

## Opening Speech by the Chair of the Board at Saab's AGM on 10 April 2018

The spoken word applies.

Dear shareholders,

As Chair of the Board for Saab AB, I would like to wish you all a warm welcome to Linköping and Saab's 2018 Annual General Meeting.

The film you just watched shines the spotlight on the thousands of employees working in Saab's important projects, and the important work they all do for customers and for owners. Thank you.

It pleases me to see so many of you in attendance. It shows strong commitment and interest in Saab, which we in the Board value highly. I also greatly value the important dialogue between shareholders and the Board which is made possible by the Annual General Meeting.

Saab was founded in 1937. Over the years, the company has contributed to increased safety and security, all the while spearheading technological and economic development, both in Sweden and around the world. We consider this our duty and we take it very seriously, and this is what ultimately enables us to generate handsome returns to you, the shareholders in the company.

In times of continued geopolitical unrest, and in light of the surge of complex and unconventional threats and cyber-attacks across the globe, the need for safety and security is far-ranging.

As I see it, Saab is well-equipped to perform this duty and assume the responsibilities that lie ahead of us. The company possesses exceptional technological depth and breadth.

Our technological depth can be attributed to the strategic, long-term and widespread investments we have made and continue to make into research and development. Saab is one of the Swedish companies that invests most into research and development in terms of proportion of turnover. In 2017, we invested around 7.4 billion SEK into research and development alone and together with our customers, approximately 23 percent of sales revenues. As a consequence of these investments, Saab now offers some of the world's most advanced systems and solutions, products and services on the market. We shall continue to invest into research and development.

Today when we summarise the past year, it is gratifying to see that Gripen E made its maiden flight and we can be proud of the new surveillance aircraft GlobalEye.

And, in collaboration with Boeing, we have built a completely new trainer aircraft. It took only three years to transform the idea into a soaring aircraft. It's quite an achievement, and it's all thanks to a unique partnership and our innovative employees. The US Air Force is expected to announce the winner of the procurement contract later this year.

These are just a few examples of Saab's innovative power and capacity to – in a very short time – take research results and development investments the whole way to complete systems and solutions which help us to solve the challenges our customers face. Behind these successes are our nearly 17,000 employees who work purposefully to provide customers with the best possible solutions.

Saab is growing and that is a good thing. But growing companies also faces challenges, where securing skills and competence is something that will become increasingly important in the coming years. A long term approach to securing skills and competence necessitates that we develop our basic training system here in Sweden, and that, ultimately, more globally competitive engineers are trained. This will enable us to take advantage of the possibilities afforded by rapid technological developments, not least within the digital domain. Saab must also ensure that current employees are able to develop at the same pace as the rate of technological development. Our employees are our most important assets and we must invest in them continuously. We must also make full use of partnerships and collaborations with academic institutes and companies, thereby strengthening our knowledge and learning.

The new Swedish regulation on the export control of military equipment is now in force. The precise manner in which this new regulation will be applied remains to be seen, along with the impact it will have on Saab in practice. Exports are the bedrock on which an economically-vital Swedish defence industry is built. Exports enable longer production series which, in turn, lower costs for customers, not least for Sweden. I must emphasise the importance of having clear, transparent regulations with which the industry can comply, and which provide predictability, sustainability and legitimacy. We will, of course, continue to follow this going forward.

The Swedish Defence Commission published its most recent report in December 2017. In the report, Swedish trade and industry was singled out as a vital contributor to strengthening Sweden's ability to deal with uncertain global developments. We are noticing greater political unanimity at present with respect to increased investment into defence. This is paramount in times of geopolitical unrest and it contributes to favourable long-term conditions for Sweden's defence and the Swedish defence industry.

Here at Saab we have knowledge and technology that are essential to the defence of Sweden. For instance, The Swedish parliament has taken decisions in the last few years to declare fighter aircraft, underwater capabilities and certain segments in the field of sensors as critical national security interests. This means that mutual responsibility exists between the state and Saab to define what this entails in practice going forward.

Sales growth in 2017 was in line with Saab's long-term financial targets, and saw annual organic growth of 5 percent. Profitability took another step towards our long-term financial target of a 10% average over a business cycle.

On behalf of the Board, I would like to extend a warm thanks to Saab's CEO, Group Management and all of our employees. You have done a fantastic job this past year! Thank you.

I also thank you for taking the time to listen to me and for coming here today.

I now offer the floor to Advocate Sven Unger, whom the Board has requested to open Saab's 2018 Annual General Meeting.