

SECTRA

Documentation to be presented at the
Annual General Meeting of

Sectra AB (publ)

Tuesday, September 14, 2021

Agenda

for the Annual General Meeting of shareholders in Sectra AB (publ) Tuesday, September 14, 2021.

Proposed Agenda

1. Election of a Chairman of the AGM.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of two persons to certify the minutes.
5. Determination of whether the AGM has been duly convened.
6. Presentation of the Annual Report and the Auditor's Report and the Consolidated Annual Report and Consolidated Auditor's Report.
7. 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.
8. Resolution regarding the allocation of the company's profit according to the adopted Balance Sheet.
9. Resolution regarding the discharge from liability towards the company for the members of the Board of Directors and the Managing Director.
10. Resolution regarding the number of members of the Board of Directors, auditors and deputies.
11. Resolution regarding the fees for the Board of Directors and the auditors.
12. Election of the members of the Board of Directors.
13. Election of the Chairman of the Board.
14. Election of the auditor.
15. Resolution regarding the approval of the remuneration report.
16. Resolution regarding the division of shares and amendments of the articles of association.
17. Resolution regarding 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.
18. Resolution regarding long term performance based incentive programs 2021 including
 - (a) a resolution regarding terms and instructions for the incentive programs,
 - (b) a resolution to amend the articles of association,
 - (c) a resolution to authorize the Board of Directors to (i) to issue shares of series C and (ii) to buy back shares of series C, and
 - (d) a resolution to transfer shares of Series B.
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.

The Board of Directors' proposals for the Annual General Meeting in Sectra AB (publ) on Tuesday, September 14, 2021

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

Election of Chairman of the AGM, item 1

The Nomination Committee, consisting of Jan-Olof Brüer (Chairman of the Board of Directors and representing his own and related parties' holdings), Torbjörn Kronander (representing his own and related parties' holdings), Jan Särilvik (chairman of the Nomination Committee and representing Nordea Investment Funds) and Elisabet Jamal Bergström (representing SEB Investment Management), 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 4

The Nomination Committee proposes that Elisabet Jamal Bergström, representing SEB Investment Management, 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 8

The Board of Directors and the Managing Director propose that no dividend is distributed for the financial year 2020/2021. The Board of Directors instead proposes an automatic redemption procedure as set out in item 17 below.

Board of Directors, items 10-14

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, Jonas Yngvesson and Fredrik Robertsson are proposed to be re-elected as members of the Board of Directors.

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

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/agm2021.

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 270,000 (previously SEK 225,000) for each of the external members of the Board and to SEK 540,000 (previously SEK 450,000) for the Chairman of the Board. These fees have not been amended since the 2017 AGM. 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 70% of the votes in the company.

Approval of the remuneration report, item 15

The Board of Directors proposes that the AGM resolve to approve the remuneration report by the Board of Directors according to Chapter 8 Section 53a of the Companies Act (2005:551), **Appendix 1**.

Division of shares and amendments of the Articles of Association, item 16

The Board of Directors proposes that the AGM resolves to complete a division of shares, a so-called split, whereby one existing share in Sectra is divided into five shares.

It is proposed that the Board of Directors is authorized to determine the record date for the division, provided that the record date shall be determined so that it does not occur later than October 14, 2021.

In addition, the Board of Directors proposes that two new provisions are introduced in the Articles of Association as § 11 (Collection of proxies) and § 12 (Postal vote).

The proposal by the Board of Directors described above means that the Articles of Association shall be amended as follows (where words in italics are new or amended words):

Current wording

§ 5 Number of shares

The number of shares in the company shall be at least thirty-two million (32,000,000) and not more than one hundred and twenty-eight million (128,000,000).

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Proposed wording

§ 5 Number of shares

The number of shares in the company shall be at least *one hundred and sixty million (160,000,000)* and not more than *six hundred and forty million (640,000,000)*.

§ 11 Collection of proxies

The Board of Directors may prior to a general meeting decide to collect proxies in accordance with the procedure set forth in Chapter 7 Section 4 of the Companies Act.

§ 12 Postal vote

The Board of Directors may prior to a general meeting decide that the shareholders shall be entitled to exercise their voting right by post prior to the general meeting in accordance with Chapter 7 Section 4a of the Companies Act.

As a result of these amendments, the current §§ 11-13 shall be referred to as §§ 13-15

Automatic redemption of shares, item 17

The Board of Directors proposes that the AGM resolves on a procedure for the automatic redemption of shares, in accordance with items 17 a – 17 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 17 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 19, 2021.

Resolution to reduce the share capital through an automatic redemption of shares (item 17 b)

The Board of Directors proposes that the share capital is reduced by SEK 19,262,747 through the redemption of 13,103,460 Class A shares and 179,524,010 Class B shares (taking into account the division of shares pursuant to item 16 above) for repayment to the shareholders.

The amount payable for each redemption share shall be SEK 0.90 (taking into account the division of shares pursuant to item 16 above). The maximum redemption amount will thus be SEK 173,364,723. The Board of Directors proposes that trading in redemption shares shall take place during the period October 20-29, 2021 and that the record date for the redemption of the redemption shares shall be November 2, 2021. Payment is expected to be made through Euroclear Sweden AB around November 5, 2021.

Resolution to increase the share capital through a bonus issue, (item 17 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 19,262,747 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 2** and **Appendix 3** 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 4** and **Appendix 5** respectively.

Long term performance based incentive programs 2021, item 18

Background and motive

As an employer, Sectra wants to both retain and recruit competent employees who are expected to contribute to the group's continued good development. The remuneration through the long-term incentive programs that are proposed shall promote well thought-out decision-making and desirable results in a manner that is in line with the company's vision and values.

The intention is to increase the participants' affiliation with the company, which is expected to be good for the company in the long term. The Board of Directors wants the employees, through the programs, to be encouraged to increase ownership in the company and has therefore proposed a share-based compensation where a condition for it to be paid is that certain criteria must be met. An

increased element of co-ownership among the company's employees is expected to lead to increased loyalty towards the company. Participation in the programs is voluntary.

Due to different conditions, different practices have developed in the USA/Canada and in the rest of the world. Therefore, two programs are proposed, one for employees in the USA and Canada (NA), and another for employees in Sweden and the rest of the world (SROW).

The Board of Directors' proposal is set out in items 18 a - 18 d below. All decisions are proposed to be conditional on each other, which is why all decisions expire if any of the proposals does not receive the required majority.

Resolution on terms and instructions for the incentive programs (item 18 a)

The Board of Directors proposes that the AGM resolves on the introduction of two new long-term incentive programs for employees within the Sectra Group; one for employees in the USA and Canada ("**LTIP 2021 NA**") and one for employees in Sweden and the rest of the world ("**LTIP 2021 SROW**") in accordance with the following (together "**LTIP 2021**"). LTIP 2021 will comprise a maximum of 1,000 employees in total within the Sectra Group.

In total, it is proposed that a maximum of 1,000,000 shares in the company are issued (after the split of shares, which is proposed in item 16 above), which shall be sufficient for both allocation to employees at full performance, and to cover the costs of the social security contributions that are expected to arise in connection with the allotment of the so-called Performance Shares (as defined below). To this, an assessment has been made that the average social security contributions and payroll overhead (considering all the countries in which employees whom can receive Performance Shares are located) when allotted are approximately 28% of the Performance Shares that may be allotted. This means that 780,000 newly issued shares are proposed to be available for allotment to employees and 220,000 are intended to be sold over the stock exchange to cover social security contributions and payroll overhead. In total, this means a maximum dilution of approximately 0.5% after the proposed split of shares.

Common definitions for both programs:

1. The Employment Condition refers to the employment conditions that employees must meet in order to be eligible to participate in the Programs, namely to be a permanent or probationary employee of the Sectra Group for at least 50% of full time at the time of the annual general meeting on 14 September 2021, provided that the person in question then has commenced his or her employment and has not resigned or been dismissed from his employment or has retired. Permanent and probationary employees who are on sick leave, on leave of absence or on parental leave are also covered by the programs. Each person can only participate in one of the programs. The Board of Directors has the right to make exceptions from these terms if, according to the Board of Directors' reasonable assessment, there are special reasons.
2. The Qualification Period refers to 1 January 2022 - 31 December 2026.
3. A Performance Share refers to a Series B share in the Company.

LTIP 2021 SROW

Definitions:

1. A Share Grant refers to a right to receive a Performance Share free of charge, provided that certain conditions are met.

The Board of Directors shall recalculate the number of Performance Shares that the participants may receive upon conversion of a Share Grant if the company carries out a bonus issue, split, preferential rights issue or similar measures. Such recalculation shall take place on market terms.

2. A Saving Share refers to a Series B share in the Company which a participant in LTIP 2021 SROW has allocated to the program no later than 31 December 2021.

Summary

LTIP 2021 SROW is proposed to include such employees in Sweden and the rest of the world (with the exception of the USA and Canada) whom meet the Employment Condition, meaning that LTIP 2021 SROW is proposed to cover a maximum of 850 people within the Sectra Group. Persons employed after the AGM are not covered by the program.

The participants in LTIP 2021 SROW will be allocated an individually determined number of Share Grants. To be allotted the Share Grants, the participants in LTIP 2021 SROW must have acquired Savings Shares which have been allocated by the participant to LTIP 2021 SROW and deposited in accordance with Sectra's instructions. The maximum number of Savings Shares that the participant can allocate to LTIP 2021 SROW corresponds to the maximum number of Share Grants a participant can be allotted as set out below. For each Saving Share held within the framework of LTIP 2021 SROW, the participant is given a Share Grant.

Distribution

LTIP 2021 SROW shall comprise a maximum of 660,000 shares, which means that a maximum of the corresponding number of Share Grants can be allotted.

Each employee shall be offered 250 Share Grants. However, a participant may choose to participate with a smaller number of Savings Shares, however a minimum of 50, as a result of which the participant instead receives a corresponding number of Share Grants.

In addition, according to the Board of Directors' instructions, employees who (i) make extraordinarily strong contributions to the Sectra Group's development, (ii) are in senior positions, (iii) have particular specialist competence or (iv) in other ways are considered of special importance for the Sectra Group's development (the key personnel) can be allocated Share Grants for a total amount of a maximum of 25,000 Share Grants per person.

The Board of Directors shall, no later than 15 November 2021, ensure that the terms and distribution of Share Grants are made accessible for eligible employees. Employees who wish to participate in the Program must, no later than 1 December 2021, notify as to which extent they wish to participate. Participants must ensure that Savings Shares, according to the notification, are available at a custody account designated by Sectra no later than 31 December 2021.

Terms

Share Grants are allotted free of charge, after the participant (i) has notified in writing that he or she has joined LTIP 2021 SROW, (ii) deposited his or her Savings Shares and (iii) entered into an agreement with Sectra relating to the allotment of Share Grants and in which the terms of participation are described in more detail.

The right to receive Performance Shares is earned during the Qualification Period. The Share Grants may not be transferred, pledged or otherwise transferred to others, with the exception of the participant's estate. If a Savings Share is sold during the Qualification Period, the right to the corresponding Performance Share is lost.

Share Grants can be exercised after the end of the Qualification Period, provided that the participant has held a corresponding number of Saving Shares throughout the Qualification Period. Share Grants that do not correspond to Saving Shares shall lapse without any compensation being paid. If the participant has held less than 50 Savings Shares during the Qualification Period, all the Participant's Share Grants lapse without the right to compensation.

In order to be able to exercise a Share Grant and thereby obtain a Performance Share, the following performance conditions ("Performance Conditions") must be met:

- a) The participant must have fulfilled the Employment Condition during the entire Qualification Period. If the participant leaves the employment during a calendar year, the participant is not considered to have been employed at all during such calendar year, but still during previous calendar years during the Qualification Period. The more detailed conditions for participants entitlement to receive Performance Shares, even if they are leaving their employment, shall be determined by the Board of Directors.
- b) For employees in companies other than Sectra Communications AB and its subsidiaries (Sectra Communications Group), Sectra must for each calendar year during the Qualification Period have achieved 1) at least one "Best in KLAS" (in any category) and 2) first, second or third place in "Best in KLAS for PACS / Radiology for large hospitals" in the USA.
- c) For employees in the Sectra Communications Group, for each calendar year during the Qualification Period, the Sectra Communications Group must have achieved 1) an operating margin (EBIT margin) of at least 15% and 2) a profit growth (EBIT) of at least 8% compared to the previous year.

In the event of transitions between the Sectra Communications Group and other companies within the Sectra Group, the criteria for the program to be applied shall apply from the nearest calendar year after the transition has taken place.

For each calendar year during the Qualification Period that one of the above-mentioned Performance Conditions has not been met, one tenth of the participant's all Share Grants shall lapse. All Savings Shares must, however, be held during the entire Qualification Period. When allocating Performance Shares, the total sum of the number of Share Grants is rounded down to the nearest whole number.

Allotment of Performance Shares takes place within 60 days from the end of the Qualification Period.

LTIP 2021 NA

Summary

LTIP 2021 NA is proposed to include such employees in the USA and Canada who meet the Employment Condition, meaning that LTIP 2021 NA is proposed to cover a maximum of 150 persons within the Sectra Group. Persons employed after the shareholder's meeting are not covered by the program.

The participants in LTIP 2021 NA will be allocated an individually determined number of grants, so-called Performance Stock Units ("PSU") which, provided that certain conditions are met, entail a right to receive Performance Shares free of charge.

Distribution

LTIP 2021 NA shall comprise a maximum of 120,000 shares, which means that a maximum of corresponding number of PSUs can be allotted.

The basic offer of PSUs to be allotted is 200 PSUs per employee.

In addition, according to the Board of Directors' instructions, employees in the USA and Canada who (i) make extraordinarily strong contributions to the Group's development, (ii) are in senior positions, (iii) have particular specialist competence or (iv) are otherwise considered to be of special importance for the development of the Sectra Group (the key personnel) can be allocated PSUs for a total number of no more than 20,000 PSUs per person.

The Board of Directors shall, no later than 15 November 2021, ensure that the terms and distribution of PSUs are made available to entitled employees. Employees who wish to participate in the Program must notify this no later than 1 December 2021.

Terms

The allocation of PSUs shall be made free of charge after the participant has entered into an agreement with Sectra in relation to the allocation of PSUs, in which the conditions for participation are described in more detail. Allocation must be made no later than 31 December 2021.

A PSU gives the right to receive a Performance Share in the company free of charge, provided that certain conditions are met.

The right to receive Performance Shares is earned during the Qualification Period. The PSUs may not be transferred, pledged or otherwise transferred to others, with the exception of the participant's estate.

In order to be able to exercise a PSU and thereby receive a Performance Share, the following performance conditions ("Performance Conditions") must be met:

- a) The participant must have fulfilled the Employment Condition during the entire Qualification Period. If the participant leaves the employment during a calendar year, the participant is not considered to have been employed at all during such calendar year, but still during previous calendar years during the Qualification Period. The more detailed conditions for participants entitlement to receive Performance Shares, even if they are leaving their employment, shall be determined by the Board of Directors.
- b) Sectra must for each calendar year during the Qualification Period have achieved 1) at least one "Best in KLAS" (in any category) and 2) first, second or third place in the "Best in KLAS for PACS / Radiology for large hospitals in the USA (if the participant is employed in the USA) or Canada (if the participant is employed in Canada).

For each calendar year during the Qualification Period that one of the above-mentioned Performance Conditions has not been met, one tenth of the participant's all PSUs shall lapse. In the allotment of Performance Shares, the total sum of the number of PSUs is rounded down to the nearest whole number.

Allotment of Performance Shares takes place within 60 days from the end of the Qualification Period.

LTIP 2021 - common

Taxation

LTIP 2021 has been designed in such way that participants are normally taxed for the benefit of receiving shares only the income year in which the Performance Shares are received, however, the tax rules may be different in some countries where Share Grants and PSUs are granted. The taxable benefit value that arises is normally calculated as the share's market value when it is received. The benefit value is normally taxed for the participants as income from employment, which means that social security contributions will be levied on the employer.

Preparation of the proposal

LTIP 2021 has been prepared by the company's Board of Directors in consultation with external advisors and has been processed by the Board of Directors at a meeting on 5 august 2021.

Design and handling

The Board of Directors shall be responsible for the detailed design and handling of LTIP 2021, within the framework of the specified terms and instructions, including provisions for recalculation in the event of changes in Sectra's capital structure such as intermediate bonus issue, merger, split, preferential rights issue and / or other similar events. In connection with this, the Board of Directors shall have the right to make adjustments to comply with special foreign rules or market conditions. If there are significant changes in the Sectra Group or its surroundings, which would mean that decided conditions for the allocation and vesting of Share Grants or PSUs according to LTIP 2021 are no longer appropriate, the Board of Directors shall have the right to make other adjustments. Before the Board of Directors decides on vesting and payment in accordance with the terms of the Share Grants or the PSUs, the Board of Directors shall determine whether the outcome from LTIP 2021 is reasonable. This determination shall be performed in relation to the company's financial results and position, the conditions on the stock market and otherwise. If the Board of Directors, in its determination, concludes that the outcome is not reasonable, the Board of Directors shall be able to reduce the number of Class B shares to be allotted.

Receipt of Performance Shares in accordance with LTIP 2021 and hedging measures

In order to be able to implement LTIP 2021 in a cost-effective and flexible manner, the Board of Directors has considered different methods for transferring Class B shares to participants who have been allocated Share Grants and PSUs, respectively. The Board of Directors has found the most cost-effective alternative to be, and therefore proposes that the annual general meeting resolves

- a) to amend the articles of association, including the introduction of a new class of shares, series C, and that series C shares which are held by the company through the Board of Directors may be converted into series B shares (see item 18 (b) below);
- b) to authorize the Board of Directors to decide on a directed issue of a maximum of 1,000,000 C shares to the participating bank, i.e. the bank that the company engages, in order to facilitate the delivery of Performance Shares and financing of costs for social security contributions under LTIP 2021 (see paragraph 18 (c) below), and
- c) to authorize the Board of Directors to resolve on the repurchase of all issued C shares in accordance with below (see item 18 (c) below).

Following the conversion of the repurchased C shares into B shares, the B shares will be transferred partly free of charge to participants in LTIP 2021 and partly through the stock exchange to finance the costs of social security contributions related to LTIP 2021. For this purpose, the Board of Directors proposes that the annual general meeting resolves on

- d) the transfer of a maximum of 780,000 own B shares to participants in accordance with LTIP 2021 and a maximum of 220,000 B shares on the stock exchange to finance costs for social security contributions due to LTIP 2021 (see item 18 (d) below).

Costs and impact on important key ratios

Assuming a share price amounting to SEK 135 (taking into account the division of shares pursuant to item 16 above) upon allotment of the Share Grants, and a share price amounting to SEK 205 (taking into account the division of shares pursuant to item 16 above) when shares are transferred upon vesting and expected outcome for LTIP 2021, the cost, including estimated costs for social security contributions, is estimated to amount to approximately SEK 120.7 million for the entire period of five years. This corresponds to approximately 14.2 percent of the Sectra Group's salary costs for 2021. The finally reported cost depends on the degree to which performance and employment conditions are met and on the value development of Sectra's share price. The costs of

administering the program will be minimized and taken on an ongoing basis but is estimated to a maximum of 5% of the total scope of the program.

LTIP 2021 will be reported in accordance with IFRS 2 Share-based Payments (Sw: *Aktierelaterade ersättningar*) and the cost of social security contributions will be reported in accordance with UFR 7 *IFRS 2 and social security contributions for listed companies* (Sw: *IFRS 2 och sociala avgifter för noterade företag*). This means that the fair value of the Share Grants when allocating the Share Grants will be recognised as an employee cost and accrued over the vesting period, based on ongoing assessments and finally on the final outcome of the performance and employment conditions. The cost of social security contributions is accrued in a corresponding manner but on an ongoing basis and finally upon vesting based on the current share price.

Dilution of existing shares and votes

With a maximum allotment of Performance Shares, up to 780,000 Class B shares may be allotted to participants in accordance with LTIP 2021 and 220,000 Class B shares may be used to finance the cost of social security contributions as a result of LTIP 2021, which means a maximum dilution effect of about 0.5 percent.

Resolution on amendments of the Articles of Association (item 18 b)

Current wording

§ 4 Share capital

The share capital shall be at least thirty-two million (32,000,000) and not more than one hundred and twenty-eight million (128,000,000).

Shares may be issued in two series, A and B. Shares of series A shall carry ten votes and of series B carry one vote. No more than SEK 128,000,000 of the share capital shall be A-shares and no more than SEK 128,000,000 of the share capital shall be B-shares.

Both kinds of shares shall carry the same entitlement to share in the company's assets and profits.

§ 6 Preferential right

If the company resolves on a new issue, in exchange for any other payment than payment in kind, to issue new shares of both series A and

Proposed wording

§ 4 Share capital

The share capital shall be at least thirty-two million (32,000,000) and not more than one hundred and twenty-eight million (128,000,000).

Shares may be issued in *three* series, A, B and C. Shares of series A shall carry ten votes and of series B *or C* carry one vote. No more than SEK 128,000,000 of the share capital shall be A-shares, no more than SEK 128,000,000 of the share capital shall be B-shares *and no more than SEK 128,000,000 of the share capital shall be C-shares*.

Shares of series A and shares of series B shall carry the same entitlement to share in the company's profits. Shares of series C shall not carry any share in the company's profits. At the dissolution of the company, shares of all kinds shall carry the same entitlement to share in the company's assets, provided that as regards shares of series C this right is limited to an amount equal to the quota value of the shares.

§ 6 Preferential right etc

If the company resolves on a new issue, in exchange for any other payment than payment in kind, to issue new shares of both series A,

series B, owners of shares of series A and series B shall have a preferential right to subscribe for new shares of the same kind in relation to the number of shares that the owner holds (primary preferential right). Shares that are not subscribed with primary preferential right shall be offered for subscription to all shareholders (secondary preferential right). If shares thus offered are not sufficient for the subscriptions made pursuant to the subsidiary preferential right, the shares shall be distributed among the subscribers in relation to the number of shares previously held by them and to the extent this is not possible, by way of drawing lots.

If the company resolves on a new issue, in exchange for any other payment than payment in kind, to issue new shares only of series A or series B, all shareholders, irrespective of whether their shares are of series A or series B, have a preferential right to subscribe for new shares in relation to the number of shares that the owner holds.

A shareholder's preferential right as described above shall apply equally in case of a new issue of warrants and convertibles and shall not be considered as any restriction in the possibility to resolve on new issues deviating from the preferential right of shareholders.

series B *and series C*, owners of shares of series A, series B *and series C*, *respectively*, shall have a preferential right to subscribe for new shares of the same kind in relation to the number of shares that the owner holds (primary preferential right). Shares that are not subscribed with primary preferential right shall be offered for subscription to all shareholders (secondary preferential right). If shares thus offered are not sufficient for the subscriptions made pursuant to the subsidiary preferential right, the shares shall be distributed among the subscribers in relation to the number of shares previously held by them and to the extent this is not possible, by way of drawing lots.

If the company resolves on a new issue, in exchange for any other payment than payment in kind, to issue new shares only of series A, series B *or series C*, all shareholders, irrespective of whether their shares are of series A, series B *or series C*, have a preferential right to subscribe for new shares in relation to the number of shares that the owner holds.

In case of an increase of the share capital by way of a bonus issue, new shares of series A and series B shall be issued in relation to the number of shares of series A and series B, respectively, that already exist. In doing so shares of series A and series B shall carry the right to receive new shares of series A and series B, respectively. Shares of series C shall not carry any right to participate in a bonus issue.

A shareholder's preferential right as described above shall apply equally in case of a new issue of warrants and convertibles and shall not be considered as any restriction in the possibility to resolve on new issues deviating from the preferential right of shareholders.

The Board of Directors shall be entitled to redeem all shares of series C, at which owners of such shares shall have to redeem their shares for a redemption price equal to the quota value of the shares.

Shares of series C that are held by the company may after a resolution by the Board of Directors, be converted into shares of series B. A conversion has been completed when it has been registered in the Companies Register and been noted in the share register.

Of all shares already issued, 2 620 692 shares shall be A-shares and 35 904 802 shares shall be B-shares.

Resolution on authorizing the Board of Directors to resolve upon (i) a new issue of shares of series C and (ii) the repurchase of series C shares (item 18 c)

Authorization for the Board of Directors to resolve upon the issue of C shares

The Board of Directors proposes that the AGM resolves to authorize the Board of Directors to increase the company's share capital by a maximum of SEK 1,000,000 through the issue of a maximum of SEK 1,000,000 C shares, on one or more occasions, up until the AGM 2022. The new shares shall, with deviation from the shareholders' preferential rights, be subscribed for by such bank with which the company signs a cooperation agreement to facilitate the delivery of Performance Shares and financing of social security costs under the long-term incentive programs LTIP 2021 at a subscription price corresponding to the quota value. Payment shall be made in cash. The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights in carrying out the issue is to ensure delivery of shares to participants in accordance with LTIP 2021 and to cover any social security costs due to LTIP 2021.

Authorization for the Board of Directors to resolve upon repurchase of own C shares

The Board of Directors proposes that the AGM resolves to authorize the Board of Directors to, on one or more occasions, resolve upon the repurchase of class C shares up until the AGM 2022. Repurchases may only take place through an acquisition offer addressed to all holders of class C shares and shall include all outstanding class C shares. Acquisitions must be made at a price corresponding to the share's quota value. Payment for acquired C shares must be made in cash. The purpose of the proposed repurchase authorization is to ensure delivery of Performance Shares in accordance with the long-term performance-based incentive programs LTIP 2021 and to cover any social security costs due to LTIP 2021.

Resolution on the acquisition of class C shares may only be made provided that the company's holding at any given time does not exceed 10 percent of all shares in the company (including such shares that are acquired in accordance with item 20 below).

Resolution on transfer of series B shares (paragraph 18 d)

The Board of Directors proposes that the AGM resolves that (after conversion from C shares) a maximum of 780,000 class B shares may be transferred to participants in accordance with the terms of LTIP 2021, and that a maximum of 220,000 class B shares may be transferred on Nasdaq Stockholm, including by way of a financial intermediary, at a price within the price range registered at any given time, to finance social security costs in accordance with the terms of LTIP 2021. The number of shares that can be transferred may be converted as a result of intermediate bonus issue, merger, split, preferential rights issue and / or other similar events.

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 18,500,000 Class B shares (taking into account the division of shares pursuant to item 16 above) 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 (including such shares of Class C that are acquired pursuant to item 18 c above). 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 and the auditors' statement in accordance with Chapter 19, Section 28 of the Companies Act is set forth in **Appendix 6 and 7**.

Remuneration Report 2020/2021 for Sectra AB

Introduction

This report describes how the guidelines for remuneration to senior executives in Sectra AB, adopted by the 2020 Annual General Meeting, were implemented in 2020/2021. This report also contains information on remuneration to the President and Executive Vice Presidents as well as a summary of share-based incentive programs, both outstanding and concluded during the year. This report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Additional information on remuneration to senior executives is provided in Note 3 (Employees and personnel costs) on pages 91–92 of Sectra's Annual Report and Sustainability Report for 2020/2021. Information on the work of the Remuneration Committee during the fiscal year is provided in the Corporate Governance Report on pages 54–63.

Board fees are not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and is reported in Note 3 on pages 91–92 of the 2020/2021 Annual Report. No remuneration above and beyond the Board fees resolved by the Annual General Meeting were paid out during 2020/2021.

Sectra's performance in 2020/2021

The CEO summarizes the company's overall performance in his statement on pages 10–12 of Sectra's Annual Report and Sustainability Report for 2020/2021. A more detailed account of the company's performance is presented in the Administration Report on pages 64–79.

The company's remuneration guidelines: scope, purpose and deviations

One prerequisite for successfully implementing the company's business strategy and safeguarding its long-term interests, including its sustainability, is the company's ability to recruit and retain qualified employees. To this end, the company must offer competitive remuneration. The company's remuneration guidelines make it possible to offer senior executives competitive total remuneration. In certain years, in addition to the remuneration covered by the remuneration guidelines, the company's Annual General Meeting has resolved on the introduction of long-term share-based incentive programs.

In accordance with the guidelines, the terms and conditions must emphasize remuneration after performance, and vary in relation to the individual's performance and the Group's earnings. Remuneration to senior executives is to be on market terms and can consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Variable cash remuneration is to be based on predetermined and measurable criteria. These criteria should be based on:

- (i) financial earnings (profit, financial efficiency and sales) or alternately operational goals that over the long term are felt to lead to solid financial results;
- (ii) share-based goals; and
- (iii) non-financial goals such as sustainability, customer satisfaction, quality and corporate culture.

They should also consist of individually adapted quantitative or qualitative goals. The criteria are to be designed to promote the company's business strategy and long-term interests, including its sustainability. 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 complete guidelines are presented on pages 68–69 of the company's Annual Report and Sustainability Report for 2020/2021.

In 2020/2021, the company complied with the applicable remuneration guidelines adopted by the Annual General Meeting. No deviations from the guidelines occurred, and no deviations occurred from the decision-making process that is to be applied in accordance with the guidelines to establish the remuneration. No repayment of remuneration has been demanded. The auditor's statement on the company's compliance with the guidelines is available at investor.sectra.com/agm2021.

Remuneration to the President and Executive Vice Presidents

Total remuneration to the President and CEO and Executive Vice Presidents in 2020/2021 (SEK thousand) (SEK thousand)

Name of executive (position)	Year	Fixed remuneration (basic salary incl. vacation pay)	Variable remuneration	Share of fixed and variable remuneration (%)	Pension	Benefits
Torbjörn Kronander (President and CEO)	20/21 19/20	3,811 2,650	1,218 1,200	76/24 69/31	498 559	N/A N/A
Marie Ekström Trägårdh (Executive Vice President of Sectra AB and President of the Imaging IT Solutions business area) ¹	20/21 19/20	2,885 2,270	1,265 617	59/41 79/21	413 514	N/A N/A
Simo Pykälistö (Executive Vice President of Sectra AB and President of the Secure Communications business area) ¹	20/21 19/20	1,298 1,361	53 185	96/4 88/12	276 329	78 77

¹ The Executive Vice Presidents have received remuneration from other companies in the Group.

Application of performance criteria

The performance criteria for variable remuneration for the President and Executive Vice Presidents have been selected in order to realize the company's strategy and to encourage behavior that is in the long-term interests of the company. The strategic goals as well as short-term and long-term business priorities for 2020/2021 were taken into account in the selection of performance criteria. The non-financial performance criteria also contribute to the adaptation to sustainability as well as the company's values.

Performance of the President and Executive Vice Presidents during the reported fiscal year: variable cash remuneration (SEK thousand)

Name of executive (position)	Description of the criteria related to variable remuneration components	Year	Actual award
Torbjörn Kronander (President and CEO)	Financial performance targets EBIT \geq 15% and growth of EBIT per share \geq 50% over a five-year period	20/21 19/20	1,218 1,200
Marie Ekström Trägårdh (Executive Vice President of Sectra AB and President of the Imaging IT Solutions business area)	Customer satisfaction, financial performance and growth targets, increased shareholding, etc.	20/21 19/20	1,265 617
Simo Pykälistö (Executive Vice President of Sectra AB and President of the Secure Communications business area)	Financial performance and sales targets, increased shareholding, etc.	20/21 19/20	53 185

Share-based incentive programs

Long-term share-based incentive programs in the form of convertible programs have been introduced at the company in certain years. These programs have been targeted at employees in the Group as well as members of the Board. The participants subscribed for convertibles under terms resolved by the Annual General Meeting. The programs targeted at employees have terms of three years, and the programs targeted at the Board have terms of four years.

A program targeted at the Board was converted during the fiscal year; refer to the information in Note 3 on pages 91–92 of the 2020/2021 Annual Report.

Holdings of the President and Executive Vice Presidents in outstanding convertible programs

(SEK thousand)

Name of executive (position)	Amount subscribed (SEK thousand)	Number of underlying shares	Term
Marie Ekström Trägårdh (Executive Vice President of Sectra AB and President of the Imaging IT Solutions business area)	377	1,021	2018/2022

Comparative information pertaining to changes in remuneration and the company's performance

Changes in remuneration and the company's performance over the last five reported fiscal years

Changes in remuneration (SEK thousand)

Position of executive	20/21 vs 19/20 (% change)	19/20 vs 18/19 (% change)	18/19 vs 17/18 (% change)	17/18 vs 16/17 (% change)	16/17 vs 15/16 (% change)
President and CEO	1,118 (25.4%)	709 (19.2%)	141 (4.0%)	-6 (-0.2%)	341 (10.6%)
Executive Vice Presidents	914 (17.3%)	148 (2.9%)	278 (5.7%)	554 (12.9%)	120 (2.9%)

Changes in Group earnings (SEK million)

	20/21 vs 19/20 (% change)	19/20 vs 18/19 (% change)	18/19 vs 17/18 (% change)	17/18 vs 16/17 (% change)	16/17 vs 15/16 (% change)
Net sales	-29 (-1.7%)	248 (17.5%)	204 (16.9%)	84 (7.5%)	44 (4.1%)
Operating profit	55 (18.5%)	60 (25.4%)	21 (9.9%)	19 (9.9%)	37 (23.4%)
Net profit for the year	38 (16.1%)	38 (19.3%)	14 (7.7%)	31 (20.1%)	29 (23.2%)

Annual change in average remuneration to other employees (FTEs) (SEK thousand)

	20/21 vs 19/20 (% change)	19/20 vs 18/19 (% change)	18/19 vs 17/18 (% change)	17/18 vs 16/17 (% change)	16/17 vs 15/16 (% change)
Sectra AB	40 (8.2%)	51 (11.7%)	12 (2.9%)	45 (11.7%)	25 (7.0%)

Linköping, date as indicated by our electronic signature

Sectra AB
Board of Directors

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

The objects, scope and risks of the business

The objects and scope of business of the company are set out in the articles of association and the annual reports submitted. 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, 2021 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 351.2 million and SEK 430.3 million respectively at the end of the 2020/2021 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 19,262,747 through the redemption of 13,103,460 Class A shares and 179,524,010 Class B shares (taking into account the proposed division of shares) for repayment to the shareholders. The proposed amount to be paid for each redemption share is SEK 0.90 (taking into account the proposed division of shares), which equals a total redemption amount of SEK 173,364,723, which is 27.4 per cent of the company's shareholder equity and 19.4 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 19,262,747 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 2021 amounted to 54.2 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 the 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 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, August 5, 2021

Sectra AB (publ)

The Board of Directors

Jan-Olof Brüer
Chairman of the Board

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

Fredrik Robertsson
Member of the Board

Christer Nilsson
Member of the Board

Jonas Yngvesson
Member of the Board

Tomas Puusepp
Member of the Board

Anders Persson
Member of the Board

Birgitta Hagenfeldt
Member of the Board

Filip Klintenstedt
Member of the Board
Employee Representative

Bengt Hellman
Member of the Board
Employee Representative

Revisorns yttrande enligt 20 kap. 8 § andra stycket aktiebolagslagen (2005:551) om huruvida bolagsstämman bör besluta enligt förslaget om minskning av aktiekapitalet

Statement by the auditor pursuant to Chapter 20 section 8 of the Swedish Companies Act (2005:551) regarding the general meeting's decision to resolve according to the proposal to reduce the share capital

Till bolagsstämman i Sectra AB (publ), org.nr 556064-8304 ("Bolaget")

To the general meeting of Sectra AB (publ), reg.no. 556064-8304 (the "Company")

Vi har granskat styrelsens förslag om minskning av aktiekapital daterad den 5 augusti 2021.

We have reviewed the board of directors' proposal to reduce the share capital dated August 5, 2021.

Styrelsens ansvar för förslaget / *The board of directors' responsibility for the proposal*

Det är styrelsen som har ansvaret för att ta fram förslaget om minskning av aktiekapital enligt aktiebolagslagen och för att det finns en sådan intern kontroll som styrelsen bedömer nödvändig för att kunna ta fram förslaget utan väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

The board of directors is responsible for the preparation and fair presentation of the proposal in accordance with the Swedish Companies Act, and for such internal control as the board of directors determine is necessary to enable the preparation of the proposal that is free from material misstatement, whether due to improprieties or mistakes.

Revisorns ansvar / *The auditor's responsibility*

Vår uppgift är att uttala oss om minskning av aktiekapital på grundval av vår granskning. Vi har utfört granskningen enligt FARs rekommendation RevR 9 *Revisorns övriga yttranden enligt aktiebolagslagen och aktiebolagsförordningen*. Denna rekommendation kräver att vi planerar och utför granskningen för att uppnå rimlig säkerhet att styrelsens förslag inte innehåller väsentliga felaktigheter. Revisionsföretaget tillämpar ISQC 1 (International Standard on Quality Control) och har därmed ett allsidigt system för kvalitetskontroll vilket innefattar dokumenterade riktlinjer och rutiner avseende efterlevnad av yrkesetiska krav, standarder för yrkesutövningen och tillämpliga krav i lagar och andra författningar.

Our responsibility is to express a statement regarding the reduction of the share capital based on our review. We have conducted our review in accordance with Recommendation RevR 9 issued by Far (the Swedish professional institute for accountants and auditors) regarding the auditor's statements in accordance with the Swedish Companies Act and the Swedish Companies Ordinance. This recommendation requires that we plan and perform the review to obtain reasonable assurance about whether the report is free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Vi är oberoende i förhållande till Bolaget enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

We are independent in regard to the Company in accordance with generally accepted auditing standards in Sweden and otherwise fulfilled our ethical responsibilities under these requirements.

Granskningen innefattar att genom olika åtgärder inhämta bevis om finansiell och annan information i styrelsens förslag. Revisorn väljer vilka åtgärder som ska utföras, bland annat genom att bedöma riskerna för väsentliga felaktigheter i förslaget, vare sig dessa beror på oegentligheter eller misstag. Vid denna riskbedömning beaktar revisorn de delar av den interna kontrollen som är relevanta för hur styrelsen upprättar förslaget i syfte att utforma granskningsåtgärder som är ändamålsenliga med hänsyn till omständigheterna, men inte i syfte att göra ett uttalande om effektiviteten i den interna kontrollen. Granskningen omfattar också en utvärdering av ändamålsenligheten och rimligheten i styrelsens antaganden. Vi anser att de bevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för vårt uttalande.

The review involves performing procedures to obtain evidence about the amounts and disclosures in the proposal. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the proposal, whether due to improprieties or mistakes. In making those risk assessments, the auditor considers internal control relevant to the board of directors' preparation and fair presentation of the proposal in order to design review

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. The review has also included an assessment of the appropriateness and the reasonableness of the assessments made by the board of directors. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

Uttalande / Statement

Vi tillstyrker styrelsens förslag om minskning av aktiekapitalet för återbetalning till aktieägarna.

We recommend the general meeting to resolve to reduce the share capital for repayment in accordance board of directors' proposal.

Övriga upplysningar / Other

Detta yttrande har endast till syfte att fullgöra det krav som uppställs i 20 kap. 8 § andra stycket aktiebolagslagen och får inte användas för något annat ändamål.

This statement is provided only for the purpose of fulfilling the requirements stipulated in Chapter 20, section 8 of the Swedish Companies Act and may not be used for any other purpose.

Stockholm den 5 augusti 2021

Ernst & Young AB

Andreas Troberg

Auktoriserad revisor

Authorized Public Accountant

The Board of Directors' statement in accordance with Chapter 20, Section 13 of the 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 para. 4 of the 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 19,262,747 through the redemption of 13,103,460 Class A shares and 179,524,010 Class B shares (taking into account the proposed division of shares), for repayment to the shareholders. The proposed repayment amounts to SEK 0.90 per share (taking into account the proposed division of shares), representing a total amount of SEK 173,364,723, representing 27.4 per cent of the company's equity and 19.4 per cent of consolidated shareholders' equity of the group at the end of the financial year 2020/2021. Distributable funds in the company at the end of the financial year 2020/2021 were SEK 351,203,019. The annual report shows that the equity debt ratio of the group was 54.2 per cent as at April 30, 2021.

The Board of Directors' proposal entails a reduction of Sectra's share capital by SEK 19,262,747 from SEK 38,525,494 to SEK 19,262,747. 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 19,262,747 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 351,203,019 at the end of the financial year 2020/2021, decreases by SEK 173,364,723 to SEK 177,838,296. Upon completion of the bonus issue, the company's share capital will be restored to its original amount.

Linköping, August 5, 2021

Sectra AB (publ)

The Board of Directors

Jan-Olof Brüer
Chairman of the Board

Torbjörn Kronander
Member of the Board
CEO and President Sectra AB

Fredrik Robertsson
Member of the Board

Christer Nilsson
Member of the Board

Jonas Yngvesson
Member of the Board

Tomas Puusepp
Member of the Board

Anders Persson
Member of the Board

Birgitta Hagenfeldt
Member of the Board

Filip Klintenstedt
Member of the Board
Employee Representative

Bengt Hellman
Member of the Board
Employee Representative

Revisorsyttrande enligt 20 kap. 14 § aktiebolagslagen (2005:551) över styrelsens redogörelse med uppgifter om särskilda inlösen villkor m.m.

Statement by the auditors in accordance with Chapter 20 section 14 of the Swedish Companies Act (2005:551) regarding the board of directors' report regarding special redemption terms and conditions etc.

Till bolagsstämman i Sectra AB (publ), org.nr 556064-8304 ("Bolaget")
To the general meeting of Sectra AB (publ), reg.no. 556064-8304 (the "Company")

Vi har granskat styrelsens redogörelse med uppgifter om särskilda inlösen villkor daterad den 5 augusti 2021.
We have reviewed the board of directors' report regarding special redemption terms dated August 5, 2021.

Styrelsens ansvar för redogörelsen / The board of directors' responsibility for the report

Det är styrelsen som har ansvaret för att ta fram redogörelsen enligt aktiebolagslagen och för att det finns en sådan intern kontroll som styrelsen bedömer nödvändig för att kunna ta fram redogörelsen utan väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

The board of directors is responsible for the report in accordance with the Swedish Companies Act and also for the existence of such internal control that the board of directors deems necessary in order to prepare the report without material misstatement, whether the material misstatements are due to improprieties or mistakes.

Revisorns ansvar / Responsibility of the auditor

Vår uppgift är att uttala oss om redogörelsen på grundval av vår granskning. Vi har utfört granskningen enligt FARs rekommendation RevR 9 *Revisorns övriga yttranden enligt aktiebolagslagen och aktiebolagsförordningen*. Denna rekommendation kräver att vi följer yrkesetiska krav samt planerar och utför granskningen för att uppnå rimlig säkerhet att styrelsens redogörelse inte innehåller väsentliga felaktigheter. Revisionsföretaget tillämpar ISQC 1 (International Standard on Quality Control) och har därmed ett allsidigt system för kvalitetskontroll vilket innefattar dokumenterade riktlinjer och rutiner avseende efterlevnad av yrkesetiska krav, standarder för yrkesutövningen och tillämpliga krav i lagar och andra författningar.

Our task is to provide opinion based on our review. We have performed the review in accordance with FAR's recommendation RevR 9 "Auditor's other statements according to the Companies Act and the Companies Regulation". This recommendation requires that we comply with professional ethics requirements and that we plan and perform the review in such a way as to ensure, with a limited degree of certainty, that the report does not contain any material inaccuracies. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Vi är oberoende i förhållande till Bolaget enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

We are independent in regard to the Company in accordance with generally accepted auditing standards in Sweden and otherwise fulfilled our ethical responsibilities under these requirements.

Granskningen innefattar att genom olika åtgärder inhämta bevis om finansiell och annan information i styrelsens redogörelse. Revisorn väljer vilka åtgärder som ska utföras, bland annat genom att bedöma riskerna för väsentliga felaktigheter i redogörelsen, vare sig dessa beror på oegentligheter eller misstag. Vid denna riskbedömning beaktar revisorn de delar av den interna kontrollen som är relevanta för hur styrelsen upprättar redogörelsen i syfte att utforma granskningsåtgärder som är ändamålsenliga med hänsyn till omständigheterna, men inte i syfte att göra ett uttalande om effektiviteten i den interna kontrollen. Granskningen omfattar också en utvärdering av ändamålsenligheten och rimligheten i styrelsens antaganden. Vi anser att de bevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för vårt uttalande.

The English text is an in-house translation. In the event of any differences between this translation and the original Swedish version, the latter shall prevail.

The review comprises, through various measures, collecting evidence of financial and other information in the report. The auditor selects which measures will be performed, by means of, among other things, assessing the risks of there being material inaccuracies in the report due to either improprieties or mistakes. In the risk assessment the auditor takes into account the parts of the internal control that are relevant for how the board of directors prepare the report in order to formulate the audit procedures that are appropriate according to the circumstances, but not for the purpose of expressing a statement on the effectiveness of the internal control. The review has also included an assessment of the appropriateness and the reasonableness of the assessments made by the board of directors. We believe that the evidence that we have obtained is a sufficient and appropriate basis for our opinion.

Uttalande / Opinion

Styrelsen har i sin redogörelse redogjort för de åtgärder som föreslagits för att Bolagets bundna egna kapital och Bolagets aktiekapital inte skall minska. I samband med förslag till beslut om minskning av aktiekapitalet föreslår styrelsen att bolagsstämman även fattar beslut om fondemission medförande en ökning av aktiekapitalet om 19 262 747 kronor, varvid minskningen kommer vara villkorad av en ökning av aktiekapitalet minst motsvarande minskningen. Genom att samtidigt med minskningen genomföra fondemission som ökar aktiekapitalet med som lägst samma belopp som det högsta möjliga minskningsbeloppet, får Bolaget verkställa minskningsbeslutet utan tillstånd från Bolagsverket eller allmän domstol, eftersom åtgärderna medför att varken Bolagets bundna egna kapital eller dess aktiekapital minskar.

The board of directors have in their report proposed resolutions which ensures that neither the Company's restricted equity nor share capital will decrease. In connection with the proposed decision on a reduction of the share capital, the board of directors also proposes that the general meeting resolves on a bonus issue resulting in an increase of the share capital of at least SEK 19 262 747, that will be conditional upon the resolution to increase the share capital of an amount no less than the reduction amount. By simultaneously resolving on a bonus issue that increases the share capital by no less than the highest possible reduction amount, the Company may execute the resolution to reduce the share capital without permission from the Swedish Companies Registration Office or the general court, since the proposed resolution reduces neither the Company's restricted equity nor its share capital.

Övriga upplysningar / Other information

Detta yttrande har endast till syfte att fullgöra det krav som uppställs i 20 kap. 14 § aktiebolagslagen och får inte användas för något annat ändamål.

The sole purpose of this statement is to satisfy the requirement imposed by Chapter 20, section 14, of the Companies Act and the statement may not be used for any other purpose.

Stockholm den 5 augusti 2021

Ernst & Young AB

Andreas Troberg
Auktoriserad revisor
Authorized Public Accountant

The English text is an in-house translation. In the event of any differences between this translation and the original Swedish version, the latter shall prevail.

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

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

The Board of Directors' reasons for the proposed authorizations 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, 2021 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 351.2 million and SEK 430.3 million respectively at the end of the 2020/2021 financial year.

The annual report states that the debt/equity ratio is 54.2 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, August 5, 2021

Sectra AB (publ)

The Board of Directors

Jan-Olof Brüer
Chairman of the Board

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

Fredrik Robertsson
Member of the Board

Christer Nilsson
Member of the Board

Jonas Yngvesson
Member of the Board

Tomas Puusepp
Member of the Board

Anders Persson
Member of the Board

Birgitta Hagenfeldt
Member of the Board

Filip Klintenstedt
Member of the Board
Employee Representative

Bengt Hellman
Member of the Board,
Employee Representative

Revisorns yttrande enligt 19 kap. 28 § m.h.t. 19 kap. 24 § aktiebolagslagen (2005:551) över styrelsens redogörelse och förslag inför bolagsstämman beslut om bemyndigande om förvärv av egna aktier
Auditor's statement pursuant to chapter 19, section 28 with reference to chapter 19, section 24 of the Swedish Companies Act (2005:551) concerning the board of directors' report and proposal to resolve on authorisation from the annual general meeting for redemption of own shares

Till bolagsstämman i Sectra AB (publ), org.nr 556064-8304 ("Bolaget")
To the general meeting of Sectra AB (publ), reg.no. 556064-8304 (the "Company")

Vi har granskat styrelsens redogörelse och förslag daterade 5 augusti 2021.
We have reviewed the board of directors' report and proposal dated August 5, 2021

Styrelsens ansvar för redogörelsen och förslaget / *The board of directors' responsibility for the report and proposal*

Det är styrelsen som har ansvaret för att ta fram redogörelsen och förslaget enligt aktiebolagslagen och för att det finns en sådan intern kontroll som styrelsen bedömer nödvändig för att kunna ta fram redogörelsen och förslaget utan väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

The board of directors is responsible for the preparation and fair presentation of the report and proposal in accordance with the Swedish Companies Act, and for such internal control as the board of directors determine is necessary to enable the preparation of the report and proposal that is free from material misstatement, whether due to improprieties or mistakes.

Revisorns ansvar / *The auditor's responsibility*

Vår uppgift är att uttala oss om förvärv av egna aktier på grundval av vår granskning. Vi har utfört granskningen enligt FARs rekommendation RevR 9 *Revisorns övriga yttranden enligt aktiebolagslagen och aktiebolagsförordningen*. Denna rekommendation kräver att vi planerar och utför granskningen för att uppnå rimlig säkerhet att styrelsens redogörelse inte innehåller väsentliga felaktigheter. Revisionsföretaget tillämpar ISQC 1 (International Standard on Quality Control) och har därmed ett allsidigt system för kvalitetskontroll vilket innefattar dokumenterade riktlinjer och rutiner avseende efterlevnad av yrkesetiska krav, standarder för yrkesutövningen och tillämpliga krav i lagar och andra författningar.

Our responsibility is to express a statement on the redemption of own shares based on our review. We have conducted our review in accordance with Recommendation RevR 9 issued by Far (the Swedish professional institute for accountants and auditors) regarding the auditor's statements in accordance with the Swedish Companies Act and the Swedish Companies Ordinance. This recommendation requires that we comply with ethical requirements and plan and perform the review to obtain limited assurance about whether the report is free from material misstatement. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Vi är oberoende i förhållande till Bolaget enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

We are independent in relation to the Company according to generally accepted auditing standards in Sweden and have fulfilled the ethical responsibility according to these requirements.

Granskningen innefattar att genom olika åtgärder inhämta bevis om finansiell och annan information i styrelsens redogörelse och förslag. Revisorn väljer vilka åtgärder som ska utföras, bland annat genom att bedöma riskerna för väsentliga felaktigheter i redogörelsen och förslaget, vare sig dessa beror på oegentligheter eller misstag. Vid denna riskbedömning beaktar revisorn de delar av den interna kontrollen som är relevanta för hur styrelsen upprättar redogörelsen och förslaget i syfte att utforma granskningsåtgärder som är ändamålsenliga med hänsyn till omständigheterna, men inte i syfte att göra ett uttalande om effektiviteten i den interna kontrollen. Granskningen omfattar också en utvärdering av ändamålsenligheten och rimligheten i styrelsens antaganden. Vi anser att de bevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för vårt uttalande.

The review involves performing procedures to obtain evidence about the amounts and disclosures in the report and proposal. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the report or the proposal, whether due to improprieties or mistakes. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the report and proposal in order to design review 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. The review has been limited to a general review of the board of directors' report and proposal including supporting information to the report and discussions with management. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

Uttalande / Statement

Vi anser att redogörelsen är rättvisande och vi tillstyrker att bolagsstämman beslutar i enlighet med styrelsens förslag.
We believe the report to be fair and approve the annual general meetings' decision to resolve according to the board of directors' proposal.

Övriga upplysningar / Other information

Detta yttrande har endast till syfte att fullgöra det krav som uppställs i 19 kap. 28 § m.h.t. 19 kap. 24 § aktiebolagslagen och får inte användas för något annat ändamål.

This statement is provided only for the purpose of fulfilling the requirements set forth in chapter 19, section 28 with reference to chapter 19, section 24 of the Swedish Companies Act and may not be used for any other purpose.

Stockholm den 5 augusti 2021

Ernst & Young AB

Andreas Troberg
Auktoriserad revisor
Authorized Public Accountant