at Axel Johnson AB and Electrolux Group.

4 Gunnar Kilian

Member of the Board of Directors since 2020.

Born: 1975.

Education: Editor.

Other directorships: Chairman of the Supervisory Boards of MAN Energy Solutions, Autostadt GmbH, Volkswagen Immobilien GmbH, Volkswagen Group Services GmbH, and member of the Supervisory Boards of, among others, Audi, MAN, TRATON, Wolfsburg AG and PowerCo. Chairman of the Latin America Committee of German Business (LADW).

Relevant work experience: Various positions, Volkswagen AG. Member of the Board of Management of Volkswagen AG responsible for "Human Resources" and "Trucks".

5 Julia Kuhn-Piëch

Member of the Board of Directors since 2020.

Born: 1981.

Education: Doctor of Law (Dr. iur).

Other directorships: Member of the Supervisory Board of TRATON SE, AUDI AG and MAN Truck & Bus SE.

Relevant work experience: Self-employed real estate manager.

6 Nina Macpherson

Member of the Board of Directors since 2018.
Member of the Audit Committee.

Born: 1958.

Education: Master of Laws, LL.M.

Other directorships: Member of the Supervisory Board of TRATON SE and member of its Audit Committee since 2019. Member of the Board of Scandinavian Enviro Systems AB, member of the Board of Netel Holding AB and Chair of its Remuneration Committee, Chairman of Ecocide Law Alliance Foundation.

Relevant work experience: Chief Legal Officer, secretary to the Board and member of the Ericsson Executive Team until 2018. Previous positions include in-house legal positions and private practice in corporate and commercial law. Member of the Swedish Corporate Governance Board.

7 Christian Porsche

Member of the Board of Directors since 2020.

Born: 1974.

Education: Medical Doctor (Dr. med.), Doctor of natural sciences (Dr. rer. nat.).

Other directorships: Member of the Supervisory Board of TRATON SE and MAN Truck & Bus SE.

Relevant work experience: Neurologist. Partnership interests for several companies at Porsche Holding GmbH between 2005–2009. Member of the Supervisory Board of MAN Truck & Bus SE, Scania AB and MAN SE between 2013–2017.

BOARD OF DIRECTORS

8 Mark Philipp Porsche

Member of the Board of Directors since 2020.

Born: 1977.

Education: Master of social and business administration.

Other directorships: Member of the Supervisory Board of MAN Truck & Bus SE and serves on comparable governing bodies of the following companies: Familie Porsche AG Beteiligungsgesellschaft (Austria), FAP Beteiligungen AG (Austria), and SEAT S. A. (Spain).

Relevant work experience: From 2007 onward, director at various companies, including F.A. Porsche Beteiligungen GmbH in Stuttgart, Prof. Ferdinand Alexander Porsche GmbH in Salzburg, Ferdinand Alexander Porsche GmbH in Grünwald, and Ferdinand Porsche Familien-Holding GmbH. In addition to the above, member of the Executive Board of the Ferdinand Porsche Familien-Privatstiftung foundation in Salzburg since 2014.

9 Stephanie Porsche-Schröder

Member of the Board of Directors since 2017. Member of the Audit Committee.

Born: 1978.

Education: Diplom Designer.

Other directorships: Member of the Board of MAN Truck & Bus SE.

Relevant work experience: Designer at Bosch Siemens Haushaltsgeräte GmbH, Munich, 2004–2012.

10 Peter Wallenberg Jr

Member of the Board of Directors since 2005.

Born: 1959.

Education: Master of Business Administration, MBA.

Other directorships: Chair of the Board Knut and Alice Wallenberg Foundation and Marianne and Marcus Wallenberg Foundation, The Grand Group AB. Board member of Atlas Copco AB.

Relevant work experience: Leading positions within the service industry for over 30 years, including CEO for the Grand Hôtel Group. Several board positions in The Wallenberg Foundations.

11 Mari Carlquist

Representative of PTK at Scania. Member of the Board of Directors since 2020. Previously deputy member since 2015.

Born: 1969.

Other directorships: Employee representative, Supervisory Board of TRATON SE.

Relevant work experience: Various positions at Scania since 1987.

12 Lisa Lorentzon

Representative of PTK at Scania. Member of the Board of Directors since 2015. Previously deputy member since 2012.

Born: 1982.

Education: Master of Science, MSc.

Other directorships: Employee representative, Supervisory Board of TRATON SE.

Relevant work experience: Various positions at Scania since 2007.

13 Mikael Johansson

Representative of the Swedish Metal Workers' Union at Scania. Member of the Board of Directors since 2008. Previously deputy member since 2008.

Born: 1963.

Relevant work experience: Various positions at Scania.

14 Michael Lyngsie

Representative of the Swedish Metal Workers' Union at Scania. Member of the Board of Directors since 2018.

Born: 1977.

Other directorships: Employee representative, Supervisory Board of TRATON SE.

Relevant work experience: Various positions at Scania since 1993.

15 Bo Luthin

Representative of the Swedish Metal Workers' Unions at Scania. Deputy member of the Board of Directors since 2020.

Born: 1957.

Other directorships: Employee Representative, supervisory Board of TRATON SE.

Relevant work experience: Various positions at Scania since 1985.

16 Maja Lundberg

Representative of PTK at Scania. Deputy member of the Board of Directors Since 2022.

Born: 1968.

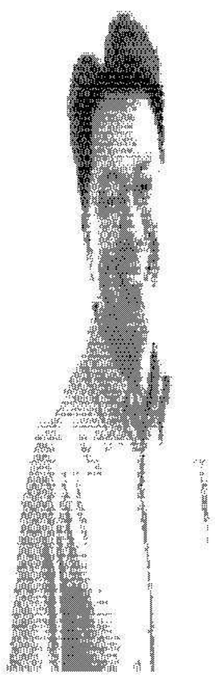
Relevant work experience: Various position at Scania since 1986.

EXECUTIVE BOARD

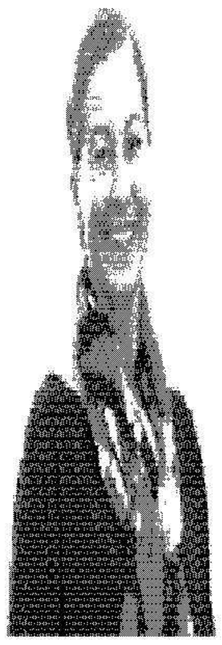
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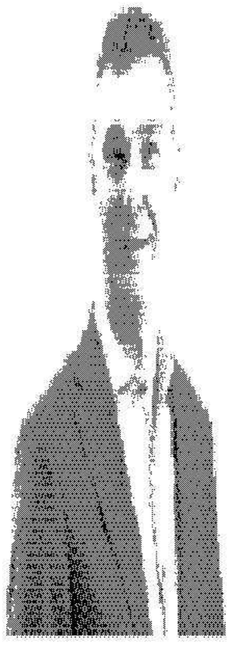
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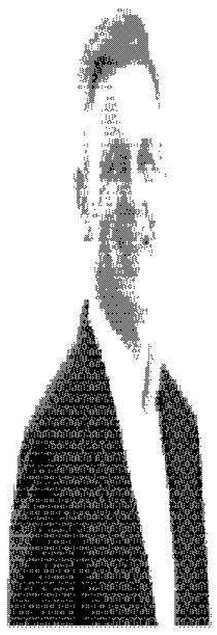
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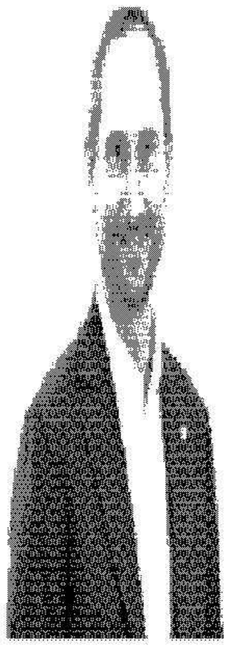
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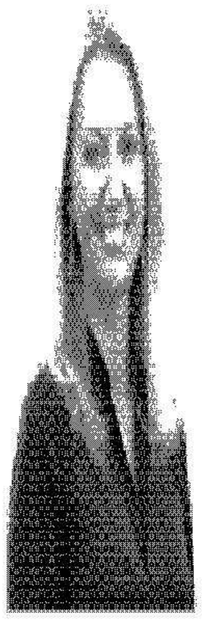
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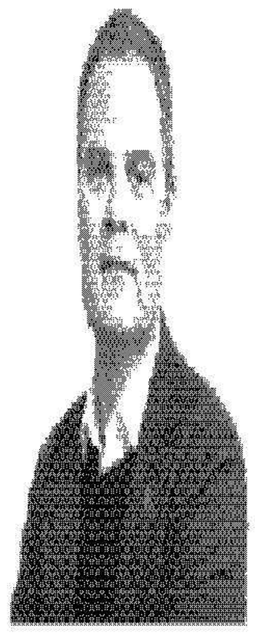
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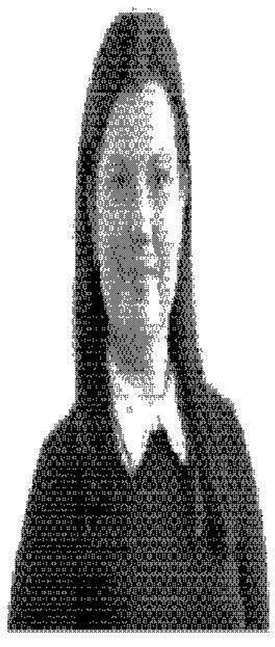
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9



1 Christian Levin

Member of the Board of Directors. President and CEO.

Born: 1967.

Education: Bachelor of Science in Business and Administration and a Master of Science in Mechanical Engineering. Joined Scania in 1994, employed until 2019. Rejoined Scania in 2021.

2 Do Young Kim

Executive Vice President, Chief Financial Officer (CFO).

Born: 1975.

Education: Bachelor of Science in Business Administration and Management. Joined Scania in 2025.*

3 Camilla Dewoon

Executive Vice President, Head of Communications and Sustainability.

Born: 1973.

Education: Master of Science in Business Administration. Joined Scania 1998, employed until 2019. Rejoined Scania in 2020.

4 Stefano Fedel

Executive Vice President, Head of Sales and Marketing.

Born: 1970.

Education: Degree in Engineering of Materials, with mechanical specialisation. Joined Scania in 1996.

5 Mats Gunnarsson

Executive Vice President, Head of Commercial Operations.

Born: 1967.

Education: Bachelor of Science in Business and Administration and a Master of Science in Mechanical Engineering. Joined Scania in 1992, employed until 2004. Rejoined Scania in 2009.

6 Gustaf Sundell

Executive Vice President, Head of Ventures and New Business.

Born: 1982.

Education: Master of Science in Industrial Engineering and Business Management. Joined Scania in 2008.

7 Jeanna Tällberg

Executive Vice President, Head of People & Culture.

Born: 1975.

Education: Bachelor's degree in Social Work as well as in Human Resources. Joined Scania 2003, employed until 2015. Rejoined Scania in 2022.

8 Marcus Holm

Executive Vice President, Head of Production, Procurement and Logistics.

Born: 1971.

Education: Master of Science in Mechanical Engineering. Joined Scania in 1994.

9 Sara Forsberg

Executive Vice President, Chief Technical Officer/Head of Research and Development and Head of Brand Identity Development.

Born: 1976.

Education: Master of Science in Ergonomic Design and Production. Joined Scania in 2001.

* Former CFO Jonas Rickfors left Scania in December 2024. Do Young Kim took up his position in February 2025.

FINANCIAL REPORTS

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CONSOLIDATED INCOME STATEMENTS

January–December, SEK m.	Note	2024	2023
Continuing operations			
Revenue	4,5	216,129	204,126
Cost of goods sold, and services rendered		-155,951	-150,396
Gross income		**60,178**	**53,730**
Research and development expenses	6,9	-11,654	-11,236
Selling expenses	6	-14,620	-13,554
Administrative expenses	6	-3,455	-2,955
Items affecting comparability	30	-1,243	-1,178
Operating income	4,6	**29,206**	**24,807**
Interest income		9,145	8,703
Interest expenses		-8,062	-6,730
Share of income from associated companies and joint ventures	11	-64	4
Other financial income		1,744	2,620
Other financial expenses		-4,847	-6,252
Total financial items	7	**-2,104**	**-1,655**
Income before income tax expense		**27,102**	**23,152**
Income tax expenses	8	-4,604	-7,385
Net income from continuing operations		**22,498**	**15,767**
Net income from discontinued operations[1]	22	-	**1,448**
Net income from the Group		**22,498**	**17,215**

1 On 1 April 2023, the former Financial Services segment was divested, and classified as a discontinued operation.

January–December, SEK m.	Note	2024	2023
Other comprehensive income	15		
Items that may be reclassified subsequently to profit or loss			
Translation differences		-372	1,551
Reversed cumulative translation differences from divested companies		0	-1,012
Taxes		-	-
		-372	539
Items that will not be reclassified to profit or loss			
Remeasurement defined benefit plans	16	184	-1,317
Fair value adjustment equity instruments		-853	13
Taxes		83	279
		-596	-1,025
Total other comprehensive income		**-968**	**-486**
Total comprehensive income		**21,530**	**16,729**
Net income attributable to:			
– Scania shareholders		22,512	17,215
– non-controlling interest		-14	0
Total comprehensive income attributable to:			
– Scania shareholders		21,541	16,729
– non-controlling interest		-11	0

CONSOLIDATED BALANCE SHEETS

31 December, SEK m.	Note	2024	2023
Assets			
Non-current assets			
Intangible assets and goodwill	9	20,379	16,274
Tangible assets	10	58,850	46,490
Lease assets	10	21,271	22,154
Holdings in associated companies and joint ventures	11	2,450	1,674
Other shares and participations	12	816	1,350
Non-current interest-bearing receivables	28	10,298	855
Other non-current receivables	14, 28	3,571	3,283
Deferred tax assets	8	9,387	6,239
Tax receivables		1,300	1,006
Total non-current assets		**123,322**	**101,315**
Current assets			
Inventories	13	39,562	38,214
Current receivables			
Tax receivables		2,457	1,507
Interest-bearing receivables	28	2,480	9,744
Non-interest-bearing trade receivables	28	10,095	11,588
Other current receivables	14, 28	9,646	6,740
Total current receivables		24,580	29,279
Current investments	28	22,694	1,048
Cash and cash equivalents			
Current investments comprising cash equivalents		37,190	20,253
Cash and bank balances		8,455	4,462
Total cash and cash equivalents	28	45,645	24,715
		132,510	**93,256**
Assets held for sale	22	–	99,692
Total current assets		**132,510**	**192,948**
Total assets		**255,832**	**294,263**

31 December, SEK m.	Note	2024	2023
Equity and liabilities			
Equity			
Share capital		100	100
Other contributed capital		20	20
Reserves		-2,006	-1,528
Retained earnings		94,549	79,623
Equity attributable to Scania shareholders		92,666	78,115
Non-controlling interest		37	52
Total equity	15	**92,703**	**78,167**
Non-current liabilities			
Non-current interest-bearing liabilities	10, 28	30,214	67,264
Provisions for pensions	16	8,933	8,997
Other non-current provisions	17	5,666	4,036
Accrued expenses and deferred income	18	20,107	17,993
Deferred tax liabilities	8	3,293	3,004
Other non-current liabilities	28	5,717	5,723
Total non-current liabilities		**73,930**	**106,917**
Current liabilities			
Current interest-bearing liabilities	10, 28	20,805	40,854
Current provisions	17	5,824	5,568
Accrued expenses and deferred income	18	25,853	23,504
Advance payments from customers		2,426	1,983
Trade payables	28	20,787	22,204
Tax liabilities		2,264	2,059
Other current liabilities	28	11,240	13,057
		89,199	**109,179**
Liabilities directly attributable to assets held for sale	22	–	–
Total current liabilities		**89,199**	**109,179**
Total equity and liabilities		**255,832**	**294,263**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In Note 15 there is a description of the consolidated equity items and information about the company's shares. The equity of the Scania CV Group has changed as follows (SEK m.):

	2024							2023						
	Share capital	Other contributed capital	Currency translation reserve	Retained earnings including net income for the year	Total, Scania shareholders	Non-controlling interest	Total equity	Share capital	Other contributed capital	Currency translation reserve	Retained earnings including net income for the year	Total, Scania shareholders	Non-controlling interest	Total equity
Equity, 1 January	**100**	**20**	**-1,628**	**79,623**	**78,115**	**52**	**78,167**	**100**	**20**	**-2,167**	**74,478**	**72,431**	**59**	**72,490**
Net income for the year				22,512	22,512	-14	22,498				17,215	17,215	0	17,215
Other comprehensive income														
Exchange differences on translation			-375	-	-375	3	-372			539	-	539	0	539
Remeasurements of defined-benefit plans			-	184	184	-	184			-	-1,317	-1,317	-	-1,317
Fair value adjustment equity instruments			-	-863	-863	-	-863			-	13	13	-	13
Tax attributable to items recognised in other comprehensive income			-	83	83	-	83			-	279	279	-	279
Total other comprehensive income			**-375**	**-596**	**-971**	**3**	**-968**			**539**	**-1,025**	**-486**	**0**	**-486**
Total comprehensive income			**-375**	**21,916**	**21,541**	**-11**	**21,530**			**539**	**16,190**	**16,729**	**0**	**16,729**
Change in non-controlling interest			-	-		-4	-4			-	-		-7	-7
Dividend to Scania CV AB shareholders			-	-6,000	-6,000		-6,000			-	-9,600	-9,600		-9,600
Group contribution to TRATON			-	-990	-990		-990			-	-1,445	-1,445		-1,445
Equity, 31 December	**100**	**20**	**-2,003**	**94,549**	**92,666**	**37**	**92,703**	**100**	**20**	**-1,628**	**79,623**	**78,115**	**52**	**78,167**

CONSOLIDATED CASH FLOW STATEMENTS

January–December, SEK m.	Note	2024	2023
Operating activities			
Income before tax [1]	21a	27,102	24,897
Items not affecting cash flow	21b	15,325	13,513
Taxes paid		-8,670	-6,467
Cash flow from operating activities before change in working capital		**33,757**	**29,925**
Change in working capital			
Inventories		-1,346	-7,595
Receivables		-502	16
Financial receivables, TRATON Financial Services	21c	0	-3,604
Vehicles with repurchase obligations and rental		-3,641	-1,843
Trade payables		-1,171	2,461
Other liabilities and provisions	3,16	4,441	6,373
Total change in working capital		**-2,219**	**-4,192**
Cash flow from operating activities		**31,538**	**25,733**
Investing activities			
Net investments through acquisitions/divestments of businesses	21d	40	5,605
Net investments in non-current assets	21e	-16,578	-12,134
Cash flow from investing activities attributable to operating activities		**-16,538**	**-6,529**
Cash flow after investing activities attributable to operating activities		**15,000**	**19,204**
Investments in securities and loans	21h	75,047	-17,650
Cash flow from investing activities		**58,509**	**-24,179**
Cash flow before financing activities		**90,047**	**1,554**

January–December, SEK m.	Note	2024	2023
Financing activities			
Change in debt from financing activities	21f	-63,667	11,574
Dividend		-6,000	-9,500
Cash flow from financing activities		**-69,667**	**2,074**
Cash flow for the year		**20,380**	**3,628**
Cash and cash equivalents, 1 January		24,715	22,489
Exchange rate differences in cash and cash equivalents		550	-1,402
Cash and cash equivalents, 31 December		**45,645**	**24,715**
Cash and cash equivalents, 31 December, reported in the balance sheet	21g	**45,645**	**24,715**

1 Includes income before tax from discontinued operations. See Note 22 "Non-current assets and disposal groups held for sale and discontinued operations."

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIS OF PREPARATION

Information about the Company and basis of reporting

The Scania CV Group encompasses the Parent Company, Scania CV Aktiebolag (publ), Swedish corporate identity number 556084–0976 and its subsidiaries. The Parent Company has its registered office in Södertälje, Sweden. The address of Scania's head office is SE-151 87 Södertälje, Sweden.

The consolidated accounts of the Scania CV Group have been prepared in compliance with IFRS Accounting standards issued by the International Accounting Standards Board (IASB) as adopted by the European Union. In addition, recommendation RFR 1, "Supplementary Accounting Rules for Groups" from the Swedish Corporate Reporting Board has been applied. The Parent Company applies the same accounting policies as the Group except in the instances described below in the section "Parent Company accounting policies." The functional currency of the Parent Company is Swedish kronor (SEK), and the financial statements are presented in Swedish kronor. Scania Group manufacture and sell trucks, buses and power solutions including the services associated with these products.

The fiscal year corresponds to the calendar year. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. Comparable prior-period figures are presented in brackets alongside the figures for the fiscal year under review.

Accounting policies

Assets and liabilities are recognised at cost, aside from certain financial assets and liabilities which are carried at fair value and other post-employment benefits. Starting in fiscal year 2024, the material accounting policy information for the individual items of the consolidated financial statements are explained at the beginning of the corresponding sections in the notes in order to make the individual items easier to understand. Accounting policy information is considered material if the relevant disclosures relate to material transactions, other events, or conditions and if the accounting required for them is complex, significant judgment or assumptions have been made, Scania has exercised an IFRS option, the accounting policy has been applied in the absence of an IFRS that applies specifically to the case in question in accordance with IAS 8, or if it has changed compared with the previous year and this change resulted in a material change to the information in the financial statements.

Changes in accounting policies

The following revised IFRS Accounting standards have been adopted as of 1 January 2024, IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements, IAS 1 Presentation of Financial Statements: classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants, IFRS 16 Leases: Lease Liability in a Sale and Leaseback. Other than some additional disclosures regarding supplier finance arrangements and loan with covenants no revised IFRS Accounting standards and interpretations adopted as of 1 January 2024 have had a material impact on the financial statements of Scania.

Changes in accounting policies during the next years

New standards, amended standards and interpretations that enter into force on 1 January 2025 and subsequently have not been applied in advance.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

IFRS 18 also requires disclosure of defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Other new and amended standards and interpretations that enter into force on 1 January 2025 or subsequently are not expected to have any material impact on Scania's financial statements.

Foreign currencies – translation

Transactions in foreign currencies are translated to the functional currency at the exchange rate on the transaction date. Monetary receivables and liabilities in foreign currencies are translated at the exchange rate on the balance sheet date, and exchange rate differences that arise are recognised in the income statement. Non-monetary items are recognised at historic cost using the exchange rate on the transaction date.

When preparing the consolidated financial statements, the income statements and balance sheets of subsidiaries with other functional currency than Swedish kronor are translated into the Group's reporting currency, Swedish kronor. All items in the income statements of foreign subsidiaries are translated using the average exchange rates during the year. All balance sheet items (with the exception of equity) are translated using the exchange rates on the balance sheet date. With the exception of income and expenses recognized in equity, equity is translated at historical exchange rates. The translation differences that arise when translating the financial statements of subsidiaries who do not use the functional currency, Swedish kronor are recognised under "Other comprehensive income" and accumulated in the currency translation reserve in equity until the disposal of the subsidiary.

In general, subsidiaries use the local currency as their functional currency. A few subsidiaries use the Euro or US dollars as their functional currency, when the local currency is not considered as the functional currency.

NOTE 2 – BASIS OF CONSOLIDATION

Accounting policies: Basis of consolidation

The consolidated financial statements encompass Scania CV AB and all subsidiaries. "Subsidiaries" refers to companies in which Scania directly or indirectly owns more than 50 percent of the voting rights of the shares, or otherwise has control.

The term "associated companies" refers to companies in which Scania, directly or indirectly, has a significant influence. "Joint ventures" refers to companies in which Scania, through contractual cooperation with one or more parties has a joint controlling influence on operational and financial management. Associated companies and joint ventures are measured using the equity method.

"Other shares and participations" include equity investments measured at fair value through "Other comprehensive

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – BASIS OF CONSOLIDATION, CONTINUED

income".

The composition of the Group is shown in Note 31 "Shares and participations in subsidiaries".

NOTE 3 – KEY JUDGEMENTS AND ESTIMATES

Preparing the financial reports in compliance with IFRS Accounting standards requires that management make judgements and estimates as well as assumptions that affect the application of accounting principles and amounts recognised in the financial reports. The actual outcome may diverge from these estimates and judgements.

Estimates and assumptions are reviewed regularly. Amendments of estimates are reported in the period in which the amendment was made if the amendment only affects this period, or in the period in which the amendment was made and future periods if the amendment affects both the current period and future periods.

The key judgements and estimates for accounting purposes that are discussed in this report are those that Group management and the Board of Directors deem the most important for an understanding of Scania's financial reports, taking into account the degree of significant influence and uncertainty. These judgements are based on historical experience and the various assumptions that management and the Board deem reasonable under the prevailing circumstances. The conclusions drawn in this way provide the basis for decisions regarding recognised values of assets and liabilities, in those cases where these cannot easily be established through information from other sources. Actual outcomes may diverge from these judgements if other assumptions are made, or other conditions emerge.

Important estimates and judgements for accounting purposes are attributable to the following areas:

Accounting matter	Note	Sources of estimation uncertainty
Revenue recognition	Note 5	Sales with repurchase obligations
Income taxes	Note 8	Measurement of tax provisions: uncertainty resulting from possible changes in tax legislation, jurisdiction, and how these are interpreted by the financial authorities
Intangible assets	Note 9	Amortisation of intangible assets: estimates of useful lives; recoverability of cash-generating units: estimates of expected cash flows and discount rate
Tangible assets	Note 10	Depreciation of tangible assets: estimates of useful lives
Leases	Note 10	Scania as lessee – measurement of right-of-use assets: estimates of contractual term in the event of extension and termination Scania as lessor – measurement of lease assets: estimates of residual value at the end of contractual term
Trade receivables	Note 27	Measurement: estimates of expected credit losses
Provision for pensions and other post-employment benefits	Note 16	Measurement: estimates of actuarial assumptions
Other provisions	Note 17	Recognition and measurement of provisions: estimates of the amount and probability of occurrence of the obligation as well as of the discount rate

Impact of climate change

Against the backdrop of climate change and the associated tightening of emission regulations, the transformation of the commercial vehicle industry towards electromobility continues to progress. Scania's corporate strategy has a clear purpose of driving the shift towards a sustainable transport system. One of Scania's key strategic actions has been to set carbon emission reduction targets in line with what science says is needed to reach the Paris Agreement. Scania is preparing for the ramp-up of production by focusing its development activities on battery-electric vehicles. Our strategic focus areas of decarbonisation as well as circular business will play a key role in this transformation.

The electrification of our product portfolio is the biggest contributor to decarbonisation. Scania ensures the supply of purchased parts for battery-electric vehicles through long-term orders. Circular business means using business models that capture value from restorative practices for products, components, parts and/or materials in order to generate customer value, financial resilience and lower environmental impact. Increasing resource efficiency – in particular by extending life cycles and recycling raw materials – will play an important role in a circular economy.

The financial impact of the transition to a circular economy is currently reflected primarily in the sale of new and remanufactured original parts, which represent extended life cycles of our vehicles. With regard to decarbonization, the possible effects of future regulatory requirements in connection with electromobility, especially in the five-year planning and thus in the derivation of future cash flows for impairment tests, play a significant role, see Note 9 "Intangible assets and impairment losses on non-current assets" and Note 10 "Tangible assets, right-of-use assets under IFRS 16, lease liabilities and lease assets".

The European Union set new ambitious targets for manufacturers of heavy-duty commercial vehicles such as the Regulation (EU) 2024/1610 (CO_2 Regulation) to reduce CO_2 emissions in Europe. The regulation has a target of reducing CO_2 emissions from heavy-duty vehicles weighing more than 16 tonnes by 15 percent by 2025, 45 percent 2030, 65 percent by 2035 and 90 percent by 2040, based on a benchmark from July 2019 to June 2020. In addition, these objectives will be extended to other sub-groups of commercial vehicles. If these CO_2 Regulation emission targets are not met, penalties of €4,250 for each gram of CO_2 emissions per tonne-kilometre that exceed the limits are foreseen from 2025, see Note 17 "Other provisions".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – OPERATING SEGMENTS

Accounting policies: Operating segments

The Scania Group consists of one operating segment, Vehicles and Services. The results and financial position of the Vehicles and Services operations are monitored by Scania's Board of Directors and Management in their role as chief operating decision maker. The Vehicles and Services operating segment encompasses the products, trucks, buses and power solutions including the services associated with these products. All products are based on shared basic components and monitoring of results thus occurs on an aggregated basis. Earnings, assets and liabilities and cash flow attributable to the Vehicles and Services operations are allocated to this segment.

The "Group activities" column includes treasury activities and mainly consists of interest income and expenses, loan receivables, cash pool receivables and liabilities attributable to the financing of the Financial Services segment which was divested to TRATON on 1 April 2023. In the first half of 2024, the lending portfolio towards TRATON Financial Services was divested to TRATON Treasury AB, see Note 22 "Non-current assets and disposal groups held for sale and discontinued operations". In addition, the related funding and derivatives were novated or mirrored to TRATON Treasury AB. The prior period loan receivables were classified as assets held for sale. Scania will continue to provide limited treasury services to TRATON FS which will be presented within Group Activities.

The "Eliminations" column includes the consolidation between Vehicles and Services and Group activities.

In the Group, operating income is calculated on the basis of operating income adjusted for items affecting comparability. Items affecting comparability include material individual income or expense items which are non-recurring to its characteristics, see Note 30 "Items affecting comparability".

Reconciliation of the Scania Group

	Vehicles and Services		Group activities		Eliminations		Scania Group	
January–December	2024	2023	2024	2023	2024	2023	2024	2023
Revenue	216,129	205,066	-	-	-	-940	216,129	204,125
Gross income	**60,178**	**53,736**	**-**	**-**	**-**	**-6**	**60,178**	**53,730**
Operating income	**29,206**	**24,813**	**-**	**-**	**-**	**-6**	**29,206**	**24,807**
Interest income	5,458	3,582	3,687	5,135	-	-14	9,145	8,703
Interest expenses	-4,526	-2,613	-3,556	-4,131	-	14	-8,082	-6,730
Other	-3,678	9,533	510	-2,137	-	-11,024	-3,167	-3,628
Total financial items	**-2,746**	**10,502**	**642**	**-1,133**	**-**	**-11,024**	**-2,104**	**-1,655**
Income before taxes	**26,460**	**35,315**	**642**	**-1,133**	**-**	**-11,030**	**27,102**	**23,152**
Income taxes	-4,503	-7,591	-101	213	-	-7	-4,604	-7,385
Net income from continuing operations	**21,957**	**27,724**	**540**	**-920**	**-**	**-11,037**	**22,498**	**15,767**
Net income from discontinued operations	**-**	**-**	**-**	**1,448**	**-**	**-**	**-**	**1,448**
Net income	**21,957**	**27,724**	**540**	**528**	**-**	**-11,037**	**22,498**	**17,215**

Balance Sheet	Vehicles and Services		Group activities		Eliminations		Scania Group	
31 December	2024	2023	2024	2023	2024	2023	2024	2023
Assets								
Intangible assets	20,379	16,274	-	-	-	-	20,379	16,274
Tangible assets	53,850	48,480	-	-	-	-	53,850	48,480
Lease assets	21,271	22,154	-	-	-	-	21,271	22,154
Holdings in associated companies and joint ventures and other shares and participations	3,266	3,024	-	-	-	-	3,266	3,024
Interest-bearing receivables, non-current	1,091	855	9,298	-	-	-	10,398	855
Other receivables, non-current	14,258	10,528	-	-	-	-	14,258	10,528
Inventories	39,562	38,214	-	-	-	-	39,562	38,214
Interest-bearing receivables, current	1,107	1,442	1,323	8,302	-	-	2,430	9,744
Other receivables, current	20,539	37,770	640	-	-	-16,235	21,179	19,535
Current investments, cash and cash equivalents	48,383	25,763	20,956	-	-	-	69,339	25,763
Assets held for sale	-	-	-	99,692	-	-	-	99,692
Total assets	**223,615**	**202,504**	**32,217**	**107,994**	**-**	**-16,235**	**255,832**	**294,263**
Equity and Liabilities								
Equity	92,542	79,088	162	-921	-	-	92,703	78,167
Interest-bearing liabilities, non-current	13,030	10,272	17,184	73,227	-	-16,235	30,214	67,264
Provisions for pensions	8,933	8,897	-	-	-	-	8,933	8,897
Other non-current provisions	5,666	4,036	-	-	-	-	5,666	4,036
Other liabilities, non-current	29,117	26,720	-	-	-	-	29,117	26,720
Interest-bearing liabilities, current	5,821	5,166	14,983	35,688	-	-	20,505	40,854
Current provisions	5,824	5,568	-	-	-	-	5,824	5,568
Other liabilities, current	62,662	62,757	-112	-	-	-	62,550	62,757
Liabilities attributable to assets held for sale	-	-	-	-	-	-	-	-
Total equity and liabilities	**223,615**	**202,504**	**32,217**	**107,994**	**-**	**-16,235**	**255,832**	**294,263**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – OPERATING SEGMENTS, CONTINUED

Cash flow statement reconciliation	Vehicles and Services		Group activities		Eliminations		Scania Group	
	2024	2023	2024	2023	2024	2023	2024	2023
Cash flow from operating activities before change in working capital	33,757	29,582	-	1,250	-	-907	33,757	29,925
Change in working capital etc.	-1,429	-1,940	-790	-3,217	-	965	-2,219	-4,192
Cash flow from operating activities	**32,328**	**27,642**	**-790**	**-1,967**	**-**	**58**	**31,538**	**25,733**
Cash flow from investing activities attributable to operating activities	-16,538	-1,888	-	-4,985	-	344	-16,538	-6,529
Cash flow after investing activities attributable to operating activities	**15,790**	**25,754**	**-790**	**-6,952**	**-**	**402**	**15,000**	**19,204**
Gross investment for the period in								
– intangible assets	5,644	2,873	-	4	-	-	5,644	2,877
– tangible assets	12,572	10,598	-	25	-	-	12,572	10,623
– lease assets	7,248	12,127	-	3	-	-3,804	7,248	8,326

Geographical areas

The geographic areas of Scania are based on where the customers are located. In the section Definitions, the countries in each geographical area are listed. Sales of Scania's products occur in all five geographical areas.

Most of Scania's research and development work occurs in Sweden. Manufacturing of trucks, buses and industrial and marine engines occurs in Sweden, Argentina, Brazil, France, the Netherlands and Poland.

	Europe		Eurasia		Asia		America[3]		Africa & Oceania		Total	
SEK m.	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Vehicles and Services												
Revenue, January–December[1]	134,612	134,272	1,656	1,658	16,361	17,581	47,995	37,348	15,505	14,207	216,129	205,066
Assets, 31 December[2]	159,221	162,583	410	372	9,191	4,583	49,291	29,519	5,502	5,167	223,815	202,504
Gross investments[2]	12,441	9,932	19	8	4,280	1,873	1,228	1,594	248	284	18,216	13,471
Non-current assets	75,455	79,517	162	152	7,419	2,875	27,556	15,194	3,442	3,177	114,024	101,315

1 Revenue from external customers is allocated by location of customers.

2 Assets and gross investments, respectively (excluding lease assets).

3 Refers mainly to Latin America.

The main countries are specified below:

	Sweden		Brazil	
SEK m.	2024	2023	2024	2023
Vehicles and Services				
Revenue, January–December[1]	10,402	11,250	31,459	21,585
Non-current assets	38,214	43,176	20,825	9,374

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 – REVENUE

Accounting policies: Revenue

The Group's performance obligations primarily comprise sales of new trucks, buses, engines and used vehicles as well as service rendered. In line with standard business practice, payment terms are 30 days, although extended payment terms is granted in certain markets. Customers can decide to purchase a vehicle by means of financing solutions from TRATON Financial Services and/or other third parties. In this case, Scania normally receives the payment from that party shortly after the customer has received the vehicle.

Revenue is recognised as soon as a performance obligation under a customer contract has been satisfied, i.e., on delivery to and acceptance by the customer, or when the customer has obtained control over the goods or services. Revenue from contracts for services is recognised when the services have been rendered. The transaction price allocated to service and repair contracts is recognised as a contract liability at the time of the initial sales transaction and is allocated over the life of the contracts as performance obligations are fulfilled which is measured based on the cost of the fulfilment.

If a contract contains multiple performance obligations, the transaction price is allocated to the relevant performance obligations. In a transaction including both the sale of a vehicle and a service the transaction price is allocated between the vehicle and the service component based on the stand-alone selling price. If there are any discounts in such a transaction the discounts are allocated in full to the price of the vehicle.

Warranties that the product sold matches the agreed specifications are accounted for as provisions. Extended warranties, which customers can purchase separately, are accounted for as a separate performance obligation. Revenue from extended warranties is recognised over the contract period.

Discounts, customer rebates, and other sales allowances reduce the transaction price. Variable consideration, such as rebates based on volumes, are only included in the transaction price to the extent that it is highly probable that a subsequent reversal of the sales revenue can be ruled out.

Scania delivers about 9 percent of its vehicles with repurchase obligations. In a transaction where the Group delivers a vehicle with a repurchase obligation, control is not transferred to the customer and no revenue is recognised on delivery, instead such transaction is recognised as an operating lease. The sale price obtained on sale of the vehicle is recognised on a straight-line basis in profit or loss over the term of the lease, net the present value of the repurchase price. Sales transactions for which a repurchase obligation is not agreed from the outset, with the customer alone deciding whether to sell the vehicle back at a pre-arranged price, are also accounted for as operating leases. Based on the contract and the relationship with the customer, history has shown that the customer has an economic incentive to exercise such an option and hence it is almost always exercised. Further information on accounting for operating leases is contained in Note 10 "Tangible assets, right-of-use assets under IFRS 16, lease liabilities, and lease assets."

Key judgements and estimates: Sales revenue

Sales transactions for which a repurchase obligation is not agreed from the outset, with the customer alone deciding whether to sell the vehicle back at a pre-arranged price, are also accounted for as operating leases. That is based on that the customer has an economic incentive to exercise such an option. The assessment concerns whether or not there is a significant financial incentive for the customer to exercise its right to sell back vehicle at the end of the commitment period. Factors that are taken into account and that require assessment are the estimation of expected market value, i.e. net sales value at the end of the residual value commitment period and historical repurchases.

Products and services

Vehicles and Services	2024	2023
Trucks	136,584	125,149
Buses	10,466	8,852
Power solutions	3,689	4,308
Service	43,886	42,424
Used vehicles	9,161	10,010
Other products	5,034	6,141
Lease income	7,308	8,182
Revenue Vehicles and Services	**216,129**	**205,066**
Eliminations	–	-940
Revenue from external customers	**216,129**	**204,126**

Sales revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period (see Note 18 "Accrued expenses and deferred income") totalled SEK 3,906 m. (3,089).

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period and the expected timing of revenue recognition is as follows:

SEK m.	2024	2023
Expected timing of revenue recognition		
Within a year	73,621	92,763
1–5 years	25,390	22,234
After 5 years	2,618	2,314

The transaction price allocated to remaining performance obligations for which revenue recognition is expected within a year primarily relates to the delivery of vehicles. Expected revenue recognition in more than one year mainly stems from long-term service contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – OPERATING EXPENSES

Accounting policies: Operating expenses

Operating expenses include cost goods sold and services rendered, research and development expenses, selling expenses and administrative expenses. Operating expenses are recognised when the underlying products or services are delivered. Selling and administrative expenses are recognised as incurred.

Scania Group	2024	2023
Cost of goods sold and services rendered		
Cost of goods	-98,370	-96,571
Staff	-28,941	-27,992
Depreciation/amortisation	-9,361	-9,731
Other	-19,279	-16,102
Total	**-155,951**	**-150,396**

Cost of goods sold, and services rendered includes new trucks, buses, engines, parts, used vehicles, bodywork and cars. The cost of goods may vary, depending on the degree of integration in different markets.

Research and development expenses		
Staff	-4,695	-5,089
Depreciation/amortisation	-2,133	-1,545
Other	-4,826	-4,602
Total	**-11,654**	**-11,236**

Research and development expenses consist of expenses that do not fulfil the requirements for capitalisation, plus amortisation and any impairment loss during the period of previously capitalised development expenditures. See Note 9, "Intangible assets and impairment losses on non-current assets".

Selling expenses	2024	2023
Staff	-8,936	-8,386
Depreciation/amortisation	-754	-694
Other	-4,930	-4,474
Total	**-14,620**	**-13,554**

Selling expenses include expenses in sales and service companies plus costs of corporate-level commercial resources.

Administrative expenses		
Staff	-1,962	-1,689
Depreciation/amortisation	-77	-27
Other	-1,416	-1,259
Total	**-3,455**	**-2,955**

Administrative expenses are defined as costs of corporate management as well as staff units and corporate service departments. Capitalised development expenditures have reduced the expense categories "Staff" and "Other".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 – FINANCIAL INCOME AND EXPENSES

	2024	2023
Interest income		
Bank balances and financial investments	1,621	1,263
Derivatives[1]	3,845	2,322
Loans to TRATON	3,679	5,118
Total interest income[2]	**9,145**	**8,703**
Interest expenses		
Borrowings	-2,989	-3,599
Derivatives	-4,088	-2,379
Total borrowings and derivatives	**-7,077**	**-5,978**
Lease liabilities	-249	-244
Pension liability	-322	-329
Discount of buy backs	-116	-43
Factoring	-319	-136
Total interest expenses	**-8,082**	**-6,730**
Total net interest	**1,063**	**1,973**
Net income from associated companies and joint ventures	-64	4
Other financial income[3]	1,744	2,620
Other financial expenses[3]	-4,847	-6,252
Total other financial income and expenses	**-3,103**	**-3,632**
Net financial items	**-2,104**	**-1,655**

1 Refers to interest on derivatives that is used to match interest on borrowings and lending as well as the interest component in derivatives that is used to convert borrowing currencies to lending currencies. From 2024, Scania's remaining derivatives attributable to the funding of the former segment Financial Services are mirrored to TRATON Treasury AB which caused increased gross income by SEK 1,711 m. and expenses by SEK 1,703 m.

2 Of which interest calculated using effective interest rate (EIR) method SEK 4,286 m. (5,377).

3 Refers to SEK 138 m. (-793) in market valuation of financial instruments for which hedge accounting is not applied as well as exchange rate differences and unrealised/realised gains of SEK 38,632 m. (33,527) and unrealised/realised losses of SEK 42,626 m. (27,804) attributable to derivatives, bank balances, liabilities and bank charges. Total exchange gains excluding FVTPL instruments amount to SEK 25,863 m. (24,822) and respective losses amount to SEK 29,478 m. (25,835).

Interest income refers to income from derivatives and financial investments including placements in subsidiaries of the TRATON GROUP.

Interest expenses refers to expenses attributable to external financing arrangements, derivatives, leasing liabilities, pension liability, discounting of buy back commitment and interest expenses related to factoring.

Other financial income includes gains that arise from the valuation of non-hedge-accounted derivatives (see the section on financial instruments) and exchange rate gains attributable to financial items.

Other financial expenses include current bank fees, gains and losses arising from valuation of non-hedge-accounted derivatives and exchange rate losses attributable to financial items.

NOTE 8 – INCOME TAXES

Accounting policies: Income taxes

The Group's total tax consists of current tax and deferred tax as well as Pillar Two taxes. Income taxes are recognised in the income statement except when the underlying transaction is recognised in "Other comprehensive income", such as remeasurements of defined benefit plans, or in equity, causing the related tax effect to be recognised in "Other comprehensive income" or in equity, respectively. Deferred tax is recognised in case of a difference between the carrying amount of assets and liabilities and their tax base ("temporary difference"). Valuation of deferred tax is based on how the underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted on the balance sheet date. Deferred tax assets minus deferred tax liabilities are recognised only to the extent that it is likely that they can be utilised. Deferred taxes in connection with income taxes resulting from applicable or announced tax provisions implementing the Pillar Two model rules are neither recognised nor disclosed in the Group.

Key judgements and estimates: Income taxes

The Group is party to tax proceedings. Scania's management has made the assessment, based on individual examination and the most probable estimate that this risk materialises, that the final outcome of these proceedings will not have any material impact on the financial position of the Group, beyond the recognised liabilities.

Significant judgements are made in order to determine both current and deferred tax liabilities/assets. As for deferred tax assets, Scania must assess the likelihood that deferred tax assets can be utilised to offset future taxable profits. The actual outcome may diverge from these judgements, among other things due to future changes in business climate, altered tax rules or the outcome of still uncompleted examinations of filed tax returns by authorities or tax courts. The judgements that have been made may affect income both negatively and positively.

The Group is subject to the enacted or substantively enacted legislation concerning Pillar Two and has therefore assessed the potential exposure to income taxes under the rules of the legislation in the second pillar. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent available country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 – INCOME TAXES, CONTINUED

Tax expense/income for the year	2024	2023
Current tax [1]	-7,623	-7,192
Pillar Two tax	-	-
Deferred tax	3,019	-193
Total	**-4,604**	**-7,385**
1 Of which, taxes paid	-8,670	-8,467

	2024		2023	
Reconciliation of effective tax	Amount	%	Amount	%
Income before tax	27,102		23,152	
Tax calculated using Swedish tax rate	-5,583	20.6	-4,769	20.6
Tax effect and percentage influence:				
Difference between Swedish and foreign tax rates	-625	2.3	-1,929	8.3
Non-taxable income	2,304	-8.5	259	-1.1
Non-deductible expenses	-1,129	4.2	-882	3.8
Valuation of tax value in loss carry-forwards not previously capitalised	-	-	39	-0.2
Not recognised tax loss carry-forward	-141	0.5	-64	0.3
Recognised deferred tax asset on negative net interest	449	-1.7	-	-
Adjustment for taxes pertaining to previous years	62	-0.2	-63	0.3
Changed tax rates	3	0.0	-4	0.0
Other	56	-0.2	28	-0.1
Tax recognised	**-4,604**	**17.0**	**-7,385**	**31.8**

Deferred tax is attributable to the following:	2024	2023
Tax related to temporary differences	3,259	787
Tax due to changes in tax rates and tax rules	-	-2
Tax income due to tax value of loss carry-forwards recognised during the year	24	0
Tax expense due to utilisation/revaluation of previously recognised tax value of tax loss carry-forwards	-2	-1,000
Tax related to change in provision to tax allocation reserve	-	-
Other deferred tax liabilities/assets	-262	112
Total	**3,019**	**-193**

Deferred tax assets and liabilities are attributable to the following:	2024	2023
Deferred tax assets		
Provisions and other liabilities	12,157	6,992
Provisions for pensions	1,462	1,485
Non-current assets	981	1,030
Inventories	1,751	1,757
Tax loss carry-forwards [2]	64	43
Recognized deferred tax asset on negative net interest	449	-
Offset within tax jurisdictions	-7,487	-5,068
Total deferred tax assets	**9,387**	**6,239**
Deferred tax liabilities		
Provisions and other liabilities	2,929	463
Non-current assets	7,823	7,494
Other	18	115
Offset within tax jurisdictions	-7,487	-5,068
Total deferred tax liabilities	**3,293**	**3,004**
Deferred tax assets (–)/tax liabilities (+), net amount	**-6,094**	**-3,235**

2 Deferred tax assets related to tax loss carry-forwards are recognised to the extent that it is likely that the loss carry-forwards can be utilised to offset profits in future tax returns. The tax effect that refers to recognised tax loss carry-forwards amounts to SEK 64 m. (43), and can be utilised without time limit. The tax value that refers to tax loss carry-forwards that have not been recognised amounts to SEK 542 m. (564).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 – INCOME TAXES, CONTINUED

Reconciliation of deferred tax assets (–)/liabilities (+), net amount:	2024	2023
Carrying value on 1 January	-3,235	-3,637
Deferred taxes recognised in the year's income	-3,049	193
Exchange rate differences	454	-55
Acquired/divested operations	-213	541
Recognised in "Other comprehensive income," changes attributable to:		
- remeasurements of defined-benefit plans	-85	-279
- fair value adjustment, equity instruments	3	3
Deferred tax assets (–)/tax liabilities (+), net amount	**-6,094**	**-3,235**

NOTE 9 – INTANGIBLE ASSETS AND IMPAIRMENT LOSSES ON NON-CURRENT ASSETS

Accounting policies: Intangible assets and impairment losses on non-current assets

Scania's intangible assets consist of goodwill, capitalised expenditures for development of new products and software. Intangible non-current assets, excluding goodwill, are recognised at cost less any accumulated amortisation and impairment losses. Borrowing costs are included in the cost of assets that take a substantial period of time to get ready. Goodwill arises from acquisitions of distribution and dealer networks, which have resulted in increased profitability upon their integration into the Scania Group and is carried at cost less any accumulated impairment losses. Capitalised product and software development expenditures consist of all direct and overhead costs that are directly attributable to the development process. They are amortised on a straight-line basis from the start of use (e.g., start of production) over the expected life of the product or software developed. The amortisation periods for intangible assets are broken down as follows:

Expected useful lives	
Software	3-5 years
Capitalised development expenditures	3-15 years
Goodwill	Indefinite

The carrying amounts of Scania's intangible and tangible assets as well as its shareholdings are tested annually to assess whether there is an indication of impairment. This includes intangible assets with an indefinite useful life, which refers entirely to goodwill and is also tested more often than annually if there is an indication of impairment. The recoverable amount of goodwill and intangible assets that have not yet gone into service is calculated annually regardless of whether there is an indication of an impairment loss or not. As a rule, value in use is the present value of the expected future cash flows from the asset concerned. If no recoverable amount can be measured for an individual asset, the recoverable amount is determined for the smallest identifiable group of assets that generate cash flows (cash-generating unit) to which the asset belongs. If the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss for the period. Amortisation charges and impairment losses in a reporting period are allocated to the corresponding operating expenses in the income statement.

Key judgements and estimates: Recoverability of cash-generating units

The impairment testing of nonfinancial assets – especially goodwill, capitalised development expenditures, other intangible assets, and tangible assets – and holdings in associated companies and joint ventures require assumptions to be made about future market trends, the future cash flows to be derived on that basis, and the discount rate to be applied. The cash flows are derived from the detailed sales and revenue planning for commercial vehicles, profitability (gross margin) projections for products, and trends in the service business. They also reflect the transition to electric mobility and the associated regulatory timetables (see also Note 3 "Key judgements and estimates"). Estimated cash flows after the end of the five-year planning period are based on a growth rate of 1 percent (previous year: 1 percent) per annum, which also reflects the transition toward electric mobility.

In the long term, the increase in sales of Scania's products is deemed to be closely correlated with economic growth (GDP) in each respective market, which has been estimated at 1 percent (1) and also reflects the transition toward electric mobility. The revenue/cost ratio, or margin, for Vehicles and Services is kept constant over time compared to the latest known level. When discounting to present value, Scania uses its average cost of capital, currently 12 percent (9.1) before taxes. These assumptions do not diverge from information from external information sources or from earlier experience. To the extent the above parameters change negatively, an impairment loss may arise. An expansion in electric mobility is also projected in the planning (see also Note 3 "Key judgements and estimates"). The costs from the transition to electric mobility were included in the cash flows.

The impairment tests that were carried out showed that there are reassuring margins before impairment losses will arise.

Scania's development costs are capitalised in the phase of product development where decisions are made regarding future production and market introduction. At that time there is future predicted revenue and a corresponding production cost. In case future volume or the price and cost trend diverges negatively from the preliminary calculation, an impairment loss may arise.

The transformation to electromobility includes the development of the necessary components, vehicle integration and batteries. In return, development expenditure will be scaled back into the further development of combustion engine technology. However, the increased development activities in the field of electromobility have resulted in a corresponding increase in capitalised (intangible assets) and non-capitalised (cost of sales) development costs.

Key judgements and estimates: Useful life of intangible assets

Estimates of the useful life of indefinite intangible assets are based on experience and reviewed regularly. Where estimates are modified, the residual useful life is adjusted and an impairment loss is recognised, if necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 – INTANGIBLE ASSETS AND IMPAIRMENT LOSSES ON NON-CURRENT ASSETS, CONTINUED

	Goodwill		Development		Other intangibles[1]		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Accumulated cost								
1 January	1,720	1,689	24,358	21,548	1,656	1,645	27,734	24,882
Additions	–	–	5,607	2,808	37	69	5,644	2,877
Acquisitions of subsidiaries	2	32	–	–	–	–	2	32
Divestments of subsidiaries	–	–	–	–	–	–223	–	–223
Divestments and disposals	–	–	–1	–	–23	–70	–24	–70
Reclassifications	–	–3	–	–	503	287	503	284
Exchange rate differences	14	2	–9	2	13	–2	18	2
Total	**1,736**	**1,720**	**29,955**	**24,358**	**2,186**	**1,656**	**33,877**	**27,734**
Accumulated amortisation and impairment losses								
1 January	55	49	10,269	8,645	1,136	1,193	11,460	9,887
Amortisation for the year	–	–	1,814	1,265	204	140	2,018	1,405
Impairment loss of the year	–	6	–	358	31	10	31	374
Divestments of subsidiaries	–	–	–	–	–	–194	–	–194
Divestments and disposals	–	–	–1	–	–18	–14	–19	–14
Reclassifications	–	–	–	–	1	5	1	5
Exchange rate differences	2	–	–4	1	9	–4	7	–3
Total	**57**	**55**	**12,078**	**10,269**	**1,353**	**1,136**	**13,498**	**11,460**
Carrying amount, 31 December	**1,679**	**1,665**	**17,877**	**14,089**	**823**	**520**	**20,379**	**16,274**
– of which capitalised expenditures for projects that have been placed in service	–	–	11,239	9,245	–	–	11,239	9,245
– of which capitalised expenditures for projects under development	–	–	6,638	4,844	–	–	6,638	4,844

1 Refers mainly to software, which is purchased externally in its entirety, customer relationships capitalised upon acquisitions of subsidiaries and common supplier tools.

NOTE 10 – TANGIBLE ASSETS, RIGHT-OF-USE ASSETS UNDER IFRS 16, LEASE LIABILITIES, AND LEASE ASSETS

Accounting policies: Tangible assets, right-of-use assets under IFRS 16, and lease liabilities, and lease assets

Tangible non-current assets are carried at cost less accumulated depreciation and any impairment losses, see Note 9 "Intangible assets and impairment losses on non-current assets". Depreciation is recognised on a straight-line basis over the estimated useful life of an asset, and in those cases where a residual value exists, the asset is depreciated down to this value. Useful life, residual value and depreciation methods are examined regularly, and assumptions are adjusted in case of changed circumstances. The depreciation periods for tangible assets are broken down as follows:

Expected useful lives	
Machinery and equipment and lease assets	3–15 years
Buildings	20–50 years
Land	Not depreciated

Borrowing costs are included in the cost of assets that take a substantial period of time to get ready if applicable.

The Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is the lessee. The assessment whether a contract is or contains a lease is made at the inception of the contract. The right-of-use assets are presented as tangible assets in the balance sheet items in which the assets underlying the lease would be presented if they were owned by the Scania Group. These assets are generally depreciated over the shorter period of the lease term and the useful life of the underlying asset using the straight-line method. The right-of-use assets comprise of the initial measurement of the corresponding lease liability, lease payment made at or before the commencement date and any initial direct costs. In subsequent periods the right-of-use assets are measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the outstanding lease payments at the commencement date, discounted using the Scania Groups incremental borrowing rate. In subsequent periods the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability. The carrying amount of the lease liability is reduced reflecting the lease payments made. Interest expenses from unwinding the discount on lease liabilities are presented in interest expense in the income statement and in the cash flow from operating activities in the cash flow statement.

Scania Group does not recognise any right-of-use assets or liabilities for short term and low-value leases. The related lease payments are recognised as expenses in the income statement on a straight-line basis.

Accounting policies: Lease assets

The "Lease assets" line-item reports assets for which the Group is the lessor. These include in particular vehicles used in the context of short-term rentals or operating leases, as well as vehicles that continue to be attributable to the Group as a result of repurchase agreements. The underlying asset is measured at cost, recognised in the Group's lease assets, and depreciated to the calculated residual value over the estimated useful life using the straight-line method. The useful lives underlying depreciation generally correspond to those of items of tangible assets used by the entity. Changes to the calculated residual value are taken into account by adjusting the future depreciation rates. Impairment losses identified as a result of an impairment test in accordance with IAS 36 "Impairment of Assets" are recognised, see Note 9 "Intangible assets and impairment losses on non-current assets". Lease payments received are recognised as revenue in the income statement on a straight-line or other systematic basis. Depreciation and impairment losses are included in operating expenses. Further information on accounting for operating leases is contained in Note 5 "Revenue".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 – TANGIBLE ASSETS, RIGHT-OF-USE ASSETS UNDER IFRS 16, LEASE LIABILITIES, AND LEASE ASSETS, CONTINUED

Key judgements and estimates: Useful lives of noncurrent assets and measurement of right-of-use assets and lease liabilities

Estimates of the useful life of tangible assets are based on experience and are reviewed regularly. Where estimates are modified, the remaining useful life is adjusted and an impairment loss is recognised, if necessary. During the transformation period to electromobility Scania will have parallel production of battery-electric vehicles and vehicles with combustion engines, hence no impact on the useful lives of property plant and equipment has been identified.

Measurement of right-of-use assets from leases and the associated lease liabilities is based on a best estimate of the exercise of extension and termination options. This estimate is updated in the event of material changes in the operating environment or the contract.

Key judgements and estimates: Recoverability of lease assets

The recoverability of the Group's lease assets depends in particular on the residual value of vehicles leased out after the end of the lease term, since this constitutes a significant portion of the expected cash flows. Forecasting residual values requires management to make assumptions about the future supply of and demand for vehicles, as well as vehicle price trends. Additionally, the transformation to electrified vehicles resulting in a future mix of vehicles and services lead to uncertainties in the assessment of fair market value. These assumptions are based either on qualified estimates or on information published by expert third parties. Where available, qualified estimates are based on external data and also reflect additional information available internally, such as values derived from past experience and current sales data. If there are major downturns in the market value of used vehicles, this increases the risk of future losses when divesting the returned vehicles. When a residual value guarantee is deemed likely to result in a future loss, the depreciation of the vehicle is adjusted accordingly. Changes in market value may also cause an impairment loss in used vehicle inventories, since these are recognised at the lower of cost and estimated net realisable value. At the end of 2024, repurchase obligations amounted to SEK 13,730 m. (15,134).

	Buildings and land		Machinery and equipment		Construction in progress and advance payments		Lease assets		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Accumulated cost										
1 January	36,641	34,980	59,355	55,177	9,129	7,310	32,898	37,604	138,023	135,071
Additions	1,554	1,060	1,638	1,897	9,380	7,726	7,246	8,326	19,820	18,949
Acquisitions of subsidiaries	–	580	3	14	–	2	–	–	3	596
Divestment of subsidiaries	–	-154	–	-190	–	-3	–	-102	–	-449
Divestments and disposals	-640	-872	-2,020	-2,115	-9	-82	-8,676	-10,272	-11,345	-13,341
Reclassifications	1,405	1,141	3,906	4,369	-5,880	-5,832	-1,144	-2,600	-1,713	-2,922
Exchange rate differences	289	-34	-648	203	143	8	1,068	-58	852	119
Total	**39,249**	**36,641**	**62,234**	**59,355**	**12,763**	**9,129**	**31,194**	**32,898**	**145,440**	**138,023**
Accumulated depreciation and impairment losses										
1 January	16,171	14,981	40,474	38,030	–	–	10,744	12,678	67,389	65,689
Depreciation for the year	1,707	1,599	4,284	4,101	–	–	4,179	4,897	10,170	10,597
Impairment loss for the year	24	93	96	170	–	–	–	–	120	263
Divestments of subsidiaries	–	-53	–	-121	–	–	–	-27	–	-201
Divestments and disposals	-562	-401	-1,698	-1,798	–	–	-4,962	-5,583	-7,222	-7,783
Reclassifications	-2	-11	6	5	–	–	-467	-1,163	-463	-1,189
Exchange rate differences	180	-37	-284	86	–	–	429	-36	325	13
Total	**17,518**	**16,171**	**42,878**	**40,474**	**–**	**–**	**9,923**	**10,744**	**70,319**	**67,389**
Carrying amount, 31 December	**21,731**	**20,470**	**19,356**	**18,881**	**12,763**	**9,129**	**21,271**	**22,154**	**75,121**	**70,634**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 – TANGIBLE ASSETS, RIGHT-OF-USE ASSETS UNDER IFRS 16, LEASE LIABILITIES, AND LEASE ASSETS, CONTINUED

The Scania Group acts as a lessee in many areas of the company. These transactions relate primarily to leases of office equipment, real estate, and other production facilities. Right-of-use assets arising from leases are reported in the following balance sheet items within tangible assets:

Right-of-use assets

	Buildings and land		Machinery and equipment		Total	
	2024	2023	2024	2023	2024	2023
Accumulated cost						
1 January	6,650	6,792	1,763	1,953	8,413	8,745
Additions	1,130	640	657	720	1,787	1,360
Acquisition of subsidiaries	–	204	–	1	–	205
Divestments of subsidiaries	–	-87	–	-52	–	-139
Divestments and disposals	-540	-825	-492	-831	-1,032	-1,656
Transfers	128	-3	4	-33	132	-36
Exchange rate differences	85	-71	-4	5	81	-66
Total	**7,453**	**6,650**	**1,928**	**1,763**	**9,381**	**8,413**
Accumulated depreciation and impairment losses						
1 January	2,525	2,156	886	1,114	3,411	3,270
Depreciation for the year	873	822	525	566	1,398	1,388
Divestments of subsidiaries	–	-36	–	-28	–	-64
Impairment loss for the year	–	–	–	–	–	–
Divestments and disposals	-432	-377	-461	-791	-893	-1,168
Transfers	–	-1	5	22	5	21
Exchange rate differences	34	-39	-2	3	32	-36
Total	**3,000**	**2,525**	**953**	**886**	**3,953**	**3,411**
Carrying amount, 31 December	**4,453**	**4,125**	**975**	**877**	**5,428**	**5,002**

Amounts recognised in profit and loss	2024	2023
Depreciation expense on right-of-use assets	-1,398	-1,389
Interest expense on lease liabilities	-248	-243
Expense relating to short-term leases	-86	-85
Expense relating to leases of low value assets	-241	-222
Total	**-1,973**	**-1,939**

On 31 December 2024, the Group is committed to SEK 97 m (66) for short-term leases. The total cash outflow for leases amount to SEK 1,745 m (1,613).

The following table shows an overview of potential future cash outflows from leases that were not included in the measurement of lease liabilities:

Potential exposure to future cash outflows from	2024	2023
Variable lease payments	-59	-
Extension options	-505	-543
Termination options	-2	-5
Leases not yet commenced (contractual commitment)	-37	-13

Lease liabilities

	2024	2023
Interest-bearing liabilities - non-current	4,376	4,113
Interest-bearing liabilities - current	1,190	1,065
Total	**5,566**	**5,178**

Taking into account future interest payable, the maturity structure of the lease liabilities reported in financial liabilities is as follows:

Maturity analysis

	2024	2023
Not later than 1 year	1,391	1,279
Later than 1 year and not later than 5 years	4,615	4,224
Later than 5 years	547	872

The Group does not face a significant liquidity risk regarding its lease liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 – HOLDINGS IN ASSOCIATED COMPANIES AND JOINT VENTURES

Accounting policies: Holdings in associated companies and joint ventures

Holdings in associated companies and joint ventures are initially measured at cost and in subsequent periods according to the equity method. In subsequent periods, unrealised gains that arise from transactions with associated companies and joint ventures are eliminated to the extent that corresponds to the Group's percentage of ownership in the company. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment loss. Equity attributable to non-controlling interests is reported separately from equity attributable to the Parent Company's shareholders.

If there are indications that the carrying amount may be impaired, holdings in associated companies and joint ventures are tested for impairment; any impairment loss is recognised in the income statement (see Note 9 "Intangible assets and impairment losses on non-current assets"). If the reason for impairment ceases to exist at a later date, the impairment loss is reversed to the carrying amount that would have been determined had no impairment loss been recognised.

Goodwill arising from the acquisition of an associated company, or a joint venture is included in the carrying amounts of investments in associates or joint ventures.

	2024	2023
Carrying amount, 1 January	1,674	1,527
Acquisitions, capital contributions, divestments and impairment losses during the year [1]	754	167
Exchange rate differences	92	-19
Share of income for the year [2]	-64	4
Dividend	-6	-5
Carrying amount, 31 December	**2,450**	**1,674**
Contingent liabilities	-	-

1 2024 refers to an increase in semnder GmbH SEK 541 m., Scantinel Photonics GmbH SEK 59 m. and Telematics SEK 6 m. as well as investments in other associated companies amounting to SEK 48 m. (2023 refers mainly to Scantinel Photonics GmbH that was classified as an associated company after an additional investment of SEK 66 m., and other associates SEK 22 m.)

2 In 2023 SEK 127 m. was attributable to a dilution of ownership in semnder GmbH. semnder made directed new share issues, which resulted in a decrease of Scania's shareholding from 13.69 to 12.36 percent.

Associated companies Corporate ID number/ Country of registration	Ownership, %	Carrying amount in the Parent Company 2024	Value of Scania's share in consolidated financial statements 2024	2023
BITS DATA i Södertälje AB, 556121-2613, Sweden	33.00	2	2	5
Scavalencia S.A., A46332595, Spain	26.00	18	42	39
Telematics GmbH, HRB 203799, Germany	46.20	5	0	0
semnder GmbH, HRB 170455, Germany [1]	16.65	948	890	258
Scantinel Photonics GmbH, HRB 739053, Germany	49.19	201	128	115
Other associates	20.00–50.00	477	477	428
Holdings in associated companies		**1,651**	**1,539**	**845**
Share of:				
- Net income			-66	-23
- Total comprehensive income			-66	-23

1 The term "associated companies" refers to companies in which Scania, directly or indirectly, has a significant influence. In semnder GmbH Scania Group has an significant influence through shareholding together with Board representation.

Joint ventures Corporate ID number/ Country of registration	Ownership, %	Carrying amount in the Parent Company 2024	Value of Scania's share in consolidated financial statements 2024	2023
Cummins-Scania XPI Manufacturing LLC, 20-3394999, USA	50.00	609	904	621
Oppland Tungbilservice A/S, 982 787 602, Norway	50.00	1	3	4
Tyrseet Diesel A/S, 982 787 580, Norway	50.00	1	4	4
Holdings in joint ventures		**611**	**911**	**629**
Share of:				
- Net income			2	27
- Total comprehensive income			2	27

Holdings in associated companies and joint ventures	**2,450**	**1,674**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 – HOLDINGS IN ASSOCIATED COMPANIES AND JOINT VENTURES, CONTINUED

Cummins-Scania XPI Manufacturing LLC is a joint venture with Scania and Cummins as partners. The joint venture manufactures fuel injection systems with extra-high-pressure injection (XPI). Summarised financial information regarding Scania's holdings in the joint venture Cummins-Scania XPI Manufacturing LLC:

Income statement, condensed	2024	2023
Net sales	3,489	3,472
Operating income[1]	-33	102
Interest income/expenses and other financial expenses	35	-49
Taxes	0	0
Net income for the year	**2**	**53**
Other comprehensive income for the year	**–**	**–**
Total comprehensive income for the year	**2**	**53**
Scania Group's share (50%)	1	27

1 Depreciation amounting to SEK 116 m. (107) is included in Operating income.

Balance sheet, condensed	2024	2023
Non-current assets	1,084	880
Current investments and cash and cash equivalents	218	75
Other current assets	974	990
Total assets	**2,276**	**1,946**
Equity	1,807	1,642
Other current liabilities	469	304
Total equity and liabilities	**2,276**	**1,946**
Scania Group's share of equity (50%)	904	821
Carrying amount	**904**	**821**

NOTE 12 – OTHER SHARES AND PARTICIPATIONS

Accounting policies: Other shares and participations

Other shares and participations are equity investments in shares in entities for which is not subsidiaries, associates and joint ventures, hence equity investments. The Group has exercised the option under IFRS 9 "Financial instruments" to recognize investments in equity instruments that are not held for trading and measured under IFRS 9 at fair value through other comprehensive income (no recycling) because recognition of gains and losses on these instruments at fair value through profit or loss would not provide any information about the entity's performance for the Scania Group.

Due to Northvolt AB's financial difficulties in 2024, the fair value of the investment in Northvolt AB has been measured to zero and the effect reported in "Other Comprehensive Income".

The following table contains financial information about equity instruments measured at fair value through "Other Comprehensive Income":

	Fair value	
Entity	**2024**	**2023**
Northvolt AB	0	863
Stegra AB	171	171
Other investments[1]	645	316
Total	**816**	**1,350**

1 In other investments for 2024, amounting to SEK 166 m., are a couple of minor entities included in which Scania has significant influence and one entity controlled by Scania.

NOTE 13 – INVENTORIES

Accounting policies: Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is calculated by applying the first in, first out (FIFO) principle. An allocable portion of indirect expenses is included in the value of the inventories, estimated on the basis of normal capacity utilisation. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and of making a sale.

	2024	2023
Raw materials, components and supplies	6,962	7,417
Work in progress	2,356	2,959
Finished goods[1]	30,244	27,838
Total[2]	**39,562**	**38,214**

1 Whereof used vehicles SEK 2,174 m. (1,855).

2 Whereof value adjustment reserve SEK –1,730 m. (–1,260).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 – OTHER RECEIVABLES

	2024	2023
Prepaid expenses and accrued income	2,244	2,002
Derivatives with positive market value	3,935	2,078
Advance payments	535	874
Value-added tax	3,251	2,824
Pension asset	348	239
Other receivables	1,924	2,211
Total other receivables	**12,217**	**10,023**

Further information on derivatives as a whole can be found in Note 27 "Financial Risk Management" and Note 28 "Financial Instruments".

NOTE 15 – EQUITY

The Consolidated statement of changes in equity shows a complete reconciliation of all changes in equity.

The share capital of Scania CV AB consists of 1,000,000 Series A shares outstanding with voting rights of one vote per share. The shares carry the same right to a portion of the company's assets and profit. The nominal value of the shares is SEK 100 per share. All shares are fully paid and no shares are reserved for transfer of ownership. The parent company Scania AB (publ) company reg. no. 556184-8564 owns all the shares.

The currency translation reserve arises when translating net assets outside Sweden according to the current method of accounting. The currency translation reserve also includes currency rate differences related to monetary items for businesses outside Sweden deemed to be a part of the company's net investment. The exchange rate difference of SEK -372 m. (539) arose as a consequence of the Swedish krona's strengthen against currencies important to Scania CV. The exchange rate differences were mainly due to that the krona has strengthen against the BRL.

Retained earnings consist not only of accrued profits but also of the change in pension liability attributable to remeasurements of defined-benefit plans etc., recognised in "Total other comprehensive income". Regarding changes in actuarial assumptions, see also Note 16, "Provisions for pensions and similar commitments".

The Board of Directors proposes to the 2024 Annual General Meeting that an amount of SEK 20,700 m. is distributed as dividend.

Non-controlling interests refer to the share of equity held by external owners outside of Scania in certain subsidiaries in the Group. Scania CV Group has only a few non-wholly owned subsidiaries of which none is considered to have a substantial non-controlling interest. In 2024, net income attributable to non-controlling interests amounted to SEK -14 m. (0) and accumulated non-controlling interests in the company amounted to SEK 37 m. (52) as of 31 December 2024.

Reconciliation of change in number of shares outstanding	2024	2023
Number of A shares outstanding, 1 January	1,000,000	1,000,000
Number of A shares outstanding, 31 December	**1,000,000**	**1,000,000**

The equity of the Scania CV Group consists of the sum of equity attributable to Scania's shareholders and equity attributable to non-controlling interests. At year-end 2024, the Group's equity totalled SEK 92,703 m. (78,167). According to the Group's Financial Policy, the Group's financial position shall meet the requirements of the business objectives it has established. At present, this is deemed to presuppose a financial position equivalent to the requirements for obtaining a Standard & Poor's Investment Grade Stand Alone Rating of BBB. In order to maintain the necessary capital structure, the Group may adjust the amount of its dividend to shareholders, distribute capital to the shareholders or sell assets and thereby reduce debt.

The Group's Financial Policy contains targets for key ratios related to the Group's financial position. These coincide with the ratios used by Standard & Poor's. At the end of 2024 Scania's Issuer Credit Rating according to Standard and Poor's was:

- long-term borrowing: BBB
- outlook: Stable
- short-term borrowing: A-2
- short-term borrowing, Sweden: K-2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 – PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS

Accounting policies: Provisions for pensions and similar commitments

Within the Scania Group, there are a number of defined contribution as well as defined benefit pension and similar plans, some of which have plan assets that are managed by special foundations, funds, or the equivalent. The plans include retirement pensions, survivor pensions, health care and severance pay. These are financed mainly by provisions to accounts and partially via premium payments.

Plans in which Scania only pays fixed contributions and has no obligation to pay additional contributions if the assets of the plan are insufficient to pay all compensation to the employee are classified as defined contribution plans.

The Group's expenditures for defined contribution plans are recognised as an expense during the period when the employees render the services in question.

Defined benefit plans are all plans that are not classified as defined contribution. These are calculated according to the "Projected Unit Credit Method," for the purpose of fixing the present value of the obligations for each plan. Calculations are performed by independent external actuaries and are based on actuarial assumptions set on the closing day. The obligations are carried at the present value of expected disbursements, taking into account inflation, expected future pay increases, and using a discount rate equivalent to the interest rate on top-rated corporate or government bonds with a remaining maturity corresponding to the obligations in question.

The interest rate on top-quality corporate bonds is used in those countries where there is a functioning market for such bonds. In other countries, the interest rate on government bonds is used instead. For plans that are funded, the fair value of the plan assets is subtracted from the estimated present value of the obligation. Remeasurements of net pension liabilities, which include actuarial gains and losses, return on plan assets excluding amounts that are part of net interest income on net defined benefit liability and each change in the effect of the asset ceiling excluding amounts that are part of net interest income on net defined benefit liability, are recognised in "Other comprehensive income" and do not affect net income. Remeasurements are not reclassified to net income in subsequent periods.

In the case of some of the Group's defined benefit multi-employer plans, sufficient information cannot be obtained to calculate Scania's share in these plans. They have thus been accounted for as defined contribution. For Scania, this applies to the Dutch pension funds Pensioenfonds Metaalen Techniek and Bedrijfstakpensioenfonds Metal Elektro, which are administered via MN Services, as well as the portion of the Swedish ITP occupational pension plan that is administered via the retirement insurance company Alecta.

Most of the Swedish plan for salaried employees (the collectively agreed ITP plan), however, is accounted for by provisions in the balance sheet, safeguarded by credit insurance from the mutual insurance company Försäkringsbolaget PRI Pensionsgaranti, which also administers the plan. Scania follows the rules in IAS 19 concerning limits in the valuation of net assets, the so-called asset ceiling, since these are never valued at more than the present value of available economic benefits in the form of repayments from the plan or in the form of reductions in future fees to the plan. This value is determined as present value taking into account the discount rate in effect.

Key judgements and estimates: Provisions for pensions and similar commitments

In the actuarial methods that are used to establish Scania's pension liabilities, a number of assumptions are highly important. The most critical one is related to the discount rate on the obligations. A higher discount rate decreases the recognised pension liability. In calculating the Swedish pension liability, the discount rate used was 3.5 percent (3.25). Other vital assumptions are average life expectancy and average duration of the obligations. Changes in the above-mentioned actuarial parameters are recognised in "Other comprehensive income", net after taxes.

The Group's employees, former employees and their survivors may be included in both defined-contribution and defined-benefit plans related to post-employment compensation. The plans include retirement pensions, early retirement pensions, survivor pensions, health care and severance pay. For defined-contribution plans, Scania makes continuous payments to public authorities and independent organisations, which thus take over obligations towards employees.

The Group's expenses for defined-contribution plans amounted to SEK 2,555 m. (2,289) during 2024. The commitment that is recognised in the balance sheet stems from the defined benefit plans. The plans are secured through reinsured provisions in the balance sheet, foundations and funds. Calculations are performed according to the Projected Unit Credit Method, using the assumptions presented under each country below.

Scania's forecast pension payments related to defined benefit plans, both funded and unfunded plans, is SEK 413 m. for 2025.

The benefits listed in the plans are available to all employees if not stated otherwise. The largest plans are described in more detail below.

Sweden

Blue-collar workers are covered by the Avtalspension SAF-LO plan, which is a defined-contribution multiemployer plan based on collective agreements, covering a number of different sectors.

Salaried employees are covered by the ITP plan, which is also a multiemployer plan based on collective agreements, covering a number of different sectors. The ITP plan has two parts: firstly, ITP1, which is a defined-contribution pension plan applying to employees born in 1979 or later, and secondly, ITP2, which is a defined-benefit pension plan applying to employees born before 1979.

Most of the ITP2 plan is managed internally by Scania in the PRI system. Financing occurs partly through provisions to an account in the balance sheet and partly through provisions to a pension foundation, both safeguarded by credit insurance from the mutual insurance company Försäkringsbolaget PRI Pensionsgaranti. However, a portion of the ITP2 plan is safeguarded via premiums to the retirement insurance company Alecta. These obligations are recognised under the heading "Multiemployer defined-benefit plans".

Aside from these obligations, there are early retirement defined benefit obligations in Scania CV relating to blue-collar workers who at the age of 62 have worked for 30 years or who at the age of 63 have worked for 25 years in the company, as well as to a limited number of persons in managerial positions. Special payroll tax is included in the provision for pension provisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 – PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS, CONTINUED

Switzerland

The Pensionskasse and the Wohlfahrtsstiftung are the legal carriers of the pension plans, and they review early retirement pension. There are two pension plans:

1. A basic pension plan for employees and management, covering retirement pension, disability pension, spouse pension, children's pension and life insurance.
2. A supplementary plan for members of the management, covering retirement pension, disability pension, spouse pension, children's pension and life insurance. This plan also includes early retirement pension, which covers employees with at least five years of service or who have retired prematurely at the request of the company.

Contributions are split between employer and employees for the basic pension plan and in the supplementary plan for members of the management.

Brazil

Employees at Scania Latin America Ltda are covered by four post-employment defined-benefit plans. Three health care plans cover medical, dental and pharmaceutical expenses as well as the cost of a life insurance plan, since 2018 the health care plans are unfunded. The plans are open to personnel retiring at a minimum age of 55 with at least 10 years of service.

Great Britain

Employees at Scania Great Britain (SGB) are covered by a premium based occupational pension. Both the company and employees contribute to the plan. There are defined-benefit plans, which are closed for future accruals since 31 May 2003. The defined-benefit plans operated by SGB include the following:

1. The Scania Staff Pension Plan
2. The Scania Executive Pension Plan
3. The Scania Reliable Vehicles Staff Pension Plan

All plans are administered by trustees who are responsible for ensuring that SGB has sufficient financing to fully meet all vested/earned benefits for all members.

The normal retirement age in the schemes is 65.

Multiemployer defined benefit plans

Sweden

A portion of the ITP2 plan is safeguarded by premiums to Alecta. These obligations are also defined benefit plans, but since Alecta cannot present information necessary to account for the plan as a defined-benefit plan, it is accounted for as a defined-contribution plan.

At year-end 2024, Alecta's surplus, in the form of a collective consolidation level (assets in relation to the insurance obligation), amounted to 163 percent (158). If the consolidation level falls below or exceeds the normal range (125–175), Alecta shall take measures, for example raise agreed subscription prices and extension of existing benefits or introduce premium reductions.

Alecta's insurance obligation is calculated according to Alecta's actuarial methods and assumptions, which deviate from the methods and assumptions applied in measurement of defined-benefit pensions according to IAS 19. Premiums to Alecta during 2024 amounted to SEK 89 m. (95).

The Netherlands

Employees at Scania's Dutch companies are covered by the Dutch collectively agreed pension plans, which are multiemployer defined-benefit plans. The plans Pensioenfonds Metaal en Techniek (PMT) and Bedrijfstakpensioenfonds Metalelektro (PME) are administered by MN Services. PMT and PME do not have information about allocation and therefore these obligations are recognised as a defined-contribution plan. In the Dutch plans, both companies and employees contribute to the plan. Companies' premiums to MN Services totalled SEK 253 m. (247). The consolidation level of PMT was 108 percent (111) and for PME 111 percent (112).

Information regarding the largest plans during 2024	Sweden	Switzerland	Brazil	Great Britain
Present value of defined benefit obligations	11,466	1,464	539	704
Fair value of plan assets	-3,790	-1,812	-68	-789
Net assets not fully valued due to curtailment rule	-	0	22	85
Recognised as pension liability (+)/(asset (–)) in the balance sheet, SEK m.	**7,676**	**-348**	**493**	**0**
Breakdown into categories				
Present value of defined benefit obligations for persons in active employment, SEK m.	6,496	870	465	-
Persons in active employment, number	11,291	370	3,228	-
Present value of defined benefit obligations for paid-up policy holders, SEK m.	2,011	-	-	347
Paid-up policy holders, number	3,259	-	-	275
Present value of defined benefit obligations for retired employees, SEK m.	2,959	594	604	357
Retired employees, number	3,021	119	3,641	305
Assumptions/Conditions				
Discount rate, %	3.5	0.9	12.2	5.5
Average life expectancy, women/men, years	88	88	86	88
Average duration of obligations, years	17	15	8	12
Sensitivity analysis concerning change in present value of obligations, SEK m.				
0.5% increase in discount rate	-1,261	-100	-43	-38
0.5% decrease in discount rate	1,426	113	12	42
1 year increase in life expectancy	444	43	29	28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 – PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS, CONTINUED

Information regarding the largest plans during 2023	Sweden	Switzerland	Brazil	Great Britain
Present value of defined benefit obligations	10,953	1,315	629	697
Fair value of plan assets	-3,329	-1,566	-75	-810
Net assets not fully valued due to curtailment rule	-	12	11	157
Recognised as pension liability (+)/(asset (–)) in the balance sheet, SEK m.	**7,624**	**-239**	**565**	**44**
Breakdown into categories				
Present value of defined benefit obligations for persons in active employment, SEK m.	6,388	784	-117	-
Persons in active employment, number	11,766	265	2,209	-
Present value of defined benefit obligations for paid-up policy holders, SEK m.	1,879	-	-	339
Paid-up policy holders, number	3,224	-	-	392
Present value of defined benefit obligations for retired employees, SEK m.	2,706	531	747	358
Retired employees, number	2,900	113	1,326	271
Assumptions/Conditions				
Discount rate, %	3.3	1.4	10.1	4.5
Average life expectancy, women/men, years	88	88	86	88
Average duration of obligations, years	17.0	14.0	10.0	16.0
Sensitivity analysis concerning change in present value of obligations, SEK m.				
0.5% increase in discount rate	-1,168	-93	-13	-47
0.5% decrease in discount rate	1,316	93	12	53
1 year increase in life expectancy	350	35	37	32

	Expenses for pensions and similar commitments	
Expenses for pensions and other defined benefit payments recognised in the income statement	2024	2023
Current service expenses	-315	-221
Net interest income/expenses	-322	-328
Past service expenses	-1	7
Net gains (+) and losses (–) due to curtailments and settlements	20	16
Total expense for defined benefit payments recognised in the income statement	**-618**	**-526**

Pension expenses and other defined benefit payments are found in the income statement under the headings "Research and development expenses", SEK 70 m. (46), "Cost of goods sold", SEK 121 m. (77), "Selling expenses", SEK 76 m. (66) and "Administrative expenses", SEK 29 m. (15). The interest portion of the net liability is recognised as an interest expense and the interest portion in net assets is recognised as interest income.

	Expenses related to pensions and similar commitments	
Expenses/revenues for pensions and other defined benefit payments recognised in "Other comprehensive income"	2024	2023
Experience-based adjustments in net liabilities	-404	-882
Effects of changes in demographic assumptions	10	-103
Effects of changes in financial assumptions	39	-707
Actual return on plan assets excluding amount included in interest income	459	188
Changes in present value of asset ceiling not included in interest expense	80	187
Total expense/revenue for defined benefit payments recognised in "Other comprehensive income"	**184**	**-1,317**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 – PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS, CONTINUED

	Pension commitments	
Recognised as provision for pensions in the balance sheet	**2024**	**2023**
Present value of defined benefit obligations, wholly or partly funded	12,997	12,346
Present value of defined benefit obligations, unfunded	2,374	2,315
Present value of defined benefit obligations	15,371	14,661
Fair value of plan assets	-6,903	-6,183
Net assets not fully valued due to curtailment rule	117	179
Recognised in the balance sheet	**8,585**	**8,657**
– of which, pension liabilities recognised under the heading "Provisions for pensions"	8,933	8,897
– of which, pension assets recognised under the heading "Other long-term receivables"	-348	-239

	Liabilities related to pensions and similar commitments	
Present value of defined benefit obligations changed during the year as follows:	**2024**	**2023**
Present value of defined benefit obligations, 1 January	14,661	12,746
Present value of reclassified obligations, 1 January	2	–
Divestment of subsidiaries	–	-112
Current service expenses	315	221
Interest expenses	469	514
Payments made by pension plan participants	27	25
Experience-based actuarial gains and losses	404	682
Adjustment effects from changes in demographic assumptions	-10	103
Adjustment effects from changes in financial assumptions	-39	707
Exchange rate differences	25	110
Payments from the company's assets	-384	-352
Payments from plan assets	-110	-159
Past service expenses	1	-7
Gains and losses depending on met adjustments for the year	-21	-17
Present value of defined benefit obligations, 31 December	**15,371**	**14,661**

	Plan assets related to pensions and similar commitments	
Fair value of plan assets changed as follows during the year:	**2024**	**2023**
Fair value of plan assets, 1 January	6,183	5,400
Divestment of subsidiaries	–	-22
Interest income on plan assets	187	195
Actual return on plan assets excluding amount included in interest income	459	188
Exchange rate differences	93	116
Payments made by employers	65	440
Payments made by pension plan participants	27	25
Payments from plan assets	-110	-159
Fair value of plan assets, 31 December	**6,903**	**6,183**

	Asset ceiling	
Present value of asset ceiling	**2024**	**2023**
Present value of asset ceiling, 1 January	179	347
Reclassification of asset ceiling, 1 January	–	-2
Interest expenses	9	9
Changes in present value of asset ceiling not included in interest expense	-80	-187
Exchange rate differences	8	12
Present value of asset ceiling, 31 December	**117**	**179**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 – PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS, CONTINUED

	2024		2023	
Allocation of fair value in plan assets	Quoted price in an active market	Unquoted price	Quoted price in an active market	Unquoted price
Cash and cash equivalents	71	–	153	–
Equity instruments issued by others	1,804	–	1,486	–
Debt instruments issued by Scania	–	47	–	50
Debt instruments issued by others	1,535	–	1,600	–
Properties leased to Scania companies	–	63	–	61
Equity mutual funds	880	–	709	–
Fixed income mutual funds	765	–	518	–
Real estate funds	290	–	269	–
Other investment funds	48	–	138	–
Other plan assets	957	440	794	405
Total	6,353	550	5,667	516

NOTE 17 – OTHER PROVISIONS

Accounting policies: Other provisions

Provisions are recognised if an obligation, legal or constructive, exists as a consequence of events that have occurred, it must also be deemed likely that an outflow of resources will be required to settle the obligation and that the amount can be reliably estimated. The amount of the provision is determined based on estimates of the amount of the loss and the probability of utilisation. Provisions for warranties for vehicles sold during the year are based on warranty conditions and the estimated quality situation. Provisions on service contracts are related to expected future unavoidable expenses that exceed contractual future revenue. Any potential obligations arising from the exceedance of emission limits in the future is not accounted for, as the requirements for recognising a provision are not met.

Key judgements and estimates: Other provisions

Recognition and measurement of provisions are based on estimates of the amount and probability of future events and estimates of the discount rate. If possible, experience or external appraisals are used in these cases. The measurement of restructuring provisions is based on estimates and assumptions regarding the amount of severance payments, the effects of onerous contracts, the timeline for the implementation of measures, and, consequently, the timing of the expected payments. Demands and claims aimed at the Group, including demands and claims that lead to legal proceedings, may be related to infringements of intellectual property rights, faults and deficiencies in products that have been delivered, including product liability, or other legal liability for the companies in the Group. Litigation and other court proceedings lead to complex legal issues and entail numerous uncertainties. The current status of negotiations and estimates by local management and Scania's Executive Board as well as by external lawyers are taken into account for the measurement.

In respect of the CO_2 regulation target for 2025 any potential obligation arising from exceeding the emission target are currently assessed not to be material. Regarding the subsequent targets up until 2040, unclarity on enabling factors and demand side of BEV makes it not possible to do a reliable estimate of potential obligations.

2024	Product obligations	Legal and tax risks	Other provisions	Total
1 January	2,378	1,113	6,113	9,604
New provisions during the year	2,587	1,250	2,211	6,048
Provisions used during the year	-1,679	-95	-1,854	-3,628
Provisions reversed during the year	-46	-31	-413	-490
Exchange rate differences	-22	-5	-17	-44
31 December	**3,218**	**2,232**	**6,040**	**11,490**
– of which, current provisions	2,271	137	3,416	5,824
– of which, non-current provisions	947	2,095	2,624	5,666

Scania's product obligations are mainly related to vehicle warranties in the form of one-year "factory warranty" plus, extended warranties and, in some cases, special quality campaigns. For each vehicle sold, Scania makes a warranty provision. For extended warranties not classified as performance obligations and campaigns, a provision is made at the time of the decision. Provisions are dependent on the estimated quality situation and the degree of utilisation in the case of campaigns. Product warranties ensuring that products sold comply with agreed-upon specifications cannot be purchased separately. These product warranties cover all vehicles sold and are therefore accounted for in accordance with IAS 37.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 17 – OTHER PROVISIONS, CONTINUED

Legal and tax risks include legal demands and claims aimed at the Group related to infringements of intellectual property rights, faults and deficiencies in products that have been delivered and tax proceedings.

In February 2024, Scania received the final judgment from the European Court of Justice regarding Scania's appeal against the EC's decision about cartel collusion. The EU court dismissed the appeal in its entirety and upheld the EC's decision. Scania has paid the fine and interest in full in accordance with the decision from the EC already in 2022 why this decision had no further financial impact on Scania's earnings. Scania has received civil claims connected to EC's decision by direct or indirect customers of Scania in multiple jurisdictions. Scania defends itself against all claims by denying any effect of the alleged cartel and in this stage, it is not possible to make a reliable estimate of the total potential risk from such proceedings, except for a limited number of jurisdictions or cases. As these cases relates to completed contracts any provisions will be recognised as cost in the income statement, and not as revenue reduction. In accordance with IAS 37.92, no further information is disclosed with respect to whether, or to what extent, contingent liabilities exist, so as not to prejudice the Group's position.

NOTE 18 – ACCRUED EXPENSES AND DEFERRED INCOME

	2024	2023
Accrued employee-related expenses	9,874	9,565
Deferred income related to service and repair contracts	11,746	9,329
Deferred income related to repurchase obligations [1]	18,187	17,328
Other accrued expenses and deferred income	6,153	5,275
Total	**45,960**	**41,497**
– of which, current	25,853	23,504
– of which, non-current	20,107	17,993

1 Of the above deferred income related to vehicles sold with repurchase obligations, SEK 1,697 m. (1,836) is expected to be recognised as lease income within 12 months, SEK 155 m. (188) is expected to be recognised as revenue after more than five years.

The following table provides an explanation of the changes of contract liabilities during the year.

SEK m.	2024	2023
Contract liabilities as of 1 January	9,329	7,855
New and completed contracts	1,878	1,643
Exchange rate adjustments	539	831
Contract liabilities as of 31 December	**11,746**	**9,329**

Sales revenue recognised in the reporting period 2024 that was included in the contract liability balance at the beginning of the period totalled SEK 3,906 m (3,089).

NOTE 19 – CONTINGENT LIABILITIES

Accounting policies: Contingent liabilities

If the criteria for recognising a provision are not met, but the outflow of financial resources is not improbable, or if the provision amount cannot be measured reliably, such obligations are disclosed in the form of the note shown below. Contingent liabilities are only recognised as a provision once the obligations are more certain, i.e. the outflow of financial resources has become probable, and their amount can be reliably estimated.

Assets pledged

The Group has pledged tangible fixed assets amounting to SEK 5.3 bn. (0) as collateral for long-term borrowings.

Contingent liabilities	2024	2023
Contingent liability related to FPG credit insurance	166	150
Contingent liabilities under guarantees	5,601	11,216
Other contingent liability	2,757	1,090
Total	**8,724**	**12,456**

Contingent liabilities under guarantees includes financial guarantees amounting to SEK 5,572 m. issued by Scania CV AB towards TRATON Financial Services entities in favour of banks. As from the divestment of the Financial Services segment in 2023 these financial guarantees are external from the Scania Group perspective, comparative figures have been restated with an amount of SEK 10,964 m.

In addition, Scania and Northvolt AB companies have entered into long-term purchase obligations from battery procurement contracts.

NOTE 20 – GOVERNMENT GRANTS

Accounting policies: Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants received that are attributable to operating expenses reduce these expenses. Government grants related to investments reduce the gross cost of non-current assets.

During 2024, the Scania Group received government grants amounting to SEK 79 m. (43) attributable to operating expenses of SEK 322 m. (283). Scania also received government grants of SEK 2 m. (39) attributable to investments with a gross cost of SEK 7 m. (110).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21 – CASH FLOW STATEMENT

Accounting policies: Cash flow statement and cash and cash equivalents

The cash and cash equivalents presented in the cash flow statements correspond to the "cash and cash equivalents" balance sheet item. Cash and cash equivalents consist of cash and bank balances as well as current liquid investments with a maturity which normally have a maximum of 90 days, which are subject to an insignificant risk of fluctuation in value. The Group's financial management manages cash pool structures at entity level, wherever legally and economically appropriate and feasible. The entities manage operational cash themselves. Excess cash in the entities is managed at the Group level. Cash pool receivables from associated companies are reported in cash and cash equivalents.

	2024	2023
a. Interest and dividends received/paid		
Dividends received from associated companies	6	5
Interest received	6,289	5,232
Interest paid	-7,270	-2,962

	2024	2023
b. Items not affecting cash flow		
Depreciation/amortisation [1]	12,228	12,603
Associated companies	66	1
Provision for pensions	170	-268
Impairment/capital loss sale of operations in Russia [2]	–	1,012
Other	2,861	165
Total	**15,325**	**13,513**

1 Including SEK 0 m. (-14) from discontinued operations.

2 Recognised as items affecting comparability and net income from discontinued operations in the income statement. For further information about the transaction, see Note 21 in the Group's Consolidated Financial Statements as of 31 December 2023.

	2024	2023
c. Discontinued Operations: Net investments in credit portfolio etc.		
New financing [3]	-1,331	-17,590
Payments of principal and completed contracts	1,331	13,986
Total	**0**	**-3,604**

3 The comparison period refers mainly to financing of customer's purchases until March 2023. For further information about the transaction, see Note 21 in the Group's Consolidated Financial Statements as of 31 December 2023.

	2024	2023
d. Net investment through acquisitions/divestments of businesses [4]		
Divestments of businesses	40	5,551
Acquisitions of businesses	–	54
Total	**40**	**5,605**

4 For more information about the comparison period, see Note 21 in the Group's Consolidated Financial Statement as of 31 December 2023.

	2024	2023
e. Acquisitions of non-current assets		
Investments in non-current assets [5]	-16,234	-12,088
Divestments of non-current assets	248	396
Investments in shares in other companies	-592	-442
Total	**-16,578**	**-12,134**

5 Of which, SEK 5,607 m. (2,809) in capitalised research and development expenditures.

	2024	2023
f. Change in debt through financing activities		
Decrease in current liabilities	-56,523	-29,796
Increase in current liabilities	17,592	26,582
Decrease in non-current liabilities	-45,029	-29
Increase in non-current liabilities	21,715	16,134
Lease liabilities	-1,422	-1,317
Total	**-63,667**	**11,574**

Reconciliation of liabilities arising from financing activities

	2023	Acquired/ Divested loans during the year	Cash flow	Foreign exchange movements	Reclassifications	New leases	2024
	Opening balance						Ending balance
Non-current interest-bearing liabilities [6]	63,152	–	-23,314	716	-14,718	–	25,836
Current interest-bearing liabilities	43,217	–	-38,931	3,184	14,718	–	22,188
Lease liabilities	5,178	–	-1,422	28	–	1,787	5,566
	111,547	**–**	**-63,667**	**3,925**	**0**	**1,787**	**53,592**
Cash and cash equivalents	24,715	–	20,380	550	–	–	45,645
Total	**136,262**	**–**	**-43,287**	**4,478**	**0**	**1,787**	**99,237**

6 The decrease of non-current liabilities in 2024 is related to loans which Scania had for the funding of TRATON Financial Services. In 2024, Scania's lending portfolio against TRATON Financial Services was sold to TRATON Treasury AB.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21 – CASH FLOW STATEMENT, CONTINUED

		Acquired/ Divested loans during					
	2022	the year	Cash flow	Non-cash changes			2023
	Opening balance			Foreign exchange movements	Reclassifications	New leases	Ending balance
Non-current interest-bearing liabilities [7]	72,450	-16,754	16,105	-80	-8,569	-	63,152
Current interest-bearing liabilities [7,8]	47,465	-9,367	-3,214	-236	8,569	-	43,217
Lease liabilities	5,539	-	-1,317	-404	-	1,360	5,178
	125,453	**-26,121**	**11,574**	**-720**	**0**	**1,360**	**111,547**
Cash and cash equivalents [9]	22,489	-	3,628	-1,402	-	-	24,715
Total	**147,943**	**-26,121**	**15,202**	**-2,122**	**0**	**1,360**	**136,262**

7 See Note 22, "Non-current assets and disposal groups held for sale and discontinued operations".

8 Excluding accrued interest of SEK 896 m., internal loans of SEK 401 m. and cashpool liabilities of SEK 52 m.

9 The opening balance for 2023 of SEK 22,489 m. includes SEK 3,364 m. which had been reclassified as assets held for sale in 2022.

	2024	2023
g. Cash and cash equivalents		
Cash and bank balances	6,455	4,462
Short-term investments comprising cash and cash equivalents	37,190	20,253
Total	**45,645**	**24,715**

	2024	2023
h. Investments in securities and loans		
Sale of interest-bearing receivables to TRATON	99,461	-
Receivables on TRATON	-29,674	-
Other	5,240	-17,650
Total	**75,047**	**-17,650**

NOTE 22 – NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS

Accounting policies: Non-current assets and disposal groups held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and are included in the consolidated financial statements until the date when controlling or significant influence ceases. Non-current assets and disposal groups classified as held for sale are presented separately as current items in the consolidated balance sheet. They are measured at the lower of their carrying amount and fair value less costs to sell and are no longer depreciated or amortised. Costs to sell are the incremental costs directly attributable to the disposal of an asset/ disposal group, excluding finance costs and income tax. If the total carrying amount of the disposal group exceeds fair value less costs to sell, an impairment loss is recognised on the assets in the disposal group; this excludes cash and cash equivalents.

Any remaining impairment loss required to be recognised that is not covered by assets eligible to be impaired is recognised in other provisions. Amounts of accumulated "Other comprehensive income" allocated to the disposal group attributable to items that will be reclassified subsequently to profit or loss and primarily relate to currency translation differences, cash flow hedges, or cost of hedging, are only recognised in profit or loss upon disposal. Amounts from items that will not be reclassified subsequently to profit or loss are reclassified to the Group's retained earnings upon disposal.

A discontinued operation is a component of the Group which either has been disposed of, or is classified as held for sale, and represents a separate line of business or geographical area of operation. A discontinued operation is reported separately from continuing operations in the income statement, and comparable information for prior periods is restated.

Discontinued operations 2024

Scania had no discontinued operations in 2024.

Discontinued operations 2023

On 1 April 2023, the Financial Services segment was divested to TRATON and was reported as a discontinued operation in the income statement of the Scania Group. The net income of the former Financial Services segment was included in the Scania Group's net income up until 31 March 2023. For further information about the transaction, refer to the Group's Consolidated Financial Statements as of 31 December 2023.

Non-current assets and disposal groups held for sale and divestments 2024

Scania has no non-current assets or disposal groups classified as held for sale as of 31 December 2024.

Divestments 2024

During 2024, Scanias lending portfolio towards TRATON Financial Services was sold to TRATON Treasury AB. In addition, the related funding and derivatives were novated or mirrored to TRATON Treasury AB. The portfolio was classified in December 2023 as assets held for sale and was reported separately in the Group's balance sheet. The transaction resulted in receivables amounting to SEK 84,065 m. and liabilities amounting to SEK 80,641 m. were transferred to TRATON Treasury AB. Of the assets that were classified as assets held for sale at year-end, SEK 16,075 m. has been reclassified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22 – NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS, CONTINUED

The Cash flow is presented as cash flow in investing activities and financing activities. As a result of the transaction a net gain of SEK 591 m. was recognised in 2024, within finance net and presented in Group activities. During a transition period Scania will continue to support TRATON FS with funding. Receivables and liabilities related to Scania's financing of TRATON FS entities after the transaction is presented within Group activities, see Note 4 "Operating segments".

Divestments 2023

On 17 January 2023, Scania divested the Financial Services operations in Russia to companies within Volkswagen Group. In December 2023, Scania Admin. de Consorcios was transferred to TRATON through a dividend in kind and not through a sale. For further information about both transactions, refer to the Group's Consolidated Financial Statements as of 31 December 2023.

Assets and liabilities held for sale 2023

On 18 December 2023 a decision to sell the lending portfolio towards TRATON Financial Services to TRATON Treasury AB was taken. As a consequence, these loan receivables were reclassified as assets held for sale in the balance sheet as of 31 December 2023.

Net assets held for sale SEK million	2024	2023
Interest-bearing receivables, non-current	–	55,413
Interest-bearing receivables, current	–	44,068
Other receivables, current	–	–
Deferred tax asset	–	213
Current investments	–	–
Assets held for sale	**–**	**99,692**
Interest-bearing liabilities, non-current	–	–
Interest-bearing liabilities, current	–	–
Liabilities directly attributable to assets held for sale	**–**	**–**
Net assets held for sale	**–**	**99,692**

NOTE 23 – WAGES, SALARIES AND OTHER REMUNERATION AND NUMBER OF EMPLOYEES

Wages, salaries and other remuneration, pension expenses and other mandatory payroll fees (excluding personnel on hire)	2024	2023
Boards of Directors, Presidents and Executive Vice Presidents	556	447
– of which bonuses	205	157
Other employees	30,495	27,319
Subtotal	**31,051**	**27,766**
Pension expenses and other mandatory payroll fees	9,517	8,320
– of which pension expenses [2]	2,852	2,487
Total	**40,568**	**36,087**

1 The number of Board members and executive officers was 681 (644).

2 Of the pension expense in the Group, SEK 26 m. (26) was for Boards of Directors and executive officers in the Scania Group. At year-end, the total pension obligation was SEK 215 m. (193) for this category.

Average number of employees (excluding personnel on hire)	2024 Total	2024 Women	2023 Total	2023 Women
Sweden	22,815	26%	22,093	26%
Europe (excluding Sweden)	17,015	15%	17,185	15%
Eurasia	221	15%	214	15%
America	9,745	18%	9,651	15%
Asia	3,279	26%	2,456	23%
Africa and Oceania	2,053	18%	1,825	20%
Total	**55,128**	**21%**	**53,624**	**20%**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 23 – WAGES, SALARIES AND OTHER REMUNERATION AND NUMBER OF EMPLOYEES, CONTINUED

Gender distribution	2024	2023
Board members in subsidiaries and the Parent Company	521	494
– of whom, men	445	438
– of whom, women	76	56
Presidents/Managing Directors of subsidiaries and the Parent Company, plus the Group's Executive Board	160	150
– of whom, men	146	144
– of whom, women	14	6

Number of employees, 31 December	2024	2023
Vehicles and Services		
Production and corporate units	30,786	31,743
Research and development	6,737	5,927
Sales and service companies	21,323	20,493
Total	**58,845**	**58,163**
– of whom, on temporary contracts and on hire	6,351	7,229

NOTE 24 – RELATED PARTY TRANSACTIONS

The Scania Group's related parties as of 31 December 2024, within the meaning of IAS 24 "Related Party Disclosures" are:

- all companies included in the Volkswagen Group
- associated companies and joint ventures
- other individuals and entities that can be influenced by Scania or that can influence Scania, such as:
  - the members of Scania's Board of Directors and Executive Board
  - the members of the TRATON SE Executive Board

Related party transactions occur on market terms.

	Revenue		Expenses		Receivables		Liabilities	
	2024	2023	2024	2023	2024	2023	2024	2023
Volkswagen Group[1]	52	52	2,266	1,503	1,855	1,007	709	772
TRATON GROUP[1]	2,768	2,148	2,840	2,036	38,220	20,786	2,836	75,311
TRATON Financial Services	9,621	5,593	4,500	1,137	37,236	109,400	34,983	16,136
Associated companies and joint ventures	482	450	512	616	23	439	0	0

1 Excluding TRATON GROUP.

2 Excluding TRATON Financial Services.

In the table, transactions with entities within the TRATON GROUP are separated from the transactions with other Volkswagen Group companies. Following completion of the divestment of Scania Financial Services on April 1, 2023, Scania no longer exercises any influence over Scania Financial Services. These transactions are presented within the line item TRATON Financial Services. In the first half of 2024, the lending portfolio towards TRATON Financial Services was sold to TRATON Treasury AB, a subsidiary of TRATON Financial Services.

On 17 January 2023, Scania divested the financial operations in Russia to companies within the Volkswagen Group. On 1 April 2023, Scania divested the Financial Services segment to TRATON, as a part of the ongoing transformation of TRATON. These transactions were made at market terms, see Note 22 "Non-current assets and disposal group held for sale and discontinued operations" for more details regarding these transactions. On 13 December 2023, Scania Admin. de Consórcios was transferred to TRATON through a dividend in kind, and not through a sale. The dividend in kind was assessed as a common control transaction and recognised in equity at an amount corresponding to the book value of the net asset in the Scania Group.

To ensure the supply of purchased parts for battery-driven vehicles Scania has entered into a purchase agreement with Northvolt, which is an associate of the Volkswagen Group. Purchases in 2024 only amount to smaller volumes. Scania has signed a short-term loan with Northvolt amounting to USD 100 m. in total. The loan shall be paid in three tranches of which the 1st tranche amounting to USD 51 m., corresponding to SEK 563 m., has been paid as of 31 December 2024. The loan will mature on 31 March 2025. Scania is granted security for the loan covering the total credit exposure.

Purchases and leases of company cars are included in the transactions with the TRATON GROUP. TRATON GROUP receivables mainly refer to short-term investments which are included in the Scania Group's cash and cash equivalents. In 2024, Scania's lending portfolio against TRATON Financial Services was sold to TRATON Treasury AB. In addition, the related financing and derivatives have been novated or mirrored to TRATON Treasury AB. The transaction resulted in receivables amounting to SEK m. 84,065 and liabilities amounting to SEK m. 80,641 being transferred to TRATON Treasury AB. These transactions are presented under the line for TRATON Financial Services (which includes TRATON Treasury AB) in the table above.

During a transition period, Scania will continue to support TRATON FS with financing, and the income and expenses related to the mirroring of loans and derivatives is presented in the line for TRATON Financial Services. During the year, short-term investments towards TRATON have also increased, which is included in the revenue line against TRATON GROUP. Scania has issued financial guarantees in favour of banks related to loans for certain TRATON Financial Services entities, see Note 19, "Contingent liabilities".

Disclosures of relationships with related parties that include a controlling influence are provided in Note 31 "Shares and participations in subsidiaries". See also the presentation of Scania's Board of Directors and Executive Board as well as Note 25, "Compensation to executive officers." Disclosures of dividends from, and capital contributions to associated companies and joint ventures etc. are provided in Note 11, "Holdings in associated companies and joint ventures." Disclosures of pension plans are provided in Note 16, "Provisions for pensions and similar commitments" and Note 23, "Wages, salaries and other remuneration and number of employees."

The sale of receivables to subsidiaries of TRATON Financial Services that are not part of the Scania Group amounted to SEK 5,066 m. (4,032) as per 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25 – COMPENSATION TO EXECUTIVE OFFICERS

Accounting policies: Share-based payment

The share-based payment to Scania executive officers consists of performance shares. The obligations arising from the share-based payment are accounted for as cash-settled plans in accordance with IFRS 2 "Share-based Payment". For these plans, obligations are measured at fair value during the term of the plan using a recognised option pricing model. The total remuneration expense to be recognised corresponds to the actual payout and is recognised over the vesting period.

Policies for compensation to executive officers

The policies for compensation to Scania executive officers are adopted by Scania's Board of Directors. The purpose is to offer a market-related compensation package that will enable the company to recruit and retain executive officers. Compensation to executive officers consists of the following parts:

1. Fixed salary
2. Variable remuneration (Profit bonus and LTI)
3. Pension

The fixed salary of the executive officers shall be competitive in relation to position, individual qualifications and performance. The fixed salary is reviewed annually. The size of the variable salary profit bonus is dependent on Scania Group's Return on Sales, Net Cash Flow (TRATON Operations), Sustainability target (ESG). The long-term incentive (LTI) in the form of the performance share plan with a forward-looking four-year term. For the CEO, part of the annual fixed salary is paid from TRATON SE. The CEO has variable remuneration profit bonus based on the TRATON operations return on sales, return on invested capital and a share-related programme TRATON SE. Executive officers are covered under the ITP Plan and under a defined contribution pension plan that applies in addition to the public pension and the ITP Plan.

Long-term incentive plan – CEO

The share-related programme relates to a long-term incentive (LTI) bonus which is determined by the Supervisory Board of TRATON SE at its reasonable discretion. The LTI was introduced in January 2019. The terms and conditions for the LTI provide for a period of four years for calculating the target achievement and may be amended from time to time. In this plan, a new performance period ("performance period") starts at the beginning of each fiscal year.

At the beginning of each new performance period the CEO conditionally awarded a certain number of performance shares. The number of performance shares depends (i) on the individual target amounts and (ii) on the calculated price of TRATON SE shares.

If the employment contract begins or ends in the course of a year, the target amount for the LTI is calculated pro rata temporis for the period of service.

The number of performance shares at the end of a performance period ("final number of performance shares") depends on the number of performance shares conditionally awarded at the beginning of the performance period and the achievement of the "earnings per share" target amounts. These are determined at the beginning of the performance period. The payout amount depends on the final number of performance shares and the calculated price of TRATON SE shares. The amount paid out is capped at 250 percent of the target amount.

In the case of extraordinary events or developments, e.g. a business combination, significant changes in the shareholder structure, or certain corporate actions or structural measures implemented by the company, the company is entitled, under certain conditions, to modify the terms and conditions of the plan. In "bad leaver" cases, which are defined in the relevant performance share plan (in particular in the case of the extraordinary termination), all the performance shares of a current performance period are forfeited and not replaced or otherwise compensated.

The terms and conditions of the LTI for each performance period are determined by the Supervisory Board of TRATON SE at its reasonable discretion. In the event of misconduct (including breaches of oversight or organisational duties as a "Culture Integrative Corrective") salary clawbacks are stipulated, which can lead to a reduction or the complete forfeiture of the LTI, or to the clawback of an LTI that has already been paid out.

In the 2024 financial year, the following performance shares were awarded to the CEO:

A total of 44,074 (54,241) performance shares (Scania) were awarded to Mr. Christian Levin for the time period between 1 January 2024 and 31 December 2024, when he was both CEO of Scania and TRATON SE. The fair value of all the performance shares obligation as of 31 December 2024, was SEK 33,416 thousand (16,312). The expenses under the plan amounted to SEK 20,215 thousand (12,406). The intrinsic value of the obligation would have been SEK 16,632 thousand (4,053), if the CEO had left the company on 31 December 2024.

Long-term incentive plan – The rest of the Executive Board

The long-term incentive plan for the rest of the Executive Board, in the form of the performance share plan has a forward-looking four-year term. The LTI was introduced in January 2022. A new performance period starts at the beginning of each fiscal year.

At the beginning of each new performance period the rest of the Executive Board is conditionally awarded a certain number of performance shares. The number of performance shares depends on the individual target amounts and on the calculated price of TRATON SE shares.

If the service relationship or the entitlement to participate in the Performance Share Plan begin or end during a year, the Target Amount – and thus the number of Performance Shares awarded – shall be reduced pro rata temporis. The number of performance shares at the end of a performance period ("final number of performance shares") depends on the number of performance shares conditionally awarded at the beginning of the performance period and the achievement of the "earnings per share" target amounts. These are determined at the beginning of the performance period. The payout amount depends on the final number of performance shares and the calculated price of TRATON SE shares.

In the case of extraordinary events or developments, e.g. a business combination, significant changes in the shareholder structure, or certain corporate actions or structural measures implemented by the company, the company is entitled, under certain conditions, to modify the terms and conditions of the plan or the number of performance shares. In "bad leaver" cases, which are defined in the relevant performance share plan, all the performance shares of a current performance period are forfeited and not replaced or otherwise compensated. In the event of misconduct salary clawbacks are stipulated, which can lead to a reduction or the complete forfeiture of the LTI, or to the claw back of an LTI that has already been paid out.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25 – COMPENSATION TO EXECUTIVE OFFICERS, CONTINUED

Under the Performance Share Plan the Executive Board Members were awarded a total of 44,984 (57,875) performance shares for the fiscal year 2024. The fair value of all the performance shares obligation as of 31 December 2024, was SEK 21,015 thousand (11,504). The expenses under the plan amounted to SEK 13,592 thousand (7,433). The intrinsic value of the obligation would have been SEK 10,805 thousand (5,403), if the members of the Executive Board had left the company on 31 December 2024.

Termination conditions for the Executive Board

If the President and CEO resigns of his own volition, he is entitled to his salary during a 12-month notice period. Any variable salary during the year in question is disbursed according to conditions adopted by Scania's Board of Directors. In case of termination by the company, a 12-month notice period applies with retained benefits and severance pay equivalent to 24 months of salary is payable.

If the company terminates their employment, the other members of the Executive Board are entitled to severance pay equivalent to a maximum of 18 months of salary, in addition to their salary during the six-month notice period. If they obtain new employment within 18 months, counting from their termination date, the severance pay ceases.

Retirement age

The President and CEO is covered by the ITP plan and a defined contribution pension plan with premiums up to 65 years. Members of the Executive Board are covered by the ITP Plan with premiums up to 65 years. Members of the Executive Board covered under the defined benefit ITP Plan are also covered under defined contribution pension plan with premiums payments up to 65 years and, to a lesser extent, with premium payments up to 60 years. Members of the Executive Board covered by the defined contribution ITP plan are also covered under defined contribution pension plan with payment up to 65 years.

Compensation to executive officers	2024		2023	
SEK thousand	President and CEO	Rest of Executive Board	President and CEO	Rest of Executive Board
Fixed salary	7,314	27,808	6,791	25,872
Variable salary	12,204	44,350	10,316	38,862
LTI	20,215	13,592	12,406	7,433
Other remuneration [1]	550	2,816	340	2,753
Total salary and remuneration	**40,283**	**88,556**	**29,853**	**74,920**
Pension expenses, defined contribution system [2]	8,728	8,700	8,105	8,895
Pension expenses, defined benefit pension system [3]	479	3,953	491	3,200
Total pension expenses	**9,208**	**12,653**	**8,596**	**12,095**
Pension obligations	**7,162**	**26,536**	**6,156**	**25,812**

1 Includes the taxable portion of car allowance, newspaper subscriptions and other perquisites.

2 Annual premiums according to a defined contribution pension system and ITPK (defined contribution portion of the ITP occupational pension).

3 Risk insurance premiums and the increase of retirement pension liability according to the ITP occupational pension plan.

Board remuneration, SEK thousand	2024	2023
Chairman of the Board		
Michael Jacksteln	-	-
Board members		
Christian Levin	-	-
Lilian Fossum Biner	700	700
Gunnar Kilian	-	-
Julia Kuhn-Piëch	550	550
Nina Macpherson	700	700
Christian Porsche	550	550
Mark Philipp Porsche	550	550
Stephanie Porsche-Schröder	700	700
Peter Wallenberg Jr.	550	550

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 26 – FEES AND OTHER REMUNERATION TO AUDITORS

Fees and other remuneration to auditors that were expensed during the year are reported below. Remuneration for consultations is reported in cases where the same public accountancy firm has the assignment to audit an individual company. "Auditing assignments" refers to statutory examination of the annual accounts as well as the administration of the Board of Directors and the President and CEO. "Auditing activities beyond auditing assignments" refer to examination of administration or financial information that shall be performed in accordance with laws, articles of association, statutes or agreements that is also intended for parties other than the client, and which is not included in the auditing assignment.

"Tax consultancy" is consultation on matters of tax law. "Other services" refers to consultancy that cannot be attributed to any of the other categories. Auditing expenses that have arisen because Scania is a subsidiary of Volkswagen have been reinvoiced.

	2024		2023	
Auditing firm	EY	Other auditors	EY	Other auditors
Auditing assignments	45	2	55	1
Auditing activities beyond auditing assignments	0	0	1	1
Tax consultancy	0	0	0	1
Other services	9	0	0	0
Total	55	2	56	4

NOTE 27 – FINANCIAL RISK MANAGEMENT

Financial risk management in the Scania Group

In addition to business risks, Scania is exposed to various financial risks in its operations. The financial risks that are of the greatest importance are liquidity, currency, interest rate, credit and refinancing risk, which are regulated by Scania Group Policies adopted by Scania's Board of Directors.

In 2023, the Financial Services was sold to TRATON and in 2024, the lending portfolio towards TRATON Financial Services was sold to TRATON Treasury AB. The funding and derivatives related to the lending portfolio were also novated or mirrored to TRATON Treasury AB during 2024. As part of the restructuring for the financing of TRATON FS entities Scania also entered in different lending and borrowing agreements with TRATON Treasury AB. Below are the risks related to Scania Group as per 31 December 2024 described.

Financial risks are managed primarily at corporate level by Scania's treasury unit. On a daily basis, the corporate treasury unit measures the risks of outstanding positions, which are managed within established limits in compliance with the Scania Group Policy – Treasury.

Financial assets and liabilities give rise to various kinds of risks, which are largely managed by means of various derivative instruments. Scania uses derivative instruments, mainly for the purpose of:

- Transforming corporate-level borrowings in a limited number of currencies to the currencies in which the financed assets are denominated.
- Matching the interest rate refixing period for assets and liabilities.
- Converting future commercial payments to functional currency.
- To a lesser extent, converting surplus liquidity in foreign currencies to SEK.

Liquidity risk and refinancing risk

Liquidity risk describes the risk that the Scania Group will have difficulty in meeting its obligations associated with financial liabilities or that it can only procure liquidity at a higher price. Refinancing risk is the risk of not being able to meet the need for future funding. Scania applies a conservative policy concerning refinancing risk. For Vehicles and Services, there shall be a liquidity reserve consisting of available cash and cash equivalents as well as unutilised credit facilities which exceeds the funding needs over a two-year period.

At the end of 2024, Scania's liquidity reserve, consisting of guaranteed credit facilities, cash and cash equivalents and short-term investments, amounted to SEK 49,911 m. (59,261). Scania's credit facilities include customary Change of Control clauses, which means that the counterparty could demand early payment in case of significant changes in ownership involving a change in control of the company.

One of the Scania Group's subsidiaries has two borrowings for the development and construction of production and assembly facilities in China. These two loans amounted to SEK 3,525 m. as of December 31, 2024 (-) and have a 10-year term. These loans are subject to a financial covenant, the subsidiary's total liabilities-to-total-assets ratio shall not go beyond 90%. The covenant is subjected to an annual test by the bank, based on the data in the annual audited financial statements. As per December 31, 2024, the Scania Group is not in breach of the financial covenant included in the loan agreement.

To counter liquidity risk, cash inflows and outflows and due dates are continuously monitored and managed. Cash requirements are primarily met by our operating business and by external financing arrangements. As a result, there are no material concentrations of liquidity risk.

The solvency and liquidity of Scania are ensured at all times by rolling liquidity planning, a liquidity reserve in the form of cash, confirmed credit lines and the issuance of securities on the international money and capital markets.

Local cash funds in certain countries (e.g. Argentina, Brazil, China, India and South Korea) are only available to the Group for cross-border transactions subject to exchange controls. There are no significant restrictions over and above these.

In addition, certain Scania Group companies use supplier finance arrangements. The arrangements have the following terms and conditions:

- *Traditional supply chain financing (single financing source):*
  - The supplier sends the invoice to the Scania Group company after delivery of goods. The invoice is approved for payment by Scania, and the supplier offers the approved invoice for purchase to the respective bank. The bank accepts the offer, purchases the invoice, and pays a discounted invoice amount immediately to the supplier. Scania pays the full invoice amount at maturity to the bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 27 – FINANCIAL RISK MANAGEMENT, CONTINUED

– *Platform-based supply chain financing (multi-bank approach):*

– The supplier sends the invoice to the Scania Group company after delivery of goods. Invoice is approved for payment by Scania. The supplier releases invoices on the platform for early payment. One of the banks/third-party providers on the platform accepts the offer, purchases the invoice, and pays a discounted invoice amount immediately to the supplier. Scania pays the full invoice amount at maturity to the bank/third-party provider.

These continue to be presented in the balance sheet under trade payables because they meet the definition of a trade payable, and the contractual terms (e.g. payment terms) do not change or do not change materially. Collateral is not pledged in this context. Correspondingly, the cash outflow is reported in net cash provided by/used in operating activities. As of December 31 2024, trade payables attributable to supplier finance arrangements included SEK 1,849 m. (2,213), of which suppliers have already received payment in the amount of SEK 1,849 m. This does not result in any material liquidity risk or any risks from risk concentrations, and there were no non-cash transfers from trade payables to financial liabilities in the reporting period.

Controlling Scania's refinancing risk includes safeguarding access to credit facilities and ensuring that the maturity structure of borrowings is diversified. At year-end, Scania had borrowings, in some cases with related ceilings, as follows:

	2024		2023	
Borrowings	Total borrowings	Ceiling	Total borrowings	Ceiling
European Medium Term Note Programme	18,017	–	25,785	55,437
– of which Green bonds	3,250	–	4,250	–
Other bonds	–	–	–	–
Credit facility (EUR, SEK)	–	–	5,544	24,947
Commercial paper, Sweden	–	–	–	16,000
Commercial paper, Belgium	–	–	–	16,631
Loans from TRATON	17,391	–	64,681	–
Bank loans and Other loans	9,013	–	5,009	–
Total[1,2]	**44,421**	–	**101,019**	**107,015**

1 Of the total ceiling, SEK 0 m. (24,947) consisted of guaranteed revolving credit facilities.

2 Total borrowings excluded SEK 532 m. (896) related to accrued interest.

Scania Group's total borrowing

	2024		2023	
Borrowings as of 31 December	Borrowings incl. currency swap agreements	Borrowings excl. currency swap agreements	Borrowings incl. currency swap agreements	Borrowings excl. currency swap agreements
EUR	41,308	25,713	78,859	75,736
CNY	5,285	3,528	1,556	–
COP	1,869	971	1,866	847
MXN	1,812	80	3,024	–
USD	1,401	64	5,127	145
NOK	526	1,069	2,369	2,416
AUD	615	–	2,540	–
NZD	250	–	1,525	–
KRW	50	50	3,747	–
DKK	–2	–	2,159	–
GBP	–3,610	–	2,096	–
SEK	–5,707	11,310	–7,448	20,438
Other currencies	824	1,536	3,478	1,437
Total[1]	**44,421**	**44,421**	**101,019**	**101,019**
Accrued interest	532	532	896	896
Total	**44,953**	**44,953**	**101,915**	**101,915**

1 Total borrowings excluded SEK 532 m. (896) related to accrued interest.

At year-end, Scania's total borrowings had the following maturity structure:

Maturity structure of Scania's borrowings	2024		2023
2025	18,583	2024	37,857
2026	5,009	2025	42,944
2027	5,422	2026	17,001
2028	6,349	2027	1,155
2029	5,084	2028	6
2030 and later	3,974	2029 and later	2,044
Total[1]	**44,421**		**101,019**

1 Total borrowings excluded SEK 532 m. (896) related to accrued interest and lease liabilities. Maturity structure for lease liabilities, see Note 10.

[2] Tangible assets, right-of-use assets under IFRS 16, lease liabilities, and lease assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 27 – FINANCIAL RISK MANAGEMENT, CONTINUED

	2024		2023	
Maturity structure of derivatives attributable to borrowings	Derivatives with positive value	Derivatives with negative value	Derivatives with positive value	Derivatives with negative value
2024	-	-	-	-279
2025	367	-334	245	-398
2026	270	-211	297	-
2027	-	-	-	-
2028	-	-	-	-
2029 and later	27	-27	-	-
Total	**685**	**-573**	**542**	**-777**

	2024			2023		
Future undiscounted cashflows of Scania's borrowings and derivatives[1]	2025	2026–2029	>2030	2024	2025–2028	>2029
Financial liabilities	19,954	24,576	4,345	41,046	64,561	2,253
Derivatives	66,070	54,708	34	37,144	30,504	320
Total	**86,024**	**79,284**	**4,379**	**78,190**	**95,065**	**2,573**

1 Please note that the table includes the calculated future interest payments and does consequently not correspond to the net book value in the balance sheet.

Currency risk

Currency risk describes the risk of negative effects on earnings, cash flow, and balance sheet items due to exchange rate movements.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Currency risk is the risk of negative effects on earnings, cash flow, and balance sheet items denominated in foreign currency, due to currency movements. The Scania Group's currency risk is a result of its investments, financing measures, and operating activities. Foreign exchange forward contracts are used to mitigate risks to future cash flows.

The inclusion of subsidiaries or other affiliated Group companies in countries outside Sweden in the consolidated financial statements represents a risk as a result of currency translation. As a general rule, Scania does not use derivatives to hedge these translation risks.

During 2024, 95 (95) percent of Scania's sales occurred in countries outside Sweden. Since a large proportion of production occurs in Sweden, at costs denominated in Swedish kronor, this means that Scania has large net inflows of foreign currencies.

During 2024, total currency exposure in Scania's operating income decreased to about SEK 90,600 m. (81,800). The largest currencies in this flow were EUR, GBP and BRL. The table below shows currency exposure in Scania's operating income in the most commonly occurring currencies.

Currency exposure in operating income, Vehicles and Services	2024	2023
Euro (EUR)	32,300	32,200
British pound (GBP)	12,100	10,300
Brazilian real (BRL)	11,200	3,200
US dollar (USD)	9,000	8,500
Norwegian krone (NOK)	4,900	4,000
Mexican peso (MXN)	4,400	5,400
Australian dollar (AUD)	3,400	2,800
Danish krone (DKK)	3,000	3,200
Swiss franc (CHF)	2,700	2,700
Korean won (KRW)	2,600	2,700
South African rand (ZAR)	2,600	2,600
United Arab Emirates Dirham (AED)	1,600	1,300
Other currencies	600	2,900
Total currency exposure in operating income	**90,600**	**81,800**

Based on revenue and expenses in foreign currencies during 2024, a ten-percentage point change in the Swedish krona against other currencies, excluding currency hedges, has an impact on operating income of about SEK 9,060 m. (8,180) on an annual basis. In Vehicles and Services, the total currency effects amounted to SEK -1,006 m. (4,392).

Sensitivity analysis per currency, Scania Group	Operating income		Net assets	
	2024	2023	2024	2023
SEK m.	+/-10%	+/-10%	+/-10%	+/-10%
SEK/EUR	3,230	3,220	500	180
SEK/GBP	1,210	1,030	-150	-30
SEK/USD	900	850	400	200
SEK/BRL	1,120	320	1,120	670
SEK/CNY	-20	90	250	130
SEK/Other	2,620	2,670	1,210	700

According to Scania Group Policy – Treasury, the CFO has a mandate to approve hedging of up to 75 percent of anticipated exposure by currency up to six months. The CEO has a mandate to approve hedging of up to 50 percent of anticipated exposure by currency for a period from above six months up to 12 months. When currency risks are hedged, currencies are mainly sold by means of forward contracts, but currency options may also be used.

To ensure efficiency and risk control, borrowings in Scania's subsidiaries largely occur through the corporate treasury unit and are then transferred to subsidiaries in the form of internal loans in their local currencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 27 – FINANCIAL RISK MANAGEMENT, CONTINUED

By means of derivative contracts, corporate-level borrowings are converted to lending currencies. Scania's borrowings in various currencies excluding and including currency derivatives can be seen in the table "Borrowings" in the section on interest rate risk.

At the end of 2024, Scania's net assets in foreign currencies amounted to SEK 33,000 m. (18,000). The net foreign assets of subsidiaries are normally not hedged. To the extent subsidiaries have significant net monetary assets in functional currencies, however, they may be hedged. At year-end 2024 no foreign net assets were hedged (–).

Net assets, Vehicles and Services	2024	2023
Brazilian real (BRL)	11,200	6,700
Euro (EUR)	5,000	1,300
US dollar (USD)	4,000	2,000
Chinese yuan renminbi (CNY)	2,500	1,300
South African rand (ZAR)	1,600	500
Mexican peso (MXN)	1,300	–400
Australian dollar (AUD)	1,100	300
Colombian peso (COP)	1,100	400
Other currencies	5,200	5,900
Total net assets in foreign currencies, Vehicles and Services	**33,000**	**18,000**

Effect on exchange rate differences on net income

Net income for the year was affected by exchange rate differences as shown in the following table:

	2024	2023
Operating income	452	–175
Financial income and expenses	–3,390	–277
Taxes	508	144
Effect on net income for the year	**–2,430**	**–308**

Interest rate risk

Interest rate risk is the risk of negative effects on interest income and expenses due to movements in interest rates. For Scania's assets and liabilities that carry variable interest rates, a change in market interest rates has a direct effect on cash flow, while for fixed-interest assets and liabilities, the fair value of the portfolio is affected instead. To manage interest rate risks, Scania primarily uses interest rate derivatives in the form of interest rate swap agreements.

At year-end 2024, Scania's interest-bearing assets mainly consisted of short-term investments and cash and cash equivalents. Interest-bearing liabilities consisted mainly of loans, to a great extent intended to fund lending in TRATON Financial Services operations and to a lesser extent to fund working capital in Vehicles and Services.

Interest rate risk in Vehicles and Services

Borrowings in Vehicles and Services are mainly used for funding of working capital. To match the turnover rate of working capital, a short interest rate refixing period is used in the borrowing portfolio. Scania's Group policy – Treasury concerning interest rate risks in the Vehicles and Services segment is that the interest rate refixing period on its net debt should normally be within 0–6 month range, but that divergences are allowed up to 24 months. The Board of Directors approves maturities of more than 24 months.

Net cash in Vehicles and Services was SEK 28,765 m. (28,448) at year-end 2024. The borrowing portfolio amounted to SEK 17,720 m. (14,099). Short-term investments and cash and cash equivalents amounted to SEK 46,486 m. (42,547) and the average interest rate refixing period on these assets was less than 1 (2) months.

Given the same loan liabilities, short-term investments, cash and cash equivalents and interest rate refixing periods as at year-end 2024, a change in market interest rates of 100 basis points (1 percentage point) would change the interest expenses by approximately SEK 133 m. (117) and interest income in Vehicles and Services by approximately SEK 414 m. (227) on an annual basis.

Credit risk

Credit risk is the risk that the counterparty in a transaction will not fulfil its contractual obligations and that any collateral will not cover the company's claim. An overwhelming share of the credit risk for Scania is related to receivables from customers. Scania sales are distributed among a large number of end customers with a large geographic dispersion, which limits the concentration of credit risk.

The loss allowance and gross carrying amount of financial assets measured at amortised costs have decreased significantly during 2024 due to the divestment of Financial Services segment. For further information regarding the divestment see Note 22 "Non-current assets and disposal groups held for sale and discontinued operations".

Scania has signed a short-term loan with Northvolt amounting to USD 100 m. in total. The loan shall be paid in three tranches of which the 1st tranche amounting to USD 51 m., corresponding to SEK 563 m., has been paid as of 31 December 2024. Tranche 2 and 3 are paid during January - February 2025. The loan will mature on March 31, 2025. Scania is granted security for the loan covering the total credit exposure. The loan assessed to be credit impaired at time of its origination and is accounted for at amortised cost. No ECL is accounted for due to the security granted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 27 – FINANCIAL RISK MANAGEMENT, CONTINUED

Reconciliation of loss allowance for financial assets measured at amortised cost

	2024					2023				
	General approach			Simplified approach	Total	General approach			Simplified approach	Total
SEK m.	12 month expected credit loss (Stage 1)	Life time expected credit loss – not impaired (Stage 2)	Life time expected credit loss – impaired (Stage 3)			12 month expected credit loss (Stage 1)	Life time expected credit loss – not impaired (Stage 2)	Life time expected credit loss – impaired (Stage 3)		
Loss allowance as at 1 January	9	–	–	680	689	18	96	271	1,770	2,155
Allowances related to divested operations [1]	–	–	–	–	–	–5	–96	–271	–1,066	–1,438
Changes due to financial instruments recognised as at 1 January										
Transfer to stage 1	–	–	–	–	–	–	–	–	–	–
Transfer to stage 2	–	–	–	–	–	–	–	–	–	–
Transfer to stage 3	–	–	–	–	–	–	–	–	–	–
Write-offs (Utilisation)	–	–	–	–27	–27	–	–	–	–21	–21
Financial assets acquired/issued	161	–	–	145	306	0	–	–	164	164
Changes to models or risk parameters	0	–	–	–	0	0	–	–	–	0
Reversals	–75	–	–	–71	–146	–4	–	–	–63	–67
Foreign exchange movements	–6	–	–	8	2	–	–	–	–4	–4
Other changes within a stage	–	–	–	–	–	–	–	–	–	–
Loss allowance as at 31 December	**89**	**–**	**–**	**735**	**824**	**9**	**0**	**0**	**680**	**689**

1 Refers to the deconsolidation of TRATON Financial Services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 27 – FINANCIAL RISK MANAGEMENT, CONTINUED

Reconciliation of gross carrying amount for financial assets measured at amortised cost

	2024					2023				
	General approach			Simplified approach	Total	General approach			Simplified approach	Total
SEK m.	12 month expected credit loss (Stage 1)	Life time expected credit loss - not impaired (Stage 2)	Life time expected credit loss - impaired (Stage 3)			12 month expected credit loss (Stage 1)	Life time expected credit loss - not impaired (Stage 2)	Life time expected credit loss - impaired (Stage 3)		
Gross carrying amount as at 1 January	31,161	-	-	11,945	43,106	85,600	2,264	998	66,792	155,654
Gross carrying amounts related to divested operations	-	-	-	-	-	-62,233	-2,264	-998	-54,391	-119,886
Changes due to financial instruments recognised as at 1 January										
Transfer to stage 1	-	-	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-	-	-
Changes in gross carrying amount (due to additions and disposals, significant modifications)	56,863	-	-	-1,356	55,507	7,720	-	-	-415	7,305
Foreign exchange movements	-3,001	-	-	189	-2,812	74	-	-	-41	33
Gross carrying amount as at 31 December	**85,023**	**-**	**-**	**10,778**	**95,801**	**31,161**	**-**	**-**	**11,945**	**43,106**

Gross carrying amounts of financial assets by rating category

	2024					2023				
SEK m.	12 month expected credit loss (Stage 1)	Life time expected credit loss - not impaired (Stage 2)	Life time expected credit loss - impaired (Stage 3)	Financial assets - simplified approach	Total	12 month expected credit loss (Stage 1)	Life time expected credit loss - not impaired (Stage 2)	Life time expected credit loss - impaired (Stage 3)	Financial assets - simplified approach	Total
Rating Grade										
Credit Risk Rating Grade 1	85,023	-	-	8,609	93,632	31,161	-	-	9,736	40,897
Credit Risk Rating Grade 2	-	-	-	1,398	1,398	-	-	-	1,486	1,486
Credit Risk Rating Grade 3	-	-	-	771	771	-	-	-	723	723
Total	**85,023**	**-**	**-**	**10,778**	**95,801**	**31,161**	**-**	**-**	**11,945**	**43,106**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 27 – FINANCIAL RISK MANAGEMENT, CONTINUED

Credit risk in Vehicles and Services

In the Vehicles and Services segment, carried receivables before loss allowance for expected credit losses from customers totalled SEK 10,464 m. (12,821), most of which consisted of receivables from independent dealerships and end customers. The total estimated fair value of collateral was SEK 1,272 m. (1,105) Most of the collateral consisted of bank guarantees, mortgages and similar securities. During the year, collateral corresponding to SEK 472 m. (16) was obtained.

Timing analysis of portfolio assets past due but not recognised as impairment losses	2024	2023
< 30 days	1,131	1,142
30–90 days	409	399
91–365 days	240	223
>1 year	34	272
Total	**1,814**	**2,036**

Loss allowance for expected credit losses amounted to SEK 755 m. (689), equivalent to 7.2 (5.8) percent of total receivables. The year's expected credit losses amounted to SEK 114 m. (93).

Other credit risks at Scania

The administration of the financial credit risks that arise primarily in corporate treasury operations, among other things when investing liquidity and in derivatives trading, is regulated in Scania Group Policy – Treasury. Transactions occur only within established limits and with selected, creditworthy counterparties. To reduce credit risk, the volume of exposure allowed per counterparty is limited, depending on the counterparty's credit rating. To further limit credit risk, Scania has entered into International Swaps Derivatives Association (ISDA) netting contracts and other master agreements with all of its counterparties.

The corporate treasury unit is responsible for ensuring compliance with the rules of Scania Group Policy – Treasury and corresponding group policies for Volkswagen and TRATON.

Net exposure to counterparty risk related to derivatives trading amounted to SEK 232 m. (–775) at the end of 2024. Estimated gross exposure to counterparty risks related to derivatives trading totalled SEK 3,920 m. (2,045). Estimated gross exposure to cash and cash equivalents and short-term investments amounted to SEK 69,339 m. (33,445). Short-term investments are mainly deposited with TRATON.

Scania had short-term investments worth SEK 60,881 m. (21,219), of which SEK 39,241 m. (20,841) consists of investments with a maturity of less than 90 days and SEK 21,640 m. (378) consisted of investments with a maturity of 91–365 days. In addition to short-term investments, Scania had bank balances worth SEK 8,455 m. (4,463).

NOTE 28 – FINANCIAL INSTRUMENTS

Accounting policies: Recognition, derecognition, and classification of financial instruments

Primary financial instruments are accounted for at the settlement date in the case of regular way purchases or sales – that is, the date on which the asset is delivered. Financial instruments are recognised when a Group entity becomes a party to the contract. The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Classification of financial assets depends on the contractual cash flow characteristics and Scania's business model for managing financial assets. The cash flows for the majority of primary financial instruments of the Group, consist exclusively of payments of principal and interest on the principal amount outstanding, and the Group's intention is to collect these contractual cash flows. These financial assets are exclusively allocated to the "at amortised cost" measurement category.

In the case of derivatives, equity instruments and convertible loans which are included in the line-item non-current interest-bearing receivables the cash flows do not consist exclusively of payments of principal and interest on the principal amount outstanding. They are therefore allocated to the "at fair value" measurement category. The Group has, in some geographies, entered factoring agreements regarding trade receivables with TRATON FS, in which the right to the cash flow related to sold trade receivables have been transferred. Transferred trade receivables meet the criteria for derecognition. Trade receivables not sold continues to be managed with the purpose to collect contractual cash flows and therefore measured at amortised cost. With the exception of derivatives, all financial liabilities are allocated to the "at amortised cost" measurement category.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 28 – FINANCIAL INSTRUMENTS, CONTINUED

For financial instruments that are carried at amortised cost, fair value disclosures are provided in the table below. The carrying amounts of interest-bearing assets and liabilities in the balance sheet may diverge from their fair value, among other things as a consequence of changes in market interest rates.

	2024					2023 [7]				
	Measured at fair value		Measured at amortised cost		Balance sheet item	Measured at fair value		Measured at amortised cost		Balance sheet item
Scania Group, SEK m.	Through the income statement	Through other comprehensive income	Carrying amount	Fair Value		Through the income statement	Through other comprehensive income	Carrying amount	Fair Value	
Assets										
Equity instruments	–	650	–	–	650	–	1,349	–	–	1,349
Non-current interest-bearing receivables	–	–	10,298	10,335	10,298	475	–	380	390	855
Current interest-bearing receivables	–	–	2,430	2,445	2,430	–	–	9,744	9,743	9,744
Non-interest-bearing trade receivables	–	–	10,066	10,066	10,066	–	–	11,288	11,288	11,288
Current investments and cash and cash equivalents	50	–	69,289	69,326	69,339	50	–	25,713	25,335	25,763
Other non-current receivables [1]	2,351	–	83	78	2,434	1,526	–	114	112	1,641
Other current receivables [2]	1,565	–	454	454	2,019	550	–	322	322	872
Total assets	**3,966**	**650**	**92,620**	**92,704**	**97,256**	**2,601**	**1,349**	**47,561**	**47,160**	**51,512**
Liabilities										
Non-current interest-bearing liabilities [3]	–	–	25,838	25,901	25,838	–	–	63,152	63,999	63,152
Current interest-bearing liabilities [4]	–	–	19,615	19,617	19,615	–	–	39,813	39,550	39,813
Trade payables	–	–	20,787	20,787	20,787	–	–	22,204	22,204	22,204
Other non-current liabilities [5]	2,320	–	55	52	2,374	1,739	–	–	–	1,739
Other current liabilities [6]	1,529	–	5,458	5,458	6,987	1,181	–	4,617	4,616	5,798
Total liabilities	**3,849**	**–**	**71,753**	**71,815**	**75,601**	**2,920**	**–**	**129,786**	**130,371**	**132,707**

1 Financial instruments included in the balance sheet under "Other non-current receivables," SEK 3,571 m. (3,283).
2 Financial instruments included in the balance sheet under "Other current receivables," SEK 8,646 m. (6,740).
3 Financial instruments included in the balance sheet under "Non-current interest-bearing liabilities," SEK 30,214 m. (67,264).
4 Financial instruments included in the balance sheet under "Current interest-bearing liabilities," SEK 20,805 m. (40,854).
5 Financial instruments included in the balance sheet under "Other non-current liabilities," SEK 5,717 m. (5,723).
6 Financial instruments included in the balance sheet under "Other current liabilities," SEK 11,240 m. (13,057).
7 In 2023, total assets does not include assets held for sale of SEK 99,480 m. related to the lending portfolio towards TRATON Financial Services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 28 – FINANCIAL INSTRUMENTS, CONTINUED

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are normally recognised as the proceeds received, net of direct issue costs.

Accounting policies: Financial assets and liabilities measured at fair value

In Scania's balance sheet, items carried at fair value mainly include derivatives, interest bearing receivables, equity instruments and a portion of trade receivables. As a rule, fair value corresponds to the market or stock exchange price. If no active market exists, fair value is determined using observable inputs as far as possible. If no observable inputs are available, fair value is determined using valuation techniques.

Fair value is established according to a fair value hierarchy, defined in IFRS 13, that reflects the extent to which market values have been utilised.

- Level 1 inputs: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 inputs: Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of Level 2 financial instruments is determined on the basis of the conditions prevailing at the end of the reporting period, such as interest rates or exchange rates, and using recognised models, such as discounted cash flow or option pricing models.
- Level 3 inputs: Level 3 inputs are inputs for the asset or liability that are not based on observable market data (unobservable inputs). The fair value of these assets and liabilities is determined on the basis of previous transactions, option pricing models, or discounted cash flow models.

Accounting principles: Derivatives and hedge accounting

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised immediately in operating income/expense (for example, foreign currency derivatives for customer orders) or in other financial income/expense (for example, foreign currency hedges for net liquidity items), depending on the underlying risk.

During 2024 and 2023 Scania has not applied hedge accounting. Scania considers that it is hedged economically, and risk management follows the financial policy approved by the Board.

Derivatives are carried according to Level 2. The fair value is calculated using a valuation technique that consists of estimating the present value of future cash flows based on observable yield curves. The yield curve applied is derived from relevant listed yields for the respective period during which cash flows are received or paid. The derivatives are recognised under other non-current assets, other current assets, other non-current liabilities and other current liabilities.

Equity instruments are carried according to level 3 of the fair value hierarchy. These equity investments largely comprise shares in unlisted companies for which there is no active market. The fair value of the investment in Northvolt AB has been measured to zero due to Northvolt AB's financial difficulties in 2024. Due to the small carrying amount of these investments, a change in unobservable inputs would not result in a significantly lower or higher fair value of the instruments. The non-current interest-bearing receivables are convertible loans measured at fair value through profit or loss and categorised within Level 3 of the fair value hierarchy, as assumptions are made regarding the various conversion scenarios and their probability of occurrence. Any change in the unobservable inputs would not result in any significant change in the fair value of any of the instruments.

Changes in balance sheet items measured at fair value based on level 3

	Financial assets categorised within level 3	Financial assets categorised within level 3
	2024	2023
1 January	1,824	1,312
Fair value changes in "Fair value adjustment equity instruments" recognised in "Other comprehensive income"	-863	13
Fair value changes in "Total financial items" recognised in profit or loss	10	52
Acquisitions	194	699
Disposals	-499	-
Reclassifications	-26	-245
Currency translation differences	12	-7
Carrying amount, 31 December	**650**	**1,824**

There were no transfers between the levels of the fair value hierarchy in 2024 or the previous year.

Net gains/losses on financial assets and liabilities measured at fair value

	2024	2023
Net gains/losses:		
Financial assets and liabilities measured at fair value through profit or loss	-167	-549

Net gains and losses on financial assets and liabilities measured at fair value through profit or loss are mainly due to currency rate differences related to derivatives arising from Scania's treasury unit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 28 – FINANCIAL INSTRUMENTS, CONTINUED

Accounting policies: Financial assets and liabilities measured at amortised cost

Financial assets in the Scania Group consist of trade receivables from independent dealerships and end customers in the Vehicles and Services segment, short-term investments, and cash and cash equivalents. Scania's financial liabilities consist largely of loans to fund capital employed.

As a rule, primary financial assets and liabilities are initially recognised at cost, plus or minus transaction costs. Primary financial assets and liabilities are subsequently measured at amortised cost. Amortised cost is the amount at which financial assets or liabilities are measured at initial recognition, minus any principal repayments, plus or minus the cumulative amortization of any difference between the original amount and the amount repayable at maturity, amortised using the effective interest method. In the case of financial assets, the amount is adjusted for any loss allowances.

If fair value is disclosed for financial assets and liabilities measured at amortised cost, it is calculated by discounting, using a market rate of interest for a similar risk and matching maturity.

The Group always recognises lifetime expected credit losses (ECLs) for trade receivables, which is in line with the simplified approach. The lifetime ECL is estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The provision rates depend on the number of days a receivable is past due:

- Not impaired and not past due: 1.0% of the receivable
- Up to 30 days past due: 1.5% of the receivable
- 31 to 90 days past due: 2.0% of the receivable
- More than 91 days past due: 3.0% of the receivable

For all other financial instruments, the Group recognises lifetime ECLs when there has been a significant increase in credit risk since initial recognition, which is in line with the general approach. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs. The assessment of whether lifetime ECLs should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. In this assessment, the Group considers both quantitative and qualitative data that are reasonable and verifiable, including historical experience and long-term data that are available without unreasonably high costs or efforts. Irrespective of the outcome of the assessment whether there has been a significant increase in credit risk, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition at the latest when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Financial instruments are assigned to one of three credit risk stages:

- Stage 1: Financial instruments at initial recognition and no significant increase in credit risk
- Stage 2: Significant changes in credit risk on the basis of the lifetime expectation of the underlying contract
- Stage 3: Impaired financial instruments

The assignment to the different stages is evaluated on every reporting period. A financial asset is credit-impaired when one or more events have occurred that have a detrimental impact on the estimated future cash flow, such as a default. The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure of default.

For financial assets, expected credit losses are calculated as the present value of the difference between all contractual cash flows payable to the Scania Group under the terms of the contract and all cash flows that the Group expects to receive. If, based on the internal risk management and control systems, there are no grounds for assuming that there will be an increase in credit risk at an earlier point in time, there is a rebuttable presumption in the Scania Group that default has occurred if payments are more than 90 days past due. Appropriate groupings are made when determining the expected credit losses. The financial asset is always derecognised if there are no longer any reasonable expectations that it is collectible.

The loss allowance for the subsequent measurement of Stage 4 financial instruments is measured as the cumulative change in lifetime expected credit loss. These instruments are not reclassified from Stage 4.

Fair value of financial instruments such as trade receivables, trade payables and other non-interest-bearing financial assets and liabilities that are recognised at amortised cost is regarded as coinciding with the carrying amount. With the exception of cash and cash equivalents, financial assets and liabilities carried at amortised cost have mainly been valued according to level 2. Cash and cash equivalents are valued according to level 1. Financial liabilities carried at level 1 are public bonds traded in an active market.

Impairment losses on assets occur only when there is reason to believe that the counterparty will not fulfil its contractual obligations, not as a consequence of changes in market interest rates.

Net gains/losses on financial assets and liabilities measured at amortised cost

	2024	2023
Net gains/losses:		
Financial assets measured at amortised cost	-1,495	108
Financial liabilities measured at amortised cost	-913	-573
Total	**-2,408**	**-465**

Gains and losses due to currency rate differences related to loan receivables and borrowings mainly arise in Scania's treasury unit. Most of the loan receivables that give rise to currency rate differences comprise the treasury unit's receivables from Group companies.

Interest income and expenses on financial assets and financial liabilities measured at amortised cost

	2024	2023
Interest income on financial assets	5,314	6,400
Interest expenses on financial liabilities	-3,272	-3,767
Total	**2,042**	**2,633**

The reason why income diverges from recognised net interest income in financial net is largely that interest income and interest expenses attributable to pensions, leasing and buybacks are excluded.

Accounting policies: Offsetting financial assets and liabilities

Financial assets and financial liabilities are generally reported at their gross carrying amounts. They are only offset if the Group currently has a legally enforceable right to offset the recognised amounts and intends to do so.

Financial assets and liabilities that can be offset against each other consist of derivatives covered by legally binding master netting agreements. Carrying amounts of assets and liabilities amounted to SEK 3,920 m. (2,045) and SEK –3,688 m. (–2,819). The amount that can be offset from each amount was SEK 3,001 m. (1,661).

Reported balances related to TRATON Financial Services remaining assets and liabilities in Scania's cash pool amount per 31 December 2024 to SEK 1,323 m. (8,302) and SEK 216 m. (107).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 29 – EVENTS AFTER THE REPORTING PERIOD

No material events have occurred after the end of the financial year that are expected to have a material effect on the Group's financial statements.

NOTE 30 – ITEMS AFFECTING COMPARABILITY

In 2023 Scania decided to close down the part of the plant in Słupsk, Poland, which was producing bus bodies for Scania chassis. The decision resulted in impairments of assets and restructuring costs which are classified as items affecting comparability. Expenses for 2024 amounted to SEK 81 m. This decision will not affect chassis production in Słupsk nor other Scania entities in Poland.

During 2024 expenses for civil claims from customers amounted to SEK 1,162 m. The costs are related to specific jurisdictions or cases where it is currently possible to make a realistic estimation of the probability of an outflow of resources.

Scania Group, SEK m.	2024	2023
Civil claims	-1,162	-256
Impairment and capital loss in Russia, Vehicles and Services	0	6
Bus production Poland	-81	-928
Total items affecting comparability within Operating income	**-1,243**	**-1,178**
Tax effect	256	237
Total items affecting comparability within Net income	**-987**	**-941**
Items affecting comparability within Net income from discontinued operations	0	-1,012
Total items affecting comparability within Net income from the Group	**-987**	**-1,953**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 31 – SHARES AND PARTICIPATIONS IN SUBSIDIARIES

The following listing shows shareholdings owned directly and indirectly by the Parent Company as of 31 December 2024:

Company	Corporate ID no.	Registered office	Country	% Ownership
Bilmetro Lastbilar i Rekarnesarll AB	556584-2377	Gävle	Sweden	100
Fastighetsbolaget Bängmyrsgården 2 Örebro AB	556610-6416	Stockholm	Sweden	100
Vita Björkhetens Fastighetsbolag AB	559349-5773	Stockholm	Sweden	100
Stop 134 AB	559129-4516	Stockholm	Sweden	100
Fastighetsbolaget Gillbruna Västerås AB	556810-1942	Stockholm	Sweden	100
Fastighetsbolaget Fluoret AB	559072-7688	Stockholm	Sweden	100
Fastighetsaktiebolaget Flygmotorn	556529-9112	Södertälje	Sweden	100
Fastighetsaktiebolaget Hjulbenet	556084-1198	Södertälje	Sweden	100
Fastighetsaktiebolaget Vindkraften	556049-0989	Södertälje	Sweden	100
HTD i Oskarshamn AB	556707-9472	Södertälje	Sweden	100
Kall Tak Holding AB	556648-4739	Södertälje	Sweden	100
LOTS Group AB	556592-9057	Södertälje	Sweden	100
Metrobuss Aktiebolag	556328-9165	Gävle	Sweden	100
MW-hallen Restaurang AB	556616-7747	Södertälje	Sweden	100
Mälardalens Tekniska Gymnasium AB	556548-4754	Södertälje	Sweden	90
Scania Bus Financing AB	556728-9433	Södertälje	Sweden	100
Scania CV AB	556074-0076	Södertälje	Sweden	100
Scania China Holding AB	559405-5435	Södertälje	Sweden	100
Scania DCS AB	559455-0625	Södertälje	Sweden	100
Scania Delivery Center AB	556695-2979	Södertälje	Sweden	100
Scania Growth Capital AB	559090-5624	Södertälje	Sweden	90.10
Scania Growth Capital II AB	559537-6626	Södertälje	Sweden	90.10
Scania Industrial Maintenance AB	556079-4518	Södertälje	Sweden	100
Scania Invest AB	559456-1549	Södertälje	Sweden	100
Scania Overseas AB	556695-2984	Södertälje	Sweden	100
Scania Real Estate Lund AB	556791-9923	Södertälje	Sweden	100
Scania Real Estate Services AB	556695-3034	Södertälje	Sweden	100
Scania Sales and Services AB	556695-3073	Södertälje	Sweden	100
Scania Sverige AB	556061-4621	Södertälje	Sweden	100
Scania Transport laboratorium AB	556528-9284	Södertälje	Sweden	100
Scania Treasury AB	556528-9351	Södertälje	Sweden	100
Scania Trucks & Buses AB	556267-1595	Södertälje	Sweden	100
Scania Vabis 118 AB	556387-4659	Härnösand	Sweden	100
Säljaryrket 6 AB	556528-9167	Södertälje	Sweden	100
Uppsala Danmark Säby 8:1 AB	556783-8881	Gävle	Sweden	100
Veble Fövaltningsaktiebolag	516401-7865	Södertälje	Sweden	100
Vindkraften Arvidstad AB	556622-2367	Södertälje	Sweden	100
Lastbilsspecialisterna AB	556548-4705	Luleå	Sweden	100
Fernuform AB	556528-9120	Luleå	Sweden	100
Scania Argentina S.A.	30-51742400-9	Buenos Aires	Argentina	100
Scania Australia Pty Ltd.	637333	Melbourne	Australia	100
Scania Real Estate Österreich GmbH	FN95419y	Bruck am Gebirge	Austria	100
Scania Österreich GmbH	FN96662x	Bruck am Gebirge	Austria	100
Scania Belgium N.V.	BE0402.607.527	Meerbeek-Over-Heembeek	Belgium	100
Scania Real Estate Belgium N.V.	BE0423.251.491	Meerbeek-Over-Heembeek	Belgium	100

Company	Corporate ID no.	Registered office	Country	% Ownership
Scania BH d.o.o.	4200356346010007	Sarajevo	Bosnia-Herzegovina	100
Scania Botswana (Pty) Ltd.	CO.2010/150145	Gaborone	Botswana	100
Codema Comercial e Importadora Ltda.	60.349.197/0001-60	Guarulhos	Brazil	99.99
LOTS Latin América Logística de Transportes Ltda.	24.094.173/0001-96	São Bernardo do Campo	Brazil	100
Scania Latin America Ltda.	59.104.959/0001-75	São Bernardo do Campo	Brazil	100
Scania Bulgaria EOOD	BG121756681	Sofia	Bulgaria	100
Scania Real Estate Bulgaria EOOD	BG207549120	Sofia	Bulgaria	100
LOTS Ventures Canada Inc.	BC1306496	Victoria British Columbia	Canada	50
Scania Chile S.A.	96.532.460-K	Santiago de Chile	Chile	100
LOTS Chile S.p.A.	77.418.964-5	Santiago de Chile	Chile	100
Lots Logistics (Guangxi) Co Ltd	92956526-9	Beihai, Guangxi Province	China	100
Qingdao Sinoform Auto Parts Comp Ltd.	91370282MA0M5HW34A	Qingdao City	China	74
Scania Research & Development (Jiangsu) Co., Ltd.	91320682MA1D0Y7X1Q	Rugao City	China	100
Scania Production (China) Co., Ltd.	91360624754233981N	Rugao City	China	100
Shanghai Tedatong Heavy Duty Truck Sales Co., Ltd.	91310000MA1DHC92N9F	Shanghai	China	100
Scania Sales (China) Co.,Ltd.	110000450000166[illegible]	Beijing	China	100
Scania Sales and Service (Guangzhou) Co., Ltd.	440101400126337	Guangzhou	China	100
Scania (Hong Kong) Ltd.	1205987	Hong Kong	China	100
Scania Colombia S.A.S.	900.353.873-2	Bogotá	Colombia	100
Scania Cote D'Ivoir SA	CI-2024-C0116214	Abidjan	Cote D'Ivoir	100
Scania Hrvatska d.o.o.	80213913	Zagreb	Croatia	100
Scania Czech Republic s.r.o.	026125186	Praha	Czech Republic	100
Scania Real Estate Czech Republic s.r.o.	24196746	Praha	Czech Republic	100
Scania Danmark A/S	DK17045210	Ishøj	Denmark	100
Scania Danmark Ejendom Aps	33156322	Ishøj	Denmark	100
Scania Eesti AS	10229272	Tallinn	Estonia	100
Scania Real Estate Finland Oy	26536582-1	Helsinki	Finland	100
Scania Real Estate Holding Oy	2566377-5	Helsinki	Finland	100
Scania Suomi Oy	0282014-4	Helsinki	Finland	100
Emtion S.A.S.	93497417 3	Lyon	France	100
Scania France S.A.S.	347765384	Angers	France	100
Scania Holding France S.A.S.	403932795	Angers	France	100
Scania IT France S.A.S.	41228262[illegible]	Angers	France	100
Scania Production Angers S.A.S.	378442982	Angers	France	100
Scania Real Estate France S.A.S.	78961243100011	Angers	France	100
Tachy Experts S.A.S	824579163	Angers	France	100
Emtion GmbH	HRB 105884	Düsseldorf	Germany	100
LOTS Germany GmbH	HRB 29153	Koblenz	Germany	100
Scania CV Deutschland Holding GmbH	HRB 6577	Koblenz	Germany	100
SCANIA DEUTSCHLAND GmbH	HRB 532	Koblenz	Germany	100
SCANIA Real Estate Deutschland Holding GmbH	HRB 25708	Koblenz	Germany	100
SCANIA Vertrieb und Service GmbH	HRB 20490	Koblenz	Germany	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 31 – SHARES AND PARTICIPATIONS IN SUBSIDIARIES, CONTINUED

Company	Corporate ID no.	Registered office	Country	% Ownership
Scania West Africa Ltd.	CS/450/2014	Accra	Ghana	100
Ennvirus Ltd	1694338/23	Milton Keynes	Great Britain	100
Scania Great Britain Ltd.	830197	Milton Keynes	Great Britain	100
Scania Real Estate (UK) Ltd.	7648886	Milton Keynes	Great Britain	100
Griffin Automotive Ltd.	279221606	Road Town	Great Britain	100
Scania Hungaria Kft.	10415577	Biatorbágy	Hungary	100
Scania Real Estate Hungaria Kft.	13-09-168819	Biatorbágy	Hungary	100
Scania Commercial Vehicles India Pvt. Ltd.	U29599MH2011PTC056598	Bangalore	India	100
SST Sustainable Transport Solutions India Private Ltd	U74999MH2017PTC295092	Nagpur	India	99.99
PT Scania Parts Indonesia	AHU-036655.AH.01.10.2014	Balikpapan	Indonesia	100
Malkoscania S.p.A.	IT04911701158	Trento	Italy	100
Scania Commerciale S.p.A.	IT 01194480228	Trento	Italy	100
Scania Milano S.p.A.	IT 02170120220	Trento	Italy	100
M.N.S. S.r.L.	IT 15416560227	Trento	Italy	52.5
Scania Japan Ltd.	0104-01-082452	Tokyo	Japan	100
Scania Central Asia LLP	84951-1910-TOO	Almaty	Kazakhstan	100
Scania East Africa Ltd.	P051426802Z	Nairobi	Kenya	100
Scania Real Estate Kenya Ltd.	P-T-XYUME96	Nairobi	Kenya	100
Scania Latvia SIA	50003918401	Riga	Latvia	100
UAB Scania Lietuva	123873025	Vilnius	Lithuania	100
Scania Luxembourg S.A.	B83344	Münsbach	Luxembourg	100
Scania Real Estate Holding Luxembourg S.à.r.l.	B183795	Münsbach	Luxembourg	100
Scania (Malaysia) Sdn. Bhd.	5126-D	Shah Alam	Malaysia	100
Scania Comercial, S.A. de C.V.	SCO031124MF5	Queretaro	Mexico	100
Scania Servicios, S.A. de C.V.	SSE031124MF5	Queretaro	Mexico	100
Scania Maroc S.A.	61934/2	Casablanca	Morocco	100
Scania Moçambique, S.A.	100453150	Beira	Mozambique	100
Scania Crna Gora d.o.o	50360331	Podgorica	Montenegro	100
Scania Namibia (Pty) Ltd.	2004/438	Windhoek	Namibia	100
Scania New Zealand Limited	9429041706826	Wellington	New Zealand	100
Scania Real Estate New Zealand Limited	9429041425609	Auckland	New Zealand	100
Scania Makedonija d.o.o.e.l.	7027532	Ilinden	North Macedonia	100
Ennvirus A/S	933792342	Oslo	Norway	100
Norsk Scania AS	979265882	Oslo	Norway	100
Norsk Scania Eiendom AS	936009546	Oslo	Norway	100
Scania del Perú S.A.	20101263018	Lima	Peru	100
Scania Real Estate Polska Sp.z o.o.	453941	Nadarzyn	Poland	100
Scania Production Słupsk S.A.	KRS 0000039601	Słupsk	Poland	100
Scania Portugal Unipessoal Lda.	PT501292935	Santa Iria de Azóia	Portugal	100
Scania Investimentos Imobiliários S.A.	PT503834818	Palmela	Portugal	100
Scania Real Estate Romania S.R.L.	J23/2519/2011	Ciorogarla	Romania	100
Scania Romania S.R.L.	J23/538/27.04.2004	Ciorogarla	Romania	100
Scania Senegal SUARL	SN.DKR.2018.B.25849	Dakar	Senegal	100
Scania Srbija d.o.o.	17333221	Kmijesevci	Serbia	100
Scania Singapore Pte. Ltd.	200309533R	Singapore	Singapore	100

Company	Corporate ID no.	Registered office	Country	% Ownership
Scania Real Estate Slovakia s.r.o.	44757563	Senec	Slovakia	100
Scania Slovakia s.r.o.	35826649	Senec	Slovakia	100
Scania Slovenija d.o.o.	1124773	Ljubljana	Slovenia	100
Scania South Africa Pty Ltd.	1995/001275/07	Aeroton	South Africa	100
Scania Korea Group Ltd.	110111-5304681	Seoul	South Korea	100
Scania Hispania S.A.	A58396734	San Fernando de Henares	Spain	100
Scania Real Estate Hispania, S.L.U.	B66882002	San Fernando de Henares	Spain	100
SLA Treasury Spain S.L.U.	B67628788	Barcelona	Spain	100
Scania Schweiz AG	CH-020.3.926.624-8	Kloten	Switzerland	100
Scania Real Estate Schweiz AG	CH-020.3.035.714-4	Kloten	Switzerland	100
Scania Tanzania Ltd.	39328	Dares Salaam	Tanzania	100
Power Vehicle Co. Ltd.	1055547132895	Bangkok	Thailand	100
Scan Siam Service Co. Ltd.	1055545023525	Bangkok	Thailand	100
Scania Siam Co. Ltd.	1055543060121	Bangkok	Thailand	100
Scania Thailand Co. Ltd.	1055340998031	Bangkok	Thailand	100
Scania Group (Thailand) Co., Ltd.	1155600031222	Smutprakarn	Thailand	100
Scania Manufacturing (Thailand) Co., Ltd.	1155600031375	Smutprakarn	Thailand	100
Ennvirus B.V.	59609737	Amsterdam	The Netherlands	100
Scania Nederland B.V.	27136921	Breda	The Netherlands	100
Scania Real Estate The Netherlands B.V.	59597921	Breda	The Netherlands	100
Scania Production Meppel B.V.	50466846	Meppel	The Netherlands	100
Scania IT Nederland B.V.	50624012	Zwolle	The Netherlands	100
Scania Logistics Netherlands B.V.	56552755	Zwolle	The Netherlands	100
Scania Production Zwolle B.V.	50203370	Zwolle	The Netherlands	100
Scania Middle East FZE	160175	Dubai	The United Arab Emirates	100
TOV Kyiv-Scan	35706453	Kyiv	Ukraine	100
TOV Scania Ukraina	30107866	Kyiv	Ukraine	100
TOV Scania-Lviv	37497168	Lviv	Ukraine	100
TOV Donbas-Scan-Service	34516735	Mariupol	Ukraine	100
LOTS Ventures USA Inc.	87-3364676	Wilmington/DE	United States	75
LOTS SPV USA LLC	87-3375105	Wilmington/DE	United States	75
Bellwether Forest Products LLC	81-3365693	Camden/SC	United States	100
Scania USA Inc.	06-1285916	San Antonio/TX	United States	100
Scania Holding Inc.	4016419	Wilmington/DE	United States	100
Scania Americas S.A.	21.492531.0012	Montevideo	Uruguay	100
Scania de Venezuela S.A.	J-305328294-3	Valencia	Venezuela	100

Dormant companies are not included.

PARENT COMPANY FINANCIAL STATEMENTS, SCANIA CV AB

Parent company, Income statement

January – December, SEK m.	Note	2024	2023
Net sales	1	128,418	129,925
Cost of goods sold		-105,717	-109,355
Gross income		22,701	20,570
Research and development expenses		-15,160	-12,435
Selling expenses		-3,786	-2,825
Administrative expenses		-4,079	-2,785
Operating income		-324	2,525
Financial income and expenses	2		
Share of income from Group companies		18,079	23,453
Share of income in associated company/other companies		-	-
Interest income		7,510	5,120
Interest expenses		-9,582	-8,340
Net financial items		16,007	20,233
Income after financial items		15,683	22,758
Allocations	3	1,036	826
Income before taxes		16,719	23,584
Taxes	4	303	-844
Net income		17,022	22,740

Statement of other comprehensive income

January – December, SEK m.	2024	2023
Net income	17,022	22,740
Other comprehensive income	-	-
Total comprehensive income	17,022	22,740
Depreciation/amortisation included in operating income	*5*	*-2,676*	*-2,414*

Parent company, Balance sheet

31 December, SEK m.	Note	2024	2023
ASSETS			
Non-current assets			
Intangible non-current assets	6	619	391
Tangible non-current assets	7	22,946	21,588
Financial non-current assets			
Shares in group companies	8	79,088	104,733
Holdings in associated companies etc.	8	922	968
Long-term interest-bearing receivables, group companies	10	1,935	1,253
Other long-term interest-bearing receivables		1,115	6,308
Other long-term non-interest bearing receivables		2,356	1,532
Tax receivable		1,207	849
Deferred tax assets		933	454
Total financial non-current assets		86,556	116,077
Total non-current assets		109,923	137,996
Current assets			
Inventories	9	13,789	16,599
Current receivables			
Trade receivables		2,054	1,865
Other interest-bearing receivables		15,454	11,931
Interest-bearing receivables, group companies	10	11,846	19,564
Non-interest-bearing receivables, group companies		12,772	13,134
Tax receivables		621	531
Other current receivables	11	3,709	2,951
Total current receivables		46,456	49,976
Short-term investments		32,319	15,638
Cash and bank balances		5,063	1,120
Total current assets		97,627	83,333
Total assets		207,550	221,329

PARENT COMPANY FINANCIAL STATEMENTS, SCANIA CV AB

Parent company, Balance sheet

31 December, SEK m.	Note	2024	2023
EQUITY AND LIABILITIES			
	12		
Equity			
Share capital		100	100
Statutory reserve		20	20
Revaluation reserve		27	27
Total restricted equity		147	147
Unrestricted reserves		49,536	32,798
Net income		17,022	22,740
Total unrestricted equity		66,560	55,538
Total equity		66,707	55,685
Provisions			
Provisions for pensions	13	4,670	4,303
Other provisions	14	3,640	2,335
Total provisions		8,310	6,638
Liabilities			
Long-term interest-bearing liabilities	15	6,000	63,006
Other long-term liabilities		2,663	2,000
Current liabilities			
Current interest-bearing liabilities	15	15,244	36,419
Advance payments from customers		122	143
Trade payables		14,145	14,957
Liabilities, group companies		84,896	33,587
Tax liabilities		-	-
Other current liabilities		1,877	2,066
Accrued expenses and deferred income	16	7,586	6,998
Total current liabilities		123,870	94,003
Total equity and liabilities		207,550	221,329

Parent company Statement of changes in equity

Note 12 shows a complete reconciliation of all changes in equity.

2024	Share capital	Statutory reserve	Revaluation reserve	Unrestricted shareholders' equity	Total
Equity, 1 January	100	20	27	55,538	55,685
Net income				17,022	17,022
Other comprehensive income				-	-
Total comprehensive income				17,022	17,022
Dividend				-6,000	-6,000
Equity, 31 December	100	20	27	66,560	66,707

2023	Share capital	Statutory reserve	Revaluation reserve	Unrestricted shareholders' equity	Total
Equity, 1 January	100	20	27	42,398	42,545
Net income				22,740	22,740
Other comprehensive income				-	-
Total comprehensive income				22,740	22,740
Dividend				-9,600	-9,600
Equity, 31 December	100	20	27	55,538	55,685

PARENT COMPANY FINANCIAL STATEMENTS, SCANIA CV AB

Parent company, Cash flow statement

January – December, SEK m.	2024	2023
Cash flow from operating activities		
Income before tax	16,719	29,585
Items not affecting cash flow		
Write-down of shares	27,145	1,009
Depreciation/Amortisations	2,676	274
Change in tax allocation reserve	-	-
Capital loss on sales of fixed assets	89	185
Capital loss on sales of shares	-91	-10,499
Bad debts	3	29
Group contribution, not settled	-1,036	1,314
Total items not affecting cash flow	28,796	-7,699
Taxes paid	-645	-265
Cash flow from the operating activities before changes in working capital	44,870	15,621
Cash flow change in working capital		
Inventories	2,810	-2,633
Receivables	9,072	-20,332
Provisions for pensions	370	361
Non-interest bearing liabilities and provisions	1,359	-567
Total change in working capital	13,611	-22,017
Cash flow from operating activities	58,481	-6,396
Investing activities		
Investment in intangible fixed assets	-444	-255
Investment in tangible fixed assets	-3,367	-4,468
Divestments of tangible fixed assets	0	76
Investment in shares	-1,275	-4,367
Divestments of shares	89	22,032
Cash flow from investing activities	-4,997	13,118
Cash flow before financing activities	53,484	6,721
Financing activities		
Change of interest-bearing Group transactions	54,337	-3,721
Change in consolidated transactions	-2,828	2,091
Interest on borrowings	-558	491
New borrowings	-	35,209
Amortisation	-77,811	-27,465
Dividend	-6,000	-9,600
Cash flow from financing activities	-32,860	-2,955
Cash flow for the year	20,624	3,767
Cash and cash equivalents, 1 January	16,758	12,992
Cash and cash equivalents, 31 December	37,382	16,758
Paid interests and dividends		
Interest received during the year	7,443	4,865
Interest paid during the year	-10,042	-7,573
Received dividends during the year	44,966	19,109
Paid dividends during the year	-6,000	-9,600

Parent company accounting policies

The parent company manufactures and sells heavy trucks, buses and engines. The business is conducted in Sweden but also through operations abroad. Sales are made to owned or independent distributors.

Invoicing during the year amounted to SEK 128,418 m. (129,925) and the operating profit after depreciation to SEK –324 m. (2,525). The parent company's, Scania CV AB, invoicing referred to sales amounted to 89 percent (91) within Scania CV group while 18 percent (19) of the material purchases were from subsidiaries. On 1 April 2023, the former Financial Services segment was sold to TRATON. The financial net amounted to SEK 16,007 m. (20,233), appropriations SEK 1,036 m. (626) and the annual tax SEK 303 m. (–844) which resulted in a net profit of SEK 17,022 m. (22,740). The gross investments in intangible fixed assets amounted to SEK 22m. (56) and for tangible fixed assets the gross investment amounted to SEK 3,788 m. (4,569).

Regarding the description of risks and uncertainties, reference is made to the company's and Group's joint statements.

PARENT COMPANY ACCOUNTING POLICIES

The Parent Company has prepared its Annual Report in compliance with Sweden's Annual Accounts Act and Recommendation RFR 2 "Accounting for Legal Entities" of the Swedish Financial Reporting Board. RFR 2 implies that the Parent Company in the Annual Report of a legal entity shall apply all International Financial Reporting Standards and interpretations approved by the EU as far as this is possible within the framework of the Annual Accounts Act, and taking into account the relationship between accounting and taxation. The recommendation states what exceptions from IFRS and additions shall be made.

Presentation formats

The presentation format for the parent company's income statements and balance sheets follows the model in Sweden's Annual Accounts Act. The difference compared to the consolidated income statement and balance sheet is mainly related to equity and provisions.

Employee compensation

The parent company accounts for its defined-benefit plans in compliance with Sweden's Security of Income Act. The difference between the consolidated and parent company accounting of defined-benefit plans is primarily related to how the discount rate is established and the fact that calculation of pension liability is performed on the basis of current salary level without taking into account assumptions about future salary increases.

Research and Development expenses

Research and Development expenses are recognised in the income statement as incurred.

Leases

The parent company does not apply IFRS 16 Leases. Lease payments are expensed on an straight-line basis over the lease term.

Subsidiaries

Holdings in subsidiaries are recognised in the Parent Company financial statements according to the cost method of accounting. Testing of the value of subsidiaries occurs when there is an indication of a decline in value. Dividends received from subsidiaries are recognised as income.

Anticipated dividends

Anticipated dividends from subsidiaries are recognised in cases where the Parent Company has the exclusive right to decide on the size of the dividend and the Parent Company has made a decision on the size of the dividend before having published its financial reports.

Taxes

The Parent Company financial statements recognise untaxed reserves including deferred tax liability. The consolidated financial statements, however, reclassify untaxed reserves to deferred tax liability and equity.

Group contributions

The Parent Company recognises Group contributions received and provided as appropriations in the income statement.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 1 Net sales

	2024	2023
Trucks	94,609	98,134
Buses	4,228	5,137
Power Solutions	2,636	3,361
Gearboxes	90	602
Service-related products	15,655	15,041
Components	8,882	6,303
Other products	2,319	1,347
Total	128,418	129,925

Of the total net sales, SEK 128,418 m. (129,925), SEK 6,166 m. (7,164), is related to sales within Sweden, SEK 81,694 (85,430) m. was sales to countries within Europe and SEK 40,558 m. (37,331) sales to countries outside Europe. Sales to Group companies amounted to SEK 116,755 m. (116,398).

Note 2 Financial income and expenses

	2024	2023
Income from participations in group companies		
Loss sales of shares	-1	-28
Profit sales of shares	82	10,527
Dividends received[1]	44,956	13,109
Write-down of shares[1]	-26,958	-165
Reversal write-down of shares	0	40
Total income from participations in group companies	18,079	23,483
Income from participations in associated companies and other companies		
Dividends received	-	-
Write-down of shares	-	-
Total income from participations in associated companies and other companies	-	-
Interest income and other financial income		
Interest income from Group companies	1,431	2,250
Interest income from others	5,542	2,801
Market valuation derivatives	0	0
Other financial income[2]	537	69
Total interest income and other financial income	7,510	5,120
Interest expenses and other financial expenses		
Interest expenses to Group companies	-2,961	-1,764
Interest expenses on borrowings	-5,867	-5,467
Interest on pension liabilities (PRI)	-134	-123
Market valuation derivatives	-167	-828
Other financial expenses[2]	-413	-178
Total interest expenses and other financial expenses	-9,582	-8,340
Net financial items	16,007	20,263

[1] Restructuring Treasury operations, of which SEK 26 billion was write-down of shares and SEK 30 billion was dividend.
[2] Exchange rate differences and unrealised gains of SEK 20,121 m. (14,571) and unrealised losses of SEK 19,966 m. (14,698) attributable to foreign exchange included net.

Note 3 Allocations

	2024	2023
Allocated to excess depreciation:		
Machinery and Equipment	-	2140
Allocated to tax allocation reserve	-	-
Group contribution from subsidiaries	1,178	1,335
Group contribution to subsidiaries	-142	-3,149
Total	1,036	826

Note 4 Taxes

Tax income/expense for the year	2024	2023
Current tax	-196	-88
Deferred tax	499	-755
Total	303	-844

Deferred tax is attributable to the following	2024	2023
Deferred tax related to temporary differences	499	-755
Deferred tax related to new accounting principle	-	-
Total	499	-755

Reconciliation of effective tax	2024 Amount	%	2023 Amount	%
Income before tax	16,719		23,595	
Tax calculated using Swedish tax rate	-3,444	20.6	-4,868	20.6
Tax effect and percentage influence:				
Tax-exempt dividends	9,063	-54	2,412	-10
Tax-exempt capital gain	17	0	2,169	-9
Tax-exempt income	0	0	0	0
Non-deductible expenses	-207	-1	-540	-2
Tax on standard income concerning the tax allocation reserve	-	-	-	0
Write-down of shares	-5,632	34	-32	0
Tax reduction PPE	-	-	-134	1
Valuation of deferred tax assets previously not recognised	501	-3	-122	-1
Adjustment for taxes pertaining to previous years	-15	0	-18	0
Tax recognised	303	-2	-844	4

Deferred tax assets and tax liabilities are attributable to the following:	2024	2023
Deferred tax assets		
Provisions for pensions	537	460
Tax losses	450	-
Other reserves	150	140
Total deferred tax assets	1,137	620
Deferred tax liabilities		
Receivables	-21	-
Buildings and land	-183	-186
Total deferred tax liabilities	-204	-186
Net deferred tax liabilities	933	434

Reconciliation of net deferred tax liabilities	2024	2023
Carrying values 1 January	434	1,190
Deferred tax recognised in the year's income	499	-756
Deferred tax liabilities, 31 December	933	434

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 5 Depreciation/Amortisation

The operating income has been charged with depreciation/amortisation distributed by function according to the table below:

	2024	2023
Intangible fixed assets		
Cost of goods sold	-48	-16
Research and development expenses	-27	-27
Selling expenses	-12	-12
Administrative expenses	-69	-5
Total amortisation	-156	-61
Tangible fixed assets		
Cost of goods sold	-2,279	-2,034
Research and development expenses	-240	-202
Selling expenses	0	-1
Administrative expenses	-1	-5
Impairment	0	-51
Total depreciation	-2,520	-2,353
Total depreciation/amortisation	-2,676	-2,414

Note 6 Intangible fixed assets

	Software	
	2024	2023
Accumulated acquisition value		
1 January	588	392
New acquisitions	22	56
Reclassification from tangible fixed assets	423	204
Reclassification to other assets	-	-
Divestments and disposals	-9	-64
Total	1,024	588
Accumulated amortisation		
1 January	257	201
New acquisitions	-	-
Reclassification from tangible fixed assets	1	5
Reclassifications to other balance sheet items	-	-
Divestments and disposals	-9	-10
Depreciation for the year	156	61
Total	405	257
Carrying amount, 31 December	619	331

Of the reported value of capitalised software, none is related to internally developed assets.

Note 7 Tangible fixed assets

	Buildings and land	Machinery and equipment	Construction in progress
2024			
Accumulated acquisition value			
1 January	7,907	35,908	6,219
Additions	26	270	3,492
Reclassifications to other BS items	-	-	-
Reclassifications	803	2,674	-3,477
Reclassification to intangible fixed assets	-	-	-423
Divestments and disposals	-	-577	-6
Total	8,736	38,275	5,805
Accumulated depreciation			
1 January	3,001	25,472	
Depreciation for the year	263	2,257	
Additions	-	-	
Divestments and disposals	-	-495	
Reclassifications	-1	-	
Total	3,263	27,234	
Accumulated revaluation			
1 January	27		
Total	27		
Carrying amount, 31 December	5,500	11,041	5,805
-of which Machinery		8,123	
-of which Special Tools		1,093	
-of which Equipment		1,825	

	Buildings and land	Machinery and equipment	Construction in progress
2023			
Accumulated acquisition value			
1 January	7,784	34,694	4,103
Additions	8	294	4,257
Reclassifications to other BS items	-	-	-51
Reclassifications	115	1,917	-2,032
Reclassification to intangible fixed assets	-	-204	-
Divestments and disposals	-	-793	-58
Total	7,907	35,908	6,219
Accumulated depreciation			
1 January	2,763	24,065	
Depreciation for the year	239	2,064	
Additions	1	1	
Divestments and disposals	-	-653	
Reclassifications	-1	-5	
Total	3,001	25,472	
Accumulated revaluation			
1 January	27	-	
Total	27	0	0
Carrying amount, 31 December	4,933	10,436	6,219
-of which Machinery		7,770	
-of which Special Tools		979	
-of which Equipment		1,687	

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 8 Shares and participation

Shares and participations	Subsidiaries	Associated companies	Other companies
2024			
Accumulated acquisitions			
1 January	123,548	256	716
New acquisitions	0	0	0
New share issue/contribution	1,233	415	9
Sales	-78	-	-
Capital reduction	-	-	-
Liquidation	-	-	0
Reclassification	89	0	-89
Total	124,793	671	636
Accumulated write-downs			
1 January	-18,815	-1	-3
Write-downs of the year	-26,958	-	-
Sales	70	-	-381
Liquidation	-	-	0
Total	-45,704	-1	-384
Carrying amount, 31 December	79,088	670	252

Shares and participations	Subsidiaries	Associated companies	Other companies
2023			
Accumulated acquisitions			
1 January	130,918	255	564
New acquisitions	3	0	1
New share issue/contribution	4,074	-	151
Sales	-11,547	-	-
Capital reduction	-	-	-
Liquidation	-	-	0
Reclassification	0	0	0
Total	123,548	255	716
Accumulated write-downs			
1 January	-18,673	-1	-3
Write-downs of the year	-156	-	-
Reduction of share capital	14	-	-
Liquidation	-	-	0
Total	-18,815	-1	-3
Carrying amount, 31 December	104,733	255	713

Subsidiary	Corporate ID number	Registered office	% Ownership[1]	Carrying amount 2024	Carrying amount 2023
Scania Traktion 16 AB	559357-4659	Södertälje/Sverige	100	3	3
Fematum AB	556525-5120	Lulea/Sverige	100	50	150
Griffin Automotive Ltd	6369 76	Road Town/Storbritannien	100	11	11
HTD Oosterhaam	536707-3472	Södertälje/Sverige	100	8	8
Lexa Specialfordon AB	556548-4705	Lexa/Sverige	100	150	150
LDTC group AB	556593-3057	Södertälje/Sverige	100	222	306
MW Italien Restaurang AB	556618-7747	Södertälje/Sverige	100	2	2
Mälardalens Tekniska Gymnasium AB	556548-4754	Södertälje/Sverige	86	1	1
Scania (Malaysia) Sdn Bhd	51660 6 D	Kuala Lumpur/Malaysia	100	37	37
Scania Argentina S.A.	30-71142410-9	Buenos Aires/Argentina	100	358	358
Scania Australia Pty Ltd	000537338	Melbourne/Australien	100	181	181
Scania Banco Brasil	CNPJ 01 447 0162 0001	São Fernando do Campo/Brasil	100	0	0
Scania Belgium SA-NV	BE 0402 607 507	Ieder-Over Heembeek/Belgien	99,99	76	76
Scania Bosnia Hercegovina d.o.o.	4200383450007	Sarajevo/Bosnien-Hercegovina	100	13	13
Scania Bulgaria EOOD	BG121796801	Sofia/Bulgarien	100	14	14
Scania Central Asia LLP	64931-1910-TOO	Almaty/Kazakhstan	100	17	17
Scania Chile S.A.	96.824.460-K	Santiago/Chile	99,99	0	0
Scania China Holding AB	5764015435	Södertälje/Sverige	100		
Scania Commercial Vehicles Pvt Ltd, India	CIN:U50299KA2011PTC058824	Bangalore/Indien	99,99	0	0
Scania Credit Argentina S.A.U.	30-71702399-0	Rosario/Argentina	100	0	1
Scania Cma Cma Cgm d.o.o.	50951631	Danilovgrad/Montenegro	100	2	2
Scania Ceska Republika s.r.o.	07512711166	Prag/Tjeckien	100	30	30
Scania del Peru S.A.	101 363300	Lima/Peru	3,6	15	17
Scania DOS AB	556455-1627	Södertälje/Sverige	100	65	
Scania Delivery Center AB	556598-2976	Södertälje/Sverige	100	5	7
Scania Leasing AS	102301/2	Idlink/Lettland	100	8	9
Scania Holding Iberica S.A.S	401022705	Angers/Frankrike	99,99	479	479
Scania Group Thailand Co. Ltd	0115560013613	Bangkok/Thailand	99,99	0	0
Scania Growth Capital AB	559000-5521	Södertälje/Sverige	90,1	405	405
Scania Growth Capital II AB	559336-3497	Södertälje/Sverige	90,1	911	240
Scania Holding Inc	4018519	Wilmington/USA	100	100	100
Scania Hong Kong Limited	1206307	Hong Kong/China	100	0	0
Scania Hungaria Kft	HU10418577	Budaörs/Ungern	100	36	36
Scania Invest AB	559000-5521	Södertälje/Sverige	100	111	-
Scania IT AB	556084-1305	Södertälje/Sverige	100	-	62
Scania IT France S.A.S	412223625	Angers/Sverige	100	1	1
Scania IT Nederland B.V.	09162402	Zwolle/Nederländerna	100	2	2
Scania Japan Limited	0104-01-108482	Tokyo/Japan	100	0	0
Scania Korea Seoul Ltd	110111-5301621	Seoul/Sydkorea	100	44	44
Scania Kransjan AB	556053-4700	Södertälje/Sverige	100	5	5
Scania Latin America Ltd	59.107.920/0001-75	São Bernardo/Brasilien	100	2,158	2,158
Scania Latvia SIA	LV90231110410	Riga/Lettland	100	11	11
Scania Logistics Netherlands B.V.	NL8521 92 857 B01	Zwolle/Nederländerna	100	9	9
Scania Luxembourg S.A.	LU1062911-16	Mühlenbach/Luxemburg	99,96	25	25
Scania Industrial Maintenance AB	556000-4819	Södertälje/Sverige	100	20	62
Scania Maskonsult o.v.v.	7027532	Linköping/Nederländerna	100	1	1
Scania Manufacturing (Thailand) Co. Ltd	0115560001375	Bangkok/Thailand	99,99	0	0
Scania Middle East FZE	140475	Jebel Ali Free zone/Dubai	100	2	2
Scania Production (China)Co. Ltd	91360124754231 38YN	Rugao City, Jiangsu Provinces/China	100	1,856	1,433
Scania New Zealand Ltd	9429041706823	Wellington/Nya Zeeland	100	214	214
Scania Omni AB	556000-5609	Södertälje/Sverige	100	3	3
Scania Overseas AB	556559-2204	Södertälje/Sverige	100	133	133
Scania Polska S.A.	5521-10-14-539	Warszawa/Polen	100	80	80
Scania Portugal S.A.	PT502202 9995	Scania Frotas Ativos/Portugal	100	110	110
Scania Production Meppel B.V.	09048246	Meppel/Nederländerna	100	96	96
Scania Production Słupsk S.A.	839-000-5240	Słupsk/Polen	100	9	9
Scania Production Zwolle B.V.	09023970	Zwolle/Nederländerna	100	418	418
Scania Real Estate Services AB	556593-2024	Södertälje/Sverige	100	918	915
Scania Romania S.r.L.	J40/17058/1999	Bukarest/Rumänien	99,99	18	18
Scania Sales and Services AB	556635-5073	Södertälje/Sverige	100	16,262	16,235
Scania Schweiz AG	CH-020.3.925.024-8	Kloten/Schweiz	100	166	166

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Scania Senegal Sarl	SN DKR 2015 B 2 5940	Dakar/Senegal	100	9	3
Scania Siam Co., Ltd	0303011377 4	Bangkok/Thailand	48,49	95	95
Scania Singapore Pte Ltd	200109943R	Singapore/Singapore	100	9	9
Scania Slovakia s.r.o.	35822649	Senec/Slovakia	100	0	0
Scania Slovenia d.o.o.	1124773	Ljubljana/Slovenia	100	35	35
Scania Srbija d.o.o.	17333621	Belgrad/Serbien	100	11	11
Scania Sverige Bilservice AB	556469-0556	Södertälje/Sverige	100	25	25
Scania Tanzania Ltd	39320	Dar Es Salaam/Tanzania	100	62	62
Scania Thailand Co., Ltd	3011704239	Bangkok/Thailand	49,99	3	3
Scania Transportlaboratorium AB	556626-2234	Södertälje/Sverige	100	1	1
Scania Treasury AB	556829-0051	Södertälje/Sverige	100	62,690	79,073
Scania Trucks and Buses	556267-1685	Södertälje/Sverige	100	6	68
Scania Ukraine LLC	32110766	Kiev/Ukraine	100	4	4
Scania USA Inc	05-4260151	San Antonio/USA	100	14	14
Scania Österreich GmbH	AT U66543000	Ursprung am Gebirge/Österreich	100	141	141
Scania Österreich Holding GmbH	FN 315629 D	Ursprung am Gebirge/Austria	100	-	-
SOL Biosyntuotto Finland Oy	2552578	Lahti/Finland	100	0	0
UAB Scania Lietuva	1239/2025	Vilnius/Lithuania	100	10	10
Volvo Fordelningsaktiebolag	516401-7856	Södertälje/Sverige	100	100	100
Övrigt				3	3
Shares in subsidiaries, carrying amount				79,088	104,738

[1] Refers to both proportion of equity and share of voting power

Associated companies	Corporate ID number	Registered office	% Ownership[1]	Carrying amount 2024	Carrying amount 2023
e-mobility GmbH	HRB 170453 B	Berlin/Germany	5,09	664	285
Scania-MAN Administration ApS	36805601 94	Copenhagen/Denmark	50	0	0
Södertälje Science Park	36805601 94	Södertälje/Sweden	25	1	0
Ichemotics Solutions GmbH	HRB220709 B	Berlin/Germany	45,73	5	0
Shares in associated companies				670	285

[1] Refers to both proportion of equity and share of voting power

Note 9 Inventories

	2024	2023
Raw materials, components and supplies	4,103	5,043
Work in progress	1,775	2,254
Finished goods	7,911	9,299
Total	13,789	16,596
Value adjustment reserve, 31 December	-684	-179

Note 10 Long- and short-term interest-bearing receivables, Group Companies

	2024	2023
Receivables, Vehicles and Services	13,181	20,817
Total	13,181	20,817

Note 11 Other short-term receivables

	2024	2023
Prepaid expenses and deferred income	1,089	966
Other short-term receivables	2,620	1,985
Total	3,709	2,951

Note 12 Shareholders' equity

The shareholders' equity of the Parent company has changed as follows:

2024	Share capital	Statutory reserve	Revaluation reserve	Unrestricted shareholders equity	Total
1 January according to adopted balance sheet	100	20	27	55,539	55,685
Dividend				-6,000	-6,000
Net income for the year				17,022	17,022
Balance, 31 December	100	20	27	66,560	66,707

2023	Share capital	Statutory reserve	Revaluation reserve	Unrestricted shareholders equity	Total
1 January according to adopted balance sheet	100	20	27	42,398	42,545
Dividend				-9,600	-9,600
Net income for the year				22,740	22,740
Balance, 31 December	100	20	27	55,538	55,685

Scania CV AB consists of a share capital of 1,000,000 shares with a nominal value of SEK 100 a-piece.

Under Swedish law, equity shall be allocated between non-distributable (restricted) and distributable (unrestricted) equity.

Restricted equity consists of share capital and non-distributable equity. Scania CV AB has 1,000,000 shares outstanding with voting rights of one vote per share. The shares have the nominal value of SEK 100 a-piece. All shares are fully paid and no shares are reserved for transfer of ownership. No shares are held by the company itself or its subsidiaries.

Unrestricted equity consists of distributable funds and includes net income for the year. The income statement and balance sheet are adopted at the Annual Meeting. Legally required transfer to statutory reserve is not necessary.

The Board of Directors proposes to the Annual General Meeting 2025 that a dividend of SEK 20,700 m. be paid. The Board of Directors' proposal means that retained earnings amounting to SEK 45,860 m. will be carried forward in a new account.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 13 Provisions for pensions and similar commitments

Provisions for pensions consist mainly of the collectively agreed ITP plan, safeguarded by credit insurance from the mutual insurance company Försäkringsbolaget PRI Pensionsgaranti. During the year payments have been made to endowment insurances, the fair value of the insurances amounted to SEK 2,123 m (1,874) at year end, equal to the value of the pension obligation.

Specification of amounts recognised in the Balance sheet	2024	2023
Present value of obligations (calculated according to Swedish policies)	8,460	7,628
Present value of plan assets	-3,790	-3,328
Net liability in Balance sheet	4,670	4,300
Whereof PRI pensions	4,519	4,148
Whereof covered by the Act on the Safeguarding of Pension Obligations	4,656	4,286

The present value of provisions for pensions is calculated according to the Swedish policies stated in The Act on Safeguarding of Pension Obligations. These policies differ from IFRS projected unit credit method, among other things, by not taking into account expected salary and pension increases. Discount rate set by the Swedish Pension Registration Institute: 2.85% (2.85).

Change in net liability pertaining to pensions	2024	2023
Net liability at start of year	4,300	3,939
Expense recognised in the income statement	637	959
Payment to pension fund	-	-360
Pension payments	-267	-238
Net liability at end of year	4,670	4,300

Present value of plan assets	2024	2023
Cash and cash equivalents	9	6
Equity instruments	1,805	1,486
Debt instruments	1,247	1,233
Other	729	603
Total present value of plan assets	3,790	3,328

Next year's disbursement pertaining to defined-benefit pension plans totals SEK 296 m. (506).

Specification of expense and income for the period pertaining to pensions	2024	2023
Pension under own auspices		
Cost of earning pensions etc.	857	1,062
Interest expense (calculated discount effect)	241	212
Return on plan assets	-461	-315
Cost of pensions under own auspices excl. taxes	637	959
Pension through insurance		
Insurance premiums or equivalent	1,063	945
Pension expense for year excl. taxes	1,700	1,904
Tax on returns from pensions funds	15	8
Special employer's contribution on pension expenses	459	442
Expense for credit insurance	18	30
Pension expense for year	2,192	2,384
Percentage return on specially identified assets	13.0	10.5

Interest expense is recognised in the net financial items, other expenses are recognised in operational items.

Note 14 Other provisions

2024	Product obligations	Miscellaneous provisions[1]	Total
1 January	1,242	1,093	2,335
Provisions during the year	1,421	1,121	2,542
Provisions used during the year	-1,036	-164	-1,200
Provisions reactivated during the year	-23	-14	-37
31 December	1,604	2,036	3,640

2023	Product obligations	Miscellaneous provisions[1]	Total
1 January	935	708	1,643
Provisions during the year	1,107	434	1,541
Provisions used during the year	-594	-42	-636
Provisions reactivated during the year	-177	-2	-179
31 December	1,242	1,093	2,335

1. Provisions relate to legal- and personnel related costs

Provisions for factory warranties on vehicles sold during the year are based on the terms of factory warranties and the projected quality situation. For other product obligations, the provisions reflected the net amount of funds set aside and provisions used. Of the above provisions, about SEK 1,509 (1,505) are expected to be utilised within twelve months.

Note 15 Borrowings

Short- and long-term borrowings distributed by currency [1]

	2024	2023
SEK	11,489	20,668
EUR	8,665	76,304
Other currencies	1,089	2,453
Total	21,243	99,425

1 Does not take into account any currency hedging that has been used to match the borrowing per currency towards the financing need per currency

The above loans fall due for repayment as follows:

2025	15,244
2026	2,856
2027	1,141
2028	0
2029	0
2030 and later	2,002
Total	21,243

For further information on Scania CV AB's borrowing program and financial risk management, see Note 21.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 16 Accrued expenses and prepaid income

	2024	2023
Accrued employee-related expenses	5,920	5,741
Other	1,667	1,257
Total	7,586	6,998

Note 17 Contingent liabilities

	2024	2023
Loan guarantees	1,165	20,828
Other guarantees	2,021	258
Total	3,186	21,086
Of which, on behalf of Group companies	1,165	20,828

Note 18 Wages, salaries and other remuneration and number of employees

Wages, salaries and other remuneration	2023	2023
Boards of Directors, Presidents and Executive Officers	75	62
- where of bonuses	35	22
Other employees	11,469	10,581
Total	11,544	10,643
Pension costs and mandatory payroll fees	5,975	5,981
- where of pension costs	2,058	2,281
Total wages, salaries and remuneration pension costs and mandatory payroll fees	17,519	16,624

Average number of employees (excl. temporary staff)	2024	2023
Operations in Sweden		
Average number of employees	18,468	18,209
- of whom men	13,341	13,151
- of whom women	5,127	5,058
Operations outside Sweden		
Number of countries	1	1
Average number of employees [1]	868	879
- of whom men [2]	546	544
- of whom women [3]	322	335
Average total number of employees	19,336	19,088

[1] Whereof Belgium 868 (879)
[2] Whereof Belgium 546 (544)
[3] Whereof Belgium 322 (335)

Number of employees on 31 December	2024	2023
Production operations and corporate staff units	21,629	21,658
- whereof temporary staff	2,575	3,246

Gender distribution	2024	2023
Board members	14	14
- of whom men	8	8
- of whom women	6	6
Executive officers	9	9
- of whom men	6	7
- of whom women	3	2

Note 19 Fees and other remuneration to auditors

Fees and other remuneration to auditors that were expensed during the year are reported below. Remuneration for consultations is reported in cases where the same public accountancy firm has the assignment to audit an individual company. "Auditing assignments" refers to statutory examination of the annual accounts as well as the administration of the Board of Directors and the President and CEO. "Auditing activities beyond auditing assignments" refers to examination of administration or financial information that shall be performed in accordance with laws, articles of association, statutes or agreements that is also intended for parties other than the client, and which is not included in the auditing assignment. "Tax consultancy" is consultation on matters of tax law. "Other services" refers to consultancy that cannot be attributed to any of the other categories.

	2024		2023	
	EY	Other audit firms	EY	Other audit firms
Auditing assignments	14	-	13	-
Auditing activities beyond auditing assignments	-	-	-	-
Tax consultancy	-	-	-	-
Other services	9	-	-	-
Total	23	-	13	-

Note 20 Effect of exchange rate differences on net income

Net income for the year was affected by exchange rate differences (excluding flow-related forward contracts) as shown in the table below.

	2024	2023
Net sales	687	-7
Cost of goods sold	-492	68
Operating income	195	61
Financial income and expenses	153	33
Effect on the net income for the year	348	94

The amounts above refer to exchange rate gains minus exchange rate losses on the difference between the invoicing exchange rate and the exchange rate on the payment date, on receivables and liabilities.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 21 Financial instruments and financial risk management

Scania CV's treasury operation is partly included in Scania CV AB, which means that parts of the financial risks are managed within the parent company. A detailed description of financial instruments and financial risk management can be seen in Note 27 and in Note 28 for Scania CV Group.

Currency risk

A large part of Scania CV's total commercial flows of payments in foreign currencies take place within Scania CV AB, which give rise to currency risks. Hedging of currency flows is managed by the treasury operation. According to Scania's policy, future currency flows may be hedged with a hedging period varying between 0 and 12 months. Maturity over 12 months is decided by the Board of Directors. When currency risks are hedged, currencies are mainly sold by means of forward contracts, but currency options may also be used.

Interest rate risk

Please see Note 27 for the Scania CV Group, for a more extensive description of interest rate risk within Scania. Borrowings within Scania CV AB are mainly used for investments in shares in subsidiaries and for loans to subsidiaries. In 2023, Financial Services was sold to TRATON and in 2024 the lending portfolio to TRATON Financial Services was sold to TRATON Treasury AB. Financing and derivatives related to the lending portfolio have been renamed or mirrored to TRATON Treasury AB. As part of the restructuring for the financing of TRATON FS units, Scania also entered into various loan and borrowing agreements with TRATON Treasury AB. Below is a description of the risks related to Scania CV AB as of 31 December 2024.

At year-end, the external loan portfolio within Scania CV AB amounted to SEK 20,962 m. (98,554) and loans from entities within the Scania CV Group amounted to SEK 81,740 m. (27,401). Hereafter, only the external loan portfolio will be described. The average interest rate refixing period at year end was less than 1 (2) months. Borrowing occurs largely at the corporate level in a small number of currencies. By means of currency swaps, these loans are then converted to the desired currencies.

	Borrowings including currency swaps[1]	Borrowings excluding currency swaps[1]
EUR	24,178	8,583
CNY	1,767	0
MXN	1,732	0
USD	1,338	0
NOK	525	1,089
GBP	-3,810	0
SEK	-5,797	11,310
Other	949	0
Total[2]	20,962	20,962

[1] Including currency and interest derivatives
[2] Total borrowings excludes accrued interests of SEK 282 m. (872)

The interest rate refixing related to the credit portfolio and borrowings in Financial Services is shown in the corresponding table in Note 27 for the Scania CV Group.

Credit risk

See Note 27 for the Scania CV Group, for a more extensive description of the credit risk within Scania CV. The receivables of Scania CV AB amounted to SEK 75,642 m. (68,694), whereof SEK 27,248 m. (52,197) receivables within the Scania CV Group.

The administration of the credit risks that mainly arise in corporate treasury operations, among other things when investing liquidity and in derivatives trading, is regulated in Scania CV's financial policy. Transactions occur only within established limits and with selected, creditworthy counterparties. "Creditworthy counterparty" means that the counterparty has received an approved credit rating from Standard and Poor's and/or Moody's. To further limit credit risk, the volume of exposure allowed per counterparty is limited, depending on the counterparty's credit rating.

Net exposure to counterparty risk, which are not Scania CV entities, related to derivatives trading, amounted to SEK 232 m. (-775) as per 31 December 2023. Estimated gross exposure to counterparty risk, which are not Scania CV, entities related to derivatives trading, amounted to SEK 3,920 m. (2,045). As per 31 December 2024, the gross exposure of liquidity amounted to SEK 5,063 m. (1,120).

For information on receivables from customers, timing analyses on the portfolio and provisions for bad debts, see the corresponding note for Scania CV Group.

Refinancing risk

See Note 27 for the Scania CV Group, for a detailed description of refinancing risk within Scania CV.

External borrowing and ceiling, SEK m.	Total borrowing 2024	Ceiling 2024	Total borrowing 2023	Ceiling 2023
European Medium Term Note Programme	18,019	57,250	25,785	55,437
- whereof Green Bonds	3,250	-	4,250	-
Credit facility (EUR)	-	-	5,544	24,947
Commercial paper Sweden	-	-	-	10,000
Commercial paper Belgium	-	-	-	16,631
Loan from Volkswagen AG	-	-	64,402	-
Other bonds and loans	2,943	-	2,823	-
Total[1]	20,962	57,250	98,554	107,015

[1] Of the total amounts guaranteed credit facilities SEK 0 m. (24,947)
[2] Total borrowings excludes accrued interests of SEK 282 m. (872)

Aside from safeguarding access to credit facilities, Scania CV AB controls its refinancing risk by diversifying the maturity structure of its borrowing portfolio. The maturity structure of Scania CV AB can be found in Note 16.

Fair value of financial instruments

See Note 28 Scania CV Group, for a detailed description of policies and methods used when establishing the fair value of financial instruments.

	2024	
Assets	Carrying amount	Fair value
Equity instruments	214	214
Non-current interest-bearing receivables	2,449	2,449
Current interest-bearing receivables	13,705	13,705
Non-interest-bearing trade receivables	2,054	2,054
Cash and cash equivalents	50,976	50,976
Other non-current receivables	2,351	2,351
Other current receivables	1,717	1,717
Total assets	73,466	73,466
Liabilities		
Non-current interest-bearing liabilities	6,003	6,077
Current interest-bearing liabilities	96,984	96,986
Trade payables	14,140	14,140
Other non-current liabilities	2,350	2,350
Other current liabilities	2,801	2,801
Total liabilities	122,255	122,334

	2023	
Assets	Carrying amount	Fair value
Equity instruments	615	615
Non-current interest-bearing receivables	7,561	7,561
Current interest-bearing receivables	31,999	31,999
Non-interest-bearing trade receivables	1,865	1,865
Cash and cash equivalents	16,758	16,758
Other non-current receivables	1,526	1,526
Other current receivables	727	727
Total assets	60,451	60,451
Liabilities		
Non-current interest-bearing liabilities	65,005	63,853
Current interest-bearing liabilities	63,823	63,558
Trade payables	14,494	14,959
Other non-current liabilities	1,739	1,739
Other current liabilities	2,155	2,155
Total liabilities	146,669	146,264

Accounting and valuation

Net gains and losses on financial instruments accounted in the income statement and interest income/expenses on financial instruments, see Note 28 Scania CV Group.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 22 Related party transactions

The parent company has a related party relationship with its subsidiaries. Please see note 8.

Related party relationship		Revenue	Expenses	Liabilities	Receivables
Subsidiary	2024	114,739	16,537	84,896	25,953
	2023	113,160	25,445	33,357	39,951
Other related parties	2024	2,607	4,479	1,394	47,836
	2023	2,120	2,929	71,395	15,961
Parent company	2024	-	-	500	-
	2023	-	-	1,050	-
Associated comp. and Joint ventures	2024	164	446	-	19
	2023	145	487	-	17

Prices for transactions with related parties are adjusted to conditions on the market. See also note 25 Compensation to executive officers and the note 24 Related party transactions for the Scania CV Group. Within Other related parties are Volkswagen AG and other VW Group companies included.

Note 23 Compensation to executive officers

The policies for compensation and pension to the executive officers, salary, pension and other remunerations to the President and CEO and termination conditions for executive board, see Note 25 Scania CV group.

Note 24 Government Grants

During 2024, the parent company received government grants amounting to SEK 39 m. (8) attributable to operating expenses of SEK 118m. (38).

Note 25 Subsequent events

See Note 29 Scania CV Group.

Note 26 Sustainability report in accordance with the Swedish Annual Accounts Act

Scania CV AB, subsidiary to the parent company Scania AB (corporate identity number, 556184-8564) with domicile in Södertälje, Sweden, refers to the Sustainability report in accordance with the Swedish Annual Accounts Act, including disclosures in accordance with EU-Taxonomy directive, of the parent company and the group. The Scania AB Annual and Sustainability Report is available on www.scania.com at the publication of this report.

PROPOSED DISTRIBUTION OF EARNINGS

The Board of Directors proposes to the 2025 Annual General Meeting that the total amount of SEK 20,700 m. is distributed to the shareholders as cash dividend.

Amounts in SEK m.	
Retained earnings	49,538
Net income for the year	17,022
Other comprehensive income for the year	...
Total	**66,560**
Shall be distributed as follows:	
To the shareholders, a dividend of SEK m.	20,700
To be carried forward	45,860
Total	**66,560**

After implementing the proposed distribution of earnings, the equity of the Parent Company, Scania CV AB, is as follows:

Amounts in SEK m.	
Share capital	100
Statutory reserve	20
Revaluation reserve	27
Retained earnings	45,860
Total	**46,007**

The undersigned certify that the consolidated accounts and the annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted for use in the European Union, and generally accepted accounting principles respectively, and give a true and fair view of the financial positions and results of the Group and the Parent Company, and that the Report of the Directors for the Group and the Parent Company gives a true and 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 faced by the companies in the Group. The annual accounts and the consolidated financial statements were approved for issuance by the Board of Directors on 5 March 2025. The consolidated income statement and balance sheet and the Parent Company income statement and balance sheet will be subject to adoption by the Annual General Meeting on 24 April 2025.

As of the date of the electronic signature.

Christian Levin
Board member
President and CEO

Michael Jackstein
Chairman of the Board

Gunnar Kilian
Board member

Julia Kuhn-Piëch
Board member

Nina Macpherson
Board member

Christian Porsche
Board member

Mark Philipp Porsche
Board member

Stephanie Porsche-Schröder
Board member

Lilian Fossum Biner
Board member

Peter Wallenberg Jr
Board member

Mari Carlquist
Board member
Employee Representative

Lisa Lorentzon
Board member
Employee Representative

Mikael Johansson
Board member
Employee Representative

Michael Lyngsie
Board Member
Employee Representative

Our Audit Report was submitted as of the date of the electronic signature.

Ernst & Young AB

Helene Silberg Wendin
Authorised Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Scania CV AB (publ) corporate identity number 556084-0976

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Scania CV AB (publ) for the year 2024 except for the corporate governance statement on pages 29–37. The annual accounts and consolidated accounts of the company are included on pages 38–94 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 29–37. 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 the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

AUDITOR'S REPORT

Revenue recognition for vehicles delivered with residual value commitment and allocation of revenue for service contracts

Description	How our audit addressed this key audit matter
Scania is a global group operating in several geographic markets and with multiple different customer offerings, which include sales with repurchase commitments as well as service contracts. For vehicles that Scania deliver with repurchase commitments revenues are recognized as operational leasing over the contracted duration of the commitment since the control is assessed to remain with Scania. Assessments and estimates are required for Scania to determine the value of the repurchase commitment and thus also the revenue to be recognized over time. For service and repair contracts, revenues are recognized as the work is performed, based on costs incurred in relation to total estimated costs. This requires management's assessment and estimate in terms of the time of completion and the total estimated cost. Scania has in its accounting manual developed instructions and models for how revenues should be recognized over time and is followed by the whole group. Disclosures of accounting principles and disclosures are set out in note 5 Revenues, note 17 Other provisions and in note 18 Accrued expenses and deferred income. Due to the need for significant estimates and assessments by the company to evaluate and account for repurchase commitments and service and repair contracts, we have assessed this as a Key Audit Matter in our audit.	In our audit, we have assessed the company's processes for revenue recognition. Furthermore, we have evaluated the accounting principles applied based on current accounting standards and reviewed whether the accounting policies have been applied consistently throughout the Group. We have reviewed the company's material assumptions and assessments in the calculation models applied within the Group. Our work includes, but is not limited to, the following audit procedures: • Tested the models for clerical accuracy and assessed the assumptions/estimates used to recognize revenues over time. • Tested input data to the models against underlying contracts and tested the completeness of the models. • Reconciliation of models to carrying amounts in the income statement and balance sheet. We have also assessed the appropriateness of the disclosures made in the annual report.

Monitoring of private enforcement risks and related provisioning

Description	How our audit addressed this key audit matter
In 2011, the European Commission initiated investigations related to suspicion of breaches of European antitrust law in the European truck sector. Scania was fined by EUR 880.5m in a decision by the European Commission on 27 September 2017. The amount was paid in full in 2022. Following the decision by the European Commission, a large number of (direct and indirect) customers in various jurisdictions initiated or joined lawsuits against Scania. The claims differ significantly in scope. Furthermore, some truck customer damages claims have been combined in class actions or through claim aggregators to which the truck customers assigned their respective damages claims. Disclosures of accounting principles and other disclosures are set out in note 17 Other provisions and note 30 Items affecting comparability. As part of our audit, we determined monitoring of private enforcement risks and related provisioning to be a key audit matter because the risk assessment and the amount of the provision to cover the aforementioned risks from civil proceedings are subject to a high level of estimates and assumptions made by management.	In our audit, we obtained an understanding of the process installed by the company to deal with the facts of the civil lawsuits. We discussed with management and the company's legal department the estimates and assumptions made. We also discussed the development in the various countries arising from new judgments or additional claims with the management and external lawyers. In addition, we obtained declarations from external lawyers and addressed the significant topics and developments in discussions with the external lawyers. Where provisions were recognised for individual cases or in some countries, we reperformed the calculations and checked the underlying assumptions against information from external lawyers and relevant documents.

AUDITOR'S REPORT

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 99–101. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

AUDITOR'S REPORT

Report on other legal and regulatory requirements

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 Scania CV AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's 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.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 23-37 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's 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.

Ernst & Young AB, Hamngatan 26, 111 47, was appointed auditor of Scania CV AB by the general meeting of the shareholders on the 8 May 2024 and has been the company's auditor since the 25 June 2020.

As of the date of the electronic signature

Ernst & Young AB

Helene Siberg Wendin
Authorized Public Accountant

KEY FINANCIAL RATIOS AND FIGURES

Scania presents certain performance measures that are used to explain relevant trends and performance of the Group and its segments, of which not all are defined under IFRS. This is based on the understanding that they convey relevant information about Scania's business. Scania calculates these figures by making certain adjustments to balance sheet or income statement items. As these performance measures are not uniformly defined by all companies, these are not always comparable with the measures used by other companies. These performance measures should therefore not be viewed as substitutes for IFRS-defined measures.

In addition to the disclosures of financial figures required by the application of accounting standards, Scania reports financial figures and ratios that are not defined in any accounting standard. Scania calculates these key ratios by making certain adjustments to the balance sheet or income statement. The purpose is to convey relevant information about Scania's operations and the disclosures are designed to enable comparability of the Scania Group's performance over time to our stakeholders. Some ratios such as capital employed and return on capital employed are also presented with an additional calculation "excluding items affecting comparability" as adjusted measures. These ratios and figures are presented with adjustments made in order to ensure transparency of our business performance. The adjustments concern certain items in the financial statements that, in the opinion of Scania, should be presented separately to enable a more appropriate assessment of the financial performance. The items include, one-time events with a material impact on the Scania CV Group's earnings. See definitions of key ratios and Note 30 "Items affecting comparability".

KEY FINANCIAL RATIOS AND FIGURES, CONTINUED

Scania CV Group

Net debt (-)/Net cash (+), excluding provision for pensions	2024	2023
Assets		
Current investments	23,694	1,048
Cash and cash equivalents	9,438	14,984
Borrowing Volkswagen Group	45,370	118,065
Accrued interest current investments	-3	-4
	78,499	**134,094**
Liabilities		
Interest-bearing liabilities, non-current	29,911	57,056
Interest-bearing liabilities, current	20,305	39,929
Liabilities to Group companies	500	1,026
Accrued interest, interest-bearing liabilities	-532	-896
	50,184	**107,014**
Net debt (-)/Net cash (+)	**28,315**	**27,080**

Vehicles and Services

Net debt (-)/Net cash (+), excluding provision for pensions	2024	2023
Assets		
Current investments	2,301	17,283
Cash and cash equivalents	6,115	6,692
Borrowing Volkswagen Group	36,072	18,585
Accrued interest current investment	-3	-4
	46,485	**42,546**
Liabilities		
Interest-bearing liabilities, non-current	12,369	9,959
Interest-bearing liabilities, current	5,321	4,140
Liabilities to Group companies	500	1,026
	18,220	**15,125**
Net debt (-)/Net cash (+)	**28,265**	**27,421**

Capital Employed	2024	2023
Total assets	214,871	193,450
- other non-current provisions + current provisions	10,788	9,407
- other liabilities	91,592	86,037
- liabilities to Group companies	1,015	3,168
- net derivatives	-53	-161
Capital Employed	**111,529**	**95,020**

Adjusted Capital Employed	2024	2023
Total assets	214,871	193,450
- adjusted other non-current provisions + current provisions	10,248	9,228
- other liabilities	91,592	86,037
- liabilities to Group companies	1,015	3,168
- net derivatives	-53	-161
Adjusted Capital Employed	**112,069**	**95,198**

Return on Capital Employed, %	2024	2023
Operating income	29,206	24,813
Financial income	6,261	6,209
Capital employed	111,529	95,020
Return on Capital Employed, %	**31.8**	**32.6**

Adjusted Return on Capital Employed, %	2024	2023
Adjusted Operating income	30,449	25,951
Financial income	6,261	6,209
Adjusted Capital employed	112,069	95,198
Adjusted Return on Capital Employed, %	**32.8**	**33.7**

DEFINITIONS

Key figure	Definition	Reason for use
Operating margin	Operating income as a percentage of net sales.	The measure expresses the economic performance of our business activities after accounting for the use of resources. Operating margin measures Scania's profitability.
Equity to assets ratio	Total equity as a percentage of total assets on each respective balance sheet date.	The measure reflects the financial risk, showing how much of Scania's total assets that have been financed with equity and is an indicator of financial risk.
Net debt (-)/net cash (+) excluding provision for pensions	Current and non-current interest borrowings (excluding pension liabilities) less cash and cash equivalents, current investments and non-current intra-group loans to Volkswagen entities. A positive value is an indicator of a net cash position.	The measure reflects the financial position by showing the financial liabilities in relation to cash and cash equivalent and current investments.
Net debt/equity ratio	Net debt (-) or net cash (+) in relation to total equity.	This is a measure of Scania's indebtedness and is an indicator of financial risk.
Capital employed	Total assets less operating liabilities.	The measure shows how much of the total assets are used in operations.
Adjusted capital employed	Total assets less operating liabilities, adjusted for items affecting comparability.	The measure shows how much of the total assets are used in operations.
Return on capital employed	Operating income plus financial income as a percentage of capital employed.	The measure reflects the return which is generated by the assets that are used in the operations.
Adjusted return on capital employed	Operating income plus financial income as a percentage of capital employed, adjusted for items affecting comparability.	The measure reflects the return which is generated by the assets that are used in the operations.

Geographical Areas

Europe: Albania, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Montenegro, The Netherlands, North Macedonia, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom.

Eurasia: Georgia, Kazakhstan, Ukraine.

Asia: Bahrain, Bangladesh, Brunei, China, Hong Kong, India, Indonesia, Iran, Iraq, Israel, Japan, Jordan, Kuwait, Laos, Lebanon, Malaysia, Oman, Pakistan, Philippines, Qatar, Saudi Arabia, Singapore, South Korea, Sri Lanka, Syria, Taiwan, Thailand, Türkiye, the United Arab Emirates, Viet Nam, Yemen.

America: Argentina, Barbados, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Trinidad and Tobago, the United States, Uruguay, Venezuela.

Africa and Oceania: Algeria, Angola, Australia, Botswana, Burkina Faso, Egypt, Ethiopia, Ghana, Guinea, Côte d'Ivoire, Kenya, Mali, Morocco, Mozambique, Namibia, New Caledonia, New Zealand, Nigeria, Senegal, South Africa, Sudan, Tanzania, Tunisia, Uganda, Zambia, Zimbabwe.