

THE YEAR IN BRIEF
2020/2021

Sectra contributes to a healthier and safer society



SECTRA

Knowledge and passion

Sectra—a Swedish company with **global trust**

The desire to change society for the better has driven Sectra for over 40 years. During this time, we have retained our entrepreneurial spirit and realized ideas and innovations in close cooperation with end users. To safeguard this customer-oriented corporate culture, we have primarily grown organically since our start in 1978.

What we do

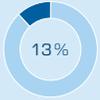
Sectra offers products and services in the medical IT and cybersecurity sectors. We are seeing growing synergies between these areas since healthcare is increasingly becoming a target for organized cybercrime.

Why we exist

The overall aim of our business operations is to solve major social problems that must be addressed in the foreseeable future. There are primarily two global trends that are driving the underlying growth in Sectra's niche areas:

- The aging population of the industrialized world entails a major challenge for healthcare. At the same time, the proportion of the population that is of working age is decreasing. For fewer people to be able to take care of more patients, particularly more elderly patients with growing needs, healthcare must become more efficient.
- A greater degree of digitization throughout society—including in defense forces, critical social functions and healthcare—contributes to efficiency enhancements and simplifies companies' and people's everyday lives. However, it also leads to society becoming more vulnerable to human error, information leaks, unauthorized data access and cyberattacks.

Our operating areas

Imaging IT Solutions IT systems for managing medical images and patient information related to diagnostic imaging.	Share of consolidated sales  84%	
Business Innovation Sectra's own incubator. This includes our medical technology research department as well as the business units for Medical Education and Orthopaedics.	Share of consolidated sales  3%	
Secure Communications Cybersecurity solutions for society's most critical functions and organizations that handle sensitive information.	Share of consolidated sales  13%	
60+ Countries with customers	1,632 Net sales, SEK million	900+ Employees

Living and acting according to the golden rule

It is impossible to discuss where we stand as a company this year without mentioning the pandemic. We have all felt its impact on our lives. Our customers and employees have been forced to adapt in order to maintain society's critical functions. We have helped our customers provide patients with the best possible care and protect critical infrastructure and communication. Healthcare personnel, who continue to help an enormous number of patients in need of care, are everyone's heroes.

We have faced major challenges in our operations and have implemented growth initiatives that could eventually become significant. Our initiatives in innovation and further product development are continuing at full speed, only marginally affected by the pandemic. We are proud over what we have achieved and our ability to reach our goals. At the same time, we remain humble. We cannot forget what brought us here:

- Satisfied customers because we act according to the golden rule.
- A strong corporate culture.
- Recruiting, developing and retaining the best employees.
- Choosing growing markets because that is where it's easier to grow.
- Delivering solutions that help solve major problems in society.
- Encouraging joy, innovation, flexibility and the ability to adapt.

Darwin is thought to have said once that it is not the strongest that survive, but the most adaptable. We all need to adapt when our environment changes; we need to develop and change. But adaptations are incredibly difficult to implement through rules and processes. They need to happen at a cultural level—and that is where we excel. Time and time again, we have shown that we are fast when we need to be, with our strong drive to help our customers and solve their problems in new and innovative ways.

Overall, I look forward to a bright future for our customers and therefore ourselves and our shareholders!

» Read the full CEO letter in the annual report on investor.sectra.com/annual-reports

Linköping, June 2021

Torbjörn Kronander
President and CEO of Sectra AB

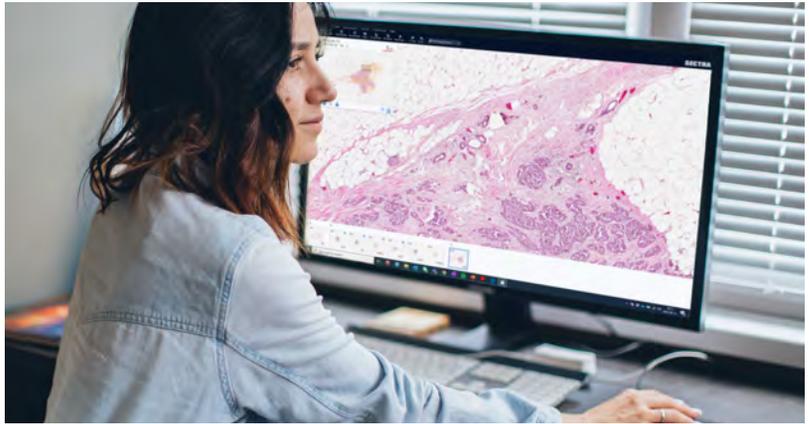


"We have many strategies to reach our goals but they can essentially be summarized as treating our customers how we would like to be treated in their situation. Do unto others as you would have them to do unto you—the golden rule that we see, in various forms, in essentially all societies and religions. Living and acting according to the golden rule leads to successful teamwork and successful business, plus it makes work more fun and more satisfying for our employees."

The year in brief

Imaging IT Solutions

- Sectra earned five awards for having the best customer satisfaction in the categories of medical imaging IT (PACS) and digital pathology.
- Strong order bookings—historically high level.
- The new Sectra One subscription model was well received.
- Several existing customers are expanding their use of Sectra's systems to include digital pathology.
- Sectra secures a number of comprehensive contracts for regional solutions involving medical imaging management, collaboration and consolidation.
- The customer base is growing in the US, with new, top-ranked healthcare providers choosing Sectra.



Business Innovation

- One of the world's largest universities ordered Sectra's online platform for interactive education, with actual clinical cases available both on campus and remotely.
- Sales in the Orthopaedics business unit were noticeably affected by the temporary downturn in planned care resulting from the COVID-19 pandemic.
- Progress in research projects within AI and clinical validation of medical IT solutions.



Secure Communications

- Increased order bookings through orders for cybersecurity projects and project-based development in Sweden and abroad.
- Sectra's VPN for secure mobile workplaces was approved by the security authorities in the Netherlands for the protection of classified information.
- The EU approved Sectra's eavesdropping-proof mobile phone Sectra Tiger/S for voice communication and transferring classified information.
- New framework agreement with EU institutions.
- Launch of a new service to help civil authorities and large corporations with secure digital communication and remote collaboration.

» Read more about our targets in the annual report on investor.sectra.com/annual-reports

Operational targets

Customers are Sectra's top priority. We create profitable growth by having satisfied customers and dedicated employees, which ultimately benefits our owners.



Customer satisfaction—sub-areas that achieve the goal of NPS ≥ 20 .



Innovation—the degree to which the employees agree with the statement "Sectra is innovative".



Corporate culture index—weighs together the answers to questions about Sectra's corporate culture.



Employee "gut feeling"—score for the feeling the employees have when they come to work



Equal treatment—the degree to which the employees agree with the statement "Sectra is an equal-opportunity workplace".

Financial goals

All Group-wide financial goals exceed the target levels.

Stability

54.2%

Goal: The equity/assets ratio is to be at least 30%.

Profitability

21.4%

Goal: The operating margin (EBIT argin) is to be at least 15%.

Earnings growth

115,7 %

Goal: Operating profit (EBIT) per share is to grow by at least 50% over a five-year period.



Financial performance measures

1,632.4

Net sales
SEK million

350.1

Operating profit
SEK million

2,651.6

Order bookings
SEK million

9.66

Cash flow per share
SEK

7.15

Earnings per share
SEK

4.50

Share redemption
program per share SEK*

*Or SEK 0.90 per share after the completion of the 5:1 share split proposed by the Board for resolution by the AGM.

Examples of the **value we create** for customers, patients and society



Photo: University Hospital of Umeå

Collaboration **saves lives**

Giving patients the best possible care requires a great deal of sharing and cooperation with respect to medical images. Every week, more than 35 million images are shared between healthcare providers through our image sharing services. One example of how customers cooperate to save patients' lives is the collaboration between physicians in Umeå, Sweden and Vaasa, Finland. Using our services, images are shared for rapid assessment of whether a stroke is treatable, which in such cases means that the patient is immediately transferred to a trauma center by air ambulance.

Digitization for equitable **remote care and diagnoses**

We help pathologists transition to review tissue samples digitally, which makes it easier to share resources and skills as well as to use innovative technology for image analysis. For patients, digitization leads to a lower risk of receiving the wrong treatment, shorter wait times and more equitable care.

Digitization has also proven to be extremely valuable during the COVID-19 pandemic. The Radboud University Medical Center in the Netherlands was in the process of evaluating Sectra's digital pathology solution when the pandemic hit, and the country started to shut down to limit the spread of the virus. The hospital decided to accelerate the digitization process and pathologists could continue their important work from home by reviewing digital pathology images.



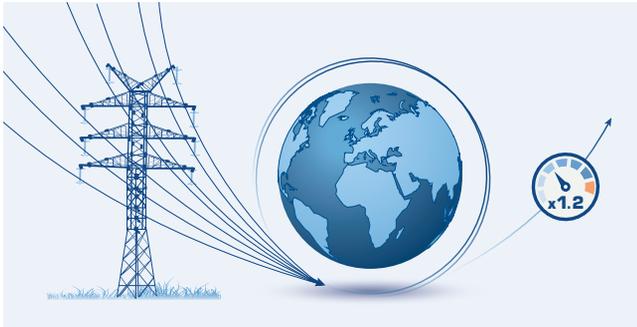
Photo: Radboud University Medical Center



A complete patient overview leads to **better quality of care**

We help healthcare providers manage all types of medical images through the same solution and provide healthcare teams with a complete patient overview by integrating our medical imaging IT system with other healthcare information systems. With the support of Sectra's solutions, users can make faster and more accurate diagnoses, which ultimately leads to better patient care.

» Read more about these and other examples that show how we help our customers medical.sectra.com/customerstories and communications.sectra.com/customerstories



Reducing the risk of disruptions and interruptions in critical social functions

Our analysis services and data traffic monitoring help customers reduce vulnerabilities in the energy grid. The total length of the energy grids we monitor is equal to 1.2 times that of the Earth's circumference.

Remote working without increased risk exposure

With our products and services for secure mobile communications, we help defense organizations, ministries of foreign affairs, civil authorities and companies manage sensitive information while working remotely with the same high level of security as at the office. This was especially important during the COVID-19 pandemic since many of our customers were forced to change their way of working.

Examples of the value we created in 2020/2021

> 200
million

Total number of patients whose diagnostic imaging information is stored in Sectra's systems

196
SEK million

Purchase of goods for resale from suppliers

12.4
%

Percentage of sales re-invested in R&D for increased customer value

915
employees

Total number of employees in 14 countries

848
SEK million

Salaries and other remuneration to employees



Avoiding unnecessary suffering for patients

Approximately 10–15% of all hip or knee surgeries performed in Sweden are revision surgery. With the analysis service Sectra IMA we help orthopaedic surgeons decide whether patients experiencing pain after a joint replacement surgery need a revision surgery owing to an implant that has come loose. Avoiding unnecessary revision surgery can result in major cost-savings since revision surgery is a costly procedure. Perhaps even more importantly, avoiding such surgery can reduce suffering since this type of procedure entails a risk for patients.

Annual report

Read the full Annual Report on our website.

» investor.sectra.com/annual-reports

Annual General Meeting 2021

Date: September 14, 2021

Official notice will be distributed not earlier than six weeks and not later than four weeks prior to the AGM in the form of a press release and publication on Sectra's website. The notice will be announced in the Swedish Official Gazette (Post- och Inrikes Tidningar) and an announcement that notice has been given will be published in Svenska Dagbladet. The complete proposals for resolution and other documents will be available not later than August 24, 2021 (three weeks prior to the AGM) at investor.sectra.com/agm2021.

Follow Sectra's progress

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Sectra AB (publ)



SECTRA

Knowledge and passion