

Chairman of the Board Marcus Wallenberg's speech at AGM 2019

The spoken word applies.

Dear shareholders,

As Chair of the Board, I would like to wish you a warm welcome to Saab's 2019 Annual General Meeting.

It is gratifying to see that so many shareholders have chosen to join us here today. As is always the case when the AGM is held in Linköping, attendance is excellent and this is greatly appreciated by the company and the board.

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Saab's operations are increasingly being characterised by both international collaborations and large-scale projects. This new state of affairs requires a robust balance sheet in order for the company to be an interesting player with which to collaborate. Moreover, it is important to have increased scope for investments and, in essence, the requisite financial position to take on new and important challenges.

It was in this context that Saab announced the rights issue of 6 billion in the autumn, which has now been carried out. We now have the financial muscle to continue to grow and execute the company's strategy.

Many of you here today opted to participate in the rights issue, and I would like to extend my sincere gratitude to you.

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One example of the might in our international partnerships and Saab's capacity to contribute is reflected in the fact that in 2018 the US Air Force selected the T-X trainer aircraft from Saab and Boeing. This is very exciting and will contribute to the transformation and evolution of Saab as a company.

Looking ahead, we see several other potential collaborations of a similar nature. For instance, discussions are in progress in many parts of the world concerning future fighter aircraft. Saab is actively participating in these discussions and there are abundant possibilities to explore. We believe that our technological capabilities and strengths are sufficient to ensure our relevance in these contexts.

Saab as a company exists because Sweden in the late 1930s decided that we needed a defence industry to safeguard Swedish defence capabilities. The implementation of that political decision required resources. The same is true today and will remain so in the future. As a result, Sweden's current technological capabilities are unique and we are – with our population of 10 million – one of only a few countries able to develop and manufacture such complex aviation systems such as fighter aircraft. Our hope is that Sweden will continue to see the value of this.

The defence industry continues to be of great importance for Sweden. The industry contributes to supply security and comprehensive knowledge building, as well as highly sophisticated defence equipment.

In addition, the research and development carried out at Saab creates tens of thousands of jobs, which also cultivates fertile ground for technological innovation and world-class products. Fighter aircraft such as Draken, Viggen and Gripen represent some of Sweden's largest industrial initiatives historically, and have led to pioneering technological developments in multiple fields, not least of all in the IT sector.

In order for Saab's operations to remain viable and for this development to be maintained over time, exports are of paramount importance. Saab has a broad base on which to stand, with operations in more than 35 countries and sales to over 100 countries. Being able to work broadly across the globe is a strength, and it is crucial to Sweden's defence capabilities. It is also a prerequisite to us maintaining our technological capabilities.

In this context, it is important to have clear, transparent export regulations with which the industry can comply, and which provide predictability, sustainability and legitimacy. And strong government export subsidisation is just as important.

As mentioned, there are good opportunities for Saab to continue on the established path through future international partnerships. Doing this, however, will require close and lasting cooperation with the Swedish Armed Forces and other government agencies.

Of course, it is also absolutely crucial that we can conduct our business profitably, since we are spending more than 20% of our turnover on research and development. These investments lay the foundation for our enduring competitiveness.

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In this respect, I would like to mention another important area of industrial development. Sustaining a strong industry, high technology and innovation also necessitates that the long-term provision of skills in Sweden is prioritised. That is why the matter of education is so important. In a small country like Sweden, there must be a high-quality school and education system that takes advantage of every student's abilities and potential. We must be able to attract an even greater number of engineering students and we must keep up with digital transformation as it pertains to education. We must also become better at identifying avenues for lifelong learning.

It is the employees and our ability to identify and attract new talents that will carry this company forward. Therefore, Sweden's education system and provision of skills are so important for Saab.

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In the difficult-to-navigate climate permeating the world today, it is absolutely vital to continue to strengthen competitiveness through innovation and to be agile, understand the times, and utilise the power of technological advances.

We tackle these challenges every day, and for this development Saab is well-equipped.

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On behalf of the board, I would like to extend sincere thanks to Saab's CEO, Group Management and all employees. 17,000 skilled and committed individuals who, day in and day out, move Saab forward to new successes.

I would also like to thank all of our shareholders.

I now offer the floor to advocate Sven Unger, whom the board has requested to open Saab's 2019 Annual General Meeting.