

SECTRA

Documentation to be presented at the
Annual General Meeting of

Sectra AB (publ)

Tuesday, September 8, 2020

Agenda

for the Annual General Meeting of shareholders in Sectra AB (publ) Tuesday, September 8, 2020 at 3:30 p.m. (CET) at Collegium, Teknikringen 7, Linköping, Sweden.

Proposed Agenda

1. Opening of the AGM.
2. Election of a Chairman of the AGM.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of two persons to certify the minutes.
6. Determination of whether the AGM has been duly convened.
7. Presentation of the Annual Report and the Auditor's Report and the Consolidated Annual Report and Consolidated Auditor's Report.
8. Resolution regarding the adoption of the Profit and Loss Statement and the Balance Sheet and the Consolidated Profit and Loss Statement and Consolidated Balance Sheet.
9. Resolution regarding the allocation of the company's profit according to the adopted Balance Sheet.
10. Resolution regarding the discharge from liability towards the company for the members of the Board of Directors and the Managing Director.
11. Resolution regarding the number of members of the Board of Directors, auditors and deputies.
12. Resolution regarding the fees for the Board of Directors and the auditors.
13. Election of the members of the Board of Directors.
14. Election of the Chairman of the Board.
15. Election of the auditor.
16. Resolution regarding the establishment of a Nomination Committee and an instruction to the Nomination Committee.
17. Resolution regarding principles for salary and other forms of remuneration for senior executives of the company.
18. Resolution regarding a share split and an automatic redemption procedure, including
 - (a) a resolution to implement a share split,
 - (b) a resolution to reduce the share capital through an automatic redemption of shares, and
 - (c) a resolution to increase the share capital through a bonus issue.
19. Resolution regarding the authorization for the Board of Directors to issue shares.
20. Resolution regarding the authorization for the Board of Directors to acquire and dispose of the company's own shares.
21. Resolution regarding amendments to the Articles of Association.
22. Any other matter.
23. Closing of the AGM.

The Board of Directors' proposals to be presented at the Annual General Meeting in Sectra AB (publ) on Tuesday, September 8, 2020

The following proposals have the same numbering as set forth in the Board of Directors' proposed agenda.

Election of Chairman of the AGM (item 2)

The Nomination Committee, consisting of the Chairman of the Board of Directors Jan-Olof Brüer, Carl-Erik Ridderstråle, Torbjörn Kronander and Jan Särilvik representing Nordea Investment Funds, proposes that Per Nyberg or, in case he is unable to serve, the person suggested by the Nomination Committee, is elected Chairman of the AGM.

Election of two persons to certify the minutes, item 5

The Nomination Committee proposes that Fredrik Ahlin, representing If Skadeförsäkring and Robert Forchheimer or, in case anyone of them is or both of them are unable to serve, the person or persons suggested by the Nomination Committee, are elected to certify the minutes.

Dividend (item 9)

The Board of Directors and the Managing Director propose that no dividend is distributed for the financial year 2019/2020. The Board of Directors instead proposes an automatic redemption procedure as set out in item 18 below.

Board of Directors (items 11-15)

The Nomination Committee proposes that the Board of Directors shall comprise of eight members without any deputy directors. Anders Persson, Christer Nilsson, Torbjörn Kronander, Tomas Puusepp, Birgitta Hagenfeldt, Jan Olof Brüer and Jonas Yngvesson are proposed to be re-elected as members of the Board of Directors and Fredrik Robertsson is proposed to be elected as a new member of the Board of Directors.

It is proposed that Jan-Olof Brüer is re-elected as the new Chairman of the Board of Directors.

Fredrik Robertsson, born in 1967, is Group Chief Security Officer at Ericsson, and has a previous career as Major General and Chief Information Officer (CIO) in the Swedish National Defence. For further information about Fredrik Robertsson reference is made to the motivated statement of the Nomination Committee.

The Nomination Committee's motivated statement in respect of their proposal and other information regarding the proposed members of the Board of Directors is available at investor.sectra.com/agm2020.

The Nomination Committee proposes that Ernst & Young AB is appointed as auditor until the close of the next AGM. Ernst & Young AB has announced that if the AGM approves of the proposal, Authorized Public Accountant Andreas Troberg will be the Auditor in Charge.

It is proposed that director fees amount to SEK 225,000 for each of the external members of the Board and to SEK 450,000 for the Chairman of the Board. For the Audit Committee it is proposed that fees amount to SEK 50,000 for each of the external members of the Board and SEK 100,000 to the Chairman of the Audit Committee. No separate fees are paid for Remuneration Committee work. Furthermore, the Nomination Committee proposes that the auditor's fee shall be paid pursuant to approved account. All fees proposed are the same as last year.

The Nomination Committee's proposal is supported by shareholders representing more than 65% of the votes in the company.

Establishment of a Nomination Committee and instruction to the Nomination Committee (item 16)

The Nomination Committee proposes that the AGM decides to establish a Nomination Committee and to adopt the following instruction to the Nomination Committee.

The Chairman of the Board shall, not later than November 30 the year before the AGM contact the three largest shareholders in the company (based on the number of votes), each of which is then entitled to appoint a member to the Nomination Committee. Should any of the three largest shareholders waive the right to appoint a member to the Nomination Committee, the next shareholder in terms of the largest number of votes shall be offered the opportunity to appoint a member to the Nomination Committee. In addition, the Chairman of the Board is a member of the Nomination Committee. The Chairman of the Board convenes the Nomination Committee to the first meeting.

The member who represents the shareholder with the largest number of votes shall be appointed Chairman of the Nomination Committee. The Nomination Committee's mandate period extends until a new Nomination Committee is appointed. Should a member resign from the Nomination Committee in advance, an alternate shall be appointed in accordance with the principles above. The composition of the Nomination Committee shall be announced not later than six months prior to the AGM.

The Nomination Committee is composed based on the known shareholding of the company as per October 31 each year. If significant changes occur in ownership after the Nomination Committee is formed, the composition of the Nomination Committee can also be changed in accordance with the principles above. Changes in the Nomination Committee shall be disclosed immediately.

The Nomination Committee shall prepare and to the AGM propose:

- Election of the Chairman of the Board and other members of the company's Board,
- Board fees divided between the Chairman of the Board and other members as well as possible remuneration for committee work,
- Election of and fees to the auditors and deputy auditors (if applicable),
- Resolution regarding any change to the instruction to the Nomination Committee, if the Nomination Committee considers such a change necessary, and
- Chairman of the AGM.

The Nomination Committee shall carry out its assignment in accordance with the Swedish Corporate Governance Code, as applicable from time to time (the "Code"). Accordingly, the members of the Nomination Committee will look after the interests of all shareholders and not disclose what may have taken place during the work in the Nomination Committee. The Nomination Committee shall be responsible for the company receiving any information about the proposed members of the Board that the company needs in order for the company to fulfill its obligations under the Code. The company shall, if necessary, assist the Nomination Committee with administration and the Nomination Committee shall be entitled to take on costs for the company for such external advisors that the Nomination Committee considers to be essential in order for it to be able to complete its assignment. No fees are paid to members of the Nomination Committee.

This instruction to the Nomination Committee shall remain in force until the AGM determines differently.

Principles for salary and other forms of remuneration for senior executives of the company (item 17)

The Board of Directors proposes that the 2020 AGM resolve on the following guidelines for salary and other forms of remuneration for senior executives at Sectra. Compared with the guidelines adopted by the 2019 AGM, these guidelines were developed and updated to meet the new requirements following from Chapter 8, Sections 51–53 of the Companies Act (2005:551).

Scope and applicability of the guidelines

These guidelines cover the President and CEO, other members of Group Management and, where applicable, remuneration to Board members for work performed above and beyond their commission. The guidelines will be applied to contractual remuneration, and changes made to remuneration already contracted, after the guidelines are adopted by the 2020 AGM.

The guidelines do not cover remuneration that has been resolved on by the General Meeting of Shareholders. Board fees will not be paid to executives employed in the Group.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Briefly, Sectra's business strategy entails developing and selling products and services for medical IT and cybersecurity. Helping our customers improve the efficiency and quality of patient care and increase cybersecurity in critical functions of society is the company's most significant contribution to a more sustainable society. For more information about the company's business strategy, refer to Sectra's latest Annual Report available at the company's website, [sectra.com](https://www.sectra.com).

Successfully implementing the company's business strategy and looking after the company's long-term interests including sustainability assumes that the company can recruit and retain qualified employees. This requires the company to offer competitive remuneration. These guidelines make it possible to offer senior executives competitive total remuneration.

Long-term share-based incentive programs have been introduced at the company in certain years. These programs are adopted, where necessary, by the General Meeting of Shareholders and are thus not covered by these guidelines.

Forms of remuneration, etc.

The terms and conditions of remuneration must emphasize remuneration after performance, and vary in relation to the individual's performance and the Group's earnings. Total remuneration shall be on market terms and can consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits.

Fixed remuneration

Fixed remuneration consists of a basic annual salary (the "Basic Salary"), which is to be competitive in the relevant market and reflect the responsibilities that the job entails. Salary levels will be reviewed once a year to ensure continued competitiveness and to reward individual performances.

Variable remuneration

Variable cash remuneration covered by these guidelines must be intended to promote the company's business strategy and long-term interests, including sustainability.

Variable cash remuneration will be based on predetermined and measurable criteria. These criteria must be based on (i) financial earnings (profit, financial efficiency and sales) or alternately operational goals that over the long term are intended to lead to solid financial results; (ii) share-related goals and (iii) non-financial goals such as sustainability, customer satisfaction, quality and corporate culture. They could also consist of individually adapted quantitative or qualitative goals.

Meeting the criteria for disbursement of variable cash remuneration should be measurable over a period of one or more years. Variable cash remuneration can total a maximum of 50% of the Basic Salary as regards financial, operative, non-financial and individually adapted goals and a maximum of 25% as regards share-related goals during the relevant measurement period.

When the measurement period for meeting the criteria for disbursement of variable cash remuneration has concluded, the extent to which the criteria were met must be determined. The Remuneration Committee is responsible for the assessment regarding variable cash remuneration to the CEO. As regards variable cash remuneration to other executives, the CEO is responsible for the assessment. As regards financial goals, the assessment must be based on the latest financial information released by the company.

In addition to variable remuneration that executives may receive in accordance with these guidelines, the Board of Directors may decide that such executives could be covered by programs for variable remuneration that also cover personnel categories other than senior executives such as all employees in the Group or in a particular business area. Such programs must entitle all employees (regardless of position) to the possibility of the same nominal remuneration.

The Board of Directors must also have the legal or contractual possibility — with the ensuing limitations — of demanding the return in full of erroneously disbursed variable remuneration (clawback). A Such request for repayment, where applicable, must be made within five years of the disbursement.

Pension and other benefits

For the CEO and other executives covered by these guidelines, retirement and survivor benefits including health insurance must be provided and are to be defined-contribution. Variable cash remuneration must not be pensionable. Pension premiums must total a maximum of 30% of the Basic Salary.

The executive must be provided with the possibility of exchanging a portion of the Basic Salary with other benefits such as life insurance, healthcare insurance and a company car, provided that it is cost-neutral for the company.

As regards terms of employment subject to laws other than Swedish, the company may make the proper adjustments concerning pension and other benefits in order to comply with compulsory regulations or local practice, in which case the overall goals of these guidelines must be met to the greatest possible extent.

Period of notice

The period of notice must be linked to the age of the executive, in accordance with the following policies.

Upon termination by the company or the executive, the period of notice must be at most (i) 6 months, if at the time of termination the executive is age 40 or younger; (ii) 12 months, if at the time of termination the executive is age 41–50; (iii) 18 months, if at the time of termination the executive is age 51–60; and (iv) 24 months, if at the time of termination the executive is age 61 or older. From the date the executive turns 67, however, the period of notice must be at most 6 months.

Salary and conditions of employment for employees

In preparing the Board's proposal for these remuneration guidelines, salary and conditions of employment for the company's employees were taken into account through information on total employee remuneration, the components of remuneration and the increase (and rate of increase) of the remuneration forming a part of the basis for decision by the Board and the Remuneration Committee in assessing the reasonableness of the guidelines and the ensuing limitations.

The decision-making process for adopting, reviewing and implementing the guidelines

The Board of Directors has set up a Remuneration Committee, the tasks of which include preparing the Board's decisions on proposals for guidelines on remuneration to senior executives. The Board of Directors will draw up proposals for new guidelines at least once every four years, and present the proposal for resolution by the AGM. The guidelines will be in force until new guidelines are adopted by the General Meeting of Shareholders.

Remuneration to the CEO and, where applicable, Board members (above and beyond ordinary remuneration resolved on by shareholders' meetings) is decided by the Board based on the recommendations of the Remuneration Committee. Remuneration to other executives is determined by the CEO. The Remuneration Committee must also monitor and evaluate programs for variable remuneration to Group Management, the application of guidelines for remuneration to senior executives and applicable remuneration structures and remuneration levels in the company. The members of the Remuneration Committee are independent in relation to the company and Group Management. To the extent they are affected by such issues, neither the CEO nor other members of Group Management are present when the Board discusses and decides on issues related to remuneration.

Departures from the guidelines

The Board of Directors may decide to temporarily depart from the guidelines in full or in part if, in an individual case, there are particular reasons to do so and a departure is necessary to safeguard the company's long-term interests including its sustainability, or to ensure the company's financial strength. As indicated above, the tasks of the Remuneration Committee include preparing Board decisions on remuneration issues, which includes decisions on departures from the guidelines.

Share split and automatic redemption of shares (item 18)

The Board of Directors proposes that the AGM resolves on a procedure for the automatic redemption of shares, in accordance with items 18 a – 18 c below. All resolutions are proposed to be conditional upon each other and to be adopted as one single resolution. A valid resolution requires the approval of shareholders representing at least two-thirds of both the votes cast and the shares represented at the AGM.

Resolution to implement a share split (item 18 a)

The Board of Directors proposes that the AGM resolves to implement a share split, whereby one share in Sectra is converted into two shares. One of these shares will be a so-called redemption share. The Board of Directors proposes that the record date for the share split shall be October 6, 2020.

Resolution to reduce the share capital through an automatic redemption of shares (item 18 b)

The Board of Directors proposes that the share capital is reduced by SEK 19,253,019-010 through the redemption of 2,620,692 Class A shares and 35,885,328 Class B shares for repayment to the shareholders.

The shares to be redeemed are those shares which are referred to as redemption shares after shares have been split as described above. The amount payable for each redemption share shall be SEK 4.50. The maximum redemption amount will thus be SEK173,277,090. The Board of Directors proposes that trading in redemption shares shall take place during the period October 7–16, 2020 and that the record date for the redemption of the redemption shares shall be October 20, 2020. Payment is expected to be made through Euroclear Sweden AB around October 23, 2020.

Resolution to increase the share capital through a bonus issue (item 18 c)

In order to achieve a timely and efficient redemption procedure, without having to obtain permission from the Swedish Companies Registration Office or a court of law, the Board of Directors proposes

to restore the company's share capital to its original amount by increasing the company's share capital by SEK 19,253,010 through a bonus issue without issuing new shares via a transfer from the company's unrestricted equity to the company's share capital. Upon completion of the bonus issue, the company's share capital will be restored to its original amount.

The Board of Directors' explanatory statement in connection with the proposal to reduce the share capital and the auditor's opinions thereon in accordance with Chapter 20, Section 8 of the Swedish Companies Act are set out in **Appendix 1** and **Appendix 2** respectively. The Board of Directors' statement in accordance with Chapter 20, Section 13 of the Companies Act and the auditors' statement in accordance with Chapter 20, Section 14 of the Companies Act are set out in **Appendix 3** and **Appendix 4** respectively.

Resolution regarding authorization for the Board of Directors to issue new shares (item 19)

The Board of Directors proposes that the AGM resolves to authorize the Board of Directors to issue, on one or several occasions during the period until the next AGM, not more than 3,700,000 Class B shares for payment in cash, payment by set-off of claims or payment in kind, and that for issues where payment is made by set-off of claims, the Board of Directors shall be able to disregard the shareholders' preferential rights. The subscription price of the new shares shall be determined on the basis of the prevailing market price of the Class B shares at the time of the issue. The purpose of the authorization is to facilitate the use of newly issued shares in connection with the implementation of or for the financing of acquisitions of companies or businesses or parts thereof and in connection with market investments.

A valid resolution requires approval of shareholders representing at least two-thirds of both the votes cast and the shares represented at the AGM.

Resolution regarding authorization for the Board of Directors to acquire and dispose of the company's own shares (item 20)

The Board of Directors proposes that the AGM resolves to authorize the Board of Directors to, on one or several occasions during the period until the next AGM, resolve on the acquisition of shares of the company. Such shares may be acquired up to a maximum amount not at any time exceeding 10% of the total number of shares issued by the company. Acquisitions of shares shall be made either on Nasdaq Stockholm at a purchase price within the range of share prices registered at any given time for the Class B shares, meaning the spread between the maximum buying rate and the minimum selling rate, or by way of an offer to all shareholders, whereby the purchase shall be made at a price which at the time of the decision corresponds at a minimum to the prevailing market price for the Class B shares and at a maximum to 150% of the prevailing market price for the Class B shares. The same price shall apply for Class A shares and Class B shares.

The Board of Directors also proposes that the Board of Directors shall be authorized to resolve, on one or several occasions during the period until the next AGM, to dispose all shares held by the company, via Nasdaq Stockholm or in connection with the acquisition of companies or businesses or parts thereof, in connection with market investments, for hedging costs that may arise relating to the company's incentive programs and for a continuous adaptation of the company's capital structure and thereby contributing to increased shareholders' value. The shareholders shall have a preferential right to acquire the shares in accordance with the provisions in the articles of association regarding the preferential right to subscribe for new shares, provided that the board of directors shall be entitled to deviate from the preferential right if the shares are paid for by way of set-off or if the purpose with the disposal is to secure the costs that arise as a result of the company's incentive program. A disposal of shares via Nasdaq Stockholm may only be made at a price within the range of share prices registered at any given time.

A valid resolution requires approval of shareholders representing at least two-thirds of both the votes cast and the shares represented at the AGM.

The Board of Directors' motivated statement in accordance with Chapter 19, Section 22 of the Companies Act is set forth in **Appendix 5**.

Amendments to the Articles of Association (item 21)

The Board of Directors proposes the following amendments of the Articles of Association, all of which are due to changes in law:

<u>Current wording</u>	<u>Proposed wording</u>
<p>§ 1 Registered name</p> <p>The <i>registered name</i> of the Company is Sectra Aktiebolag (publ), corporate registration number 556064-8304.</p>	<p>§ 1 Company name</p> <p>The <i>company name</i> of the Company is Sectra Aktiebolag (publ), corporate registration number 556064-8304.</p>
<p>§ 10 Notification of attendance</p> <p>Shareholders who wish to participate in a General Meeting of Shareholders shall <i>be recorded as a shareholder in a print-out or other manifestation of the share register five days before the meeting, as set out in Chapter 7 Section 28 third paragraph of the Companies Act (2005:551) and shall</i> notify their names, and if applicable the names of any assistants who will be accompanying them, to the Company not later than the day stipulated in the notice convening the General Meeting. The latter mentioned day must not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, and must not be earlier than five days before the Meeting.</p>	<p>§ 10 Notification of attendance</p> <p>Shareholders who wish to participate in a General Meeting of Shareholders shall notify their names, and if applicable the names of any assistants who will be accompanying them, to the Company not later than the day stipulated in the notice convening the General Meeting. The latter mentioned day must not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, and must not be earlier than five days before the Meeting.</p>
<p>§ 12 Record date</p> <p>The shareholder or nominee who is registered on the record date in the share register and in a central securities depository register pursuant to Chapter 4 of the Financial Instruments Accounts Act (1998:1479) or any person who is registered in a central securities depository account pursuant to Chapter 4, Section 18 first paragraph 6-8 of the mentioned Act, shall be deemed to be authorised to exercise the rights set out in Chapter 4, Section 39 of the Companies Act (2005:551).</p>	<p>§ 12 Record date</p> <p>The shareholder or nominee who is registered on the record date in the share register and in a central securities depository register pursuant to Chapter 4 of the <i>Central Securities Depositories</i> and Financial Instruments Accounts Act (1998:1479) or any person who is registered in a central securities depository account pursuant to Chapter 4, Section 18 first paragraph 6-8 of the mentioned Act, shall be deemed to be authorised to exercise the rights set out in Chapter 4, Section 39 of the Companies Act (2005:551).</p>

The Board of Directors' statement in accordance with Chapter 20, Section 8 of the Swedish Companies Act (2005:551)

The Board of Directors of Sectra AB (publ), reg. no 556064-8304, hereby presents the following statement in accordance with Chapter 20, Section 8 the Swedish Companies Act (2005:551), regarding the proposed resolution to decide on a reduction of the share capital with repayment to the shareholders.

The Board of Directors reasons for the proposed resolution to decide on the reduction of the share capital to be in accordance with the provisions of Chapter 17, Section 3, para. 2 and 3 of the Swedish Companies Act (2005:551) are the following:

The objects, scope and risks of the business

The company's objects and scope of business are set out in the articles of association and the annual reports provided. The business operated by the company does not entail risks in excess of those that exist or may be deemed to exist in the industry or those risks which are generally associated with operating a business.

The financial position of the company and the group

The financial position of the company and the group as at April 30, 2020 is stated in the most recent annual report. The annual report also states which accounting principles have been applied in the valuation of assets, allocations and liabilities.

The non-restricted equity in the parent company and the group's retained profits amounted to SEK 326.3 million and SEK 307.4 million respectively at the end of the 2019/2020 financial year.

The proposed resolution to decide on the reduction of the share capital sets out that the Board of Directors proposes that the share capital is reduced by SEK 19,253,010 through the redemption of 2,620,692 Class A shares and 35,885,328 Class B shares for repayment to the shareholders. The proposed amount to be paid for each redemption share is SEK 4.50, which equals a total redemption amount of SEK 173,277,090, which is 28.5 per cent of the company's shareholder equity and 21.2 per cent of the group's shareholder equity at the end of the financial year. The Board of Directors proposes that the company's share capital is restored to its original amount by increasing the company's share capital by SEK 19,253,010 through a bonus issue without issuing new shares via a transfer from the company's unrestricted equity to the company's share capital. After the bonus issue has been completed the company's restricted equity and share capital will be restored to its original amount.

The annual report sets out, among other things, that the company's equity debt ratio as at 30 April 2019 amounted to 54.1 per cent. The proposed reduction of the share capital does not jeopardise the completion of investments which are deemed to be necessary.

The company's and group's financial position does not give rise to any other conclusion than that the company can continue its business and that the company can be expected to fulfil its obligations on both a short and long-term basis.

The Board of Directors is of the opinion that the size of shareholder equity as stated in the most recently delivered annual report is in reasonable proportion to the scope of the company's and the

group's business and the risks connected with the running of the company, after taking into account the proposed resolution on reduction of the share capital.

The justification of the proposed resolution regarding the reduction of the share capital

With reference to the above and to what has otherwise come to the knowledge of the Board of Directors, the Board of Directors is of the opinion that after a comprehensive review of the financial position of the company, the proposed reduction of the share capital is justified having regard to the provisions of Chapter 17, Section 3, para. 2 and 3 of the Swedish Companies Act, i.e. with reference to the demands that the objects of the business, its scope and risks place on the size of the company's and group's equity and the company's and the group's consolidating requirements, liquidity and financing needs in general.

Linköping, June 30, 2020

Sectra AB (publ)

The Board of Directors

Jan-Olof Br er
Chairman of the Board

Torbj rn Kronander
Member of the Board and CEO
and President Sectra AB

Christer Nilsson
Member of the Board

Bengt Hellman
Member of the Board,
Employee Representative

Anders Persson
Member of the Board

Deborah Capello
Member of the Board,
Employee Representative

Tomas Puusepp
Member of the Board

Birgitta Hagenfeldt
Member of the Board

Jonas Yngvesson
Member of the Board

Auditor's statement in accordance with Swedish Companies Act Chapter 20 Section 8, 2nd paragraph (2005:551) regarding if the shareholders meeting should decide in accordance with proposal to reduce the share capital

To the Annual General Meeting of shareholders in Sectra AB (publ), corporate identity number 556064-8304

We have reviewed the board of directors proposal to reduce the share capital dated June 30, 2020.

The board of directors responsibility for the proposal

The board of directors is responsible for the preparation of the proposal to reduce the share capital in accordance with the Companies Act and for such internal control as the board of directors determines is necessary for preparing the proposal without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to issue a statement about the reduction of the share capital based on our review. We conducted our review in accordance with FAR's recommendation RevR 9 *The auditors other statements pursuant to the Companies Act and other ordinance*. This recommendation requires that we follow ethical guidelines and plan and perform the review in order to obtain reasonable assurance that the proposal from the board of directors is free from material misstatements.

The review involves, performing procedures to obtain evidence about financial and other information in the board of director's proposal. The procedures selected depend on the auditor's judgement, including the assessment of the risks for material misstatements in the proposal, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the board's preparation and fair presentation of the proposal 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 internal control. The review also includes evaluating the appropriateness and the reasonableness of assumptions made by the board of directors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

Statement

We recommend that the shareholders meeting approve the board of director's proposal to reduce the share capital for repayment to the shareholders.

Other disclosures

This statement has as its only purpose to fulfil the requirements in the Swedish Companies Act Chapter 20 Section 8, 2nd paragraph and may not be used for any other purpose.

Stockholm, June 30, 2020

Grant Thornton Sweden AB

Mia Rutenius
Authorised Public Accountant

This is a translation of the original document in Swedish. In the event of any difference between this translation and the original Swedish version, the latter shall take precedence.

The Board of Directors' statement in accordance with Chapter 20, Section 13 of the Swedish Companies Act (2005:551)

The Board of Directors of Sectra AB (publ), reg. no 556064-8304, hereby makes the following statement regarding the proposal on reduction of the share capital, in accordance with Chapter 20, Section 13 paragraph 4 of the Swedish Companies Act (2005:551).

The proposed reduction of the share capital sets out that the Board of Directors proposes that the share capital is reduced by SEK 19,253,010 through the redemption of 2,620,692 Class A shares and 35,885,328 Class B shares, for repayment to the shareholders. The proposed repayment amounts to SEK 4.50 per share, representing a total amount of SEK 173,277,090, representing 28.5 per cent of the company's equity and 21.2 per cent of consolidated shareholders' equity of the group at the end of the financial year 2019/2020. Distributable funds in the company at the end of the financial year 2019/2020 were SEK 326,267,702. The annual report shows that the equity debt ratio of the group was 54.1 per cent as at April 30, 2020.

The Board of Directors' proposal entails a reduction of Sectra's share capital by SEK 19,253,010 from SEK 38,506,020 to SEK 19,253,010. In order to achieve a timely and efficient redemption procedure, without having to obtain permission from the Swedish Companies Registration Office or a court of law, the Board of Directors proposes to restore the company's share capital to its original amount by increasing the company's share capital by SEK 19,253,010 through a bonus issue without issuing new shares via a transfer from the company's unrestricted equity to the company's share capital.

Overall, the Board of Directors' proposal as described above means that distributable equity in Sectra, amounting to SEK 326,267,702 at the end of the financial year 2019/2020, decreases by SEK 173,277,090 to SEK 152,990,612. Upon completion of the bonus issue, the company's share capital will be restored to its original amount.

Linköping, June 30, 2020

Sectra AB (publ)

The Board of Directors

Jan-Olof Br er
Chairman of the Board

Torbj rn Kronander
Member of the Board and CEO
and President Sectra AB

Christer Nilsson
Member of the Board

Bengt Hellman
Member of the Board,
Employee Representative

Anders Persson
Member of the Board

Deborah Capello
Member of the Board,
Employee Representative

Tomas Puusepp
Member of the Board

Birgitta Hagenfeldt
Member of the Board

Jonas Yngvesson
Member of the Board

Auditor's statement in accordance with Swedish Companies Act, Chapter 20, Section 14 (2005:551), regarding the board of directors report of redemption terms

To the Annual General Meeting of shareholders in Sectra AB (publ), corporate identity number 556064-8304

We have reviewed the board of directors report including information of redemption terms dated June 30, 2020.

The board of directors responsibility for the report

The board of directors is responsible for the preparation of the report of redemption terms in accordance with the Companies Act and for such internal control as the board of directors determines is necessary for preparing the report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to issue a statement about the redemption terms based on our review. We conducted our review in accordance with FAR's recommendation RevR 9 *The auditors other statements pursuant to the Companies Act and other ordinance*. This recommendation requires that we follow ethical guidelines and plan and perform the review in order to obtain reasonable assurance that the report from the board of directors is free from material misstatements.

The review involves, performing procedures to obtain evidence about financial and other information in the board of director's report. The procedures selected depend on the auditor's judgement, including the assessment of the risks for material misstatements in the report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the board's preparation and fair presentation of the report 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 internal control. The review also includes evaluating the appropriateness and the reasonableness of assumptions made by the board of directors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

Statement

In our opinion

- the report by the board of directors regarding the assets parted from the company tis true and fair, and
- the measures taken, meaning that neither the company's restricted shareholders' equity nor the share capital is reduced, are appropriate and the assessments made of the effects of these measures are accurate.

Other disclosures

This statement has the only purpose to fulfil the requirements in the Companies Act Chapter 20 Section 14 and may not be used for any other purpose.

Stockholm, June 30, 2020

Grant Thornton Sweden AB

Mia Rutenius
Authorised Public Accountant

This is a translation of the original document in Swedish. In the event of any difference between this translation and the original Swedish version, the latter shall take precedence.

The Board of Directors' statement in accordance with Chapter 19, Section 22 of the Swedish Companies Act (2005:551)

The Board of Directors hereby presents the following statement in accordance with Chapter 19, Section 22 of the Swedish Companies Act (2005:551).

The Board of Directors' reasons for the proposed authorization to repurchase the company's own shares being in accordance with the provisions of Chapter 17, Section 3, paragraphs 2 and 3 of the Companies Act are as follows:

The company's objects, scope, and risks

The company's objects and scope of business are set out in the Articles of Association and the annual reports provided. The business conducted by the company does not entail any risks in excess of those that exist or may be deemed to exist in the industry or those risks which are generally associated with operating a business.

The financial position of the company and the group

The financial position of the company and the group as at April 30, 2020 is stated in the latest annual report. The annual report also states which accounting principles are applied in the valuation of assets, allocations and liabilities.

The non-restricted equity in the parent company and the group's retained profits amounted to SEK 326.3 million and SEK 307.4 million respectively at the end of the 2019/2020 financial year.

The annual report states that the debt/equity ratio is 54.1 per cent. Authorization to purchase the company's own shares does not endanger the completion of any necessary investments.

The company's financial position does not give rise to any other conclusion than that the company can continue its business and that the company can be expected to fulfil its obligations on both a short and long-term basis.

In the opinion of the Board of Directors, the amount of shareholders' equity as reported in the latest annual report is in reasonable proportion to the scope of the company's operations and the risks associated with conducting operations in consideration of the authorization to repurchase the company's own shares now proposed.

Justification for the proposal to repurchase

With reference to the above and to what has otherwise come to the knowledge of the Board of Directors, the Board of Directors is of the opinion that after a comprehensive review of the financial position of the company and of the group it follows that the proposed authorization to repurchase the company's own shares is justified according to the provisions of Chapter 17, Section 3, paragraph 2 and 3 of the Swedish Companies Act, i.e. with reference to the requirements that the objects of the business, its scope and risks place on the size of the company's and group's equity and the company's and the group's consolidating requirements, liquidity and financing needs in general.

Linköping, June 30, 2020

Sectra AB (publ)

The Board of Directors

Jan-Olof Brüer
Chairman of the Board

Torbjörn Kronander
Member of the Board and CEO
and President Sectra AB

Christer Nilsson
Member of the Board

Bengt Hellman
Member of the Board,
Employee Representative

Anders Persson
Member of the Board

Deborah Capello
Member of the Board,
Employee Representative

Tomas Puusepp
Member of the Board

Birgitta Hagenfeldt
Member of the Board

Jonas Yngvesson
Member of the Board